



VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

✉ P.O BOX 6 DELMAS 2210

☎ 013 665 6008

☎ 013 665 2913

Email: thokom@victorkhanyelm.gov.za

Website: www.victorkhanyelm.gov.za

BUDGET & TREASURY OFFICE

QUALITY CERTIFICATE

I, **T.P MAHLANGU**, Acting Municipal Manager of Victor Khanye Local Municipality, hereby certify that the Budget Statement for January 2025/26 has been prepared in accordance with the Municipal Finance Management Act and regulation made under that Act.

INITIALS AND SURNAME *TP Mahlangu*

MUNICIPAL MANAGER OF VICTOR KHANYE LOCAL MUNICIPALITY MP311

SIGNATURE..... *Mahlangu*

DATE..... *2025/02/10*



VICTOR KHANYE

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✉ 6 DELMAS 2210

☎ 013 665 6005

☎ 013 665 2913

Email: info@victorkhanyelm.gov.za

Website: www.victorkhanyelm.gov.za

BUDGET AND TREASURY

Enquires: S Maphanga

Ref: 8/2/1/2

TO : MUNICIPAL MANAGER
T.M MASHABELA

FROM : CHIEF FINANCIAL OFFICER
T.P MAHLANGU

DATE : 09 FEBRUARY 2026

RE : SECTION 71 REPORT

PURPOSE

To provide the Executive Mayor/Council with the budget and financial performance report for 31 January 2025_26.

BACKGROUND

In terms of section 71(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, 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 provincial treasuries a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month. The format was amended in line with the Municipal Budget and Reporting Regulation and approved in terms of Section 168 of the Municipal Finance Management Act per Government Gazette No. 32141 dated 17 April 2009 for implementation with effect from 1 April 2009 as follows:

- a) Actual revenue, per revenue source;
- b) Actual borrowings;
- c) Actual operating expenditure, per vote;
- d) Actual capital expenditure, per vote;
- e) The amount of any allocation received;
- f) Actual expenditure on those allocations, excluding expenditure on – Its share of the local government equitable share; and
 - ii. Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph and;

- g) When necessary, an explanation of –
- iii. Any material variance from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - iv. Any material variance from the service delivery and budget implementation plan; and
 - v. Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remains within the municipality's approved budget

The format was amended in line with the Municipal Budget and reporting regulations and approved in terms of section 168 of the MFMA, per government gazette no 32141 dated 17 JANUARY2009 for implementation with effect from 1 JANUARY2009 as follows:

Table C1 s71 actual monthly Budget Statement Summary;

Table C2 actual monthly Budget Statement- Financial Performance (standard classification);

Table C3 actual monthly Budget Statement – Financial Performance (per vote);

Table C4 actual monthly Budget Statement – Financial Performance (revenue and expenditure);

Table C5 actual monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding);

Table C6 actual monthly budget statement – financial position.

Table C7 actual monthly statement - Cash flow.

DISCUSSION

To ensure legally sound financial management on the activities performed by the municipality and financial viability, also to provide monthly report on the implementation of the Annual Budget and the actual monthly expenditure and revenue on standard classification of votes.

1. EXECUTIVE SUMMARY

- **Table C1: Monthly Budget Statement Summary January 2025_26**

Description	Budget	Jan Actual	YTD Actual	YTD Budget
Revenue	- 948 495 000	- 137 667 000	- 959 130 000	- 553 289 000
Expenditure	994 017 000	111 802 000	537 435 000	579 843 000
Surplus/Deficit	45 522 000	- 25 865 000	- 421 695 000	
Capital expenditure	29 618 000	1 547 000	10 345 000	27 185 000
Debtors		1 883 959 447		
Creditors		1 732 988 815		
Average payment rate	85%	23%		

The actual revenue billed for January amounted to **R137 million**. When comparing the year-to-date actual of **R959 million** with the year-to-date budget of **R553 million**, there is a variance of **R405 million (73%)**.

The expenditure amounted to **R111 million** with a year-to-date actual of **R537 million**. In comparison with the year-to-date budget of **R579.8 million**, there is a negative variance of **R42 million (-7%)**.

The net operating surplus for January amounts to **R25 million** and the year-to-date surplus amounts to **R421 million**.

No grant allocations received in January. Capital expenditure incurred for MIG in amounted to **R 2.5 million**.

Total year-to-date on debtors was **R1.8 billion** and on Creditors **R1.7 billion** in which the highest is an amount of **R1.2 billion** owed to Eskom and **R510 million** owed to Rand Water.

Kusile Power Station's valuation remains the same pending the valuer's report.

REVENUE VARIANCES

	Original budget	Monthly Actual	YTD Actual	YTD Budget	Variance	Variance %
R thousands						
Revenue By Source						
Exchange revenue						
Service charges - electricity revenue	246 628 000	18 353 000	125 528 000	143 867 000	- 18 339 000	-13%
Service charges - water revenue	78 691 000	6 331 000	44 316 000	45 903 000	- 1 587 000	-3%
Service charges - sanitation revenue	14 392 000	1 152 000	7 748 000	8 395 000	- 647 000	-8%
Service charges - refuse revenue	15 318 000	1 362 000	9 387 000	8 935 000	452 000	5%
Sale of Goods and rendering of services	7 231 000	410 000	1 490 000	4 218 000	- 2 728 000	-65%
Interest earned - outstanding debtors	165 255 000	-	221 000	96 399 000	- 96 178 000	-100%
Rental of facilities and equipment	1 641 000	166 000	1 283 000	957 000	326 000	34%
Operational revenue	806 000	23 000	556 000	470 000	86 000	18%
Interest from non_current Assets	-	-	-	-	-	
Non-exchange revenue						
Property rates	128 920 000	95 493 000	661 073 000	75 203 000	585 870 000	779%
Fines, penalties and forfeits	2 235 000	-	750 000	1 304 000	- 554 000	-42%
Surcharges and Taxes	73 281 000	5 511 000	39 149 000	42 747 000	- 3 598 000	-8%
interest	53 090 000	8 864 000	59 468 000	30 969 000	28 499 000	92%
other Gains	-	-	-	-		
Transfers and Subsidies - Operational	161 007 000	1 000	8 162 000	93 921 000	- 85 759 000	-91%
Total revenue (excluding capital transfers)	948 495 000	137 666 000	959 131 000	553 288 000	405 843 000	73%

EXCHANGE AND NON-EXCHANGE REVENUE

Service Charges – Electricity

The billing for January amounted to **R18 million** and a year to date of **R125 million**, which shows a negative variance when in comparison with the year to date budget **R143.8 million (-13%)**.

Service Charges – Water

The billing for January amounted to **R6 million**. When the year-to-date actual **R44 million** is compared with the year to date budget **R45 million**, there is a slight variance of **(-3%)**.

Service Charge – Sanitation

The billed revenue for January amounted to **R1 million**, the year to date was **R7.7 million** and compared with the year to date budget of **R8.3 million**, the variance is **(-8%)**. This is the low performing service charge; however, it remains within the acceptable norm.

Service Charge – Refuse removal

The billed revenue amounted to **R1.3 million**, the year to date was **R9 million** and compared to the year to date budget of **R8 million**, there is a positive variance of **5%**.

Rental of facilities and equipment

Billing for rental of facilities amounted to **R166 thousand**, Year to date actual is higher than year to date budget due to change in tariffs.

Operational Costs

Billing for operational costs amounted to **R23 thousands**, with the year to date of **R556 million** and the year to date budget of **R470 million**, there is a positive variance of **18%**. Operational revenue comprise of grave fees, connection/disconnection of water and electricity fees, building plans.

Property Rates

Billing for property rates for January amounted to **R95 million** and the year to date amounted to **R661 million** as compared to the year to date budget of **R75 million**, there is huge negative variance of **(779%)**.

Surcharges and Taxes – Other revenue collected amounted to **R5.5 million (-8%)**. Surcharges are additional fees, charges, or taxes that are added to the base price of a good or service. Comprise of items such as flat rate, trading licenses, waste disposal from private clients, printing of consumers statement, printing of clearance/valuation certificates, fire and rescue services etc.

Transfers and subsidies

Capital and in-kind (-100%) are only acknowledged at the end of the financial year when they are recognised as revenue.

Interest

Billing for interest on consumers debtors amounted to **R8.8 million** for both the exchange and non-exchange revenue respectively.

Actual receipts to-date in 2025_26 financial year amounted to **R959 million** included in the actual revenue are the grant monies received for equitable share, municipal infrastructure grant, Financial Management Grant, Extended Public Works Programme.

EXPENDITURE

Monthly Budget Statement - Financial Performance (Expenditure) – January 2025_26.

	Original Budget	Monthly Actual	YTD Actual	YTD budget	Variance	Variance %
R thousands						
Expenditure By Type						
Employee related costs	211 691 000	18 268 000	125 409 000	123 487 000	1 922 000	2%
Remuneration of councillors	12 146 000	810 000	5 734 000	7 085 000	- 1 351 000	-19%
Bulk purchases - Electricity	228 174 000	35 061 000	151 486 000	133 101 000	18 385 000	14%
Inventory consumed and Bulk pu	124 623 000	8 923 000	60 456 000	72 697 000	- 12 241 000	-17%
Debt impairment	89 408 000	-	-	52 155 000	- 52 155 000	-100%
Depreciation and asset impairme	53 279 000	13 843 000	28 409 000	31 079 000	- 2 670 000	-9%
Finance charges	50 000 000	20 476 000	68 102 000	29 167 000	38 935 000	133%
Contracted services	128 878 000	9 706 000	60 617 000	75 179 000	- 14 562 000	-19%
Transfers and subsidies	-	-	-	-	-	0%
Irrecoverable debts written off	31 594 000	-	2 795 000	18 430 000	- 15 635 000	-85%
Operational Costs	64 224 000	4 715 000	34 427 000	37 464 000	- 3 037 000	-8%
Losses on Disposal of Asset		-	-	-	-	0%
Other Losses	-	-	-	-	-	0%
Total Expenditure	994 017 000	111 802 000	537 435 000	579 844 000	- 42 409 000	-7%

Employee related cost – For January 2025_26 total salaries, allowances and benefits including remuneration of councillors amounted to **R19 million**.

Bulk Purchases - Electricity – Eskom invoices for both December and January amounted to **R35 million**. A payment of **R 2 million** was made for both main and sub-account. The municipality remains non-compliant regarding circular 124 of the Eskom debt relief.

Inventory consumed – The inventory consumed includes both the consumables together with bulk water and amounted to **R8.9 million**. A payment of **R4.5 million** was made to Rand Water.

Finance charges – Interest is charged on the bulk purchases and amounted to **R20 million**.

Contracted services – Expenditure on contracted services amounted to **R9.7 million** in January. Contracted services consist of legal fees, general maintenance of infrastructure, insurance, financial and non-financial systems, telephones, etc.

Operational costs – For January, general expenditure also amounted to **R4.7 million**. General expenses are, but not limited to PPE, audit fees, skills development, operating lease, material and supplies, etc.

Repairs and Maintenance

Description R thousands	Original Budget	Monthly Actual	Year to Date Actual	Year to date Budget	Variance	Variance %
Infrastructure	17 778 000	6 388 000	21 234 000	10 371 000	10 863 000	325%
Roads Infrastructure	4 000 000	-	732 000	2 333 000	1 601 000	-69%
Capital Spares	4 000 000	-	732 000	2 333 000	1 601 000	-69%
Electrical Infrastructure	6 000 000	5 523 000	17 854 000	3 500 000	14 354 000	410%
Capital Spares	6 000 000	5 523 000	17 854 000	3 500 000	14 354 000	410%
Water Supply Infrastructure	2 000 000	145 000	428 000	1 167 000	739 000	-63%
Capital Spares	2 000 000	145 000	428 000	1 167 000	739 000	63%
Sanitation Infrastructure	2 000 000	693 000	1 709 000	1 167 000	542 000	46%
Capital Spares	2 000 000	693 000	1 709 000	1 167 000	542 000	46%
Solid Waste Infrastructure	3 778 000	27 000	511 000	2 204 000	1 693 000	63%
Capital Spares	3 778 000	27 000	511 000	2 204 000	1 693 000	77%
Information and communication infrastructure	10 950 000	880 000	1 940 000	6 388 000	4 448 000	-70%
Data centres	10 950 000	880 000	1 940 000	6 388 000	4 448 000	-70%
Capital Spares	10 950 000	880 000	1 940 000	6 388 000	4 448 000	-70%
Total Repairs and Maintenance Expenditure	28 728 000	7 268 000	23 174 000	16 759 000	6 415 000	38%

Repairs and maintenance analysis Supporting table SC13c measures the extent to which Council's assets are maintained per asset class. Expenditure incurred for January amounts to R7 million.

NORMS AND RATIOS

Current ratio (0:54)

The ratio shows that the municipality is having financial challenges and insufficient cash to pay off its short-term liabilities using its short-term assets.

Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		0.54
				Current Assets	1 197 917 000
				Current Liabilities	2 232 993 000

Collection Rate (23%)

A low collection rate signal problems with billing, credit policies, or customer payment habits, potentially impacting revenue.

Collection Rate	(Gross Debtors Closing Balance + Bailed revenue - Gross Debtors Opening Balance - Bad debts written off) Billed revenue x100	Statement of Financial Position, Statement of financial performance, Notes to the AFS, Budget in-year reports, IDP and AR	95%		23%
				Gross Debtors closing balance	1 776 903 432
				Gross Debtors opening balance	1 883 959 447
				Bad debts written Off	-
				Billed Revenue	136 166 433

Cash/Cost coverage ratio (0 Month)

The ratio shows the municipality will be vulnerable and at a higher risk in the event of financial “shocks/set-backs” and its ability to meet its obligations to provide basic services or its financial commitment is compromised.

Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		0 Month
				Cash and cash equivalents	9 431 001
				Unspent Conditional Grants	-
				Overdraft	-
				Short Term Investments	-
Total Annual Operational Expenditure				994 017 000	

Capital expenditure to operating expenditure (2%)

The ratio shows that the low spending by the municipality in infrastructure holds potential risks to service delivery and that the existing infrastructure may deteriorate, requiring more costly repairs and maintenance in the future.

Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		2%
				Total Operating Expenditure	111 802 000
				Taxation Expense	-
Total Capital Expenditure				2 516 000	

Contracted services (9%)

This ratio is alarming, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure ×100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		9%
				Contracted Services	9 706 000
				Total Operating Expenditure	111 802 000
Taxation Expense				-	

Creditor's payment period (363 Days)

The number of days it takes the municipality to pay its suppliers after receiving goods or services a period of longer than 30 days to settle creditors is normally an indication that the Municipality might be experiencing cash flow problems.

Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		363 days
				Trade Creditors	111 802 000
				Contracted Services	2 437 000
				Repairs and Maintenance	7 269 000
				General expenses	67 035 000
				Bulk Purchases	35 601 000
Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)					

4. BUDGET PERFORMANCE OVERVIEW

4.1 CAPITAL EXPENDITURE

Grants	Gazetted Amnt	Total Received to date	Jan Actual	YTD spending	% spent on received amt
MIG	29 618 000	24 246 000	787 269	17 288 228	71%

Total allocation for capital grants from the National Treasury for the **2025_26** financial year amounted to **and R29.6 million** for MIG as per the gazette. No allocation made in January for MIG. However, the expenditure incurred amounted to **R2.5 million, R787 thousand** from MIG and the rest from the internally generated funds.

4.2 CASH FLOW STATEMENT

Net Cash from operating activities

The net cash from operating activities for January amounted to an unfavourable **R962 thousand** which is supported by grants received from operational and capital project. As part of the budget-funding plan the municipality is busy with the data cleansing, review of tariffs to be cost reflecting and meter audit to ensure that municipality is not grant depended.

Net Cash from investing activities

The net cash from investing activities for January amounted to **R2.5 million** of capital projects.

Net Increase/ Decrease in cash held

The municipality recorded a decrease in net cash held of **R3.5 million** as at 31 January 2025.

Description	
	Jan 2025_26 Actual
R thousands	
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts	
Property rates, penalties & collection charges	9 345
Service charges	18 871
Other revenue	13 655
Government - operating	–
Government - capital	–
Interest	290
Dividends	–
Total receipts	42 161
Payments	
Suppliers and employees	(22 649)
Finance charges	(20 476)
Transfers and Grants	–
Total payments	(43 125)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(964)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Received from arrangements	–
Disposal of assets	–
(Increase) / Decrease in non-current investments	–
Payments	(2 516)
Capital assets	(2 516)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2 516)
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts	
Increase in consumer deposits	3
Borrowing long term/refinancing	–
Payments	
Repayment of borrowing	–
Finance lease payments	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	3
NET INCREASE/ (DECREASE) IN CASH HELD	(3 546)
Cash/cash equivalents at beginning of the month:	12 977
Cash/cash equivalents at month end:	9 431

5. IN-YEAR BUDGET STATEMENT TABLES

Table C2: **Monthly Financial Performance by Vote** realized by vote for revenue and expenditure. The deviations by vote are reflected in the year-to-date (YTD) variance column.

The difference in revenue variations between Table C2 and Table C1 is the result of capital grants received, which are included in Table C2.

Table C3: **Monthly Financial Performance (Revenue and Expenditure by Vote):**

Table C3 measures the actual year to date against the year to date SDBIP figures, which have been realised by vote for the revenue and expenditure. The deviations by vote are reflected in the year-to-date (YTD) variance column. Total revenue by vote for January resulted in a favourable balance of **R137 million** and total expenditure amounted to **R110 million**.

Table C4: **Monthly Financial Performance by Revenue Source and Expenditure Type**

Table C4 provides details of the service delivery targets for revenue by source and expenditure by type. For revenue, the main deviations are service charges: water, rental of facilities, interest on investments and outstanding debtors, fines, licenses and permits and agency services and other revenue. In the case of expenditure finance charges, contracted services, bulk purchases, other materials, transfer & subsidies and other expenditure. The total deficit in revenue is **73%** and deviation of **-7%** for expenditure for the month compared to the budget.

Table C5: **Monthly Capital Expenditure by Vote**

Table C5 indicates the monthly actuals on capital expenditure for all votes and measures the year-to-date actuals against the year to date planning (SDBIP) figures. For January, the expenditure amounted to **R2.5 million**.

All municipal departments have been sensitise on the urgency of spending on capital projects that are grant funded and the spending have been linked to the performance of each Executive Directorate.

Table C6: **Monthly Budget Statement Financial Position**

The table provides an overview of the financial position of the municipality's assets and liabilities. As at 31 January 2025_26, the community wealth amounts to an unfavourable **R49 million**, Total liabilities amounts to **R2.2 billion**, whilst total assets amount to **R2.2 billion** which resulted in an unfavourable net-assets of **R49 million**, all figures are accumulative.

Table C7: **Monthly Budget Statement Cash Flow**

Table C7 provides detail of the actual year to date in-flow and out-flow. For October, the net cash from operating activities is an unfavourable **R23.7 million**, the Net cash from investing activities amounted to an unfavourable **R2.8 million**. The net cash from financing activities amounts to **R0**. The Bank balance at the end of the month amounted to **R9 million**.

BANK NAME	TYPE OF ACCOUNT	BALANCE
STD BANK	MAIN ACCOUNT	1 861 729
STD BANK	CALL ACCOUNT ELEC	6 448 800
STD BANK	CALL ACCOUNT	141 787
STD BANK	TRAFFIC	19 592
STD BANK	MONEY MARKET	224 046
ABSA BANK	CALL ACCOUNT	735 047
BALANCE		9 431 001

SUPPORTING DOCUMENTATION

3.1 PERFORMANCE INDICATORS:

- Supporting table SC2 provides detail on performance indicators in particular to revenue management.
- The measurement of the payment rate is based on the circular 71 methods as prescribed by National Treasury. The formula is based on the gross debtor opening balance and billed revenue less gross debtor closing balance less bad debts written off divide by billed revenue. The payment rate remained at **23%** due to corrections made to the advance payment segment.

3.2 DEBTORS/RECEIVABLES ANALYSIS:

- 3.3.1 Supporting table SC3 provides details on consumer debtors. Currently outstanding debtors amounts to **R1.8 billion** including interest on arrears. Outstanding debtors over 90days amounts to **R1.5 billion**. The table below reflects the debtor's age analysis by customer group.

CUSTOMER GROUP	JANUARY
Organs of state	11 704 691.32
Commercial	88 288 991.35
Households	999 216 149.74
Mines	22 817 963.00
Farms	674 423 448.69
Indigents	53 179 317.88
Top 200	29 466 350.89
Municipal prop	51 968.82
Other	4 810 565.64
	1 883 959 447.33

3.3 CREDITORS ANALYSIS:

Supporting table SC4 provides details on aged creditors. In terms of the Municipal Finance Management Act, all creditors must be paid within 30 days of receiving the invoice or statement.

For the month ended in January 2025_26, creditors amounted to **R 1.8 billion** and the bulk of the creditors relates to Eskom account with an amount **R1.2 billion** and Rand Water with an amount of **R505 million**.

3.4 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS ANALYSIS:

The table SC8 provides details for councillor and employee benefits. For January 2025_26, total salaries, allowances and benefits amounted to **R 19 million**.

3.5 CAPITAL EXPENDITURE TREND

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table, capital expenditure incurred for January 2025 amounted to **R2.5 million**.

Attached as Annexure are the following:

- The actual monthly Budget Statement Annexure "A"
- An analysis of top 20 creditors for the month Annexure "B"
- Actual year to date of consumer debtors – Age analysis Annexure "C"
- Non-compliance letter from Provincial Treasury and self-assessment for January 2025 is attached as Annexure "D"
- MFMA Circular 124 – completeness of revenue for January 2025 is attached Annexure "E"

6. DEBTORS

Debtors' Age Analysis for the month ended 31 January 2025_26, outstanding debtors comprise of consumer and sundry debtors. The total outstanding debtors amounts to **R1.8 billion** the consumer debtors amount to **R1.7 billion** and sundry debtors amount to **R145 million**. Creditors to the amount **R1.7 billion** were not paid during the month.

Description	NT Code	Budget Year 2025/26							Total	Over 1Yr	181 Dys-1 Yr	151-180 Dys	121-150 Dys	91-120 Days	61-90 Days	31-60 Days	0-30 Days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr											
R thousands																			
Debtors Age Analysis By Income Source																			
Trade and Other Receivables from Exchange Transactions - Water	1200	6 093	3 054	3 484	272 925	-	-	-	-	-	-	-	-	-	285 556	276 409	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 182	1 579	545	25 022	-	-	-	-	-	-	-	-	-	42 328	25 566	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	94 598	89 176	88 175	498 020	-	-	-	-	-	-	-	-	-	769 970	586 196	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	1 089	545	474	24 077	-	-	-	-	-	-	-	-	-	26 186	24 552	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 246	689	539	28 570	-	-	-	-	-	-	-	-	-	31 043	29 108	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	5 661	5 248	5 279	267 668	-	-	-	-	-	-	-	-	-	283 856	272 947	-	-	
Interest on Arrear Debtor Accounts	1810	9 414	9 200	8 990	271 425	-	-	-	-	-	-	-	-	-	299 028	280 414	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	3 932	509	468	141 084	-	-	-	-	-	-	-	-	-	145 993	141 552	-	-	
Total By Income Source	2000	137 216	110 000	107 954	1 528 791	-	-	-	-	-	-	-	-	-	1 883 959	1 636 744	-	-	
2019/20 - totals only																			
Debtors Age Analysis By Customer Group																			
Organs of State	2200	1 431	283	49	9 941	-	-	-	-	-	-	-	-	-	11 705	9 991	-	-	
Commercial	2300	5 622	3 042	2 243	77 382	-	-	-	-	-	-	-	-	-	88 289	79 625	-	-	
Households	2400	22 121	18 085	18 291	940 719	-	-	-	-	-	-	-	-	-	999 216	959 010	-	-	
Other	2500	108 041	88 590	87 370	500 748	-	-	-	-	-	-	-	-	-	784 750	588 119	-	-	
Total By Customer Group	2600	137 216	110 000	107 954	1 528 791	-	-	-	-	-	-	-	-	-	1 883 959	1 636 744	-	-	

7. CREDITORS AGE ANALYSIS

MP311 Victor Khanye - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07_2025-26

Description	NT Code	Budget Year 2025/26										Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	25 342	-	26 643	23 287	1 136 148	-	-	-	-	-	1 211 420
Bulk Water	0200	8 986	8 978	8 362	9 927	474 131	-	-	-	-	-	510 385
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	5 555	-	-	-	-	-	-	-	-	-	5 555
Auditor General	0800	409	3 270	891	-	-	-	-	-	-	-	4 570
Financial Systems	0900	-	294	477	287	-	-	-	-	-	-	1 059
Total By Customer Type	1000	40 292	12 542	36 374	33 502	1 610 279	-	-	-	-	-	1 732 989

8. Allocation and grant receipts and expenditure

Grants	Gazetted Amnt	Total Received to date	Dec Actual	YTD Actual	% spent on received amount
FMG	1 900 000	1 900 000	36 132	995 191	52%
EPWP	1 976 000	988 000	10 741	988 000	100%
MIG	29 618 000	24 246 000	787 269	17 288 228	71%

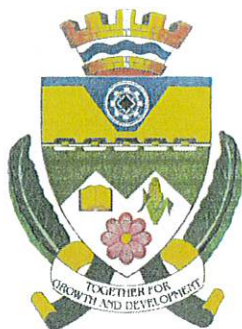
- An amount of R496 thousand funded the EPWP through the internally generated funds.

9. Councillors and employee benefits

Number of months----->	7		Jan Actual	YTD Actual	% Actual	Reason for Variance
	Pro-rata Budget	Actual				
Councillors:						
Allowances	7 085 167	810 000	810 000	5 734 000	80.9%	None
Employees:						
Basic salary	68 257 000	13 325 000	13 325 000	91 611 000	134.2%	Variance is due to new appointments
Travelling allowance	8 058 750	911 000	911 000	6 962 000	86.4%	None
Overtime	12 075 583	1 545 000	1 545 000	9 799 000	81.1%	None
Employee social contributions	35 100 917	2 487 000	2 487 000	17 037 000	48.5%	None
TOTAL	130 577 417	19 078 000	19 078 000	11 870 000	9.1%	

VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT



✉ 6 DELMAS 2210

☎ 013 665 6005

☎ 013 665 2913

Email: mandlam@vklm.gov.za; secmm@vklm.gov.za

Website: www.victorkhanyelm.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: ME Mnguni

Ref:12/2/1

Date: 27 Jan 2026

The Head of Department: Ms G Mashiteng
Mpumalanga Provincial Treasury
Building no4
Government Boulevard
Riverside Park
Mbombela
1200

Dear HOD

Att: MFMA Unit
Tel: 013 766 4572
Fax: 013 766 4604

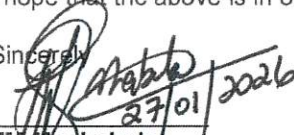
DEBT OWED TO THE MUNICIPALITY BY VARIOUS PROVINCIAL DEPARTMENTS

The above matter bears reference:

1. The Victor Khanye Local Municipality is submitting the report on the Provincial and National Government Departments that owe the municipality. This report is submitted in accordance with the provision of the Local Government Municipal Finance Management Act 56 of 2003; Sec 64(3) read together with the Provincial Treasury Circular no 55 of 2015.
2. Enclosed here to as an annexure A is a copy of the spreadsheet of the various Government Debts per Department as at the end of Dec 2025
3. We are certain that Provincial Treasury will assist in the revenue collection of the said debt within their powers.

I hope that the above is in order and I thank you in anticipation of a positive response.

Sincerely,


27/01/2026
TM Mashabela
Municipal Manager

Victor Khanye
Local Municipality

28-01-2026

Revenue Section

Name of Department	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	
Provincial Departments:																			
Office of Premier																			
Finance																			
Cooperative Governance and Traditional Affairs																			
Agriculture, Rural Development, Land and Environmental Affairs																			
Economic Development and Tourism																			
Education																			
Education: Schools																			
Public Works, Roads and Transport																			
Community Safety, Security and Liaison																			
Health (Clinics)																			
Health (Hospitals)																			
Culture, Sport and Recreation																			
Social Development																			
Human Settlements																			
Sub Total: Provincial Departments																			
National Departments:																			
National Department of Public Works																			
National Department of Rural Development and Land Reform																			
South African Social Security Agency - SASSA																			
South African Police Services - SAPS																			
Justice Department																			
Labour Department																			
Sub Total: National Departments																			
Total Debt owed by Sector Departments																			
Other Organs of State:																			
SANPARKS (Kqeer National Park)																			
Mpumalanga Economic Growth Agency - MEGA																			
Mpumalanga Tourism and Parks Agency																			
Water Board/ affairs																			
ADD																			
ADD																			
ADD																			
Sub Total: Other Organs of State																			
GRAND TOTAL (This Should balance to SECTION 71 Report Totals)																			

Compiled By CFO : Signature *M. Mollana*
 Certified as correct by Municipal Manager : Signature _____

NB: These amounts include Rates and services charges

Victor Khanye
 Local Municipality
 28-01-2026
 Revenue Section



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

Nokuthula Simelane Building, No 7 Government Boulevard, Riverside Park Extension 2, MBOMBELA 1200
Private Bag x11205, MBOMBELA 1200
013 766 4437

SigcinaMafa SesiFundza

UmNyango weeMali ZesiFundza

Provinsiale Tesourie

Enquiries MR. I.D.P. STRAUSS Ext 8682
Ref 12/1/5 311

Mr. TM Mashabela
Municipal Manager
Victor Khanye Local Municipality
PO Box 6
DELMAS
2210

Mr. Sadesh Ramjathan
Director: Revenue Management
National Treasury
Private Bag X 115
PRETORIA
000

Dear Mr. Mashabela and Mr. Ramjathan

MFMA CIRCULAR 124 - MUNICIPAL DEBT RELIEF NON-COMPLIANCE OF MP311 VICTOR KHANYE LM DURING DECEMBER 2025

1. PURPOSE

To provide feedback on Victor Khanye LM's debt relief compliance for December 2025

2. BACKGROUND

The National Treasury approved the debt relief application of Victor Khanye LM with effect 01 September 2023. December 2025 constitutes the 28th month of the municipality's debt relief compliance cycle. The Mpumalanga Provincial Treasury monitored and assessed the municipality's compliance with all the debt relief conditions during December 2025.

3. DISCUSSION

The municipality submitted the December 2025 self-assessment, signed by the Municipal Manager. The self-assessment was not uploaded on the Go-Muni with the narrative Section 71 report for December 2025. The Municipality also needs to comply with the following conditions in future:

Condition 6.1 – Municipality non-compliance

In terms of the National Treasury (NT) approval, the municipality must comply with conditions 6.1 – 6.14 of MFMA Circular 124 read together with the additional conditions specific to the municipality set-out in its National Treasury debt relief approval letter.

MFMA CIRCULAR 124 - MUNICIPAL DEBT RELIEF NON-COMPLIANCE OF MP311 VICTOR KHANYE LM DURING DECEMBER 2025

From the Provincial Treasury's assessment, the municipality achieved a 66% compliance with the MFMA Circular 124 conditions during December 2025 – refer to the performance sheet attached that shows the municipality's overall relief compliance performance across the months of its debt relief cycle. It remained the same if compared to the November 2025 average compliance of 66%. Considering the municipality's overall debt relief performance since 01 September 2023 and that the conditions carry equal weighting, the municipality do not qualify for the one third (1/3) debt write-off at the end of its first debt relief compliance cycle on 31 August 2024 unless the outstanding non-compliance issues are urgently addressed.

The National Treasury will only request Eskom to write-off a municipality's arrear debt, if the municipality demonstrates to the National Treasury's satisfaction that the municipality complied with the aforementioned conditions for a consecutive period of 12 months. During the previous months of the debt relief cycle (September 2023 – November 2025), the municipality did not fully adhere to all the conditions of MFMA Circular 124 and / or the additional conditions required in terms of the NT approval letter. The specific condition(s) to which Victor Khanye LM did not comply with during December 2025 are discussed in more detail below.

Condition 6.3 Maintain Current Bulk Account.

The municipality's Eskom account for November 2025 was R18,278,143.42 according to the Eskom Section 41 report. The Municipality only paid R12 million in December 2025. The data strings of the Municipality incorrectly show R7,096,364 payments made to Eskom in December 2025. The electricity income for December 2025 was R37,959,393.00 according to schedule SC30.

The municipality only paid their Eskom account in full twice (March 2024 and December 2024) in the 28 months that the municipality is on the debt relief programme. Only R205,7 million of the R599,8 million electricity income was paid to Eskom. The municipality's average payment percentage is 34%. The total short payments from September 2023 to December 2025 are R394,0 million.

The municipality emailed and uploaded the November 2025 Rand Water invoice. The amount to be paid by the municipality was R4,059,644,98. The municipality paid R21,3 million to Rand Water in December 2025. The water data strings for month 6 in December 2025 shows payments of R4,513,473 made in December 2025.

Condition 6.4 Compliance with a funded MTREF budget

The Municipality adopted an unfunded budget amounting to R900 million with the 2023/24 budget. It increased to R1,064 billion unfunded with the 2024/25 budget. It further increased to R1,507 billion unfunded with the 2024/25 adjustment budget. It decreased with the 2025/26 adopted budget to R1,2 billion unfunded.

The Municipality projected an operating deficit amounting to R2 million on the operating budget with the 2023/24 budget. It improved to an operating surplus of R25 million with the 2024/25 budget. It improved again with a surplus of R67,6 million with the 2024/25 adjustment budget. It changed to a deficit of R45,5 million with the 2025/26 adopted budget.

Condition 6.5 Cost Reflective Tariffs

The Municipality tabled the municipal tariffs for service charges, without testing the tariffs against the tariff tool as per the MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122 as part of the municipality's annual budget tabling process. The municipality have completed the tariff tool for 2023/24 and it was uploaded on the Go-Muni under the final budget documents. MPT did the 2025/26 tariff tool for the municipality. The municipality tabled it with the final budget for 2025/2026. MPT also provided training to all the municipalities on the use of the NT developed tariff tool.

Condition 6.6 Electricity and water as a collection tool

The municipality do issue a consolidated monthly bill to all consumer's/property owners. Provincial Treasury did verify the allocation of partial payments by obtaining the "Settlement Order" from the Munsoft system. It is in the order prescribed by MFMA circular no 124.

The municipality is in the process of installing smart meters. MPT supported the municipality with a R10,268,235 smart meter grant for the installation of smart meters. The municipality is restricting the water flow to those whose accounts are in arrears in the Eskom supplied areas.

Condition 6.7 Average quarterly collection rate

The Municipality has submitted the quarterly collection rate per ward as required during the application process. It is below the 85% as required by condition 6.7. The municipality have submitted and uploaded the quarterly collection rates per ward for the third quarter of 2024/25. The quarterly collection rate at 19% is also well below the circular 124 requirement of 85%. The collection rate for December 2025 was 20%. This is mainly due to an inflated property rates of R84 million per month charged to Eskom for the power station.

The municipality developed a smart pre-paid meter policy and it was adopted in Council.

Condition 6.8 Completeness of revenue base

It should be noted that the municipality populated the National valuation roll and billing system reconciliation tool and submitted to National Treasury together with the application during August 2023. The municipality also submitted and uploaded the valuation roll reconciliation for the 4th quarter (April 2024 to June 2024). The 4th quarter valuation roll is reconciling with the financial system. The development of an action plan was therefore not necessary. The municipality have emailed the valuation roll reconciliation for the 2nd quarter of 2025/26. The valuation roll is not reconciling with the financial system and the municipality must develop an action plan for it to reconcile.

Condition 6.9 - Monitor and Report on compliance

The MFMA S71 narrative statement for December 2025 was not uploaded on the Go-Muni portal, but it was emailed to MPT. The mSCOA data strings for December 2025 was uploaded to the Go-Muni portal. The MFMA S71 Statement for December 2025 was published on the municipality's website on 14 January 2026. The MFMA S71 Statement was also assessed against the Municipal Budget-and Reporting Regulations, 2009 (MBRR) and the National Treasury MFMA S71 reporting guidance issued to debt relief municipalities on 10 May 2024 read in conjunction with paragraphs 9(i) to 9(ix) of the NT debt relief approval letter. The assessment confirmed that the MFMA S71 narrative

MFMA CIRCULAR 124 - MUNICIPAL DEBT RELIEF NON-COMPLIANCE OF MP311 VICTOR KHANYE LM DURING DECEMBER 2025

statement included the following information:

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 ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	No
3.	Annexure B of the MFMA S71 statement included the following debt relief reporting components-	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	Yes
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	No
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward.	No
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D) .	No
3.5.1	The indigent management information	No
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	No
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	No
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
3.7.2	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	No

MFMA CIRCULAR 124 - MUNICIPAL DEBT RELIEF NON-COMPLIANCE OF MP311 VICTOR KHANYE LM DURING DECEMBER 2025

3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA 571 mSCOA data strings upload.	No
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and / or Mayoral Committee meeting	No

The municipality was not implementing the budget funding plan initiatives as there are no real improvement on the billing and the collection. There are also no remedial actions undertaken to achieve compliance and the timeframes thereof outlined.

PT developed a standard BFP format for all municipalities in July 2025. The municipality used this format to populate their BFP with the support of the resident MFIP advisor and it was approved by Council in a Special Council meeting held on 13 October 2025. The municipality is now reporting on the progress with the implementation of the BFP every month as part of the debt relief compliance.

Condition 6.10 - Provincial Treasury certification of municipal compliance

All the PT's outstanding compliance assessments and reports for Victor Khanye LM (September 2023 – November 2025) were compiled and issued to the National Treasury and the municipality as part of the PT's December 2025 debt relief submission. The PT also designated Ms. Theko going forward to facilitate timely and quality debt relief submissions to the HOD and that such are issued by the Mpumalanga PT to Victor Khanye LM and the National Treasury before the 20 working days after month-end deadline on a monthly basis going forward.

Condition 6.11 - Limitation on Municipal borrowing powers

The limitation on municipality borrowing powers and the prohibition of borrowing during debt relief periods form a dual regulatory framework aimed at ensuring fiscal responsibility. Compliance necessitates meticulous scrutiny of borrowing activities to ascertain adherence to authorized limits and program guidelines. These measures, while promoting sustainable debt management, also stabilize the municipality's financial standing, prevent over-leveraging, and mitigate immediate financial strain. Adhering to these regulations is paramount for maintaining creditworthiness, mitigating financial risks, and safeguarding the municipality's long-term financial health. Thus, robust oversight and adherence to regulatory frameworks are imperative for prudent financial governance and sustained fiscal resilience.

The municipality complied with this condition since its debt relief effective date of 01 September 2023 to date.

Condition 6.12 – 6.13 For the duration of the Municipal Debt Relief (to ensure proper management of resources)

It is noted that during February 2024, the National Treasury: Office of the Accountant General (OAG) issued the Supplementary Guide to MFMA Circular 124 on 21 February 2024. In terms of the guidance, the municipality no longer have to maintain a separate bank account for debt relief purposes as envisaged in MFMA Circular 124 (Condition 6.12). However, irrespective of whether a municipality decides to discontinue a separate bank account, ring-fencing for debt relief purposes must be enabled and demonstrated through the municipality's monthly mSCOA data string submissions.

Condition 6.14 - NERSA Licence

By having applied for Municipal Debt Relief, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agreed to make an application to NERSA to voluntarily revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). It is noted that this condition will only come into effect if the municipality's participation in the debt relief programme is terminated.

4. RECOMMENDATIONS

It is recommended that:

- The Municipality ring fence all service charges revenue to honour the current bulk accounts in full on a monthly basis;
- The Municipality to intensify credit control and debt collection;
- The Municipality should update the budget funding plan with the initiatives as agreed with MPT and monthly progress must be reported on all the items;
- The Municipality must institutionalise the implementation of the Budget Funding Plan and send monthly progress reports to MPT;
- The Council to support the implementation of credit control and revenue improvement initiatives;
- The Municipality should use the example of the Section 71 report provided to them to do their monthly Section 71 reports and include all the annexures as per MFMA Circular 128;
- The Municipality must upload the narrative Section 71 report under the relevant month;
- The municipality must upload the monthly Section 71 data strings for the financial and non-financial data; and
- The Municipality pay their full current Eskom and Rand Water accounts going forward.

Regards



MS. GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 26-01-2026

Annexure A2 - Monthly



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

Mpumalanga Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Dec'25

National Financial Year

2025/26

Demarcation Code of Municipality being assessed

MP311

District

Nkangala

Demarcation Description

Victor Khanye

I, Ms G. M. Mashile, 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 do not fully comply with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

6.1.3 Maintaining the Eskom and bulk water current account –		
Condition 6.1.2		
6.1.2.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.1.2.2</i>	Yes
6.1.2.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://gumuniuploadportal.treasury.gov.za/ ?	Yes
6.1.2.2	- 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
6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	No
6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://gumuniuploadportal.treasury.gov.za/ ?	Yes
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 – (choose from drop down list the MTREF assessed)		2025/26 Adopted MTREF
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mtna.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No
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?	No
6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? <i>Note - An estimate of the municipality's debt impairment for the preceding 12 months will be required to reflect 50 per cent of its revenue from property rates. The provision for debt impairment should align with the municipality's actual debt impairment for the period. The actual debt impairment should be based on the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget. The actual debt impairment should be based on the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget.</i>	Yes
6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes

6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
<p><i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the FF / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>		
6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/a
<p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>		
6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
6.5	Cost reflective tariffs - (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
<p>6.5 Electricity and water collection tools - Has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated (through its by-laws and budget related policies) that:</p>		
6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	Yes
6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively?	No
<p><i>Note - The municipality's monthly MFMA s.71 statement must include details of the electricity and water supply to indigent consumers.</i></p>		
<p>Supporting evidence: The National Treasury and/or provincial treasury's annual budget statement contrast the municipality's annual MTREF related budget policies and by-laws demonstrate compliance with paragraph 6.5.</p>		
<p>Maintain a minimum average quarterly collection of property rates and services charges -</p>		
6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and MSCOA data strings uploaded via the GoMuni Upload Portal?	No
<p><i>Note - although the time and manner of adjustment of the MFMA s.71 statement should be such that the relevant reports will be complete for the reporting period to the same.</i></p>		
<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>		
6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and 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;	No
6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	No
6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes
6.7.3	- 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 customers, within its normal credit control process?	Yes

6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
Municipality's Compliance with the revenue base -		
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 supplementary GVR compiled by the registered municipal valuer?	No
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 statements</i>	No
6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za ?	Yes
Monitor and report on implementation -		
6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	No
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>	No
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
6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - if a municipality with a FRP does not comply with the MFRS reporting requirements, it must submit a report to the National Treasury within 10 days.</i>	No FRP
Provincial Treasury certificate - Provincial Treasury verification of municipal compliance - in terms of sections 2 and 74 of the MFMA with effect from 01 April 2023, a delegated municipality must comply with the MFRS reporting requirements unless:		
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
6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
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 Provincial Treasury fails to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries within one month of the non-compliance occurring, the municipality is deemed to be in breach of the MFMA s.71.</i>	No
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 limitation on municipal borrowing in terms of the MFMA s.71 and the MFMA s.71(1)(b) which states that the municipality's borrowing powers are limited to the amount of the municipal debt support programme. The MFMA s.71(1)(b) also states that the municipality's borrowing powers are limited to the amount of the municipal debt support programme. The MFMA s.71(1)(b) also states that the municipality's borrowing powers are limited to the amount of the municipal debt support programme.</i>	No
For the duration of the Municipal Debt Relief (to ensure proper management of resources)		
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
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?	No
<i>Note - Once a municipality is placed in the MFRS, it must ensure that the revenue in the sub-account is used 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>		

30	<p>Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.</p>	Yes
6,13	<p>Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefits (e.g. interest suppression, etc.) and alignment with mSCOA.</i></p>	Yes
6,14	<p>NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	Yes
<p><i>Note: By applying for Municipal Debt Relief as set out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will then again have to enforce its credit control and debt collection policies also in respect of the municipality that is the subject of municipal debt relief - 4.</i></p>		

PT: HOD/ NT / MM Name:

Ms G Mashiteng

Signature of HOD/ NT / MM:

pp

Date:

22/01/2026

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

Circular 124, for debt relief program - Eskom reconciliation as at 31 January 2025.

Kindly note the payments are made on an accrual basis.

ESKOM MAIN ACCOUNT

Segment in ledger =====>			Bulk Purchases	VAT	Interest expense				
MONTH	INVOICE NO	BALANCE BROUGHT FORWARD	TOTAL EXC	VAT	INTEREST	TOTAL INC	AMOUNT PAID	REBILLED ADJUST	BALANCE + INVOICE PAID
Jul-25	564731882911	R 919 521 846.63	R 16 793 909.51	R 2 519 086.43	R 3 150 642.01	R 22 463 637.95			R 941 985 484.58
Aug-25	564495502814	R 941 985 484.58	R 16 040 229.23	R 2 406 034.38	R 3 222 585.81	R 21 668 849.42	R 1 500 000.00		R 962 154 334.00
Sept-25	564769460259	R 962 154 334.00	R 10 532 433.80	R 1 579 865.07	R 3 738 308.67	R 15 850 607.54	R 9 500 000.00	R 3 668.50	R 968 501 273.04
Oct-25	564542747192	R 968 501 273.04	R 9 265 125.12	R 1 389 768.77	R 4 539 163.61	R 15 194 057.50	R 4 500 000.00		R 979 195 330.54
Nov-25	564014852493	R 979 195 330.54	R 8 059 499.90	R 1 208 924.99	R 3 597 262.60	R 12 865 687.49	R 2 000 000.00		R 990 061 018.03
Dec-25	564251375141	R 990 061 018.03	R 8 144 199.48	R 1 221 629.92	R 4 290 905.33	R 13 656 734.73	R 7 500 000.00		R 996 217 752.76
Jan-26	564271715756	R 996 217 752.76	R 8 267 748.56	R 1 240 162.28	R 3 868 306.75	R 13 376 217.59	R 2 000 000.00		R 1 007 593 970.35
Feb-26									
Mar-26									
Apr-26									
May-26									
Jun-26									
						R 8 265 125.12			

ESKOM SUB ACCOUNT

Segment in ledger =====>			Bulk Purchases	VAT	Interest expense				
MONTH	INVOICE NO	BALANCE BROUGHT FORWARD	TOTAL EXC	VAT	INTEREST	TOTAL INC	AMOUNT PAID	REBILLED ADJUST	BALANCE + INVOICE PAID = TOTAL DUE
Jul-25	889781822327	R 134 765 327.14	R 15 617 398.99	R 2 342 609.85	R 1 183 867.66	R 19 143 876.50			R 153 909 203.64
Aug-25	889497857686	R 153 909 203.64	R 14 253 554.22	R 2 138 033.13	R 1 252 752.71	R 17 644 340.06	R 2 000 000.00		R 169 553 543.70
Jan-00	889378192530	R 169 533 543.70	R 9 215 435.02	R 1 382 615.25	R 1 464 013.65	R 12 062 063.92	R 9 500 000.00	R 262 671.36	R 171 832 936.26
Oct-25	889763053264	R 171 852 636.26	R 7 897 298.06	R 1 184 594.71	R 2 018 272.63	R 11 100 165.40	R 4 500 000.00		R 178 452 801.66
Nov-25	889280628311	R 178 452 801.66	R 7 788 570.39	R 1 168 285.56	R 1 464 878.67	R 10 421 734.62	R 1 000 000.00		R 187 874 536.28
Dec-25	889250184604	R 187 874 536.28	R 9 664 108.25	R 1 449 616.24	R 1 872 550.92	R 12 986 275.41	R 7 000 000.00		R 193 860 811.69
Jan-26	889204764776	R 193 860 811.69	R 8 984 617.64	R 1 347 692.65	R 1 633 224.98	R 11 965 535.27	R 2 000 000.00		R 203 826 346.96
Feb-26									
Mar-26									
Apr-26									
May-26									
Jun-26									
			73 420 982.57	11 013 447.39	10 889 561.22	6 897 298.06			

13. Conclusion

14. Annexure A: C Schedules

15. Annexure B: Compliance with the conditions for Municipal Debt Relief

16. Municipal Manager's quality certificate

Choose name from list - Table C1 Monthly Budget Statement Summary - M07 - January

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	108 696	128 920	-	95 493	681 073	75 203	585 870	779%	128 920
Service charges	315 713	355 029	-	27 199	186 978	207 100	(20 122)	-10%	355 029
Investment revenue	1 265	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	153 285	161 007	-	1	8 163	93 921	(85 758)	-91%	161 007
Other own revenue	171 201	303 539	-	14 974	102 915	177 065	(74 149)	-42%	303 539
Total Revenue (excluding capital transfers and contributions)	750 159	948 495	-	137 667	959 130	553 289	405 841	73%	948 495
Employee costs	207 328	211 691	-	18 268	125 409	123 487	1 923	2%	211 691
Remuneration of Councillors	9 790	12 146	-	810	5 734	7 085	(1 352)	-19%	12 146
Depreciation and amortisation	60 151	53 279	-	13 843	28 409	31 079	(2 670)	-9%	53 279
Interest	97 555	50 000	-	20 476	68 102	29 167	38 935	133%	50 000
Inventory consumed and bulk purchases	297 491	352 797	-	43 983	211 942	205 798	6 144	3%	352 797
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	434 350	314 105	-	14 422	97 839	183 228	(85 389)	-47%	314 105
Total Expenditure	1 106 667	994 017	-	111 802	537 435	579 843	(42 408)	-7%	994 017
Surplus/(Deficit)	(356 507)	(45 522)	-	25 865	421 695	(26 555)	448 249	-1688%	(45 522)
Transfers and subsidies - capital (monetary allocations)	44 337	46 618	-	-	-	27 194	(27 194)	-100%	46 618
Transfers and subsidies - capital (in-kind)	16 063	30 500	-	-	-	17 792	(17 792)	-100%	30 500
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	(296 107)	31 596	-	25 865	421 695	18 431	403 264	2188%	31 596
Surplus/ (Deficit) for the year	(296 107)	31 596	-	25 865	421 695	18 431	403 264	2188%	31 596
Capital expenditure & funds sources									
Capital expenditure	86 343	65 245	-	2 516	18 746	38 060	(19 314)	-51%	65 245
Capital transfers recognised	77 304	46 645	-	685	12 749	27 210	(14 460)	-53%	46 645
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	7 924	18 600	-	1 831	5 997	10 850	(4 853)	-45%	18 600
Total sources of capital funds	85 229	65 245	-	2 516	18 746	38 060	(19 314)	-51%	65 245
Financial position									
Total current assets	577 142	202 468	-	-	1 197 917	-	-	-	202 468
Total non current assets	1 057 141	1 030 231	-	-	1 047 477	-	-	-	1 030 231
Total current liabilities	2 044 004	932	-	-	2 232 993	-	-	-	932
Total non current liabilities	61 841	686 528	-	-	61 841	-	-	-	686 528
Community wealth/Equity	(449 937)	545 239	-	-	(49 440)	-	-	-	545 239
Cash flows									
Net cash from (used) operating	93 120	119 775	-	(23 750)	147	69 869	69 722	100%	119 775
Net cash from (used) investing	64 037	(65 245)	-	(2 893)	(25 460)	(38 060)	(12 600)	33%	(65 245)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	160 882	76 659	-	-	(12 952)	53 939	66 890	124%	66 891
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 - January

Description	Ref	Budget Year 2025/26								
		2024/25 Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		388 607	311 972	-	112 793	791 364	181 984	609 380	335%	311 972
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		388 607	311 972	-	112 793	791 364	181 984	609 380	335%	311 972
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		13 829	7 760	-	567	3 216	4 527	(1 311)	-29%	7 760
Community and social services		2 208	2 608	-	301	604	1 522	(918)	-60%	2 608
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		7 471	3 511	-	101	1 330	2 048	(718)	-35%	3 511
Housing		4 150	1 641	-	166	1 283	957	325	34%	1 641
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(2 290)	4 356	-	-	-	2 541	(2 541)	-100%	4 356
Planning and development		-	4 356	-	-	-	2 541	(2 541)	-100%	4 356
Road transport		(2 290)	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		410 413	701 525	-	24 306	164 550	409 223	(244 673)	-60%	701 525
Energy sources		174 972	329 394	-	15 460	100 673	192 147	(91 473)	-48%	329 394
Water management		117 460	208 373	-	6 331	44 316	121 551	(77 235)	-64%	208 373
Waste water management		29 237	113 471	-	1 152	7 748	66 191	(58 444)	-88%	113 471
Waste management		88 744	50 286	-	1 363	11 813	29 334	(17 520)	-60%	50 286
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	810 559	1 025 613	-	137 667	959 130	598 274	360 856	60%	1 025 613
Expenditure - Functional										
Governance and administration		508 492	347 625	-	35 364	188 458	202 781	(14 323)	-7%	347 625
Executive and council		47 972	45 242	-	3 939	28 368	26 391	1 977	7%	45 242
Finance and administration		460 520	302 383	-	31 425	160 090	176 390	(16 300)	-9%	302 383
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		77 185	103 623	-	7 545	53 307	60 447	(7 139)	-12%	103 623
Community and social services		30 918	34 792	-	3 169	21 655	20 295	1 359	7%	34 792
Sport and recreation		4 011	2 493	-	780	2 057	1 454	602	41%	2 493
Public safety		40 489	64 699	-	3 461	28 626	37 741	(9 116)	-24%	64 699
Housing		1 766	1 639	-	134	970	956	15	2%	1 639
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		44 710	68 810	-	7 647	23 416	40 139	(16 723)	-42%	68 810
Planning and development		6 151	19 956	-	473	2 093	11 641	(9 548)	-82%	19 956
Road transport		41 150	47 093	-	7 172	20 998	27 471	(6 473)	-24%	47 093
Environmental protection		(2 591)	1 760	-	1	325	1 027	(702)	-68%	1 760
Trading services		476 281	473 960	-	61 246	272 254	276 476	(4 222)	-2%	473 960
Energy sources		310 743	275 709	-	43 875	184 931	160 830	24 101	15%	275 709
Water management		117 464	130 169	-	12 139	58 120	75 932	(17 811)	-23%	130 169
Waste water management		42 384	53 845	-	4 508	25 103	31 409	(6 307)	-20%	53 845
Waste management		5 690	14 237	-	723	4 100	8 305	(4 205)	-51%	14 237
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 106 667	994 017	-	111 802	537 435	579 843	(42 408)	-7%	994 017
Surplus/ (Deficit) for the year		(296 107)	31 596	-	25 865	421 695	18 431	403 264	2188%	31 596

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 - January

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		388 607	311 972	-	112 793	791 364	181 984	609 380	334.9%	311 972
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2 208	2 608	-	301	604	1 522	(918)	-60.3%	2 608
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 471	3 511	-	101	1 330	2 048	(718)	-35.1%	3 511
Vote 7 - Housing		4 150	1 641	-	166	1 283	957	325	34.0%	1 641
Vote 8 - Health Services		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	4 356	-	-	-	2 541	(2 541)	-100.0%	4 356
Vote 10 - Roads Transport		(2 290)	-	-	-	-	-	-	-	-
Vote 11 - Electricity Services		174 972	329 394	-	15 460	100 673	192 147	(91 473)	-47.6%	329 394
Vote 12 - Water Services		117 460	208 373	-	6 331	44 316	121 551	(77 235)	-63.5%	208 373
Vote 13 - Waste Water Management		29 237	113 471	-	1 152	7 748	66 191	(58 444)	-88.3%	113 471
Vote 14 - Solid Waste Management		88 744	50 286	-	1 363	11 813	29 334	(17 520)	-59.7%	50 286
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	810 559	1 025 613	-	137 687	959 130	598 274	360 856	60.3%	1 025 613
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		59 529	66 115	-	6 030	37 820	38 567	(747)	-1.9%	66 115
Vote 2 - Budget and Treasury		430 659	270 388	-	26 662	134 929	157 728	(22 797)	-14.5%	270 388
Vote 3 - Corporate Services		6 273	186	-	1 101	8 020	108	7 912	7294.2%	186
Vote 4 - Community and Social Services		30 918	34 792	-	3 169	21 655	20 295	1 359	6.7%	34 792
Vote 5 - Sport and Recreation		4 011	2 493	-	780	2 057	1 454	602	41.4%	2 493
Vote 6 - Public Safety		40 489	64 699	-	3 461	28 626	37 741	(9 116)	-24.2%	64 699
Vote 7 - Housing		1 766	1 639	-	134	970	956	15	1.5%	1 639
Vote 8 - Health Services		(2 591)	1 760	-	1	325	1 027	(702)	-68.4%	1 760
Vote 9 - Planning and Development		4 113	14 622	-	25	396	8 530	(8 134)	-95.4%	14 622
Vote 10 - Roads Transport		49 859	62 244	-	8 277	23 370	36 309	(12 939)	-35.6%	62 244
Vote 11 - Electricity Services		310 743	275 709	-	43 875	184 931	160 830	24 101	15.0%	275 709
Vote 12 - Water Services		117 464	130 169	-	12 139	58 120	75 932	(17 811)	-23.5%	130 169
Vote 13 - Waste Water Management		42 384	53 845	-	4 508	25 103	31 409	(6 307)	-20.1%	53 845
Vote 14 - Solid Waste Management		5 690	14 237	-	723	4 100	8 305	(4 205)	-50.6%	14 237
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 101 307	992 897	-	110 887	530 420	579 190	(48 770)	-8.4%	992 897
Surplus/ (Deficit) for the year	2	(290 748)	32 716	-	26 780	428 710	19 084	409 626	2146.4%	32 716

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 - January

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		213 902	246 628	-	18 353	125 528	143 867	(18 339)	-13%	246 628
Service charges - Water		72 976	78 691	-	6 331	44 316	45 903	(1 587)	-3%	78 691
Service charges - Waste Water Management		13 174	14 392	-	1 152	7 748	8 395	(647)	-8%	14 392
Service charges - Waste management		15 661	15 318	-	1 362	9 387	8 935	451	5%	15 318
Sale of Goods and Rendering of Services		2 228	7 231	-	410	1 490	4 218	(2 728)	-65%	7 231
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		68 849	165 255	-	-	221	96 399	(96 178)	-100%	165 255
Interest from Current and Non Current Assets		1 265	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 860	1 641	-	166	1 283	957	325	34%	1 641
Licence and permits		-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		1 533	806	-	23	556	470	85	18%	806
Non-Exchange Revenue										
Property rates		108 696	128 920	-	95 493	661 073	75 203	585 870	779%	128 920
Surcharges and Taxes		69 951	73 281	-	5 511	39 149	42 747	(3 599)	-8%	73 281
Fines, penalties and forfeits		6 801	2 235	-	-	750	1 304	(554)	-42%	2 235
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		153 285	161 007	-	1	8 163	93 921	(85 758)	-91%	161 007
Interest		13 718	53 090	-	8 864	59 468	30 969	28 499	92%	53 090
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		6 262	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		750 159	948 495	-	137 667	959 130	553 289	405 841	73%	948 495
Expenditure By Type										
Employee related costs		207 328	211 691	-	18 268	125 409	123 487	1 923	2%	211 691
Remuneration of councillors		9 790	12 146	-	810	5 734	7 085	(1 352)	-19%	12 146
Bulk purchases - electricity		227 563	228 174	-	35 061	151 486	133 101	18 385	14%	228 174
Inventory consumed		69 928	124 623	-	8 923	60 456	72 697	(12 241)	-17%	124 623
Debt impairment		149 695	89 408	-	-	-	52 155	(52 155)	-100%	89 408
Depreciation and amortisation		60 151	53 279	-	13 843	28 409	31 079	(2 670)	-9%	53 279
Interest		97 555	50 000	-	20 476	68 102	29 167	38 935	133%	50 000
Contracted services		110 395	128 878	-	9 706	60 617	75 179	(14 562)	-19%	128 878
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		73 709	31 594	-	-	2 795	18 430	(15 635)	-85%	31 594
Operational costs		51 150	64 224	-	4 715	34 427	37 464	(3 037)	-8%	64 224
Losses on Disposal of Assets		9 065	-	-	-	-	-	-	-	-
Other Losses		40 336	-	-	-	-	-	-	-	-
Total Expenditure		1 106 667	994 017	-	111 802	537 435	579 843	(42 408)	-7%	994 017
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		44 337	46 618	-	-	-	27 194	(27 194)	-100%	46 618
Transfers and subsidies - capital (in-kind)		16 063	30 500	-	-	-	17 792	(17 792)	-100%	30 500
Surplus/(Deficit) after capital transfers & contributions		(296 107)	31 596	-	25 865	421 695	18 431			31 596
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(296 107)	31 596	-	25 865	421 695	18 431			31 596
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(296 107)	31 596	-	25 865	421 695	18 431			31 596
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(296 107)	31 596	-	25 865	421 695	18 431			31 596

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 - January

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health Services		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Electricity Services		-	-	-	-	-	-	-	-	-
Vote 12 - Water Services		-	-	-	-	-	-	-	-	-
Vote 13 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 14 - Solid Waste Management		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		3 627	3 600	-	-	1 105	2 100	(995)	-47%	3 600
Vote 2 - Budget and Treasury		40 449	950	-	-	37	554	(517)	-93%	950
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		(393)	200	-	-	-	117	(117)	-100%	200
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	300	-	-	-	175	(175)	-100%	300
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health Services		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		29	550	-	-	30	321	(291)	-91%	550
Vote 10 - Roads Transport		22 212	23 700	-	-	11 282	13 825	(2 542)	-18%	23 700
Vote 11 - Electricity Services		38 198	5 000	-	1 831	1 831	2 917	(1 086)	-37%	5 000
Vote 12 - Water Services		(20 390)	20 500	-	-	922	11 958	(11 036)	-92%	20 500
Vote 13 - Waste Water Management		528	6 445	-	685	2 205	3 760	(1 555)	-41%	6 445
Vote 14 - Solid Waste Management		2 083	4 000	-	-	1 333	2 333	(1 000)	-43%	4 000
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	86 343	65 245	-	2 516	18 746	38 060	(19 314)	-51%	65 245
Total Capital Expenditure		86 343	65 245	-	2 516	18 746	38 060	(19 314)	-51%	65 245
Capital Expenditure - Functional Classification										
Governance and administration		50 310	10 550	-	-	4 136	6 154	(2 018)	-33%	10 550
Executive and council		185	350	-	-	-	204	(204)	-100%	350
Finance and administration		50 125	10 200	-	-	4 136	5 950	(1 814)	-30%	10 200
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(393)	500	-	-	-	292	(292)	-100%	500
Community and social services		(393)	200	-	-	-	117	(117)	-100%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	300	-	-	-	175	(175)	-100%	300
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		16 007	18 250	-	-	8 319	10 646	(2 327)	-22%	18 250
Planning and development		29	550	-	-	30	321	(291)	-91%	550
Road transport		15 978	17 700	-	-	8 289	10 325	(2 036)	-20%	17 700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		20 420	35 945	-	2 516	6 291	20 968	(14 677)	-70%	35 945
Energy sources		38 198	5 000	-	1 831	1 831	2 917	(1 086)	-37%	5 000
Water management		(20 390)	20 500	-	-	922	11 958	(11 036)	-92%	20 500
Waste water management		528	6 445	-	685	2 205	3 760	(1 555)	-41%	6 445
Waste management		2 083	4 000	-	-	1 333	2 333	(1 000)	-43%	4 000
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	86 343	65 245	-	2 516	18 746	38 060	(19 314)	-51%	65 245
Funded by:										
National Government		77 304	46 645	-	685	12 749	27 210	(14 460)	-53%	46 645
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		77 304	46 645	-	685	12 749	27 210	(14 460)	-53%	46 645
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		7 924	18 600	-	1 831	5 997	10 850	(4 853)	-45%	18 600
Total Capital Funding		85 229	65 245	-	2 516	18 746	38 060	(19 314)	-51%	65 245

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M07 - January

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		12 361	76 659	-	(104 773)	76 659
Trade and other receivables from exchange transactions		57 707	(7 735)	-	171 527	(7 735)
Receivables from non-exchange transactions		16 333	146 472	-	613 686	146 472
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 418	(35 945)	-	(4 741)	(35 945)
VAT		488 323	23 017	-	523 234	23 017
Other current assets		0	-	-	(1 016)	-
Total current assets		577 142	202 468	-	1 197 917	202 468
Non current assets						
Investments		-	-	-	-	-
Investment property		97 136	66 580	-	96 505	66 580
Property, plant and equipment		958 866	964 328	-	949 834	964 328
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		1 075	1 075	-	1 075	1 075
Intangible assets		64	(1 752)	-	64	(1 752)
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1 057 141	1 030 231	-	1 047 477	1 030 231
TOTAL ASSETS		1 634 283	1 232 699	-	2 245 395	1 232 699
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		4 692	-	-	4 692	-
Consumer deposits		1 710	(8 865)	-	1 826	(8 865)
Trade and other payables from exchange transactions		1 681 168	113 075	-	1 816 347	113 075
Trade and other payables from non-exchange transactions		2 911	(117 122)	-	22 226	(117 122)
Provision		8 701	11 546	-	8 701	11 546
VAT		344 822	2 298	-	379 202	2 298
Other current liabilities		-	-	-	-	-
Total current liabilities		2 044 004	932	-	2 232 993	932
Non current liabilities						
Financial liabilities		(3 419)	7 528	-	(3 419)	7 528
Provision		21 276	679 000	-	21 276	679 000
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		43 984	-	-	43 984	-
Total non current liabilities		61 841	686 528	-	61 841	686 528
TOTAL LIABILITIES		2 105 845	687 460	-	2 294 834	687 460
NET ASSETS	2	(471 562)	545 239	-	(49 440)	545 239
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(449 937)	545 239	-	(49 440)	545 239
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(449 937)	545 239	-	(49 440)	545 239

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M07 - January

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		108 019	236 078	-	10 086	73 196	137 712	(64 516)	-47%	236 078
Service charges		308 925	450 169	-	25 221	181 357	262 598	(81 241)	-31%	450 169
Other revenue		58 809	23 809	-	492	26 554	13 889	12 666	91%	23 809
Transfers and Subsidies - Operational		33 912	161 007	-	1	5 432	93 921	(88 488)	-94%	161 007
Transfers and Subsidies - Capital		18 911	46 618	-	1	1	27 194	(27 193)	-100%	46 618
Interest		1 265	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(436 721)	(797 906)	-	(59 551)	(286 395)	(465 445)	179 050	-38%	(797 906)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		93 120	119 775	-	(23 750)	147	69 869	69 722	100%	119 775
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		64 037	(65 245)	-	(2 893)	(25 460)	(38 060)	12 600	-33%	(65 245)
NET CASH FROM/(USED) INVESTING ACTIVITIES		64 037	(65 245)	-	(2 893)	(25 460)	(38 060)	(12 600)	33%	(65 245)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		157 156	54 530	-	(26 643)	(25 313)	31 809			54 530
Cash/cash equivalents at beginning:		3 725	22 130	-		12 361	22 130			12 361
Cash/cash equivalents at month/year end:		160 882	76 659	-		(12 952)	53 939			66 891

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 - January

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 764	6 985	-	456	3 180	4 074	(894)	-22%	6 985
Pension and UIF Contributions		1 022	1 230	-	89	621	718	(97)	-14%	1 230
Medical Aid Contributions		379	448	-	30	222	261	(39)	-15%	448
Motor Vehicle Allowance		186	428	-	32	219	250	(30)	-12%	428
Cellphone Allowance		799	985	-	67	470	575	(104)	-18%	985
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1 640	2 070	-	136	1 021	1 208	(187)	-15%	2 070
Sub Total - Councillors		9 790	12 146	-	810	5 734	7 085	(1 352)	-19%	12 146
% increase	4		24.1%							24.1%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	4 185	5 336	-	273	2 392	3 113	(720)	-23%	5 336
Pension and UIF Contributions		352	106	-	15	105	62	43	70%	106
Medical Aid Contributions		271	73	-	6	40	43	(2)	-6%	73
Overtime		-	9	-	1	5	5	(0)	-9%	9
Performance Bonus		218	-	-	-	93	-	93	#DIV/0!	-
Motor Vehicle Allowance		687	632	-	54	446	368	77	21%	632
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		360	146	-	10	70	85	(15)	-18%	146
Other benefits and allowances		1	5	-	0	0	3	(2)	-84%	5
Payments in lieu of leave		-	-	-	2	12	-	12	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		35	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 109	6 307	-	360	3 163	3 679	(515)	-14%	6 307
% Increase	4		3.2%							3.2%
Other Municipal Staff										
Basic Salaries and Wages		116 828	111 676	-	10 672	72 479	65 144	7 335	11%	111 676
Pension and UIF Contributions		26 869	30 052	-	2 380	16 740	17 531	(791)	-5%	30 052
Medical Aid Contributions		11 135	12 797	-	1 164	7 459	7 465	(6)	0%	12 797
Overtime		13 120	20 692	-	1 545	9 799	12 070	(2 271)	-19%	20 692
Performance Bonus		8 591	10 172	-	800	6 197	5 934	263	4%	10 172
Motor Vehicle Allowance		10 158	13 183	-	857	6 516	7 690	(1 174)	-15%	13 183
Cellphone Allowance		42	143	-	11	78	83	(5)	-6%	143
Housing Allowances		1 292	830	-	42	236	484	(248)	-51%	830
Other benefits and allowances		6 570	4 008	-	363	2 272	2 338	(66)	-3%	4 008
Payments in lieu of leave		1 215	-	-	-	-	-	-	-	-
Long service awards		0	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	3 250	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		300	157	-	26	181	91	90	98%	157
Acting and post related allowance		1 849	1 675	-	47	290	977	(687)	-70%	1 675
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		201 220	205 385	-	17 907	122 246	119 808	2 438	2%	205 385
% increase	4		2.1%							2.1%
Total Parent Municipality		217 119	223 837	-	19 078	131 143	130 572	571	0%	223 837
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees	5	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 - January

Summary of Employee and Councillor remuneration	Ref	2024/25 Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2025/26					
					Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Executive members Board	2	-	-	-	-	-	-	-	-	-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	4	-	-	-	-	-	-	-	-	-
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities	4	-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		217 119	223 837	-	19 078	131 143	130 572	571	0%	223 837
% increase	4		3.1%							3.1%
TOTAL MANAGERS AND STAFF		207 328	211 691	-	18 268	125 409	123 487	1 923	2%	211 691

Choose name from list - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 - January

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	4 364	5 437	-	787	787	5 437	4 650	85.5%	1%
August	8 730	5 437	-	(264)		10 874	-		
September	1 762	5 437	-	5 360	#VALUE!	16 311	#VALUE!	#VALUE!	#VALUE!
October	4 992	5 437	-	7 072	#VALUE!	21 748	#VALUE!	#VALUE!	#VALUE!
November	2 807	5 437	-	1 547	#VALUE!	27 185	#VALUE!	#VALUE!	#VALUE!
December	5 679	5 437	-	1 729	#VALUE!	32 623	#VALUE!	#VALUE!	#VALUE!
January	1 356	5 437	-	2 516	#VALUE!	38 060	#VALUE!	#VALUE!	#VALUE!
February	3 230	5 437	-	-		43 497	-		
March	5 859	5 437	-	-		48 934	-		
April	1 587	5 437	-	-		54 371	-		
May	5 874	5 437	-	-		59 808	-		
June	40 102	5 437	-	-		65 245	-		
Total Capital expenditure	86 343	65 245	-	18 746					

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 - January

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		48 524	28 728	-	7 269	23 174	16 758	(6 416)	-38.3%	28 728
Roads Infrastructure		2 399	4 000	-	-	732	2 333	1 601	68.6%	4 000
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		2 399	4 000	-	-	732	2 333	(1 601)	(0)	4 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		37 487	6 000	-	5 523	17 854	3 500	(14 354)	-410.1%	6 000
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		37 487	6 000	-	5 523	17 854	3 500	14 354	0	6 000
Water Supply Infrastructure		2 096	2 000	-	145	428	1 167	738	63.3%	2 000
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		2 096	2 000	-	145	428	1 167	(738)	(0)	2 000
Sanitation Infrastructure		5 298	2 000	-	693	1 709	1 167	(542)	-46.5%	2 000
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		5 298	2 000	-	693	1 709	1 167	542	0	2 000
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		1 093	3 778	-	27	511	2 204	1 693	76.8%	3 778
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		1 093	3 778	-	27	511	2 204	(1 693)	(0)	3 778
Information and Communication Infrastructure		150	10 950	-	880	1 940	6 388	4 448	69.6%	10 950
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		150	10 950	-	880	1 940	6 388	(4 448)	(0)	10 950
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 - January

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Purfs		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 - January

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Machinery and Equipment		-	-	-	-	-	-	-		-
Machinery and Equipment		-	-	-	-	-	-	-		-
Transport Assets		-	-	-	-	-	-	-		-
Transport Assets		-	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Living resources		-	-	-	-	-	-	-		-
Mature		-	-	-	-	-	-	-		-
Policing and Protection		-	-	-	-	-	-	-		-
Zoological plants and animals		-	-	-	-	-	-	-		-
Immature		-	-	-	-	-	-	-		-
Policing and Protection		-	-	-	-	-	-	-		-
Zoological plants and animals		-	-	-	-	-	-	-		-
Total Repairs and Maintenance Expenditure	1	48 524	28 728	-	7 269	23 174	16 758	(6 416)	-38.3%	28 728

1. HUMAN RESOURCE IMPLICATIONS

None

2. LEGAL IMPLICATIONS

The non-payment of Eskom, Rand Water and Auditor general will lead to legal implications for the municipality.

3. FINANCIAL IMPLICATIONS

It is important for the municipality avoid incurring any additional costs, which could result in unauthorised and irregular expenditure.

4. RISK IMPLICATIONS

Removal from the Debt relief program due to non-compliance.

5. STRATEGIC IMPLICATIONS

Non-compliance to MFMA and VKLM policy Framework.

6. OTHER IMPLICATIONS

None

17. Recommendations

1. That the Municipal Council consider the report in terms of Section 71 of MFMA.
2. That the Municipal Council consider that Table c1 – Table C7 is obtained in terms guided by the National Treasury.
3. That the Municipality consider that both Eskom and Rand Water debt as at 31 January 2025_26 amounts to **R 1.2 billion** and **R510 million** respectively;
4. That the Municipal Council consider that the debt book amounts to **R1.8 billion**;
5. Therefore, the implementation of credit control and debt collection policy must be intensified.
6. The council to consider the debt relief circular 124 for January2025.



M. MBONA
ACTING CHIEF FINANCIAL OFFICER