VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

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BUDGET & TREASURY OFFICE

QUALITY CERTIFICATE

I, **T.M MASHABELA,** Municipal Manager of Victor Khanye Local Municipality, hereby certify that the monthly budget statement has been prepared in accordance with the Municipal Finance Management Act and regulation made under that Act.

INITIALS AND SURNAME T.M MASHABELA

MUNICIPAL MANAGER OF VICTOR KHANYE LOCAL MUNICIPALITY MP311

SIGNATURE

DATE 2026/04/10

VICTOR KHANYE

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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 MARCH 2026

RE : SECTION 71 REPORT

PURPOSE

To provide the Executive Mayor/Council with the budget and financial performance report for 31 March 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 April 2009 for implementation with effect from 1 April 2009 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 March 2025_26**

Description	Budget	Adjustment budget	Mar Actual	YTD Actual	YTD Budget
Revenue	- 948 495 000	- 973 500 000	- 184 853 000	- 1 389 246 000	- 721 373 000
Expenditure	994 017 000	1 002 079 000	60 918 000	663 880 000	747 688 000
Surplus/Deficit	45 522 000	28 579 000	- 123 935 000	- 725 366 000	
Capital expenditure	65 245 000	64 495 000	3 359 000	25 002 000	48 634 000
Debtors			1 988 076 693		
Creditors			1 783 157 466		
Avarage payment rate	85%		26%		

The actual revenue billed for March amounted to **R184.8 million.** When comparing the year-to-date actual of **R1.3 billion** with the year-to-date budget of **R721 million,** there is a variance of **R567 million (89%).**

The expenditure amounted to **R60 million** with a year-to-date actual of **R663 million**. In comparison with the year-to-date budget of **R747 million**, there is a negative variance of **R83 million (-9%).**

The net operating surplus for March amounts to **R123 million** and the year-to-date surplus amounts to **R725 million**.

The following grants were received in March: **R5.3 million** for MIG, **R39 million** for equitable share and **R6 million** for **Municipal Disaster Response Grant** for infrastructure damages caused by floods of December and January 2026. All grants allocations are 100% received.

Capital expenditure incurred amounted to **R 3.3 million.**

Ageing debtors amounted to **R2 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.

Low collection rate of **26%** is affected by the unresolved enquiry between the municipality and Kusile Power Station over the valuation. However, the submitted results of the supplementary valuation done by the municipality showed the same market value but in different categories, comments and/or objection is anticipated in the next meeting scheduled for 14 April 2026.

REVENUE VARIANCES

	Original budget	Adjustment Budget	Monthly Actual	YTD Actual	YTD Budget	Variance	Variance %
R thousands							
Revenue By Source							
Exchange revenue							
Service charges - electricity revenue	246 628 000	250 631 000	18 226 000	161 078 000	186 572 000	- 25 494 000	-14%
Service charges - water revenue	78 691 000	78 691 000	4 459 000	53 451 000	59 018 000	- 5 567 000	-9%
Service charges - sanitation revenue	14 392 000	14 392 000	1 000 000	9 786 000	10 794 000	- 1 008 000	-9%
Service charges - refuse revenue	15 318 000	18 318 000	1 115 000	11 802 000	12 688 000	- 886 000	-7%
Sale of Goods and rendering of services	7 231 000	9 086 000	515 000	2 836 000	6 165 000	- 3 329 000	-54%
Interest earned - outstanding debtors	165 255 000	165 255 000	52 000	440 000	123 941 000	- 123 501 000	-100%
Rental of facilities and equipment	1 641 000	1 641 000	122 000	1 570 000	1 231 000	339 000	28%
Operational revenue	806 000	431 000	12 000	590 000	455 000	135 000	30%
Interest from non_current Assets	-	-	-	-	-	-	
Non-exchange revenue						-	
Property rates	128 920 000	138 920 000	104 918 000	861 309 000	100 690 000	760 619 000	755%
Fines, penalties and forfeits	2 235 000	2 235 000	5 000	1 174 000	1 676 000	- 502 000	-30%
Surcharges and Taxes	73 281 000	73 281 000	5 521 000	49 798 000	54 961 000	- 5 163 000	-9%
interest	53 090 000	59 612 000	9 626 000	78 277 000	42 426 000	35 851 000	85%
other Gains		-	-	-	-	-	
Transfers and Subsidies - Operational	161 007 000	161 007 000	39 283 000	157 136 000	120 755 000	36 381 000	30%
Total revenue (excluding capital transfe	**948 495 000**	**973 500 000**	**184 854 000**	**1 389 247 000**	**721 372 000**	**667 875 000**	**93%**

EXCHANGE AND NON-EXCHANGE REVENUE

Service Charges – Electricity

The billing for March amounted to **R18 million** and a year to date of **R161 million**, which shows a negative variance when in comparison with the year to date budget **R186 million (-14%).** As part of the revenue enhancement strategy, there will be a disconnection of water and electricity services for non-paying businesses, focusing on the top 50.

Service Charges – Water

The billing for March amounted to **R4 million.** When the year-to-date actual **53 million** is compared with the year to date budget **R59 million**, there is a slight variance of **(-9%).** There is a data-cleansing programme done in-house by the revenue section, which aims to make billing more accurate, it is anticipated that the billing in the fourth quarter and going forward will increase in services where a service charge is billed.

Service Charge – Sanitation

The billed revenue for March amounted to **R1 million,** the year to date was **R9.7 million** and compared with the year to date budget of **R10.7 million,** the variance is **(-9%).** This is the low performing service charge; however, it remains within the acceptable norm.

Service Charge – Refuse removal

The billed revenue amounted to **R1 million,** the year to date was **R11.8 million** and compared to the year to date budget of **R12.6 million**, there is a negative variance of **-7%.**

Rental of facilities and equipment

Billing for rental of facilities amounted to **R122 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 **R22 thousands,** with the year to date of **R590 million** and the year to date budget of **R455 million**, there is a positive variance of **25%.** Operational revenue comprise of grave fees, connection/disconnection of water and electricity fees, building plans.

Property Rates

Billing for property rates for March amounted to **R104 million** and the year to date amounted to **R861 million** as compared to the year to date budget of **R100 million**, there is huge negative variance of **(755%)**. The unresolved enquiry between the municipality and Kusile Power Station over the valuation is negatively affecting the payment rate, which is sitting at **26%**. However, the submitted results of the supplementary valuation done by the municipality showed the same market value but in different categories, comments and/or objection is anticipated in the next meeting scheduled for 14 April 2026.

Surcharges and Taxes – Surcharges billed amounted to **R5.5 million (-9%).** Surcharges are additional fees, charges, or taxes 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 **R9.6 million** for both the exchange and non-exchange revenue respectively.

Actual receipts to-date in 2025_26 financial year amounted to **R1.3 billion** included in the actual revenue are the grant monies received for equitable share, municipal infrastructure grant, Financial Management Grant, Extended Public Works Programme and Municipal Disaster Response Grant.

EXPENDITURE

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

	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	YTD budget	Variance	Variance %
R thousands							
Expenditure By Type							
Employee related costs	211 691 000	219 640 000	17 722 000	161 206 000	161 948 000	- 742 000	0%
Remuneration of councillors	12 146 000	12 146 000	1 074 000	7 636 000	9 109 000	- 1 473 000	-16%
Bulk purchases - Electricity	228 174 000	226 174 000	17 898 000	187 869 000	170 330 000	17 539 000	10%
Inventory consumed and Bulk pu	124 623 000	117 918 000	- 411 000	63 572 000	91 985 000	- 28 413 000	-31%
Debt impairment	89 408 000	61 908 000	-	-	54 556 000	- 54 556 000	-100%
Depreciation and asset impairme	53 279 000	56 591 000	940 000	29 350 000	41 284 000	- 11 934 000	-29%
Finance charges	50 000 000	60 000 000	9 714 000	89 117 000	41 500 000	47 617 000	115%
Contracted services	128 878 000	144 932 000	10 992 000	81 820 000	100 830 000	- 19 010 000	-19%
Transfers and subsidies	-	-	-	-	-	-	0%
Irrecoverable debts written off	31 594 000	31 383 000	-	2 795 000	23 611 000	- 20 816 000	-88%
Operationsl Costs	64 224 000	71 387 000	2 989 000	40 516 000	52 533 000	- 12 017 000	-23%
Losses on Disposal of Asset		-	-	-	-	-	0%
Other Losses	-	-	-	-	-	-	0%
Total Expenditure	**994 017 000**	**1 002 079 000**	**60 918 000**	**663 881 000**	**747 686 000**	**- 83 805 000**	**-11%**

Employee related cost – For March 2025_26 total salaries, allowances and benefits including remuneration of councillors amounted to **R18.7 million.**

Bulk Purchases - Electricity – Eskom invoices for March amounted to **R17.8 million.** A payment of **R6 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 amounted to **R-411 thousand**. The invoice for Rand Water was not captured due to lateness. A payment of **R11.8 million** was made to Rand Water. To minimise reliance on Rand Water, there's a project for installation of water package plants/boreholes which is aimed at producing 2 mega-litres of water per day.

Finance charges – Interest is charged on the bulk purchases and amounted to **R9.7 million**.

Contracted services – Expenditure on contracted services amounted to **R10.9 million** in March. Contracted services consist of legal fees, general maintenance of infrastructure, insurance, financial and non-financial systems, telephones, etc.

Operational costs – For March, general expenditure also amounted to **R2.9 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 2025/26	Adjustment Budget	Monthly Actual	Year to Date Actual	Year to date Budget	Variance	Variance %
Infrastructure	**17 778 000**	**31 374 000**	**6 901 000**	**33 474 000**	**16 447 000**	**17 027 000**	**122%**
Roads Infrastructure	**4 000 000**	**3 000 000**	**309 000**	**1 461 000**	**2 600 000**	**- 1 139 000**	**-44%**
Capital Spares	4 000 000	3 000 000	309 000	1 461 000	2 600 000	- 1 139 000	-44%
Electrical Infrastructure	**6 000 000**	**24 162 000**	**6 560 000**	**29 538 000**	**11 240 000**	**18 298 000**	**163%**
Capital Spares	6 000 000	24 162 000	6 560 000	29 538 000	11 240 000	18 298 000	163%
Water Supply Infrastructure	**2 000 000**	**1 000 000**	**30 000**	**513 000**	**500 000**	**13 000**	**3%**
Capital Spares	2 000 000	1 000 000	30 000	513 000	500 000	- 13 000	-3%
Sanitation Infrastructure	**2 000 000**	**2 500 000**	**2 000**	**1 711 000**	**1 700 000**	**11 000**	**1%**
Capital Spares	2 000 000	2 500 000	2 000	1 711 000	1 700 000	11 000	1%
Solid Waste Infrastracture	**3 778 000**	**712 000**	**-**	**251 000**	**407 000**	**- 156 000**	**340%**
Capital Spares	3 778 000	712 000	-	251 000	407 000	156 000	38%
Information and communication infrastructure	**10 950 000**	**8 200 000**	**51 000**	**2 493 000**	**7 338 000**	**- 4 845 000**	**-66%**
Data centres	10 950 000	8 200 000	51 000	**2 493 000**	**7 338 000**	- 4 845 000	**-66%**
Capital Spares	10 950 000	8 200 000	51 000	2 493 000	7 338 000	- 4 845 000	-66%
Total Repairs and Maintenance Expenditure	**28 728 000**	**39 574 000**	**6 952 000**	**35 967 000**	**23 785 000**	**12 182 000**	**51%**

Repairs and maintenance analysis Supporting table SC13c measures the extent to which Council's assets are maintained per asset class. Expenditure incurred for March amounts to **R6.9 million.**

NORMS AND RATIOS

Current ratio (0:68)

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. The reduction of Rand Water bill shows a positive impact on our liabilities.

Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		0.68
				Current Assets	1 557 935
				Current Liabilities	2 294 656

Collection Rate (26%)

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

Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS,	95%		26%
				Gross Debtors closing balance	2 099 667 853
				Gross Debtors opening balance	1 776 903 432
				Bad debts written Off	
				Billed Revenue	1 778 785 643

Cash/Cost coverage ratio (1 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		1 Month
				Cash and cash equivalents	39 477 930
				Unspent Conditional Grants	-
				Overdraft	-
				Short Term Investments	-
				Total Annual Operational Expenditure	663 880 000

Capital expenditure to operating expenditure (5%)

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) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		5%
				Total Operating Expenditure	60 918 000
				Taxation Expense	-
				Total Capital Expenditure	3 359 000

Contracted services (18%)

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 x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		18%
				Contracted Services	10 992 000
				Total Operating Expenditure	60 918 000
				Taxation Expense	-

Creditor's payment period (29 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) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		342 days
				Trade Creditors	60 918 000
				Contracted Services	10 211 000
				Repairs and Maintenance	5 841 000
				General expenses	30 989 000
				Bulk Purchases	17 898 000
				Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)*	

4. BUDGET PERFOMANCE OVERVIEW

4.1 CAPITAL EXPENDITURE

Grants	Gazetted Amnt	Total Received to date	Mar Actual	YTD spending	% spent on received amt
MIG	29 618 000	24 246 000	2 020 440	21 125 921	87%

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. Allocation made in March for MIG amounted to **R5.3 million.** However, the capital expenditure incurred amounted to **R3.3 million, R2 million** 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 March amounted to a favourable **R3.4 million** 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 March amounted to **R2 million** of capital projects.

Net Increase/ Decrease in cash held

The municipality recorded an increase in net cash held of **R28 million** as at 31 March 2026.

Description R thousands	Mar 2025_26 Actual
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts	
Property rates, penalties & collection charges	9 019
Service charges	19 098
Other revenue	26 192
Government - operating	45 460
Government - capital	5 372
Interest	408
Dividends	–
Total receipts	**105 550**
Payments	
Suppliers and employees	(69 402)
Finance charges	(9 714)
Transfers and Grants	(23 025)
Total payments	**(102 140)**
NET CASH FROM/(USED) OPERATING ACTIVITIES	**3 409**
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Received from arrangements	–
Disposal of assets	–
(Increase) / Decrease in non-current investments	–
Payments	(2 020)
Capital assets	(2 020)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(2 020)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts	
Increase in consumer deposits	4
Borrowing long term/refinancing	–
Payments	
Repayment of borrowing	–
Finance lease payments	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**4**
NET INCREASE/ (DECREASE) IN CASH HELD	**28 364**
Cash/cash equivalents at beginning of the month:	11 114
Cash/cash equivalents at month end:	39 478

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 March resulted in a favourable balance of **R184.8 million** and total expenditure amounted to **R60.9 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 **93%** and deviation of **-11%** 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 March, the expenditure amounted to **R3 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 March2025_26, the community wealth amounts to a favourable **R253 million**, Total liabilities amounts to **R2.3 billion,** whilst total assets amount to **R2.6 billion** which resulted in a favourable net-assets of **R253 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 a favourable **R38 million**, the Net cash from investing activities amounted to an unfavourable **R3 million.** The net cash from financing activities amounts to **R0.** The Bank balance at the end of the month amounted to **R39 million.**

BANK NAME	TYPE OF ACCOUNT	BALANCE
STD BANK	MAIN ACCOUNT	635 750
STD BANK	CALL ACCOUNT ELEC	32 367 860
STD BANK	CALL ACCOUNT	1 885
STD BANK	TRAFFIC	30 221
STD BANK	MONEY MARKET	224 046
ABSA BANK	CALL ACCOUNT	6 218 168
BALANCE		**39 477 930**

SUPPORTING DOCUMENTATION

3.1 PERFOMANCE 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 is sitting at **26%**

Payment rate inclusive of Kusile Power Station:

TypeOfService	TotalSettlemen	TotalMovement	Billing	CreditNotes	DebitNotes	OtherAdjust	Payment Rate(Movement)	Payment Rate(Billing)
DEPOSIT	- 19 200.00	- 4 250.00	-	-	-	- 4 250.00	0%	0%
ADVANCE PAYMENT	230 467.75	-	-	-	-	-	0%	0%
INTEREST	- 408 404.81	9 182 988.14	9 611 918.01	- 436 430.12	7 500.25	-	4%	4%
VAT	- 3 083 153.49	4 012 753.82	3 987 813.96	- 174 110.26	256 729.15	- 57 679.03	77%	77%
WATER	- 2 208 553.25	4 676 014.50	4 780 787.99	- 176 122.33	105 223.32	- 33 874.48	47%	46%
ELECTRICITY	-15 025 432.26	14 531 804.95	13 754 018.32	- 217 823.46	1 346 347.53	-350 737.44	103%	109%
RATES	- 9 019 311.93	95 318 203.57	95 480 204.58	- 211 373.73	8 134.00	41 238.72	9%	9%
REFUSE	- 1 051 947.66	1 301 042.08	1 388 809.64	- 319 183.24	231 415.68	-	81%	76%
SEWERAGE	- 811 950.34	1 037 603.07	1 078 637.08	- 59 968.44	18 934.43	-	78%	75%
SUNDRIES VAT	- 15 136.43	-	-	-	-	-	0%	0%
SUNDRY NON VAT	- 57 656.92	2 146.80	2 146.80	-	-	-	2686%	1686%
HIRE	- 1 649 072.21	5 294 955.52	5 672 994.49	- 387 636.89	9 597.92	-	31%	29%
OTHER SERVICES	-	53 052.05	-	-	-	53 052.05	0%	0%
PAYMENT ADVANCED	- 1 590 862.67	-	-	-	-	-	100%	100%
Total	-34 710 214.22	135 406 314.50	135 757 330.87	-1 982 648.47	1 983 882.28	-352 250.18	26%	26%

Payment rate exclusive of Kusile Power Station:

TypeOfService	TotalSettlements	TotalMovement	Billing	CreditNotes	DebitNotes	OtherAdjustme	Payment Rate (Movement)	Payment Rate(Billing)
DEPOSIT	- 19 200.00	- 4 250.00	-	-	-	- 4 250.00	0%	0
ADVANCE PAYMENT	230 467.75	-	-	-	-	-	0%	0
INTEREST	- 408 404.81	9 182 988.14	9 611 918.01	- 436 430.12	7 500.25	-	4%	4%
VAT	- 3 083 153.49	4 012 753.82	3 987 813.96	- 174 110.26	256 729.15	- 57 679.03	77%	77%
WATER	- 2 208 553.25	4 676 014.50	4 780 787.99	- 176 122.33	105 223.32	- 33 874.48	47%	46%
ELECTRICITY	- 15 025 432.26	14 531 804.95	13 754 018.32	- 217 823.46	1 346 347.53	- 350 737.44	103%	109%
RATES	- 9 019 311.93	95 318 203.57	12 589 664.58	- 211 373.73	8 134.00	41 238.72	9%	9%
REFUSE	- 1 051 947.66	1 301 042.08	1 388 809.64	- 319 183.24	231 415.68	-	81%	76%
SEWERAGE	- 811 950.34	1 037 603.07	1 078 637.08	- 59 968.44	18 934.43	-	78%	75%
SUNDRIES VAT	- 15 136.43	-	-	-	-	-	0%	0%
SUNDRY NON VAT	- 57 656.92	2 146.80	2 146.80	-	-	-	2686%	2686%
HIRE	- 1 649 072.21	5 294 955.52	5 672 994.49	- 387 636.89	9 597.92	-	31%	29%
OTHER SERVICES	-	53 052.05	-	-	-	53 052.05	0%	0%
PAYMENT ADVANCED	- 1 590 862.67	-	-	-	-	-	100%	100%
Total	- 34 710 214.22	135 406 314.50	52 866 790.87	- 1 982 648.47	1 983 882.28	- 352 250.18	26%	66%

3.2 DEBTORS/RECEIVABLES ANALYSIS:

- 3.3.1 Supporting table SC3 provides details on consumer debtors. Currently outstanding debtors amounts to **R2 billion** including interest on arrears. Outstanding debtors over 90days amounts to **R1.7 billion**. The table below reflects the debtor's age analysis by customer group.

CUSTOMER GROUP	MARCH
Organs of state	12 717 483.65
Commercial	91 066 796.61
Households	1 030 083 512.50
Mines	24 954 553.60
Farms	852 879 283.14
Indigents	57 597.99
Top 200	27 891 130.23
Municipal prop	57 597.99
Other	5 060 285.25
	2 099 667 852.86

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 March 2025_26, creditors amounted to **R 1.7 billion** and the bulk of the creditors relates to Eskom account with an amount **R1.2 billion** and Rand Water with an amount of **R510 million.**

3.4 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS ANALYSIS:

The table SC8 provides details for councillor and employee benefits. For March 2025_26, total salaries, allowances and benefits amounted to **R 18.7 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 March 2026 amounted to **R3.3 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 February 2026 is attached as Annexure "D"
- Government debt Annexure É"

6. DEBTORS

Debtors' Age Analysis for the month ended 31 March 2025_26, outstanding debtors comprise of consumer and sundry debtors. The total outstanding debtors amounts to **R2 billion** the consumer debtors amount to **R1.9 billion** and sundry debtors amount to **R147 million** . Creditors to the amount **R1.7 billion** were not paid during the month.

Description		Budget Year 2025/26											
R thousands	NT Code	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	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	4 505	3 423	3 900	2 844	3 371	4 294	6 028	259 572	287 937	280 009	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 067	1 540	938	490	366	445	972	23 240	43 058	26 451	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	103 983	89 760	88 484	87 639	87 346	87 054	87 003	321 373	952 642	758 899	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	1 012	528	496	410	383	326	335	22 578	26 068	24 528	–	–
Receivables from Exchange Transactions - Waste Management	1600	3 026	811	577	533	484	535	477	26 853	33 297	29 459	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	5 715	5 269	5 267	5 138	5 205	5 238	5 284	255 370	292 486	281 502	–	–
Interest on Arrear Debtor Accounts	1810	9 699	9 602	9 334	9 119	8 908	8 797	8 610	252 478	316 548	297 246	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	2 031	981	1 472	834	634	977	1 514	139 188	147 632	144 619	–	–
Total By Income Source	**2000**	**145 040**	**111 915**	**110 469**	**107 007**	**106 698**	**107 667**	**110 222**	**1 300 651**	**2 099 668**	**1 842 714**	–	–
2019/20 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 056	456	894	288	(38)	89	322	9 651	12 717	11 205	–	–
Commercial	2300	5 771	2 990	2 590	2 094	1 894	1 815	1 974	71 940	91 067	82 306	–	–
Households	2400	24 497	19 197	18 779	17 761	17 909	18 578	19 922	893 441	1 030 084	986 390	–	–
Other	2500	113 716	89 272	88 206	86 864	86 934	87 185	88 005	325 619	965 800	762 812	–	–
Total By Customer Group	**2600**	**145 040**	**111 915**	**110 469**	**107 007**	**106 698**	**107 667**	**110 222**	**1 300 651**	**2 099 668**	**1 842 714**	–	–

7. CREDITORS AGE ANALYSIS

Description	NT Code	Budget Year 2025/26								
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	25 842	28 541	11 966	26 362	1 167 092	–		–	1 259 804
Bulk Water	0200	9 324	7 424	8 986	8 978	475 915	–		–	510 628
PAYE deductions	0300	–	–	–	–	–	–	-	–	–
VAT (output less input)	0400	–	–	–	–	–	–	-	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	-	–	–
Loan repayments	0600	–	–	–	–	–	–	-	–	–
Trade Creditors	0700	–	3 813	197	6	1 340	–	-	–	5 355
Auditor General	0800	109	409	3 270	891	1 622		-	–	6 300
Financial Systems	0900	287	160	661	–	–	–	-	–	1 108
Total By Customer Type	**1000**	**35 562**	**40 347**	**25 079**	**36 237**	**1 645 969**	–	–	–	1 783 195

8. Allocation and grant receipts and expenditure

Grants	Gazetted Amnt	Total Received to date	Mar Actual	YTD Actual	% spent on received amount
FMG	1 900 000	1 900 000	91 560	1 112 653	59%
EPWP	1 976 000	2 153 000	224 899	2 153 000	100%
MIG	29 618 000	29 618 000	2 020 440	21 125 921	71%

- An amount of **R732 thousand** funded the EPWP through the internally generated funds.

Grants	Gazetted Amnt	Total Received to date	Mar Actual	YTD spending	% spent on received amt
MDRG	6 000 000	6 000 000	-	-	0%

9. Councillors and employee benefits

Number of months-------->	9					
	Pro-rata	**Adjustment**	**Mar**	**YTD**	**%**	**Reason for Variance**
	Budget	**Budget**	**Actual**	**Actual**	**Actual**	
Councillors:						
Allowances	9 109 500	9 109 500	1 074 000	7 636 000	83.8%	None
Employees:						
Basic salary	87 759 000	96 196 500	10 766 000	96 472 000	100.3%	Variance is due to new appointments
Travelling allowance	10 361 250	10 110 000	954 000	8 894 000	88.0%	None
Overtime	15 525 750	13 933 500	925 000	12 052 000	86.5%	None
Employee social contributions	45 129 750	44 506 500	5 077 000	43 787 000	98.4%	None
TOTAL	**167 885 250**	**173 856 000**	**18 796 000**	**168 841 000**	**97.1%**	

13. Conclusion

14. Annexure A: C Schedules

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

16. Municipal Manager's quality certificate

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

Circular 124, for debt relief program - Eskom reconciliation as at 31 March 2026.

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	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 -	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 10 529 243.80	R 1 579 386.57	R 3 738 308.67	R 15 846 939.04	R 9 500 000.00	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	564671385939	R 1 007 593 970.35	R 8 819 286.56	R 1 322 892.98	R 4 933 397.92	R 15 075 577.46	R 1 500 000.00	R 1 021 169 547.81
Mar-26	564071782489	R 1 021 169 547.81	R 8 666 909.03	R 1 300 036.35	R 3 831 462.49	R 13 798 407.87	R 3 000 000.00	R 1 031 967 955.68
Apr-26								
May-26								
Jun-26								
			R 94 586 151.19	**R 14 187 922.67**	**R 35 172 035.19**			

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	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 -	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
Sept-25	889378192530	R 169 553 543.70	R 8 987 025.14	R 1 348 053.77	R 1 464 013.65	R 11 799 092.56	R 9 500 000.00	R 171 852 636.26
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	889929345408	R 203 826 346.96	R 9 665 296.11	R 1 449 794.42	R 2 350 713.62	R 13 465 804.15	R 1 500 000.00	R 215 792 151.11
Mar-26	889570809146	R 215 792 151.11	R 9 230 991.14	R 1 384 648.67	R 1 428 237.60	R 12 043 877.41	R 3 000 000.00	R 224 836 028.52
Apr-26								
May-26								
Jun-26								
			92 088 859.94	**13 813 329.00**	**14 668 512.44**			

Choose name from list - Table C1 Monthly Budget Statement Summary - M09 - March

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	108 696	128 920	138 920	104 918	861 309	100 690	760 619	755%	138 920
Service charges	315 713	355 029	362 032	24 800	236 116	269 073	(32 957)	-12%	362 032
Investment revenue	1 265	–	–	–	–	–	–		–
Transfers and subsidies - Operational	153 285	161 007	161 007	39 283	157 136	120 755	36 380	30%	161 007
Other own revenue	171 201	303 539	311 542	15 853	134 685	230 855	(96 170)	-42%	311 542
Total Revenue (excluding capital transfers and contributions)	**750 159**	**948 495**	**973 500**	**184 853**	**1 389 246**	**721 373**	**667 873**	**93%**	**973 500**
Employee costs	207 328	211 691	219 640	17 722	161 206	161 948	(742)	0%	219 640
Remuneration of Councillors	9 790	12 146	12 146	1 074	7 636	9 109	(1 474)	-16%	12 146
Depreciation and amortisation	60 323	53 279	56 591	940	29 350	41 284	(11 934)	-29%	56 591
Interest	97 555	50 000	60 000	9 714	89 117	41 500	47 617	115%	60 000
Inventory consumed and bulk purchases	297 491	352 797	344 092	17 487	251 440	262 316	(10 875)	-4%	344 092
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	434 350	314 105	309 610	13 981	125 131	231 531	(106 400)	-46%	309 610
Total Expenditure	**1 106 838**	**994 017**	**1 002 079**	**60 918**	**663 880**	**747 688**	**(83 808)**	**-11%**	**1 002 079**
Surplus/(Deficit)	**(356 679)**	**(45 522)**	**(28 579)**	**123 935**	**725 366**	**(26 314)**	**751 681**	**-2857%**	**(28 579)**
Transfers and subsidies - capital (monetary allocations)	44 337	46 618	46 618	–	–	34 964	(34 964)	-100%	46 618
Transfers and subsidies - capital (in-kind)	16 063	30 500	30 500	–	–	22 875	(22 875)	-100%	30 500
Surplus/(Deficit) after capital transfers &	**(296 279)**	**31 596**	**48 539**	**123 935**	**725 366**	**31 524**	**693 842**	**2201%**	**48 539**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(296 279)**	**31 596**	**48 539**	**123 935**	**725 366**	**31 524**	**693 842**	**2201%**	**48 539**
Capital expenditure & funds sources									
Capital expenditure	**86 343**	**65 245**	**64 495**	**3 359**	**25 002**	**48 634**	**(23 631)**	**-49%**	**64 495**
Capital transfers recognised	77 304	46 645	46 645	2 008	16 882	34 984	(18 101)	-52%	46 645
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**7 924**	**18 600**	**17 850**	**1 351**	**7 618**	**13 650**	**(6 032)**	**-44%**	**17 850**
Total sources of capital funds	**85 229**	**65 245**	**64 495**	**3 359**	**24 500**	**48 634**	**(24 134)**	**-50%**	**64 495**
Financial position									
Total current assets	577 142	202 468	773 722		1 557 935				773 722
Total non current assets	1 056 892	1 030 231	1 060 872		1 052 545				1 060 872
Total current liabilities	2 044 004	932	2 192 775		2 294 656				2 192 775
Total non current liabilities	61 841	686 528	64 841		61 841				64 841
Community wealth/Equity	**(471 639)**	**545 239**	**(423 022)**		**253 984**				**(423 022)**
Cash flows									
Net cash from (used) operating	93 120	119 775	78 486	38 148	162 707	73 315	(89 391)	-122%	78 486
Net cash from (used) investing	64 037	(65 245)	(64 495)	(3 116)	(30 417)	(48 634)	(18 216)	37%	(64 495)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**160 882**	**76 659**	**26 352**	**–**	**144 651**	**37 043**	**(107 608)**	**-290%**	**26 352**
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	39 672	26 274	53 264	4 098	34 652	21 912	109	1 669 486	1 849 468

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 - March

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue - Functional										
Governance and administration		**388 614**	**311 972**	**328 275**	**142 991**	**1 101 132**	**240 500**	860 631	358%	**328 275**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		388 614	311 972	328 275	142 991	1 101 132	240 500	860 631	358%	328 275
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**13 829**	**7 760**	**7 760**	**549**	**5 130**	**5 820**	(690)	-12%	**7 760**
Community and social services		2 208	2 608	2 608	35	1 128	1 956	(828)	-42%	2 608
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		7 471	3 511	3 511	329	2 370	2 633	(263)	-10%	3 511
Housing		4 150	1 641	1 641	184	1 632	1 231	401	33%	1 641
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(2 290)**	**4 356**	**6 056**	**62**	**62**	**3 947**	(3 884)	-98%	**6 056**
Planning and development		–	4 356	6 056	62	62	3 947	(3 884)	-98%	6 056
Road transport		(2 290)	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**410 407**	**701 525**	**708 528**	**41 251**	**282 922**	**528 945**	**(246 023)**	-47%	**708 528**
Energy sources		174 972	329 394	333 397	15 429	130 885	248 647	(117 762)	-47%	333 397
Water management		117 454	208 373	208 373	4 459	53 451	156 280	(102 829)	-66%	208 373
Waste water management		29 237	113 471	113 471	1 000	9 786	85 103	(75 318)	-89%	113 471
Waste management		88 744	50 286	53 286	20 363	88 801	38 915	49 887	128%	53 286
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**810 559**	**1 025 613**	**1 050 618**	**184 853**	**1 389 246**	**779 212**	**610 034**	**78%**	**1 050 618**
Expenditure - Functional										
Governance and administration		**508 764**	**347 625**	**360 188**	**15 642**	**226 846**	**264 169**	(37 323)	-14%	**360 188**
Executive and council		47 972	45 242	55 715	(3 608)	29 293	38 143	(8 851)	-23%	55 715
Finance and administration		460 792	302 383	304 472	19 250	197 553	226 026	(28 472)	-13%	304 472
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**77 188**	**103 623**	**102 636**	**5 674**	**67 095**	**77 232**	(10 137)	-13%	**102 636**
Community and social services		30 918	34 792	38 007	3 182	27 854	27 380	474	2%	38 007
Sport and recreation		4 019	2 493	3 989	66	2 077	2 468	(391)	-16%	3 989
Public safety		40 485	64 699	58 760	2 291	35 898	46 059	(10 161)	-22%	58 760
Housing		1 766	1 639	1 879	134	1 266	1 325	(59)	-4%	1 879
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**44 710**	**68 810**	**59 380**	**1 418**	**26 512**	**47 160**	(20 649)	-44%	**59 380**
Planning and development		6 151	19 956	18 555	84	2 297	14 632	(12 334)	-84%	18 555
Road transport		41 150	47 093	39 565	1 327	23 852	31 409	(7 556)	-24%	39 565
Environmental protection		(2 591)	1 760	1 260	7	362	1 120	(758)	-68%	1 260
Trading services		**476 178**	**473 960**	**479 875**	**38 184**	**343 427**	**359 126**	**(15 699)**	-4%	**479 875**
Energy sources		310 681	275 709	292 336	26 051	235 781	212 998	22 783	11%	292 336
Water management		117 349	130 169	121 341	7 120	69 828	94 245	(24 417)	-26%	121 341
Waste water management		42 458	53 845	52 398	5 586	33 399	41 380	(7 981)	-19%	52 398
Waste management		5 690	14 237	13 801	(572)	4 419	10 503	(6 084)	-58%	13 801
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**1 106 838**	**994 017**	**1 002 079**	**60 918**	**663 880**	**747 688**	**(83 808)**	**-11%**	**1 002 079**
Surplus/ (Deficit) for the year		**(296 279)**	**31 596**	**48 539**	**123 935**	**725 366**	**31 524**	**693 842**	**2201%**	**48 539**

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 - March

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–		–
Vote 2 - Budget and Treasury		388 614	311 972	328 275	142 991	1 101 132	240 500	860 631	357.9%	328 275
Vote 3 - Corporate Services		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		2 208	2 608	2 608	35	1 128	1 956	(828)	-42.3%	2 608
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		7 471	3 511	3 511	329	2 370	2 633	(263)	-10.0%	3 511
Vote 7 - Housing		4 150	1 641	1 641	184	1 632	1 231	401	32.6%	1 641
Vote 8 - Health Services		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		–	4 356	6 056	62	62	3 947	(3 884)	-98.4%	6 056
Vote 10 - Roads Transport		(2 290)	–	–	–	–	–	–		–
Vote 11 - Electricity Services		174 972	329 394	333 397	15 429	130 885	248 647	(117 762)	-47.4%	333 397
Vote 12 - Water Services		117 454	208 373	208 373	4 459	53 451	156 280	(102 829)	-65.8%	208 373
Vote 13 - Waste Water Management		29 237	113 471	113 471	1 000	9 786	85 103	(75 318)	-88.5%	113 471
Vote 14 - Solid Waste Management		88 744	50 286	53 286	20 363	88 801	38 915	49 887	128.2%	53 286
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**810 559**	**1 025 613**	**1 050 618**	**184 853**	**1 389 246**	**779 212**	**610 034**	**78.3%**	**1 050 618**
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		59 529	66 115	82 334	(3 028)	39 694	56 097	(16 402)	-29.2%	82 334
Vote 2 - Budget and Treasury		430 662	270 388	257 329	16 922	167 990	195 970	(27 980)	-14.3%	257 329
Vote 3 - Corporate Services		6 273	186	13 856	1 089	10 273	5 608	4 665	83.2%	13 856
Vote 4 - Community and Social Services		30 918	34 792	38 007	3 182	27 854	27 380	474	1.7%	38 007
Vote 5 - Sport and Recreation		4 019	2 493	3 989	66	2 077	2 468	(391)	-15.8%	3 989
Vote 6 - Public Safety		40 485	64 699	58 760	2 291	35 898	46 059	(10 161)	-22.1%	58 760
Vote 7 - Housing		1 766	1 639	1 879	134	1 266	1 325	(59)	-4.5%	1 879
Vote 8 - Health Services		(2 591)	1 760	1 260	7	362	1 120	(758)	-67.7%	1 260
Vote 9 - Planning and Development		4 113	14 622	7 580	26	479	8 375	(7 895)	-94.3%	7 580
Vote 10 - Roads Transport		50 128	62 244	44 902	1 210	25 769	38 846	(13 077)	-33.7%	44 902
Vote 11 - Electricity Services		310 681	275 709	292 336	26 051	235 781	212 998	22 783	10.7%	292 336
Vote 12 - Water Services		117 349	130 169	121 341	7 120	69 828	94 245	(24 417)	-25.9%	121 341
Vote 13 - Waste Water Management		42 458	53 845	52 398	5 586	33 399	41 380	(7 981)	-19.3%	52 398
Vote 14 - Solid Waste Management		5 690	14 237	13 801	(572)	4 419	10 503	(6 084)	-57.9%	13 801
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 101 479**	**992 897**	**989 773**	**60 083**	**655 090**	**742 373**	**(87 283)**	**-11.8%**	**989 773**
Surplus/ (Deficit) for the year	2	**(290 919)**	**32 716**	**60 845**	**124 770**	**734 156**	**36 839**	**697 318**	**1892.9%**	**60 845**

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - March

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		213 908	246 628	250 631	18 226	161 078	186 572	(25 495)	-14%	250 631
Service charges - Water		72 969	78 691	78 691	4 459	53 451	59 018	(5 568)	-9%	78 691
Service charges - Waste Water Management		13 174	14 392	14 392	1 000	9 786	10 794	(1 008)	-9%	14 392
Service charges - Waste management		15 661	15 318	18 318	1 115	11 802	12 688	(886)	-7%	18 318
Sale of Goods and Rendering of Services		2 228	7 231	9 086	515	2 836	6 165	(3 329)	-54%	9 086
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		68 849	165 255	165 255	52	440	123 941	(123 501)	-100%	165 255
Interest from Current and Non Current Assets		1 265	–	–	–	–	–	–		–
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		1 860	1 641	1 641	122	1 570	1 231	339	28%	1 641
Licence and permits		–	–	–	–	–	–	–		–
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		1 533	806	431	12	590	455	136	30%	431
Non-Exchange Revenue								–		
Property rates		108 696	128 920	138 920	104 918	861 309	100 690	760 619	755%	138 920
Surcharges and Taxes		69 951	73 281	73 281	5 521	49 798	54 961	(5 163)	-9%	73 281
Fines, penalties and forfeits		6 801	2 235	2 235	5	1 174	1 676	(503)	-30%	2 235
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		153 285	161 007	161 007	39 283	157 136	120 755	36 380	30%	161 007
Interest		13 718	53 090	59 612	9 626	78 277	42 426	35 851	85%	59 612
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**	**973 500**	**184 853**	**1 389 246**	**721 373**	**667 873**	**93%**	**973 500**
Expenditure By Type										
Employee related costs		207 328	211 691	219 640	17 722	161 206	161 948	(742)	0%	219 640
Remuneration of councillors		9 790	12 146	12 146	1 074	7 636	9 109	(1 474)	-16%	12 146
Bulk purchases - electricity		227 563	228 174	226 174	17 898	187 869	170 330	17 539	10%	226 174
Inventory consumed		69 928	124 623	117 918	(411)	63 572	91 985	(28 414)	-31%	117 918
Debt impairment		149 695	89 408	61 908	–	–	54 556	(54 556)	-100%	61 908
Depreciation and amortisation		60 323	53 279	56 591	940	29 350	41 284	(11 934)	-29%	56 591
Interest		97 555	50 000	60 000	9 714	89 117	41 500	47 617	115%	60 000
Contracted services		110 395	128 878	144 932	10 992	81 820	100 830	(19 010)	-19%	144 932
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		73 709	31 594	31 383	–	2 795	23 611	(20 816)	-88%	31 383
Operational costs		51 150	64 224	71 387	2 989	40 516	52 533	(12 017)	-23%	71 387
Losses on Disposal of Assets		9 065	–	–	–	–	–	–		–
Other Losses		40 336	–	–	–	–	–	–		–
Total Expenditure		**1 106 838**	**994 017**	**1 002 079**	**60 918**	**663 880**	**747 688**	**(83 808)**	**-11%**	**1 002 079**
Surplus/(Deficit)		**(356 679)**	**(45 522)**	**(28 579)**	**123 935**	**725 366**	**(26 314)**	**751 681**	**-2857%**	**(28 579)**
Transfers and subsidies - capital (monetary allocations)		44 337	46 618	46 618	–	–	34 964	(34 964)	-100%	46 618
Transfers and subsidies - capital (in-kind)		16 063	30 500	30 500	–	–	22 875	(22 875)	-100%	30 500
Surplus/(Deficit) after capital transfers & contributions		**(296 279)**	**31 596**	**48 539**	**123 935**	**725 366**	**31 524**			**48 539**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**(296 279)**	**31 596**	**48 539**	**123 935**	**725 366**	**31 524**			**48 539**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**(296 279)**	**31 596**	**48 539**	**123 935**	**725 366**	**31 524**			**48 539**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**(296 279)**	**31 596**	**48 539**	**123 935**	**725 366**	**31 524**			**48 539**

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 - March

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
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	2 850	–	1 089	2 400	(1 311)	-55%	2 850
Vote 2 - Budget and Treasury		40 449	950	950	2 521	2 559	713	1 846	259%	950
Vote 3 - Corporate Services		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		(393)	200	200	–	555	150	405	270%	200
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		–	300	300	–	–	225	(225)	-100%	300
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health Services		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		29	550	550	–	30	412	(383)	-93%	550
Vote 10 - Roads Transport		22 212	23 700	23 700	(1 561)	11 420	17 775	(6 355)	-36%	23 700
Vote 11 - Electricity Services		38 198	5 000	5 000	–	1 831	3 750	(1 919)	-51%	5 000
Vote 12 - Water Services		(20 390)	20 500	20 500	299	1 199	15 375	(14 176)	-92%	20 500
Vote 13 - Waste Water Management		528	6 445	6 445	756	3 642	4 834	(1 192)	-25%	6 445
Vote 14 - Solid Waste Management		2 083	4 000	4 000	1 344	2 677	3 000	(323)	-11%	4 000
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	86 343	65 245	64 495	3 359	25 002	48 634	**(23 631)**	**-49%**	64 495
Total Capital Expenditure		**86 343**	**65 245**	**64 495**	**3 359**	**25 002**	**48 634**	**(23 631)**	**-49%**	**64 495**
Capital Expenditure - Functional Classification										
Governance and administration		**50 310**	**10 550**	**9 800**	**2 521**	**6 875**	**7 613**	(738)	-10%	**9 800**
Executive and council		185	350	350	–	–	263	(263)	-100%	350
Finance and administration		50 125	10 200	9 450	2 521	6 875	7 350	(475)	-6%	9 450
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(393)**	**500**	**500**	**–**	**555**	**375**	180	48%	**500**
Community and social services		(393)	200	200	–	555	150	405	270%	200
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	300	300	–	–	225	(225)	-100%	300
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**16 007**	**18 250**	**18 250**	**(1 561)**	**8 223**	**13 687**	(5 465)	-40%	**18 250**
Planning and development		29	550	550	–	30	412	(383)	-93%	550
Road transport		15 978	17 700	17 700	(1 561)	8 193	13 275	(5 082)	-38%	17 700
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**20 420**	**35 945**	**35 945**	**2 398**	**9 349**	**26 959**	(17 610)	-65%	**35 945**
Energy sources		38 198	5 000	5 000	–	1 831	3 750	(1 919)	-51%	5 000
Water management		(20 390)	20 500	20 500	299	1 199	15 375	(14 176)	-92%	20 500
Waste water management		528	6 445	6 445	756	3 642	4 834	(1 192)	-25%	6 445
Waste management		2 083	4 000	4 000	1 344	2 677	3 000	(323)	-11%	4 000
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**86 343**	**65 245**	**64 495**	**3 359**	**25 002**	**48 634**	**(23 631)**	**-49%**	**64 495**
Funded by:										
National Government		77 304	46 645	46 645	2 008	16 882	34 984	(18 101)	-52%	46 645
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		**77 304**	**46 645**	**46 645**	**2 008**	**16 882**	**34 984**	**(18 101)**	**-52%**	**46 645**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		7 924	18 600	17 850	1 351	7 618	13 650	(6 032)	-44%	17 850
Total Capital Funding		**85 229**	**65 245**	**64 495**	**3 359**	**24 500**	**48 634**	**(24 134)**	**-50%**	**64 495**

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M09 - March

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		12 361	76 659	(13 186)	29 279	(13 186)
Trade and other receivables from exchange transactions		59 341	(7 735)	(3 511)	203 761	(3 511)
Receivables from non-exchange transactions		16 333	146 472	107 936	797 781	107 936
Current portion of non-current receivables		–	–	–	–	–
Inventory		2 418	(35 945)	128 414	2 368	128 414
VAT		486 689	23 017	554 069	525 762	554 069
Other current assets		0	–	0	(1 016)	0
Total current assets		**577 142**	**202 468**	**773 722**	**1 557 935**	**773 722**
Non current assets						
Investments		–	–	(4 173)	–	(4 173)
Investment property		97 136	66 580	95 874	96 508	95 874
Property, plant and equipment		958 618	964 328	969 940	954 899	969 940
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		1 075	1 075	1 075	1 075	1 075
Intangible assets		64	(1 752)	(1 843)	64	(1 843)
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**1 056 892**	**1 030 231**	**1 060 872**	**1 052 545**	**1 060 872**
TOTAL ASSETS		**1 634 034**	**1 232 699**	**1 834 594**	**2 610 480**	**1 834 594**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		4 692	–	4 692	4 692	4 692
Consumer deposits		1 710	(8 865)	1 710	1 848	1 710
Trade and other payables from exchange transactions		1 681 168	113 075	1 802 027	1 859 985	1 802 027
Trade and other payables from non-exchange transactions		2 911	(117 122)	(27 589)	31 034	(27 589)
Provision		8 701	11 546	8 701	8 701	8 701
VAT		344 822	2 298	403 235	388 397	403 235
Other current liabilities		–	–	–	–	–
Total current liabilities		**2 044 004**	**932**	**2 192 775**	**2 294 656**	**2 192 775**
Non current liabilities						
Financial liabilities		(3 419)	7 528	(3 419)	(3 419)	(3 419)
Provision		21 276	679 000	24 276	21 276	24 276
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		43 984	–	43 984	43 984	43 984
Total non current liabilities		**61 841**	**686 528**	**64 841**	**61 841**	**64 841**
TOTAL LIABILITIES		**2 105 845**	**687 460**	**2 257 616**	**2 356 497**	**2 257 616**
NET ASSETS	2	**(471 810)**	**545 239**	**(423 022)**	**253 984**	**(423 022)**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(471 639)	545 239	(423 022)	253 984	(423 022)
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**(471 639)**	**545 239**	**(423 022)**	**253 984**	**(423 022)**

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M09 - March

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		108 019	236 078	230 652	10 413	92 903	174 888	(81 985)	-47%	230 652
Service charges		308 925	450 169	314 129	25 246	231 675	283 211	(51 535)	-18%	314 129
Other revenue		58 809	23 809	79 316	21 348	101 620	40 060	61 560	154%	79 316
Transfers and Subsidies - Operational		33 912	161 007	161 007	19 842	83 909	120 755	(36 846)	-31%	161 007
Transfers and Subsidies - Capital		18 911	46 618	46 618	–	1	34 964	(34 963)	-100%	46 618
Interest		1 265	–	224 867	–	–	89 947	(89 947)	-100%	224 867
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(436 721)	(797 906)	(978 103)	(38 700)	(347 402)	(670 509)	323 106	-48%	(978 103)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**93 120**	**119 775**	**78 486**	**38 148**	**162 707**	**73 315**	**(89 391)**	**-122%**	**78 486**
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)	(64 495)	(3 116)	(30 417)	(48 634)	18 216	-37%	(64 495)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**64 037**	**(65 245)**	**(64 495)**	**(3 116)**	**(30 417)**	**(48 634)**	**(18 216)**	**37%**	**(64 495)**
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**	**13 991**	**35 032**	**132 289**	**24 682**			**13 991**
Cash/cash equivalents at beginning:		3 725	22 130	12 361		12 361	12 361			12 361
Cash/cash equivalents at month/year end:		160 882	76 659	26 352		144 651	37 043			26 352

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 - March

Summary of Employee and Councillor remuneration R thousands	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 764	6 985	6 985	708	4 344	5 238	(894)	-17%	6 985
Pension and UIF Contributions		1 022	1 230	1 230	95	805	923	(118)	-13%	1 230
Medical Aid Contributions		379	448	448	32	285	336	(51)	-15%	448
Motor Vehicle Allowance		186	428	428	32	283	321	(38)	-12%	428
Cellphone Allowance		799	985	985	67	604	739	(135)	-18%	985
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1 640	2 070	2 070	140	1 314	1 553	(238)	-15%	2 070
Sub Total - Councillors		**9 790**	**12 146**	**12 146**	**1 074**	**7 636**	**9 109**	**(1 474)**	**-16%**	**12 146**
% increase	4		**24.1%**	**24.1%**						**24.1%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 185	5 336	4 306	280	3 017	3 590	(573)	-16%	4 306
Pension and UIF Contributions		352	106	200	16	138	117	21	18%	200
Medical Aid Contributions		271	73	73	8	54	55	(1)	-1%	73
Overtime		–	9	9	1	6	7	(1)	-9%	9
Performance Bonus		218	–	186	–	93	75	19	25%	186
Motor Vehicle Allowance		687	632	1 022	66	575	630	(55)	-9%	1 022
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		360	146	146	10	90	110	(20)	-18%	146
Other benefits and allowances		1	5	1	0	1	2	(1)	-71%	1
Payments in lieu of leave		–	–	20	2	16	8	8	100%	20
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**	**5 963**	**383**	**3 991**	**4 593**	**(601)**	**-13%**	**5 963**
% increase	4		**3.2%**	**-2.4%**						**-2.4%**
Other Municipal Staff										
Basic Salaries and Wages		116 828	111 676	123 956	10 486	93 455	88 669	4 786	5%	123 956
Pension and UIF Contributions		26 869	30 052	28 766	2 381	21 494	22 025	(531)	-2%	28 766
Medical Aid Contributions		11 135	12 797	12 516	1 194	9 804	9 486	318	3%	12 516
Overtime		13 120	20 692	18 569	924	12 046	14 670	(2 624)	-18%	18 569
Performance Bonus		8 591	10 172	10 812	930	8 038	7 885	153	2%	10 812
Motor Vehicle Allowance		10 158	13 183	12 436	888	8 319	9 589	(1 269)	-13%	12 436
Cellphone Allowance		42	143	143	11	101	107	(7)	-6%	143
Housing Allowances		1 292	830	825	38	309	621	(311)	-50%	825
Other benefits and allowances		6 570	4 008	4 086	308	2 915	3 037	(122)	-4%	4 086
Payments in lieu of leave		1 215	–	–	–	–	–	–		–
Long service awards		0	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	3 250	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		300	157	467	26	233	242	(8)	-3%	467
Acting and post related allowance		1 849	1 675	1 101	152	501	1 027	(525)	-51%	1 101
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**201 220**	**205 385**	**213 677**	**17 339**	**157 215**	**157 356**	**(141)**	**0%**	**213 677**
% increase	4		**2.1%**	**6.2%**						**6.2%**
Total Parent Municipality		**217 119**	**223 837**	**231 786**	**18 796**	**168 841**	**171 058**	**(2 216)**	**-1%**	**231 786**
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 - M09 - March

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26							
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	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		–	–	–	–	–	–	–		–
% 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		–	–	–	–	–	–	–		–
% increase	4									
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		217 119	223 837	231 786	18 796	168 841	171 058	(2 216)	-1%	231 786
% increase	4		3.1%	6.8%						6.8%
TOTAL MANAGERS AND STAFF		207 328	211 691	219 640	17 722	161 206	161 948	(742)	0%	219 640

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M09 - March

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		48 524	28 728	39 574	6 951	35 967	23 784	(12 182)	-51.2%	39 574
Roads Infrastructure		2 399	4 000	3 000	309	1 461	2 600	1 139	43.8%	3 000
Roads		–	–	–	–	–	–	–		–
Road Structures		–	–	–	–	–	–	–		–
Road Furniture		–	–	–	–	–	–	–		–
Capital Spares		2 399	4 000	3 000	309	1 461	2 600	(1 139)	(0)	3 000
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		37 487	6 000	24 162	6 560	29 538	11 240	(18 299)	-162.8%	24 162
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	24 162	6 560	29 538	11 240	18 299	0	24 162
Water Supply Infrastructure		2 096	2 000	1 000	30	513	500	(13)	-2.5%	1 000
Dams and Weirs		–	–	–	–	–	–	–		–
Boreholes		–	–	–	–	–	–	–		–
Reservoirs		–	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		–	–	–	–	–	–	–		–
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	–	–	–	–	–	–		–
Distribution Points		–	–	–	–	–	–	–		–
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		2 096	2 000	1 000	30	513	500	13	0	1 000
Sanitation Infrastructure		5 298	2 000	2 500	2	1 711	1 700	(11)	-0.6%	2 500
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		5 298	2 000	2 500	2	1 711	1 700	11	0	2 500
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	712	–	251	407	156	38.4%	712
Sand Pumps		–	–	–	–	–	–	–		–
Piers		–	–	–	–	–	–	–		–
Revetments		–	–	–	–	–	–	–		–
Promenades		–	–	–	–	–	–	–		–
Capital Spares		1 093	3 778	712	–	251	407	(156)	(0)	712
Information and Communication Infrastructure		150	10 950	8 200	51	2 493	7 338	4 844	66.0%	8 200
Data Centres		–	–	–	–	–	–	–		–
Core Layers		–	–	–	–	–	–	–		–
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		150	10 950	8 200	51	2 493	7 338	(4 844)	(0)	8 200
Community Assets		–	–	–	–	–	–	–		–
Community Facilities		–	–	–	–	–	–	–		–
Halls		–	–	–	–	–	–	–		–

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M09 - March

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Centres		–	–	–	–	–	–	–		–
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		–	–	–	–	–	–	–		–
Galleries		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Libraries		–	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		–	–	–	–	–	–	–		–
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 - M09 - March

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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	39 574	6 951	35 967	23 784	(12 182)	-51.2%	39 574

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province		
MP		
Code	District	Code Description
MP311	Nkangala	Victor Khanye

Monthly Performance Report

Municipal Details

Month	Code Descr	Code
25.July25	Victor Khanye	MP311
26.August25	Victor Khanye	MP311
27.September25	Victor Khanye	MP311
28.October25	Victor Khanye	MP311
29.November25	Victor Khanye	MP311
30.December25	Victor Khanye	MP311
31.January26	Victor Khanye	MP311
32.February26	Victor Khanye	MP311
33.March26	Victor Khanye	MP311
34.April26	Victor Khanye	MP311
35.May26	Victor Khanye	MP311
36.June26	Victor Khanye	MP311
37.July26	Victor Khanye	MP311
38.August26	Victor Khanye	MP311
39.September26	Victor Khanye	MP311
40.October26	Victor Khanye	MP311
41.November26	Victor Khanye	MP311

	Part A						Part B					Part C			Part D				Part C							Part C			Part E													Scoring and Rating	
	Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges							Maximization of Revenue Base			Oversight														
	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	No	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	N/A	Yes	No	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	68%	Moderate compliance
26.August25	Yes	Yes	No	No	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	No	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	N/A	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	63%	Moderate compliance
27.September25	No	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	68%	Moderate compliance
28.October25	No	Yes	No	No	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	66%	Moderate compliance
29.November25	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	63%	Moderate compliance
30.December25	Yes	Yes	No	No	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	66%	Moderate compliance
31.January26	Yes	Yes	No	No	Yes	No	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	66%	Moderate compliance
32.February26	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	68%	Moderate compliance
33.March26																																										0%	Not completed
34.April26																																										0%	Not completed
35.May26																																										0%	Not completed
36.June26																																										0%	Not completed
37.July26																																										0%	Not completed
38.August26																																										0%	Not completed
39.September26																																										0%	Not completed
40.October26																																										0%	Not completed
41.November26																																										0%	Not completed

Comments/Motivation

HOD Name:	Ms G Mashiteng
Signature of HOD:	pp
Date:	23/03/2026

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

provincial treasury
MPUMALANGA PROVINCE
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Enquiries MR. I.D.P. STRAUSS Ext 8682
Ref 12/1/5

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
0001

Dear Mr. Mashabela and Mr. Ramjathan

MFMA CIRCULAR 124 - MUNICIPAL DEBT RELIEF NON-COMPLIANCE OF MP311 VICTOR KHANYE LM DURING FEBRUARY 2026

1. PURPOSE

To provide feedback on Victor Khanye LM 's debt relief compliance for February 2026.

2. BACKGROUND

The National Treasury approved the debt relief application of Victor Khanye LM with effect 01 September 2023. February 2026 constitutes the 30th 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 February 2026.

3. DISCUSSION

The municipality submitted the February 2026 self-assessment, signed by the Municipal Manager and it was uploaded on the Go-Muni with the narrative Section 71 report for February 2026. 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. From the Provincial Treasury's assessment, the municipality achieved a 68% compliance

with the MFMA Circular 124 conditions during February 2026 – refer to the performance sheet attached that shows the municipality's overall relief compliance performance across the months of its debt relief cycle. It increased if compared to the January 2026 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 – January 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 February 2026 are discussed in more detail below.

Condition 6.3 Maintain Current Bulk Account.

The municipality's Eskom account for January 2026 was R19,889,738.65 according to the Eskom Section 41 report. The Municipality only paid R2 million in February 2026. The data strings of the Municipality correctly show R2,000,000 payments made to Eskom in February 2026. The electricity income for February 2026 was R19,349,737.00 according to schedule SC30.

The municipality only paid their Eskom account in full twice (March 2024 and December 2024) in the 30 months that the municipality is on the debt relief programme. Only R212,9 million of the R552,1 million electricity income was paid to Eskom. The municipality's average payment percentage is 33%. The total short payments from September 2023 to February 2026 are R427,4 million.

The municipality emailed and uploaded the January 2026 Rand Water invoice. The amount to be paid by the municipality was R4,617,022.59. The municipality paid the exact R4,6 million to Rand Water in February 2026. The water data strings for month 8 in February 2026 was not uploaded on LG Portal.

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. It increased further to R1,6 billion unfunded with 2025/26 adjustment budget.

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. It improved to a deficit of R28,6 million with the 2025/26 adjustment 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 2025/26. The quarterly collection rate at 23% is also well below the circular 124 requirement of 85%. The collection rate for February 2026 was 26%. 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 February 2026 was uploaded on the Go-Muni portal and it was emailed to MPT. The mSCOA data strings for February 2026 was uploaded to the Go-Muni portal. The MFMA S71 Statement for January 2026 was not published on the municipality's website. 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 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	No
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of **MFMA Budget Circular 128 (Annexure B)**	No
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	No
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	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
3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 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 – January 2026) were compiled and issued to the National Treasury and the municipality as part of the PT's February 2026 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 OF DEPARTMENT
DATE: 21-03-2026

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	Feb'26
National Financial Year	2025/26
Demarcation Code of Municipality being assessed	MP311
District	Nkangala
Demarcation Description	Victor Khanye

I, Ms Gugu Mashilane , 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 complies with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6.3 + 6.12	**Maintaining the Eskom and bulk water current account –** (current account for the purpose of this exercise means the account for a single month's consumption)	
	6.12.2	- Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- refer condition 6.12.2*	Yes
	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes
	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	No
	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)? ***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.*	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://lguploadportal.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?	Yes
	6.4	**Compliance with a funded MTREF –** *(choose from drop down list the MTREF assessed)*	2025/26 Main Adjustment MTREF
	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No
	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?	Yes
		[redacted]	
	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

	Note - if the municipality merely uses the depreciation line item as an adjustment to 'balance' the budget and there is no real alignment between the provision for such item and the state of assets in the asset register, the Provincial Treasury must respond to this item as "No".	
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
	Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.	
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)? *Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	N/a
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
6,6	**Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, *demonstrated, through its by-laws and budget related policies*** that:	
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? 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.	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? *Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.*	No
6.6	*Supporting evidence : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.*	
6.7	**Maintain a minimum average quarterly collection of property rates and services charges**	
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
	Note - [illegible]	
6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following :**	
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
6.8	**Municipality's Completeness of the new [illegible]**	
6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	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? *Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s 71 statement*	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://lguploadportal.treasury.gov.za?	Yes
6.9	**Monitor and report on implementation –**	
6.9.1	- **MFMA section 71 reporting** – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	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? *Note - condition 6.9.2 has a typing error and must refer to 6.9.1.*	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://lguploadportal.treasury.gov.za?	No FRP
	Note - a municipality with a FRP may [illegible] from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.	
6.10	*Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:*	
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://lguploadportal.treasury.gov.za? *Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.*	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?	No
	Note - [illegible]	
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?	No
	Note - [illegible] borrowing for three consecutive [illegible] financial years from the date of the municipality's initial [illegible] in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124 [illegible] borrowing powers] will only be applicable in relation to new long term loans [illegible] after the [illegible] borrowing envisaged in MFMA [illegible]. Short term borrowings, including [illegible] will not be [illegible] limitations [illegible] conditions.	
6.12	**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
	Note - [illegible]	

	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.	Yes
6,13	**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? *Note to include accounting for any related benefit (e.g. interest suppression, etc) and alignment with mSCOA.*	Yes
6,14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes

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

PT: HOD/ NT / MM Name: **Ms G Mashiteng**

Signature of HOD/ NT/ MM:  **pp**

Date: **23/03/2026**

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

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 March 2025_26 amounts to **R 1.2 billion** and **R510 million** respectively;
4. That the Municipal Council consider that the debt book amounts to **R2 billion;**
5. That non-compliance letter from Provincial treasury and the self-assessment for the month ended February be noted;
6. That circular 124 debt be noted;
7. That government debt be noted;

T.P MAHLANGU
CHIEF FINANCIAL OFFICER