



VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

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BUDGET & TREASURY OFFICE

QUALITY CERTIFICATE

I, **T.M MASHABELA**, Municipal Manager of Victor Kanye Local Municipality, hereby certify that the Budget Statement for May 2025/26 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 *2026/06/08*



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 : 8 JUNE 2026

RE : SECTION 71 REPORT

PURPOSE

To provide the Executive Mayor/Council with the budget and financial performance report for 31 May 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 May 2009 for implementation with effect from 1 May 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 May 2009 for implementation with effect from 1 May 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 revenue and expenditure on standard classification of votes.

1. EXECUTIVE SUMMARY

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

Description	Budget	Adjustment budget	May Actual	YTD Actual	YTD Budget
Revenue	- 948 495 000	- 973 500 000	- 13 404 000	- 1 502 339 000	- 889 458 000
Expenditure	994 017 000	1 002 079 000	82 085 000	863 889 000	917 282 000
Surplus/Deficit	45 522 000	28 579 000	- 95 489 000	- 638 450 000	
Capital expenditure	65 245 000	64 495 000	4 674 000	32 849 000	59 208 000
Debtors			2 114 137 898		
Creditors			1 840 526 886		
Average payment rate	85%		49%		

The actual revenue billed for May amounted to **R64 million**. When comparing the year-to-date actual of **R1.5 billion** with the year-to-date budget of **R889 million**, there is a variance of **R612 million (69%)**. There was an adjustment made on the Kusile Power Station's account of **R54 million** which went against the billing in the current period and caused the total operating revenue to be in a negative balance of **R13 million**, a corrective journal to follow and will reflect next month.

The expenditure amounted to **R82 million** with a year-to-date actual of **R863 million**. In comparison with the year-to-date budget of **R917 million**, there is a negative variance of **R53 million (-6%)**.

The net operating surplus for May amounts to **R95 million** and the year-to-date surplus amounts to **R638 million**.

All grants allocations are 100% received. Expenditure incurred for **MIG** amounted to R2.5 million, **EPWP** expenditure amounted to R431 thousand, **FMG** expenditure amounted to R89 thousand and R705 thousand from the **WSIG** (Roll-over) from 2024/25. There is no recorded expenditure for the Municipal Disaster Response Grant to date as the council approved the special adjustment on 28th May 2026.

Ageing debtors amounted to **R2.1 billion** and on Creditors **R1.8 billion** in which the highest is an amount of **R1.3 billion** owed to Eskom and **R520 million** owed to Rand Water.

The payment rate for the month ending May 2026 is **49%**, reflecting an increase of **26%** from the previous month. The overall increase in the payment rate is largely attributable to the billing changes related to Kusile Power Station and the corrections made on agricultural property owners that moved from the agricultural category to residential.

REVENUE VARIANCES

	Original budget	Adjustment Budget	May Actual	YTD Actual	YTD Budget	Variance	Variance %
R thousands							
Revenue By Source							
Exchange revenue							
Service charges - electricity revenue	246 628 000	250 631 000	16 801 000	195 869 000	229 278 000	- 33 409 000	-15%
Service charges - water revenue	78 691 000	78 691 000	5 062 000	62 774 000	72 133 000	- 9 359 000	-13%
Service charges - sanitation revenue	14 392 000	14 392 000	947 000	11 129 000	13 193 000	- 2 064 000	-16%
Service charges - refuse revenue	15 318 000	18 318 000	1 348 000	13 506 000	16 441 000	- 2 935 000	-18%
Sale of Goods and rendering of services	7 231 000	9 086 000	258 000	3 369 000	8 112 000	- 4 743 000	-58%
Interest earned - outstanding debtors	165 255 000	165 255 000	251 000	691 000	151 484 000	- 150 793 000	-100%
Rental of facilities and equipment	1 641 000	1 641 000	188 000	1 936 000	1 505 000	431 000	29%
Operational revenue	806 000	431 000	390 000	1 046 000	439 000	607 000	138%
Interest from non-current Assets	-	-	-	-	-	-	-
Non-exchange revenue							
Property rates	128 920 000	138 920 000	54 681 000	896 575 000	126 176 000	770 399 000	611%
Fines, penalties and forfeits	2 235 000	2 235 000	439 000	1 613 000	2 049 000	- 436 000	-21%
Surcharges and Taxes	73 281 000	73 281 000	5 461 000	55 104 000	67 174 000	- 12 070 000	-18%
interest	53 090 000	59 612 000	10 134 000	98 188 000	53 884 000	44 304 000	82%
other Gains		-	3 000	3 000	-	3 000	
Transfers and Subsidies - Operational	161 007 000	161 007 000	5 000	160 536 000	147 590 000	12 946 000	9%
Total revenue (excluding capital transfers)	948 495 000	973 500 000	13 404 000	1 502 339 000	889 458 000	612 881 000	69%

EXCHANGE AND NON-EXCHANGE REVENUE

Service Charges – Electricity

The billing for May amounted to **R16.8 million** and a year to date of **R195.8 million**, which shows a negative variance when in comparison with the year to date budget **R229 million (-15%)**. As part of the revenue enhancement, the electricians are replacing prepaid meters where there is faulty meters.

Service Charges – Water

The billing for May amounted to **R5 million**. When the year-to-date actual **R62 million** is compared with the year to date budget **R72 million**, there is a variance of **(-13%)**. There is a data-cleansing programme done in-house by the revenue section, which aims to make billing more accurate, and installing conventional meters in unmetered households and replacing broken ones.

Service Charge – Sanitation

The billed revenue for May amounted to **R947 thousand**, the year to date was **R11 million** and compared with the year to date budget of **R13 million**, the variance is **(-16%)**. 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 **R133 million** and compared to the year to date budget of **R16 million**, there is a negative variance of **-18%**.

Rental of facilities and equipment

Billing for rental of facilities amounted to **R188 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 **R390 thousands**, with the year to date of **R1 million** and the year to date budget of **R439 thousand**, there is a positive variance of **138%**. Operational revenue comprise of grave fees, connection/disconnection of water and electricity fees, building plans.

Property Rates

Billing for property rates for May amounted to **R21 million**, followed by deduction of **R54 million** on the property rates billing after a supplementary valuation of the kusile Power Station which has put their billing at **R7 million** instead of **R82 million** as was previously calculated. However, the submitted results of the supplementary valuation done by the municipality showed the same market value but in different categories.

Surcharges and Taxes – Surcharges billed amounted to **R5.4 million (-18%)**. 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 **R10.3 million** for both the exchange and non-exchange revenue respectively.

Actual year-to-date in 2025_26 financial year amounted to **R1.5 billion**, included in that 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) – May 2025_26.

	Original Budget	Adjustment Budget	May Actual	YTD Actual	YTD budget	Variance	Variance %
R thousands							
Expenditure By Type							
Employee related costs	211 691 000	219 640 000	18 083 000	196 935 000	200 409 000	- 3 474 000	-2%
Remuneration of councillors	12 146 000	12 146 000	841 000	9 313 000	11 134 000	- 1 821 000	-16%
Bulk purchases - Electricity	228 174 000	226 174 000	21 584 000	227 813 000	207 559 000	20 254 000	10%
Inventory consumed and Bulk pu	124 623 000	117 918 000	7 363 000	76 542 000	109 154 000	- 32 612 000	-30%
Debt impairment	89 408 000	61 908 000	-	-	59 458 000	- 59 458 000	-100%
Depreciation and asset impairme	53 279 000	56 591 000	10 242 000	53 424 000	51 489 000	1 935 000	4%
Finance charges	50 000 000	60 000 000	11 010 000	111 232 000	53 833 000	57 399 000	107%
Contracted services	128 878 000	144 932 000	11 808 000	109 316 000	129 232 000	- 19 916 000	-15%
Transfers and subsidies	-	-	-	-	-	-	0%
Irrecoverable debts written off	31 594 000	31 383 000	30 000	32 777 000	28 792 000	3 985 000	14%
Operational Costs	64 224 000	71 387 000	802 000	46 217 000	66 223 000	- 20 006 000	-30%
Losses on Disposal of Asset							0%
Other Losses			322 000	322 000		322 000	0%
Total Expenditure	994 017 000	1 002 079 000	82 085 000	863 891 000	917 283 000	- 53 714 000	-6%

Employee related cost – For May 2025_26 total salaries, including allowances and benefits including remuneration of councillors amounted to **R18.9 million**.

Bulk Purchases - Electricity – Eskom invoices for May amounted to **R21 million**.

An amount of **R2 million** was paid to Eskom in May, covering both the bulk supply and North Substation accounts. The municipality remains non-compliant with the requirements of Debt Relief as outlined in Circular 124.

Inventory consumed – The inventory consumed amounted to **R7 million**. A payment of **R5 million** was made to Rand Water.

The project for installation of water package plants/boreholes is still at 40% towards completion, which is aimed at producing (2) mega-litres of water per day.

Finance charges – Interest is charged on the bulk purchases and amounted to **R11 million**.

Contracted services – Expenditure on contracted services amounted to **R11.8 million(-15%)** in May. The increase is mainly attributable to the unplanned maintenance of water and electricity infrastructure. Contracted services consist of legal fees, general maintenance of infrastructure, insurance, financial and non-financial systems, telephones, etc.

Depreciation continues to have a material impact on the Municipality's financial performance, as it represents the consumption of infrastructure and other fixed assets over time. While it does not directly affect cash flow, it highlights the need for adequate budgeting for asset maintenance, renewal, and replacement. Depreciated was calculated at **R10 million** for May.

Operational costs – For May, general expenditure amounted to **R802 thousand**. General expenses are, but not limited to Protective clothing, audit fees, skills development, operating lease, material and supplies, hiring etc.

Repairs and Maintenance

Description R thousands	Original Budget	Adjustment Budget	Monthly Actual	Year to Date Actual	Year to date Budget	Variance	Variance %
Infrastructure	17 778 000	31 374 000	4 978 000	47 052 000	26 398 000	20 654 000	58%
Roads Infrastructure	4 000 000	3 000 000	731 000	2 327 000	2 867 000	540 000	-19%
Capital Spares	4 000 000	3 000 000	731 000	2 327 000	2 867 000	540 000	-19%
Electrical Infrastructure	6 000 000	24 162 000	4 108 000	41 390 000	19 854 000	21 536 000	108%
Capital Spares	6 000 000	24 162 000	4 108 000	41 390 000	19 854 000	21 536 000	108%
Water Supply Infrastructure	2 000 000	1 000 000	28 000	569 000	833 000	264 000	-32%
Capital Spares	2 000 000	1 000 000	28 000	569 000	833 000	264 000	32%
Sanitation Infrastructure	2 000 000	2 500 000	55 000	2 233 000	2 233 000	-	0%
Capital Spares	2 000 000	2 500 000	55 000	2 233 000	2 233 000	-	0%
Solid Waste Infrastructure	3 778 000	712 000	56 000	533 000	611 000	78 000	226%
Capital Spares	3 778 000	712 000	56 000	533 000	611 000	78 000	13%
Information and communication infrastructure	10 950 000	8 200 000	41 000	2 595 000	7 913 000	5 318 000	-67%
Data centres	10 950 000	8 200 000	41 000	2 595 000	7 913 000	5 318 000	-67%
Capital Spares	10 950 000	8 200 000	41 000	2 595 000	7 913 000	5 318 000	-67%
Total Repairs and Maintenance Expenditure	28 728 000	39 574 000	5 019 000	49 647 000	34 311 000	15 336 000	45%

Repairs and maintenance analysis Supporting table SC13c measures the extent to which Council's assets are maintained per asset class. Expenditure incurred for May amounts to **R5 million**. Maintenance of assets should have a limit for repairs and routine upkeep (operational expenditure or OpEx) to ensure cost control. While routine maintenance is expensed immediately, expenditures that improve an asset or extend its useful life beyond the original estimate may be capitalized.

NORMS AND RATIOS

Current ratio (0:6)

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		0.67
				Current Assets	1 565 273
				Current Liabilities	2 352 160

Collection Rate (49%)

An improved collection rate refers to an increase in the municipality's ability to collect revenue that has been billed to consumers for services, rates, and other charges. It indicates enhanced revenue management and financial sustainability.

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%		49%
				Gross Debtors closing balance	2 113 016 326
				Gross Debtors opening balance	2 157 570 442
				Bad debts written Off	
				Billed Revenue	64 185 558

Cash/Cost coverage ratio (0 Month)

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

Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		0 Month
				Cash and cash equivalents	11 110 294
				Unspent Conditional Grants	-
				Overdraft	-
				Short Term Investments	-
Total Annual Operational Expenditure				1 002 079 000	

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) × 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	82 085 000
				Taxation Expense	-
				Total Capital Expenditure	4 680 000

Contracted services (14%)

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%		14%
				Contracted Services	11 808 000
				Total Operating Expenditure	82 085 000
				Taxation Expense	-

Creditor’s payment period (251 Days)

Whilst the number of days it takes the municipality to pay its suppliers after receiving goods or services indicates cash flow problems, it is also a direct violation of Section 65(2)(e) of the Municipal Finance Management Act (MFMA) No. 56 of 2003. This severely affect the SMMES, and attracts high interest charges that are classified as fruitless and wasteful expenditure.

Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		251 days
				Trade Creditors	1 310 202 000
				Contracted Services	11 808 000
				Repairs and Maintenance	5 019 000
				General expenses	48 693 000
				Bulk Purchases	1 840 527 000
				Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	-

4. BUDGET PERFORMANCE OVERVIEW

4.1 CAPITAL EXPENDITURE

Grants	Gazetted Amnt	Total Received to date	May Actual	YTD spending	% spent on received amt
MIG	29 618 000	29 618 000	2 562 832	25 061 916	85%
MDRG	6 000 000	6 000 000	-	-	0%
WSIG (ROLL-OVER)	2 910 894	-	705 804	1 208 022	42%

Total allocation for capital grants from the National Treasury for the **2025_26** financial year amounted to **and R29.6 million** for MIG, **R6 million for Municipal Disaster Recovery Grant** as gazetted. The approved rollover from 2024/25 **WSIG** amounted to **R2.9 million**. No grant allocation made in May. However, the capital expenditure incurred amounted to **R4.6 million**, **R2.5 million** from **MIG**, **R705 thousand** from **WSIG** (Roll-Over) and the rest is from the internally generated funds.

4.2 CASH FLOW STATEMENT

Net Cash from operating activities

The net cash from operating activities as at 31 May is lower than expected **R31 thousand**, a possible cause could be a low revenue collection and increased operating expenditure. 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 dependent.

Net Cash from investing activities

The net cash from investing activities as at 31 May amounted to **R4.6 million** of capital projects.

Net Increase/ Decrease in cash held

The municipality recorded an increase in net cash held of **R10 million** as at 31 May 2025.

Description	May 2025_26 Actual
R thousands	
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts	
Property rates, penalties & collection charges	10 165
Service charges	17 321
Other revenue	14 616
Government - operating	10 134
Government - capital	-
Interest	215
Dividends	-
Total receipts	52 451
Payments	
Suppliers and employees	(36 736)
Finance charges	(11 010)
Transfers and Grants	(4 674)
Total payments	(52 420)
NET CASH FROM/(USED) OPERATING ACTIVITIES	31
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Received from arrangements	-
Disposal of assets	-
(Increase) / Decrease in non-current investments	-
Payments	(4 674)
Capital assets	(4 674)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 674)
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts	
Increase in consumer deposits	5
Borrowing long term/refinancing	-
Payments	
Repayment of borrowing	-
Finance lease payments	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	5
NET INCREASE/ (DECREASE) IN CASH HELD	(10 418)
Cash/cash equivalents at beginning of the month:	21 529
Cash/cash equivalents at month end:	11 110

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 May resulted in a favourable balance of **R-13 million** and total expenditure amounted to **R82 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 **69%** and deviation of **-6%** 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 May, the expenditure amounted to **R4.6 million**.

All municipal departments have been sensitised 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 May 2025_26, the community wealth amounts to a favourable **R187 million**, Total liabilities amounts to **R2.4 billion**, whilst total assets amount to **R2.6 billion** which resulted in a favourable net-assets of **R187 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 May, the net cash from operating activities is a favourable **R3.5 million**, the Net cash from investing activities amounted to an unfavourable **R5.3 million**. The net cash from financing activities amounts to **R0**. The Bank balance at the end of the month amounted to **R11 million**.

BANK NAME	TYPE OF ACCOUNT	BALANCE
STD BANK	MAIN ACCOUNT	790 791
STD BANK	CALL ACCOUNT ELEC	6 988 901
STD BANK	CALL ACCOUNT	1 896
STD BANK	TRAFFIC	75 908
STD BANK	MONEY MARKET	131 348
ABSA BANK	CALL ACCOUNT	3 121 449
BALANCE		11 110 294

SUPPORTING DOCUMENTATION

3.1 PERFORMANCE INDICATORS:

- Supporting table SC2 provides detail on performance indicators in particular to revenue management.
- The measurement of the payment rate is based on the circular 71 methods as prescribed by National Treasury. The formula is based on the gross debtor opening balance and billed revenue less gross debtor closing balance less bad debts written off divide by billed revenue. The payment rate is sitting at **49%** reflecting an increase of **26%** from the previous month. The overall increase in the payment rate is largely attributable to the billing changes related to Kusile Power Station and the corrections made on agricultural property owners that moved from the agricultural category to residential.

Type Of Service	Total Settlements	Total Movement	Billing	CreditNotes	DebitNotes	Other Adjustments	PaymentRate (Movement)	PaymentRate (Billing)
DEPOSIT	-18 428.33	19 928.26	-	-	-	19 928.26	92%	0%
ADVANCE PAYMENT	-29 888.86	-	-	-	-	-	0%	0%
INTEREST	-215 131.29	10 133 923.39	10 275 487.17	-288 921.46	147 357.68	-	2%	2%
VAT	-2 709 724.67	4 329 903.50	4 261 998.71	-65 881.85	143 557.92	-9 771.28	63%	64%
WATER	-1 712 127.16	5 042 992.09	5 028 882.96	-26 237.09	84 706.26	-44 360.04	34%	34%
ELECTRICITY	-13 938 098.27	15 953 436.21	15 404 206.20	-220 780.98	790 859.56	-20 848.57	87%	90%
RATES	-10 164 668.49	-54 689 751.13	21 142 171.36	-75 832 173.85	-	251.36	0%	48%
REFUSE	-882 475.59	1 347 534.60	1 374 289.40	-26 754.80	-	-	65%	64%
SEWERAGE	-787 917.79	966 097.42	1 062 608.18	-165 439.50	68 928.74	-	82%	74%
SUNDRIES VAT	-11 531.45	-	-	-	-	-	0%	0%
SUNDRY NON VAT	-50 540.14	2 146.80	2 146.80	-	-	-	2354%	2354%
HIRE	-896 130.67	5 646 317.89	5 633 767.37	-	12 550.52	-	16%	16%
OTHER SERVICES	-1 863.53	17 038.21	-	-	-	17 038.21	11%	0%
PAYMENT ADVANCED	-339 280.43	-	-	-	-	-	100%	100%
Total	-31 757 806.67	-11 230 432.76	64 185 558.15	-76 626 189.53	1 247 960.68	-37 762.06	100%	49%

3.2 DEBTORS/RECEIVABLES ANALYSIS:

- 3.3.1 Supporting table SC3 provides details on consumer debtors. Currently outstanding debtors amounts to **R2 .1 billion** including interest on arrears. Outstanding debtors over 90days amounts to **R1.9 billion**. The table below reflects the debtor's age analysis by customer group.

CUSTOMER GROUP	MAY
Organs of state	15 170 883.85
Commercial	92 997 639.79
Households	1 061 915 930.99
Mines	25 883 732.64
Farms	872 665 809.37
Indigents	9 670 658.39
Top 200	30 248 757.15
Municipal prop	70 247.44
Other	5 514 238.01
	2 114 137 897.63

- The top owing consumer group is that of residential. These includes conventional residents, staff, councillors, pensioners. In this group is the Eskom licenced area and constitutes 50% of the debt book. Following is the farms with 41%.

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 May 2025_26, creditors amounted to **R 1.8 billion** and the bulk of the creditors relates to Eskom account with an amount **R1.3 billion** and Rand Water with an amount of **R520 million**.

3.4 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS ANALYSIS:

The table SC8 provides details for councillor and employee benefits. For May 2025_26, total salaries, allowances and benefits amounted to **R 18.9 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 May 2026 amounted to **R4.6 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 April 2026 is attached as Annexure "D"
- Government debt Annexure "E"

6. DEBTORS

Debtors' Age Analysis for the month ended 31 May 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 **R1.8 billion** were not paid during the month.

R thousands	Description	NT Code	Budget Year 2025/26										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy	
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total					
Debtors Age Analysis By Income Source																
	Trade and Other Receivables from Exchange Transactions - Water	1200	4 882	3 550	3 457	3 143	3 544	2 668	3 144	254 975	279 364	270 931	-	-		
	Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 786	1 463	1 409	1 038	379	455	345	23 737	44 612	27 363	-	-		
	Receivables from Non-exchange Transactions - Property Rates	1400	20 754	91 568	96 045	88 541	87 357	87 011	86 863	416 705	974 845	862 522	-	-		
	Receivables from Exchange Transactions - Waste Water Management	1500	1 043	543	481	426	438	358	352	22 543	26 185	24 599	-	-		
	Receivables from Exchange Transactions - Waste Management	1600	1 289	736	2 446	696	538	514	460	27 120	33 799	31 774	-	-		
	Receivables from Exchange Transactions - Property Rental Debtors	1700	5 503	5 274	5 332	5 196	5 219	5 103	5 170	246 790	283 588	272 811	-	-		
	Interest on Arrear Debtor Accounts	1810	10 242	10 032	9 689	9 538	9 275	9 057	8 862	260 622	327 317	307 043	-	-		
	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-		
	Other	1900	3 422	921	778	1 008	1 383	865	838	135 211	144 427	140 084	-	-		
	Total By Income Source	2000	62 922	114 088	119 639	109 586	108 134	106 031	106 035	1 387 703	2 114 138	1 937 128	-	-		
	2019/20 - totals only															
Debtors Age Analysis By Customer Group																
	Organs of State	2200	1 924	694	1 167	479	880	303	164	9 659	15 171	12 552	-	-		
	Commercial	2300	5 741	2 942	2 822	2 606	2 022	1 833	1 760	73 270	92 988	84 314	-	-		
	Households	2400	21 803	19 541	21 698	18 661	18 496	17 527	17 701	926 488	1 061 916	1 020 572	-	-		
	Other	2500	33 453	90 910	93 953	87 839	86 735	86 367	86 410	378 385	944 053	819 690	-	-		
	Total By Customer Group	2600	62 922	114 088	119 639	109 586	108 134	106 031	106 035	1 387 703	2 114 138	1 937 128	-	-		

7. CREDITORS AGE ANALYSIS

MP311 Victor Khanye - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 - May_2025-26

Description	NT Code	Budget Year 2025/26						Total				
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days		181 Days - 1 Year	Over 1 Year		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	48 544	27 653	40 585	1 195 420	-	-	-	-	-	-	1 310 202
Bulk Water	0200	10 166	10 055	9 324	7 424	483 190	-	-	-	-	-	520 159
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	5 314	560	687	-	926	-	-	-	-	-	7 506
Auditor General	0800	12	36	35	109	409	739	-	-	-	-	1 340
Financial Systems	0900	-	460	859	-	-	-	-	-	-	-	1 319
Total By Customer Type	1000	62 036	38 784	51 490	1 202 953	484 525	739	-	-	-	-	1 840 527

8. Allocation and grant receipts and expenditure

Grants	Gazetted Amnt	Total Received to date	May Actual	YTD Actual	% spent on received amount
FMG	1 900 000	1 900 000	89 725	1 626 277	86%
EPWP	1 976 000	2 153 000	-	2 153 000	100%
MIG	29 618 000	29 618 000	2 562 832	25 061 916	85%
MDRG	6 000 000	6 000 000	-	-	0%
WSIG (ROLL-OVER)	2 910 894	-	705 804	1 208 022	42%

- The municipality has been reallocated an additional amount of R177 thousand towards EPWP, which increased the grant to R2 153 000. The adjusted allocation is for the provision of job creation in specific focus area where labour intensive delivery methods can be maximised.

Internal Generated funds	Budget	May Actual	YTD Actual	% spent on budgeted amount
EPWP	1 976 000	431 633	1 568 051	79%

9. Councillors and employee benefits

Number of months----->	11									
	Pro-rata Budget	Adjustment Budget	May Actual	YTD Actual	% Actual	Reason for Variance				
Councillors:										
Allowances	11 133 833	11 133 833	841 000	9 313 000	83.6%	None				
Employees:										
Basic salary	107 261 000	117 573 500	10 821 000	118 162 000	100.5%	Variance is due to new appointments				
Travelling allowance	12 663 750	12 356 667	1 028 000	10 887 000	88.1%	None				
Overtime	18 975 917	17 029 833	2 050 000	14 265 000	83.8%	None				
Employee social contributions	55 158 583	54 396 833	4 184 000	53 620 000	98.6%	None				
TOTAL	205 193 083	212 490 667	18 924 000	206 247 000	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

Choose name from list - Table C1 Monthly Budget Statement Summary - M11 - May

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	108 893	128 920	133 920	(54 681)	896 576	128 176	770 396	611%	138 920
Service charges	315 713	355 029	362 032	24 153	283 277	331 045	(47 769)	-14%	362 032
Investment revenue	1 265	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	153 285	161 007	161 007	(5)	163 536	147 580	12 947	9%	161 007
Other own revenue	171 201	303 539	311 542	17 124	181 950	204 546	(122 896)	-43%	311 542
Total Revenue (excluding capital transfers and contributions)	750 159	948 495	973 500	(13 404)	1 502 339	889 458	612 881	69%	973 500
Employee costs	207 328	211 661	219 640	18 093	196 935	200 409	(3 475)	-2%	219 640
Remuneration of Councilors	9 790	12 146	12 146	841	9 313	11 134	(1 821)	-16%	12 146
Depreciation and amortisation	60 323	53 279	53 591	10 242	53 424	51 488	1 935	4%	56 591
Interest	97 555	50 000	60 000	11 019	111 232	53 833	57 398	107%	60 000
Inventory consumed and bulk purchases	297 491	352 797	343 972	26 947	304 355	316 713	(12 358)	-4%	343 972
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	434 350	314 105	309 733	12 962	188 631	288 704	(95 072)	-34%	309 733
Total Expenditure	1 108 838	994 017	1 002 079	82 085	863 888	917 282	(53 392)	-6%	1 002 079
Surplus/(Deficit)	(358 679)	(45 522)	(28 579)	(95 489)	638 450	(27 824)	666 274	-2395%	(28 579)
Transfers and subsidies - capital (monetary allocations)	44 337	46 618	46 618	-	20 523	42 733	(22 210)	-52%	46 618
Transfers and subsidies - capital (in-kind)	16 063	30 500	30 500	-	-	27 958	(27 958)	-100%	30 500
Surplus/(Deficit) after capital transfers &	(296 279)	31 596	48 539	(95 489)	658 973	42 868	616 105	1437%	48 539
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(296 279)	31 596	48 539	(95 489)	658 973	42 868	616 105	1437%	48 539
Capital expenditure & funds sources									
Capital expenditure	86 343	65 245	64 495	4 680	32 649	59 208	(28 359)	-45%	64 495
Capital transfers recognised	77 804	48 645	48 645	2 807	22 396	42 758	(20 362)	-46%	48 645
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	7 924	18 600	17 850	1 867	9 945	16 450	(6 505)	-40%	17 850
Total sources of capital funds	85 229	65 245	64 495	4 674	32 341	58 206	(26 867)	-45%	64 495
Financial position									
Total current assets	677 142	202 488	773 842	-	1 585 273	-	-	-	773 842
Total non current assets	1 056 892	1 030 231	1 060 872	-	1 036 318	-	-	-	1 060 872
Total current liabilities	2 044 004	932	2 192 895	-	2 352 160	-	-	-	2 192 895
Total non current liabilities	61 841	688 528	61 841	-	61 841	-	-	-	61 841
Community wealth/Equity	(471 639)	545 239	(423 022)	-	187 590	-	-	-	(423 022)
Cash flows									
Net cash from (used) operating	93 120	119 775	78 486	3 570	167 509	76 762	(90 747)	-118%	78 486
Net cash from (used) investing	64 037	(65 245)	(64 496)	(5 311)	(37 587)	(59 208)	(21 621)	37%	(64 496)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	160 862	76 659	26 352	-	142 283	29 915	(112 368)	-376%	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	-	-	-	-	-	-	-	-	-

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 - May

Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	†									
Revenue - Functional										
Governance and administration		388 814	311 972	328 275	(87 807)	1 169 214	289 017	870 187	291%	328 275
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		388 814	311 972	328 275	(87 807)	1 169 214	289 017	870 187	291%	328 275
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		13 829	7 760	7 760	829	6 369	7 114	(724)	-10%	7 760
Community and social services		2 208	2 608	2 608	35	1 206	2 391	(1 185)	-60%	2 608
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		7 471	3 511	3 511	605	3 185	3 218	(35)	-1%	3 511
Housing		4 150	1 641	1 641	188	1 989	1 505	494	33%	1 641
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(2 290)	4 358	6 056	-	19 488	5 353	14 116	264%	6 056
Planning and development		-	4 358	6 056	-	62	6 883	(5 290)	-99%	6 056
Road transport		(2 290)	-	-	-	19 403	-	19 408	#DIV/0!	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		410 407	701 525	708 526	23 574	327 791	648 667	(320 876)	-46%	708 526
Energy sources		174 972	329 504	333 397	16 222	162 272	305 147	(142 375)	-47%	333 397
Water management		117 454	208 573	208 373	5 062	63 850	191 009	(127 119)	-67%	208 373
Waste water management		29 237	113 471	113 471	947	11 129	104 015	(92 889)	-89%	113 471
Waste management		88 744	50 286	50 286	1 343	50 500	48 456	42 004	87%	50 286
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	810 556	1 025 813	1 050 818	(13 404)	1 622 862	960 149	562 713	59%	1 050 618
Expenditure - Functional										
Governance and administration		508 764	347 625	351 388	23 050	300 058	329 382	(29 323)	-9%	351 388
Executive and council		47 972	45 242	55 715	3 937	37 313	49 858	(12 546)	-25%	55 715
Finance and administration		480 792	302 383	305 672	19 083	232 746	279 524	(16 776)	-6%	305 672
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		77 188	103 623	102 636	7 183	84 909	94 168	(9 258)	-10%	102 636
Community and social services		30 913	34 792	38 007	3 362	34 689	34 485	423	1%	36 007
Sport and recreation		4 019	2 493	3 989	672	3 144	3 432	(338)	-10%	3 989
Public safety		40 485	34 699	56 760	3 012	45 333	54 527	(9 194)	-17%	59 760
Housing		1 765	1 639	1 879	136	1 544	1 694	(150)	-9%	1 879
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		44 710	68 810	58 180	6 410	40 585	54 407	(13 522)	-25%	58 180
Planning and development		6 151	19 656	17 355	304	2 961	13 047	(13 086)	-82%	17 355
Road transport		41 150	47 093	39 535	6 097	37 229	33 846	383	1%	39 535
Environmental protection		(2 591)	1 760	1 250	8	395	1 214	(819)	-67%	1 250
Trading services		476 178	473 960	479 875	45 442	438 337	439 828	(1 289)	0%	479 875
Energy sources		310 694	275 709	292 339	28 739	293 931	265 890	28 041	11%	292 336
Water management		17 349	130 169	121 341	11 020	96 444	112 309	(15 604)	-14%	121 341
Waste water management		42 458	53 845	52 399	4 616	42 580	48 725	(6 165)	-13%	52 398
Waste management		5 690	14 237	13 801	1 037	5 401	12 702	(7 301)	-57%	13 801
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 108 639	994 017	1 002 079	82 085	883 689	917 202	(53 392)	-6%	1 002 079
Surplus/ (Deficit) for the year		(298 279)	31 596	48 539	(95 489)	658 973	42 658	616 105	1437%	48 539

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 - May

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote										
Vote 1 - Office of the Municipal Manager	1	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		388 614	311 972	328 275	(37 607)	1 169 214	299 017	870 187	291,0%	328 275
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2 209	2 603	2 603	35	1 206	2 391	(1 185)	-49,8%	2 603
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 471	3 511	3 511	605	3 195	3 218	(33)	-1,0%	3 511
Vote 7 - Housing		4 150	1 641	1 641	188	1 999	1 505	494	32,0%	1 641
Vote 8 - Health Services		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	4 356	6 056	-	62	5 353	(5 290)	-98,8%	6 056
Vote 10 - Roads Transport		(2 290)	-	-	-	19 403	-	19 403	#DIV/0!	-
Vote 11 - Electricity Services		174 972	329 394	338 397	16 222	132 272	305 147	(142 875)	-46,8%	338 397
Vote 12 - Water Services		117 454	208 373	208 373	5 082	83 850	191 009	(127 118)	-86,8%	208 373
Vote 13 - Waste Water Management		29 237	113 471	113 471	947	11 129	104 015	(92 886)	-89,3%	113 471
Vote 14 - Solid Waste Management		88 744	50 288	53 296	1 373	90 500	48 496	42 004	86,0%	53 296
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	610 559	1 025 613	1 050 618	(13 404)	1 522 882	980 149	562 713	58,6%	1 050 618
Expenditure by Vote										
Vote 1 - Office of the Municipal Manager	1	59 529	98 115	82 334	5 511	60 174	73 588	(23 414)	-51,0%	82 334
Vote 2 - Budget and Treasury		430 662	270 368	268 629	15 705	226 108	238 078	(11 938)	-5,0%	268 629
Vote 3 - Corporate Services		3 273	166	13 856	1 374	12 607	11 107	1 500	13,5%	13 856
Vote 4 - Community and Social Services		30 918	34 792	39 007	3 362	34 888	34 485	423	1,2%	39 007
Vote 5 - Sport and Recreation		4 019	2 488	3 989	672	3 144	3 482	(339)	-9,7%	3 989
Vote 6 - Public Safety		40 485	64 689	58 760	3 012	45 333	54 527	(9 194)	-16,9%	59 760
Vote 7 - Housing		1 766	1 339	1 979	136	1 544	1 694	(150)	-8,9%	1 879
Vote 8 - Health Services		(2 591)	1 780	1 280	8	395	1 214	(819)	-67,4%	1 280
Vote 9 - Planning and Development		4 113	14 822	6 390	-	787	3 645	(5 858)	-88,2%	6 390
Vote 10 - Roads Transport		50 128	62 244	44 902	5 898	39 956	42 888	(2 928)	-6,8%	44 902
Vote 11 - Electricity Services		310 681	275 709	292 336	28 739	293 931	265 890	28 041	10,6%	292 336
Vote 12 - Water Services		117 349	130 189	121 341	11 020	98 444	112 309	(15 864)	-14,1%	121 341
Vote 13 - Waste Water Management		12 458	58 845	52 398	4 613	42 560	48 725	(6 165)	-12,7%	52 398
Vote 14 - Solid Waste Management		5 690	14 237	13 801	1 087	5 401	12 702	(7 301)	-57,5%	13 801
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 101 479	992 897	989 773	81 122	853 273	907 306	(54 034)	-6,0%	989 773
Surplus/ (Deficit) for the year	2	(290 919)	32 716	60 845	(94 526)	669 589	52 843	616 746	1167,1%	60 845

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 - May

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		213 908	246 628	250 631	16 801	195 869	229 278	(33 409)	-15%	250 631
Service charges - Water		72 969	78 691	78 691	5 062	62 774	72 133	(9 360)	-13%	78 691
Service charges - Waste Water Management		13 174	14 392	14 392	947	11 129	13 193	(2 064)	-16%	14 392
Service charges - Waste management		15 661	15 318	18 318	1 348	13 506	16 441	(2 936)	-18%	18 318
Sale of Goods and Rendering of Services		2 228	7 231	9 086	258	3 369	8 112	(4 743)	-58%	9 086
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		68 849	165 255	165 255	251	691	151 484	(150 793)	-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	188	1 936	1 505	432	29%	1 641
Licence and permits		-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		1 533	806	431	390	1 046	439	607	138%	431
Non-Exchange Revenue										
Property rates		108 696	128 920	138 920	(54 681)	896 575	126 176	770 399	611%	138 920
Surcharges and Taxes		69 951	73 281	73 281	5 461	55 104	67 174	(12 070)	-18%	73 281
Fines, penalties and forfeits		6 801	2 235	2 235	439	1 613	2 049	(436)	-21%	2 235
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		153 285	161 007	161 007	(5)	160 536	147 590	12 947	9%	161 007
Interest		13 718	53 090	59 612	10 134	98 188	53 884	44 305	82%	59 612
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		6 262	-	-	3	3	-	3	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		750 159	948 495	973 500	(13 404)	1 502 339	889 458	612 881	69%	973 500
Expenditure By Type										
Employee related costs		207 328	211 691	219 640	18 083	196 935	200 409	(3 475)	-2%	219 640
Remuneration of councillors		9 790	12 146	12 146	841	9 313	11 134	(1 821)	-16%	12 146
Bulk purchases - electricity		227 563	228 174	226 174	21 584	227 813	207 559	20 254	10%	226 174
Inventory consumed		69 928	124 623	117 798	7 363	76 542	109 154	(32 612)	-30%	117 798
Debt impairment		149 695	89 408	61 908	-	-	59 458	(59 458)	-100%	61 908
Depreciation and amortisation		60 323	53 279	56 591	10 242	53 424	51 489	1 935	4%	56 591
Interest		97 555	50 000	60 000	11 010	111 232	53 833	57 398	107%	60 000
Contracted services		110 395	128 878	143 932	11 808	109 316	129 232	(19 916)	-15%	143 932
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		73 709	31 594	31 383	30	32 777	28 792	3 985	14%	31 383
Operational costs		51 150	64 224	72 507	802	46 217	66 223	(20 006)	-30%	72 507
Losses on Disposal of Assets		9 065	-	-	-	-	-	-	-	-
Other Losses		40 336	-	-	322	322	-	322	#DIV/0!	-
Total Expenditure		1 106 838	994 017	1 002 079	82 085	863 889	917 282	(53 392)	-6%	1 002 079
Surplus/(Deficit)		(356 679)	(45 522)	(28 579)	(95 489)	638 450	(27 824)	666 274	-2395%	(28 579)
Transfers and subsidies - capital (monetary allocations)		44 337	46 618	46 618	-	20 523	42 733	(22 210)	-52%	46 618
Transfers and subsidies - capital (in-kind)		16 063	30 500	30 500	-	-	27 958	(27 958)	-100%	30 500
Surplus/(Deficit) after capital transfers & contributions		(296 279)	31 596	48 539	(95 489)	658 973	42 868			48 539
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(296 279)	31 596	48 539	(95 489)	658 973	42 868			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	(95 489)	658 973	42 868			48 539
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(296 279)	31 596	48 539	(95 489)	658 973	42 868			48 539

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 - May

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health Services		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Electricity Services		-	-	-	-	-	-	-	-	-
Vote 12 - Water Services		-	-	-	-	-	-	-	-	-
Vote 13 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 14 - Solid Waste Management		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		3 627	3 600	2 850	(12)	1 077	2 700	(1 623)	-60%	2 850
Vote 2 - Budget and Treasury		40 449	950	950	63	17 774	871	16 903	1941%	950
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		(393)	200	200	-	555	183	372	203%	200
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	300	300	-	-	275	(275)	-100%	300
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health Services		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		29	550	550	-	30	504	(475)	-94%	550
Vote 10 - Roads Transport		22 212	23 700	23 700	4 782	4 999	21 725	(16 726)	-77%	23 700
Vote 11 - Electricity Services		38 198	5 000	5 000	(523)	1 308	4 583	(3 275)	-71%	5 000
Vote 12 - Water Services		(20 390)	20 500	20 500	369	668	18 792	(18 123)	-96%	20 500
Vote 13 - Waste Water Management		528	6 445	6 445	-	3 642	5 908	(2 266)	-38%	6 445
Vote 14 - Solid Waste Management		2 083	4 000	4 000	-	2 795	3 667	(872)	-24%	4 000
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	86 343	65 245	64 495	4 680	32 849	59 208	(26 359)	-45%	64 495
Total Capital Expenditure		86 343	65 245	64 495	4 680	32 849	59 208	(26 359)	-45%	64 495
Capital Expenditure - Functional Classification										
Governance and administration		50 310	10 550	9 800	4 228	26 715	9 071	17 644	195%	9 800
Executive and council		185	350	350	-	-	321	(321)	-100%	350
Finance and administration		50 125	10 200	9 450	4 228	26 715	8 750	17 965	205%	9 450
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(393)	500	500	-	555	458	97	21%	500
Community and social services		(393)	200	200	-	555	183	372	203%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	300	300	-	-	275	(275)	-100%	300
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		16 007	18 250	18 250	606	(2 834)	16 729	(19 563)	-117%	18 250
Planning and development		29	550	550	-	30	504	(475)	-94%	550
Road transport		15 978	17 700	17 700	606	(2 864)	16 225	(19 089)	-118%	17 700
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		20 420	35 945	35 945	(153)	8 413	32 950	(24 536)	-74%	35 945
Energy sources		38 198	5 000	5 000	(523)	1 308	4 583	(3 275)	-71%	5 000
Water management		(20 390)	20 500	20 500	369	668	18 792	(18 123)	-96%	20 500
Waste water management		528	6 445	6 445	-	3 642	5 908	(2 266)	-38%	6 445
Waste management		2 083	4 000	4 000	-	2 795	3 667	(872)	-24%	4 000
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	86 343	65 245	64 495	4 680	32 849	59 208	(26 359)	-45%	64 495
Funded by:										
National Government		77 304	46 645	46 645	2 807	22 396	42 758	(20 362)	-48%	46 645
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		77 304	46 645	46 645	2 807	22 396	42 758	(20 362)	-48%	46 645
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		7 924	18 600	17 850	1 867	9 945	16 450	(6 505)	-40%	17 850
Total Capital Funding		85 229	65 245	64 495	4 674	32 341	59 208	(26 867)	-45%	64 495

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M11 - May

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		12 361	76 659	(13 186)	22 942	(13 186)
Trade and other receivables from exchange transactions		59 341	(7 735)	(3 511)	192 755	(3 511)
Receivables from non-exchange transactions		16 333	146 472	107 936	822 545	107 936
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 418	(35 945)	128 534	2 414	128 534
VAT		486 689	23 017	554 069	525 633	554 069
Other current assets		0	-	0	(1 016)	0
Total current assets		577 142	202 468	773 842	1 565 273	773 842
Non current assets						
Investments		-	-	(4 173)	-	(4 173)
Investment property		97 136	66 580	95 874	95 993	95 874
Property, plant and equipment		958 618	964 328	969 940	939 187	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	1 036 318	1 060 872
TOTAL ASSETS		1 634 034	1 232 699	1 834 714	2 601 591	1 834 714
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		4 692	-	4 692	4 692	4 692
Consumer deposits		1 710	(8 865)	1 710	1 903	1 710
Trade and other payables from exchange transactions		1 681 168	113 075	1 802 147	1 924 472	1 802 147
Trade and other payables from non-exchange transactions		2 911	(117 122)	(27 589)	18 476	(27 589)
Provision		8 701	11 546	8 701	8 701	8 701
VAT		344 822	2 298	403 235	393 916	403 235
Other current liabilities		-	-	-	-	-
Total current liabilities		2 044 004	932	2 192 895	2 352 160	2 192 895
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	2 257 736	2 414 001	2 257 736
NET ASSETS	2	(471 810)	545 239	(423 022)	187 590	(423 022)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(471 639)	545 239	(423 022)	187 590	(423 022)
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(471 639)	545 239	(423 022)	187 590	(423 022)

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M11 - May

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		108 019	236 078	230 652	9 820	113 466	212 064	(98 598)	-46%	230 652
Service charges		308 925	450 169	314 129	22 880	278 031	303 823	(25 792)	-8%	314 129
Other revenue		58 809	23 809	79 316	4 409	106 836	66 231	40 605	61%	79 316
Transfers and Subsidies - Operational		33 912	161 007	161 007	-	89 909	147 590	(57 681)	-39%	161 007
Transfers and Subsidies - Capital		18 911	46 618	46 618	-	1	42 733	(42 732)	-100%	46 618
Interest		1 265	-	224 867	-	-	179 894	(179 894)	-100%	224 867
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(436 721)	(797 906)	(978 103)	(33 539)	(420 735)	(875 572)	454 837	-52%	(978 103)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		93 120	119 775	78 486	3 570	167 509	76 762	(90 747)	-118%	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)	(5 311)	(37 587)	(59 208)	21 621	-37%	(64 495)
NET CASH FROM/(USED) INVESTING ACTIVITIES		64 037	(65 245)	(64 495)	(5 311)	(37 587)	(59 208)	(21 621)	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	(1 741)	129 922	17 554			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		142 283	29 915			26 352

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 - May

Summary of Employee and Councillor remuneration	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 764	6 985	6 985	471	5 286	6 402	(1 116)	-17%	6 985
Pension and UIF Contributions		1 022	1 230	1 230	95	994	1 128	(133)	-12%	1 230
Medical Aid Contributions		379	448	448	33	352	411	(59)	-14%	448
Motor Vehicle Allowance		186	428	428	32	347	392	(45)	-12%	428
Cellphone Allowance		799	985	985	67	738	903	(165)	-18%	985
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1 640	2 070	2 070	143	1 595	1 898	(302)	-16%	2 070
Sub Total - Councillors		9 790	12 146	12 146	841	9 313	11 134	(1 821)	-16%	12 146
% increase	4		24,1%	24,1%						24,1%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	4 185	5 336	4 306	280	3 576	4 067	(491)	-12%	4 306
Pension and UIF Contributions		352	106	200	16	170	172	(2)	-1%	200
Medical Aid Contributions		271	73	73	8	71	67	4	6%	73
Overtime		-	9	9	1	8	9	(1)	-9%	9
Performance Bonus		218	-	186	94	187	149	38	26%	186
Motor Vehicle Allowance		687	632	1 022	54	682	891	(209)	-23%	1 022
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		360	146	146	10	110	134	(24)	-18%	146
Other benefits and allowances		1	5	1	0	1	1	(0)	-40%	1
Payments in lieu of leave		-	-	20	2	20	16	4	25%	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	464	4 826	5 506	(681)	-12%	5 963
% increase	4		3,2%	-2,4%						-2,4%
Other Municipal Staff										
Basic Salaries and Wages		116 828	111 676	123 956	10 541	114 586	112 193	2 393	2%	123 956
Pension and UIF Contributions		26 869	30 052	28 766	2 378	26 243	26 519	(276)	-1%	28 766
Medical Aid Contributions		11 135	12 797	12 516	1 231	12 193	11 506	687	6%	12 516
Overtime		13 120	20 692	18 569	1 050	14 257	17 269	(3 012)	-17%	18 569
Performance Bonus		8 591	10 172	10 812	947	9 628	9 836	(208)	-2%	10 812
Motor Vehicle Allowance		10 158	13 183	12 436	974	10 205	11 487	(1 282)	-11%	12 436
Cellphone Allowance		42	143	143	11	123	131	(8)	-6%	143
Housing Allowances		1 292	830	825	45	388	757	(368)	-49%	825
Other benefits and allowances		6 570	4 008	4 086	356	3 606	3 736	(130)	-3%	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	29	288	392	(104)	-27%	467
Acting and post related allowance		1 849	1 675	1 101	55	593	1 076	(484)	-45%	1 101
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		201 220	205 385	213 677	17 618	192 109	194 903	(2 794)	-1%	213 677
% increase	4		2,1%	6,2%						6,2%
Total Parent Municipality		217 119	223 837	231 786	18 924	206 247	211 543	(5 296)	-3%	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		-	-	-	-	-	-	-	-	-

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 - May

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Post-retirement benefit obligations	1	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
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	2	-	-	-	-	-	-	-	-	-
% 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	2	-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities										
TOTAL SALARY, ALLOWANCES & BENEFITS		217 119	223 837	231 786	18 924	206 247	211 543	(5 296)	-3%	231 786
% increase	4		3,1%	6,8%						6,8%
TOTAL MANAGERS AND STAFF		207 328	211 691	219 640	18 083	196 935	200 409	(3 475)	-2%	219 640

Choose name from list - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 - May

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	4 364	5 437	5 437	787	787	5 437	4 650	85,5%	1%
August	8 730	5 437	5 437	(264)		10 874	-		
September	1 762	5 437	5 437	5 360	#VALUE!	16 311	#VALUE!	#VALUE!	#VALUE!
October	4 992	5 437	5 437	7 072	#VALUE!	21 748	#VALUE!	#VALUE!	#VALUE!
November	2 807	5 437	5 437	1 547	#VALUE!	27 185	#VALUE!	#VALUE!	#VALUE!
December	5 679	5 437	5 437	1 729	#VALUE!	32 623	#VALUE!	#VALUE!	#VALUE!
January	1 356	5 437	5 437	2 516	#VALUE!	38 060	#VALUE!	#VALUE!	#VALUE!
February	3 230	5 437	5 287	2 898	#VALUE!	43 347	#VALUE!	#VALUE!	#VALUE!
March	5 859	5 437	5 287	3 359	#VALUE!	48 634	#VALUE!	#VALUE!	#VALUE!
April	1 587	5 437	5 287	3 167	#VALUE!	53 921	#VALUE!	#VALUE!	#VALUE!
May	5 874	5 437	5 287	4 680	#VALUE!	59 208	#VALUE!	#VALUE!	#VALUE!
June	40 102	5 437	5 287	-		64 495	-		
Total Capital expenditure	86 343	65 245	64 495	32 849					

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 - May

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		48 524	28 728	39 574	5 019	49 646	34 311	(15 336)	-44,7%	39 574
Roads Infrastructure		2 399	4 000	3 000	731	2 327	2 867	540	18,8%	3 000
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		2 399	4 000	3 000	731	2 327	2 867	(540)	(0)	3 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		37 487	6 000	24 162	4 108	41 390	19 854	(21 535)	-108,5%	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	4 108	41 390	19 854	21 535	0	24 162
Water Supply Infrastructure		2 096	2 000	1 000	28	569	833	264	31,7%	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	28	569	833	(264)	(0)	1 000
Sanitation Infrastructure		5 298	2 000	2 500	55	2 233	2 233	0	0,0%	2 500
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		5 298	2 000	2 500	55	2 233	2 233	(0)	(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	56	533	611	78	12,8%	712
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		1 093	3 778	712	56	533	611	(78)	(0)	712
Information and Communication Infrastructure		150	10 950	8 200	41	2 595	7 913	5 318	67,2%	8 200
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 - May

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Spares		150	10 950	8 200	41	2 595	7 913	(5 318)	(0)	8 200
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 - May

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-	-	-
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	48 524	28 728	39 574	5 019	49 646	34 311	(15 336)	-44,7%	39 574



Nokuthula Simelane Building, No 7 Government Boulevard, Riverside Park Extension 2, MBOMBELA 1200
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SigcinaMafa SesiFundza

UmNyango weeMali ZesiFunda

Provinsiale Tesourie

Enquiries : Mr. IDP Strauss
Ref MPT 12/1/1/11

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 APRIL 2026

The National Treasury approved the debt relief application of Victor Khanye LM with effect 01 September 2023. April 2026 constitutes the 32nd 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 April 2026.

The municipality submitted the April 2026 self-assessment, signed by the Municipal Manager and it was uploaded on the Go-Muni with the narrative Section 71 report for April 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 71% compliance with the MFMA Circular 124 conditions during April 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 remain the same if compared to the March 2026 average compliance of 71%. 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.

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

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 – March 2026), 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 April 2026 are discussed in more detail below.

Condition 6.3 Maintain Current Bulk Account.

The municipality's Eskom account for March 2026 was R20,633,743.94 according to the Eskom Section 41 report. The Municipality only paid R5 million in April 2026. The data strings of the Municipality correctly show R5,000,000 payments made to Eskom in April 2026. The electricity income for April 2026 was R19,799,601 according to schedule SC30.

The municipality only paid their Eskom account in full twice (March 2024 and December 2024) in the 32 months that the municipality is on the debt relief programme. Only R223,9 million of the R682,2 million electricity income was paid to Eskom. The municipality's average payment percentage is 33%. The total short payments from September 2023 to April 2026 are R458,3 million.

The municipality emailed and uploaded the March 2026 Rand Water invoice. The amount to be paid by the municipality was R4,904,989,49. The municipality paid the exact amount to Rand Water in April 2026. The data strings of the Municipality incorrectly show R3,984,864 payments made to Rand Water in April 2026.

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 increased further with the 2025/26 adjustment budget to R1,642 billion unfunded. It increased further to R1,848 billion with the 2026/27 tabled 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 R28,6 million with the 2025/26 adjustment budget. It stayed on R28,6 million deficit with the 2026/27 tabled 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 with the 2026/27 budget.

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

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 26.3% is also well below the circular 124 requirement of 85%. The collection rate for April 2026 was 27.8%. 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 3rd 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 April 2026 was uploaded on the Go-Muni portal and it was emailed to MPT. The mSCOA data strings for April 2026 was uploaded to the Go-Muni portal. The MFMA S71 Statement for April 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 CIRCULAR 124 - MUNICIPAL DEBT RELIEF NON-COMPLIANCE OF MP311 VICTOR KHANYE LM DURING APRIL 2026

MFMA S71 Statement component		Compliance (Yes / No)
1.	<i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i> 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.	<i>The conclusion (paragraph 14) of the MFMA S71 statement</i> explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i.Any risk associated; and ii.The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	No
3.	Annexure B of the MFMA S71 statement included the following debt relief reporting components-	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance the overall performance graph; Summary worksheet; and Collection per ward indicating who supplies electricity in the ward.	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D) .	No
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	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.	Yes
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

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

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. The BFP has no impact as the unfunded budget increased.

Condition 6.10 - Provincial Treasury certification of municipal compliance

All the PT's outstanding compliance assessments and reports for Victor Khanye LM (September 2023 – March 2026) were compiled and issued to the National Treasury and the municipality as part of the PT's April 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 strip 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

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

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.

Recommendations

It is recommended that:

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

Regards,



MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 01/06/2026





Annexure A2 - Monthly

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

Mphumalanga Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

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

I, Ms Gugu Mashena, hereby certify that the Provincial Treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality do not fully comply with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Table with 3 columns: Condition, Description, and Response. Rows include conditions 6.3+ (Maintaining the Eskom and bulk water current account), 6.4 (Compliance with a funded MTREF), and 6.4.1 (Municipality's MTREF funded and aligning to guidelines). Responses are Yes, No, or dropdown menus.

11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
<p><i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>			
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/a
<p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>			
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	Cost reflective tariffs - (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
<p>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:</p>			
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note. In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	Yes
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note - the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.</i>	No
<p>6.6 Supporting evidence: The National Treasury and/or provincial treasury/officials budget requirements in the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.5.</p>			
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges -</p>			
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
<p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>			
20	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 :	
21	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
22	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
23	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
24	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
25	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 revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	No
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za/ ?	No
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	No
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1</i>	No
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP
6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	No
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the scope of this condition.</i>	No
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? <i>Note - Only if relevant in the specific circumstances, will a request be made to The Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>	No
39		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
40	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? <i>Note - to include accounting for any related benefits (e.g. interest suppression, etc.) and alignment with mSCOA</i>	Yes

41	6.14 'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	<input type="text" value="Yes"/>
<p><i>Note: In the event that the municipality 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 and in relation to the municipality's arrears that are the subject of municipal debt relief.</i></p>		

PT: HOD/ NT / MM Name:

Ms G Mashiteng

Signature of HOD/ NT/ MM:

pp



Date:

23/05/2026

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

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

VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT



✉ 6 DELMAS 2210

☎ 013 665 6005

☎ 013 665 2913

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

Website: www.victorkhanyelm.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: ME Mnguni

Ref:12/2/1

Date: 14 May 2026

The Head of Department: Ms G Mashiteng
Mpumalanga Provincial Treasury
Building no 4
Government Boulevard
Riverside Park
Mbombela
1200

Dear HOD

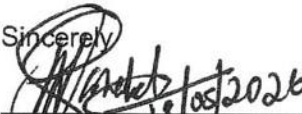
DEBT OWED TO THE MUNICIPALITY BY VARIOUS PROVINCIAL DEPARTMENTS

The above matters bears reference:

1. The Victor Khanye Local Municipality is submitting the report on the Provincial and National Government Departments that owe the municipality. This report is submitted in accordance with the provision of the Local Government Municipal Finance Management Act 56 of 2003; Sec 64(3) read together with the Provincial Treasury Circular no 55 of 2015.
2. Enclosed here to as an annexure A is the copy of the spreadsheet of the various Government Debts per Department as at the end of April 2026.
3. We are certain that Provincial Treasury will assist in the revenue collection of the said debt within their powers.

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

Sincerely,


TM Mashabela
Municipal Manager

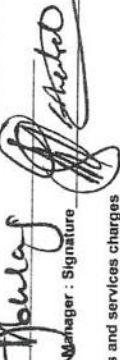
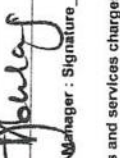
Victor Khanye
Local Municipality

18-05-2026

Revenue Section

Victor Khanye Local Municipality Government Debt report as at 30 APRIL 2026

Name of Department	Total amount outstanding	0+30 Days	30 + 60 Days	60 +90 Days	90 Days and over	Payments received by the municipality in March 2026	Current Collection Rate (%)	Rates	Services	Interest	Rental Fees
Provincial Departments:											
Office of Premier											
Finance									15 267.00		
Cooperative Governance and Traditional Affairs											
Agriculture,Rural Development Land and Environmental Affairs											
Economic Development and Tourism											
Education	19 050.47										
Education: Schools											
Public Works,Roads and Transport	6 164 678.74	138 214.10	300 201.02	310 718.37	5 415 545.25				565.23		18 485.24
Community Safety Security and Liaison	1 170 211.83	342 866.49	595 180.16	40 438.44	191 726.74				6 164 678.74		
Health (Clinics)									1 170 211.83		
Health (Hospitals)	1 477 650.61	172 146.51	179 883.55	27 689.87	1 097 930.68						
Culture Sport and Recreation	272 391.59	272 391.59							244 209.03		1 253 441.58
Social Development									272 391.59		
Human Settlements	1 034 204.97	45 580.09	13 473.34	(38 987.89)	1 014 159.43				1 034 204.97		
Sub Total: Provincial Departments	10 163 455.21	977 713.66	1 096 340.46	341 988.62	7 738 412.57	(432 289.45)		1 170 211.83	7 731 316.56		1 251 926.82
National Departments:											
National Department of Public Works	3 529 215.44	46 464.89	54 462.64	32 664.89	3 395 623.02						
National Department of Rural Development and Land Reform	361 678.14	27 953.55	25 090.37	21 774.24	286 859.98				248 295.05		3 280 920.39
South African Social Security Agency - SASSA	7 679.30	7 679.30							361 678.14		
South African Police Services - SAPS	(186 868.22)	49 853.92	51 759.96	474.39	-288 956.49						7 679.30
Justice Department	47 763.73	47 763.73							(186 868.22)		
Labour Department	5 332.23	2 749.86	2 460.05	122.32					47 763.73		
Sub Total: National Departments	3 764 800.62	182 465.25	133 773.02	55 036.84	3 393 528.61	(306 390.90)			5 332.23		
Total Debt owed by Sector Departments	13 928 255.83	1 160 178.91	1 229 113.48	397 024.46	11 131 939.08	(738 680.35)			609 975.19		3 288 939.69
Other Organs of State:									1 780 185.02		4 540 526.51
SANPARKS(Kruger National Park)											
Mpumalanga Economic Growth Agency - MEGA											
Mpumalanga Tourism and Parks Agency											
Water Board/ affairs											
ADD											
ADD											
Sub Total: Other Organs of State											
GRAND TOTAL (This Should balance to SECTION 71 Report Totals)	13 928 255.83	1 160 178.91	1 229 113.48	397 024.46	11 131 939.08	(738 680.35)		1 780 185.02	1 597 544.30		4 540 526.51

Compiled By CFO : Signature 
 Certified as correct by Municipal Manager : Signature 

NB. These amounts include Rates and services charges

Victor Khanye
 Local Municipality
 18 -05- 2026
 Revenue Section

Victor Khanye Local Municipality Government Debt report as at 30 APRIL 2026

Name of Department	Total amount outstanding	0-30 Days	30 + 60 Days	60 +90 Days	90 Days and over	Payments received by the municipality in March 2026	Current Collection Rate (%)	Rates	Services	Interest	Rental Fees
Provincial Departments:											
Office of Premier											
Finance											
Cooperative Governance and Traditional Affairs											
Agriculture,Rural Development Land and Environmental Affairs	15 267,00	6 534,78	6 602,39	2 129,83		(5 919,89)	-	15 267,00			
Economic Development and Tourism	19 050,47				19 050,47		-				18 485,24
Education	6 164 678,74	138 214,10	300 201,02	310 718,37	5 415 545,25	(134 370,92)	-		565,23		
Education: Schools	1 170 211,83	342 866,49	595 180,16	40 438,44	191 726,74	(3 532,50)	-	1 170 211,83	6 164 678,74		
Public Works,Roads and Transport							-				
Community Safety Security and Liaison	1 477 650,61	172 146,51	179 883,55	27 689,87	1 097 930,68		-		244 209,03		1 233 441,58
Health (Clinics)	272 391,59	272 391,59				(259 315,48)	-		272 391,59		
Health (Hospitals)							-				
Culture Sport and Recreation	1 034 204,97	45 560,09	13 473,34	(38 987,89)	1 014 159,43	(29 150,66)	-		1 034 204,97		
Social Development							-				
Human Settlements							-				
Sub Total: Provincial Departments	10 153 455,21	977 713,56	1 095 340,46	341 988,62	7 738 412,57	(432 289,45)	-	1 170 211,83	7 731 316,56	-	1 251 926,82
National Departments:											
National Department of Public Works	3 529 215,44	46 464,89	54 482,64	32 664,89	3 395 623,02	(154 513,78)	-	248 295,05			3 280 920,39
National Department of Rural Development and Land Reform	361 678,14	27 953,55	25 090,37	21 774,24	286 859,98	(44 805,86)	-	361 678,14			
South African Social Security Agency - SASSA	7 679,30	7 679,30				(7 938,40)	-				
South African Police Services - SAPS	(186 868,22)	49 853,92	51 759,96	474,39	-288 956,49	(47 857,81)	-		(186 868,22)		7 679,30
Justice Department	47 763,73	47 763,73				(48 085,13)	-		47 763,73		
Labour Department	5 332,23	2 749,86	2 460,05	122,32		(3 189,92)	-		5 332,23		
Sub Total: National Departments	3 764 800,62	182 465,25	133 773,02	55 035,84	3 393 526,51	(306 390,90)	-	609 973,19	(133 772,26)	-	3 288 599,69
Total Debt owed by Sector Departments	13 918 255,83	1 160 178,81	1 229 113,48	397 024,46	11 131 939,08	(738 680,35)	-	1 780 185,02	7 597 544,30	-	4 540 526,51
Other Organs of State:											
SANPARKS(Kruger National Park)											
Mpumalanga Economic Growth Agency - MEGA											
Mpumalanga Tourism and Parks Agency											
Water Board/ affairs											
ADD											
ADD											
ADD											
Sub Total: Other Organs of State	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL (This Should balance to SECTION 71 Report Totals)	13 918 255,83	1 160 178,81	1 229 113,48	397 024,46	11 131 939,08	(738 680,35)	-	1 780 185,02	7 597 544,30	-	4 540 526,51

Compiled By CFO : Signature _____

Certified as correct by Municipal Manager : Signature _____

NB. These amounts include Rates and services charges

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 May 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	564757668803	R 1 031 967 955.68	R 9 454 008.70	R 1 418 101.31	R 4 365 030.73	R 15 237 140.74	R 1 000 000.00	R 1 046 205 096.42
May-26	564083108251	R 1 046 205 096.42	R 11 326 842.35	R 1 699 026.35	R 4 340 078.46	R 17 365 947.16	R 2 500 000.00	R 1 061 071 043.58
Jun-26								
			R 115 367 002.24	R 17 305 050.33	R 43 877 144.38			

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	88929345408	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 -	R 227 836 028.52
Apr-26	889468008154	R 227 836 028.52	R 9 868 435.91	R 1 480 265.39	R 2 505 974.12	R 13 854 675.42	R 4 000 000.00	R 237 690 703.94
May-26	889192808589	R 237 690 703.94	R 10 257 200.26	R 1 538 580.04	R 2 144 949.12	R 13 940 729.42	R 2 500 000.00	R 249 131 433.36
Jun-26								
			112 214 496.11	16 832 174.43	19 319 435.68			

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 May 2025_26 amounts to **R 1.3 billion** and **R520 million** respectively;
4. That the Municipal Council consider that the debt book amounts to **R2.1 billion**;
5. That non-compliance letter from Provincial treasury and the self-assessment for the month ended March be noted;
6. That circular 124 debt be noted;
7. That government debt be noted;



T.P MAHLANGU
CHIEF FINANCIAL OFFICER