VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

P.O BOX 6 DELMAS 2210
013 004 1300
066 144 6671
Email: thokom@vklm.gov.za
Website: www.victorkhanyelm.gov.za

BUDGET & TREASURY OFFICE

QUALITY CERTIFICATE

I, **T.M MASHABELA,** Municipal Manager of Victor Khanye Local Municipality, hereby certify that the budget statement for the fourth quarter (1 Apr – 30 June 2025_26 financial year has been prepared in accordance with the Municipal Finance Management Act and regulation made under that Act, and that the attached documents are consistent with the Integrated Development Plan of the municipality.

INITIALS AND SURNAME ...T.M. MASHABELA...

MUNICIPAL MANAGER OF VICTOR KHANYE LOCAL MUNICIPALITY MP311

SIGNATURE.........................

DATE...12/08/2026...

VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

Tel: 013 004 1300
Fire Depart: 080 001 4716
Customer Care: 080 001 4716
Website: www.vklm.gov.za

Address: Cnr . Samual Road & Der Walt Street Delmas 2210
Email: LuckyD@vklm.gov.za

BUDGET AND TREASURY OFFICE

Enquires: S Maphanga **Ref: 8/2/1/2**

TO : MUNICIPAL MANAGER
T.M MASHABELA

FROM : CHIEF FINANCIAL OFFICER
T.P MAHLANGU

DATE : 05 AUGUST 2026

RE : SECTION 52(d) REPORT`

REASON FOR REPORT

To provide the Executive mayor/Council with the budget and financial performance report for fourth quarter period (1 April – 30 June 2025_26).

STRATEGIC THRUST

Improve compliance to MFMA and VKLM policy Framework

PRIORITY ISSUE

Number of quarterly section 52(d) MFMA reports submitted to Mayoral committee within legislative timeframes

LEGISLATIVE CONTEXT

In terms of section 52(d) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the accounting officer of a municipality must by no later than 30 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

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 –

i. Its share of the local government equitable share; and
ii. Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph and;

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

The format was amended in line with the Municipal Budget and reporting regulations and approved in terms of section 168 of the MFMA, per government gazette no 32141 dated 17 April 2009 for implementation with effect from 1 Fourth quarter 2009 as follows:

Table C1 s71 actual quarterly Budget Statement SumJuney;

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

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

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

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

Table C6 actual quarterly budget statement – financial position.

Table C7 actual quarterly statement - Cash flow.

REASON FOR REPORT

Apart from the legislative requirement to report, it is of utmost importance that directorates have sufficient and correct management information available to take informed decisions when policies, the IDP and SDBIP are implemented.

DISCUSSION

To ensure legally sound financial management on the activities performed by the Municipality and financial viability, also to provide a quarterly report on the implementation of the Annual Report and the actual quarterly expenditure and revenue on standard classification of vote.

MOTIVATIONS AND OPTIONS:

- **EXECUTIVE SUMMARY**

- Table C1: **Quarterly Budget Statement Summary – Q4 (Apr - June 2025_26)**

Description	Budget	Adjustment budget	Q1 Actuals	Q2 Actual	Q3 Actuals	Q4 Actuals	YTD Actual
Revenue	- 948 495 000	- 973 500 000	- 430 502 000	- 390 961 000	- 567 783 000	- 183 218 000	- 1 572 464 000
Expenditure	994 017 000	1 002 079 000	194 189 000	231 445 000	238 247 000	343 092 000	1 006 972 000
Surplus/Deficit	45 522 000	28 579 000	- 236 313 000	- 159 516 000	- 329 536 000	159 874 000	- 565 492 000
Capital expenditure	29 618 000	64 495 000	5 883 000	10 347 000	8 772 000	12 114 000	25 002 000
Debtors			1 374 391 318	1 776 903 432	2 099 667 853	2 131 243 099	
Creditors			1 667 718 118	1 763 478 364	1 783 157 466	1 889 607 000	
Average payment ra	85%		36%	23%	24%	42%	

There is a notable decrease in revenue billed in the fourth quarter **R183 million** compared to the third quarter **R567 million.** Following the implementation of the new General Valuation Roll, Kusile Power Station was initially valued under the Business and Commercial category at a market value of approximately R24 billion, resulting in monthly rates billing of approximately R82 million. Eskom subsequently lodged a Section 78 objection/dispute against the valuation and property categorisation. Following the review by the Municipal Valuer, the property was reclassified from Business and Commercial to Multiple Purpose, which resulted in a significant reduction in the applicable rates liability. The revised valuation was reflected through the Supplementary Valuation (SV) Roll that went out in April 2026, with the monthly billing for Kusile Power Station decreasing from approximately R82 million to R7.7 million. This adjustment has had a material impact on the municipality's rates revenue

The expenditure in the fourth quarter amounted to **R343 million** with a year-to-date actual of **R1 006 billion**. In comparison with the year-to-date budget of **R1 008 billion**, there is no variance **(0%).** With the municipality's budget being unfunded, not overspending on the budget is a positive trait.

The net operating deficit for fourth quarter amounts to **R159 million** and the year-to-date surplus amounts to **R565 million**.

The collection rate has amongst other things been negatively affected by the unresolved enquiry between the municipality and Kusile Power Station. However, there is a steady increase because of the reduced billing.

	Q1	Q2	Q3	Q4
Billing	135 757 331	425 513 844	410 720 744	165 334 323
Collection	- 34 710 214	- 96 177 525	- 97 571 938	98 385 799
Collection rate	**-26%**	**-23%**	**-24%**	**42%**

Capital expenditure incurred in the fourth quarter amounted to **R12 million.** MIG and FMG is fully spent. WSIG is 90% spent while holding back 10% for retention, and the MDRG is sitting at 47% and allowed by the condition of the grant.

EXCHANGE REVENUE

	Original Budget 2025/2026	Adjustment Budget	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	YTD Actual	YTD Budget	Variance	Variance %
R Thousands										
Revenue by source										
Exchange revenue										
Service charges-electricity revenue	246 628 000	250 631 000	57 870 000	49 305 000	53 903 000	55 152 000	216 230 000	250 631 000	- 34 401 000	-14%
Service charges-water revenue	78 691 000	78 691 000	32 727 000	5 258 000	15 466 000	15 199 000	68 650 000	78 691 000	- 10 041 000	-13%
Service charges-sanitation revenue	14 392 000	14 392 000	3 369 000	3 227 000	3 190 000	2 446 000	12 232 000	14 392 000	- 2 160 000	-15%
Service charge_refuse revenue	15 318 000	18 318 000	4 120 000	3 905 000	3 777 000	3 915 000	15 718 000	18 318 000	- 2 600 000	-14%
Sale of Goods and rendering of services	7 231 000	9 086 000	505 000	575 000	1 756 000	756 000	3 592 000	9 086 000	- 5 494 000	-60%
interest earned-outsanding debtors	165 255 000	165 255 000	16 000	204 000	219 000	352 000	792 000	165 255 000	- 164 463 000	-100%
interest from current assets and non current	-	-	-	-	-	-	-	-	-	
Rental facilities and equipment	1 641 000	1 641 000	571 000	546 000	453 000	548 000	2 118 000	1 641 000	477 000	29%
Operational revenue	806 000	431 000	70 000	463 000	58 000	475 000	1 065 000	431 000	634 000	147%
									-	
Non-exchange revenue									-	
property rates	128 920 000	138 920 000	279 860 000	285 720 000	295 729 000	53 772 000	915 081 000	138 920 000	776 161 000	559%
Fines,penalties and forfeits	2 235 000	2 235 000	335 000	415 000	424 000	678 000	1 852 000	2 235 000	- 383 000	-17%
Surcharges and Taxes	73 281 000	73 281 000	17 259 000	16 379 000	16 160 000	16 346 000	66 144 000	73 281 000	- 7 137 000	-10%
Transfers and Subsidies-Operational	161 007 000	161 007 000	8 161 000	1 000	148 974 000	3 578 000	160 714 000	161 007 000	- 293 000	0%
interest	53 090 000	59 612 000	25 640 000	2 496 400	27 673 000	29 996 000	108 273 000	59 612 000	48 661 000	82%
other Gains	-			-		4 000	4 000	-	4000	#DIV/0!
Total Revenue (excluding capital transfers)	948 495 000	973 500 000	430 503 000	368 494 400	567 782 000	183 217 000	1 572 465 000	973 500 000	598 965 000	62%

Service Charges – Electricity: Billing for the fourth quarter amounted to **R55 million**, reflecting a negative variance of **14%** against the budgeted amount. Despite this underperformance, electricity remains the highest-performing service revenue stream. The variance may be attributed to factors such the impact of illegal connections or energy losses.

As part of the revenue enhancement strategy, the municipality will implement targeted credit control measures, including the disconnection of water and electricity services for non-paying businesses, with a focus on the top 50 debtors. This intervention is expected to improve payment compliance, enhance revenue collection, and strengthen the municipality's cash flow.

Service Charges – Water – Billing for water in the fourth quarter amounted to **R15 million,** bringing the year to date billed revenue to **R68 million**. This represents a **13% negative variance** against the year-to-date budget of **R78 million**.

The underperformance is largely attributable to adjustments made to water meter readings, which affected billing during the reporting period. In addition, the in-house data-cleansing remains on-going and aims to address issues such as incorrect meter readings, accounts billed to deceased or unknown persons.

Service Charge – Sanitation

The billed revenue for sanitation amounted to **R2.4 million** for the period under review, bringing the year-to-date total to **R12 million**. Compared to the year-to-date budget of **R14 million**, this reflects a negative variance of **15%.** Although sanitation remains the lowest-performing service charge, the variance is still within an acceptable range.

The municipality will continue implementing revenue enhancement initiatives and improving customer data accuracy to strengthen sanitation billing and collection.

Service Charge – Refuse removal

The billed revenue for refuse removal amounted to **R3.9 million** for the period under review, bringing the year-to-date total to **R15.7 million**. When compared to the year-to-date budget of **R18 million**, this reflects a negative variance of **14%.** The variance may be attributed to factors such as the impact of indigent households receiving subsidised services.

The municipality will continue implementing revenue enhancement initiatives and improving customer data accuracy to strengthen solid waste billing and collection.

Rental of facilities and equipment

Billing for rental of facilities and equipment amounted to **R548 thousand** in the fourth quarter, after a decrease to **R546 thousand** in the third quarter. Despite this inconsistency, the year-to-date actual revenue exceeds the year-to-date budget by **29%.** No significant billing adjustments were recorded against this revenue source during the reporting period. The municipality will continue to monitor the utilisation of municipal facilities and strengthen billing controls to sustain revenue performance.

Operational revenue – Billing for operational costs increased significantly to **R475 million** in the fourth quarter from **R58 thousand** in the third quarter. This trend requires further investigation to ensure completeness and accuracy of billing.

The municipality will continue to strengthen billing controls, improve revenue management processes, and ensure that all recoverable operational costs are billed accurately and timeously to minimise future variances.

NON-EXCHANGE REVENUE

Property Rates – Billing for property rates has shown a decrease **R53.7 million** in the fourth quarter after a steady billing of above **R200 million** throughout the previous quarters, with an inflated variance of **559%.** Although the billing for Kusile Power Station has been adjusted, the debtor's ledger has not been adjusted to correct the historic overbilling.

Surcharges and Taxes – Billing for the fourth quarter remained consistent at R16 million, in line with the previous quarter. Surcharges are additional fees, charges, or taxes that are added to the base price of a good or service. These revenues comprise items such as trading licenses, waste disposal from private clients, approval and printing of building plans, 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 Earned on Outstanding Debtors – Billed revenue amounted to **R30 million** following an increase to **R27 million** in the third quarter. Billed revenue for interest on outstanding debtors reflected notable fluctuations over the reporting period. These figures represent both exchange and non-exchange revenue streams combined, indicating instability that may be linked to changes in debtor balances, collection patterns, or the timing of interest calculations and adjustments.

	Oridinal Budget 2025/2026	Adjustment Budget	Q1	Q2	Q3	Q4	YTD Actual	YTD budget	Variance	Variance %
R thousands										
Expenditure By Type										
Employee related costs	211 691 000	219 640 000	52 953 000	54 189 000	54 064 000	53 750 300	214 955 500	219 640 000	- 4 684 500	-2%
Remuneration of councillors	12 146 000	12 146 000	2 469 000	2 454 000	2 712 000	2 530 000	10 166 000	12 146 000	- 1 980 000	-16%
Bulk purchases - Electricity	228 174 000	226 174 000	62 751 000	53 675 000	71 443 000	72 332 000	260 201 000	226 174 000	34 027 000	15%
Inventory consumed and Bulk pu	124 623 000	117 918 000	26 701 000	24 833 000	12 038 000	19 272 500	82 843 500	117 798 000	-34 954 500	-30%
Debt impairment	89 408 000	61 908 000	-	-	-	-	-	61 908 000	-61 908 000	-100%
Depreciation and asset impairme	53 279 000	56 591 000	-	14 567 000	14 783 000	24 074 500	53 424 000	56 591 000	- 3 167 000	-6%
Finance charges	50 000 000	60 000 000	17 681 000	29 944 000	41 492 000	29 065 700	118 183 000	60 000 000	58 183 000	97%
Contracted services	128 878 000	144 932 000	17 141 000	33 770 000	30 910 000	85 052 000	166 873 000	149 932 000	16 941 000	11%
Transfers and subsidies	-	-	-	-	-	-	-	-	-	0%
Irrecoverable debts written off	31 594 000	31 383 000	2 512 000	283 000	-	47 764 000	50 559 000	31 383 000	19 176 000	61%
Operationsl Costs	64 224 000	71 387 000	11 981 000	17 731 000	10 804 000	8 929 000	49 445 000	72 507 000	-23 062 000	-32%
Losses on Disposal of Asset		-	-	-	-	-	-	-	-	0%
Other Losses	-	-	-	-	-	322 000	322 000	-	322 000	0%
Total Expenditure	994 017 000	1 002 079 000	194 189 000	231 446 000	238 246 000	343 092 000	1 006 972 000	1 008 079 000	- 1 107 000	0%

Employee-related costs remained stable across all four quarters, aligning with the approved budget and reflecting no material variances recorded. This indicates effective expenditure management and adherence to the approved personnel budget.

Bulk Purchases – Electricity expenditure totalled **R71 million** in the third quarter and slightly increased to **R72 million** in the fourth quarter. The year to date actual exceeded the year to date budget by **R34 million**, reflecting an overspending on electricity purchases.

The municipality paid **R6.5 million** to Eskom in the fourth quarter, covering both the bulk supply and North Substation account. The municipality remains non-compliant with the requirements of Debt Relief as outlined in Circular 124.

Inventory Consumed – Inventory consumed increased from R12 million in the third quarter to R19 million in the fourth quarter. This line item includes both bulk water and consumable inventory. Fluctuations may be attributed to delays in the receipt and processing of bulk water invoices.

To reduce dependence on Rand Water, the municipality is implementing a project to install water package plants and boreholes, aimed at producing approximately 2 mega-litres of water per day. The project is currently **45%** complete.

An amount of **R12.7 million** was paid to Rand Water in the fourth quarter, in addition, the municipality received an interest reversal of **R25 million** in June 2026, which contributed in the reduction of Rand water debt.

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. Depreciation expense for the fourth quarter amounted to **R24 million.**

Finance Charges – Interest charges increased steadily from **R17 million** in the first quarter to **R41 million** in the third quarter and dropped to **R29 million** in the fourth quarter following a decline in the billing for property rates. This represents a 97% variance against the year-to-date budget of **R60 million.**

Contracted Services – Expenditure incurred increased significantly from **R30 million** in the third quarter to **R85 million** in the fourth quarter. The increase is mainly attributed to unforeseen expenditure related to the maintenance of water and electricity infrastructure.

To mitigate overspending on contracted services, strengthened contract management practices should be prioritised.

Operational Costs – Expenditure incurred showed fluctuations throughout the financial year, moving from **R11 million** in the first quarter to **R17 million** in the second, declined to **R10 million** in the third quarter and finally to **R8.9 million** in the fourth quarter. This represents a negative variance of **32%** against the year-to-date budget of **R72 million.**

This variance reflects cost containment and indicates savings, which is significant given the unfunded nature of the budget. This line item includes general operational expenses not classified under contracted services, such as stationery, materials, chemicals, hiring, skills development, uniforms and protective clothing, as well as operating leases.

REPAIRS AND MAINTENANCE

Description R thousands	Original Budget 2025/26	Adjustment Budget	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Year to Date Actual	Year to Date Budget	Variance	Variance %
Infrastructure	17 778 000	37 374 000	1 662 000	13 184 000	18 628 000	55 031 000	88 506 000.00	37 374 000.00	51 132 000.00	86%
Roads Infrastructure	**4 000 000**	**3 000 000**	-	**732 000**	**729 000**	**1 906 000**	**3 367 000.00**	**3 000 000.00**	**367 000.00**	36%
Capital Spares	4 000 000	3 000 000	-	732 000	729 000	1 906 000	3 367 000.00	3 000 000.00	367 000.00	12%
Electrical Infrastructure	**6 000 000**	**24 162 000**	**611 000**	**11 720 000**	**17 207 000**	**51 702 000**	**81 241 000.00**	**24 162 000.00**	**57 079 000.00**	15%
Capital Spares	6 000 000	24 162 000	611 000	11 720 000	17 207 000	51 702 000	81 241 000.00	24 162 000.00	57 079 000.00	152%
Water Supply Infrastructure	**2 000 000**	**1 000 000**	**12 000**	**271 000**	**230 000**	**115 000**	**628 000.00**	**1 000 000.00**	**- 372 000.00**	-37%
Capital Spares	2 000 000	1 000 000	12 000	271 000	230 000	115 000	628 000.00	1 000 000.00	- 372 000.00	-37%
Sanitation Infrastructure	**2 000 000**	**2 500 000**	**1 016 000**	-	**695 000**	**752 000**	**2 463 000.00**	**2 500 000.00**	**- 37 000.00**	68%
solid waste infrastructure	2 000 000	2 500 000	1 016 000	-	695 000	752 000	2 463 000.00	2 500 000.00	- 37 000.00	68%
Costal Infrastructure	**3 778 000**	**6 712 000**	**23 000**	**461 000**	**- 233 000**	**556 000**	**807 000.00**	**6 712 000.00**	**- 5 905 000.00**	-88%
Capital Spares	3 778 000	6 712 000	23 000	461 000	- 233 000	556 000	807 000.00	6 712 000.00	- 5 905 000.00	-88%
Information and communicat	10 950 000	8 200 000	205 000	855 000	1 433 000	222 000	2 715 000.00	8 200 000.00	- 5 485 000.00	51%
Data centres	10 950 000	8 200 000	205 000	855 000	1 433 000	222 000	2 715 000.00	8 200 000.00	4 178 000.00	51%
Capital Spares	10 950 000	8 200 000	205 000	855 000	1 433 000	222 000	2 715 000.00	8 200 000.00	- 5 485 000.00	-67%
Total Repairs and Maintenance Expenditure	28 728 000	45 574 000	1 867 000	14 039 000	20 061 000	55 253 000	91 221 000.00	45 574 000.00	45 647 000.00	100%

Repairs and maintenance analysis

Supporting table SC13c measures the extent to which Council's assets are maintained per asset class. Expenditure incurred increased from **R20 million** in the third quarter to **R55 million** in the fourth. This year to date actual of **R91 million** represents **100%** variance against the year to date budget of **R45 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.

immediately, expenditures that improve an asset or extend its useful life beyond the original estimate may be capitalized.

NORMS AND RATIOS

Current ratio (0:63)

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. This indicates that the municipality is operating significantly below the targeted level, with the actual position representing only 31.5% of the expected 2:1 ratio.

Current Ratio	Current Assets / Current Liabilities	Statement of Financial Positon, Budget, IDP and AR	1.5 - 2:1		0.63
				Current Assets	1 485 050
				Current Liabilities	2 348 911

Collection Rate (42%)

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

Collection Rate	(Gross Debtors Closing Balance + Bailed revenue - Gross Debtors Opening Balance - Bad debts written off) Billed revenue x100	Statement of Financial Position, Statement of financial performance, Notes to the AFS, Budget in-year reports, IDP and AR	95%		42%
				Gross Debtors closing balance	2 163 483 636
				Gross Debtors opening balance	2 114 137 898
				Bad debts written Off	-
				Billed Revenue	165 334 323

Cash/Cost coverage ratio (0 Month)

The ratio measures how many months the municipality could continue paying its operating expenses using its available cash and cash equivalents, without relying on additional revenue or borrowing. The municipality has insufficient cash reserves to cover its short-term operating costs 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	5 753 951
				Unspent Conditional Grants	-
				Overdraft	-
				Short Term Investments	-
				Total Annual Operational Expenditure	1 006 972 000

Capital expenditure to operating expenditure (3%)

The low ratio indicates that a relatively small proportion of municipal expenditure is being directed towards capital investment and the development, renewal and replacement of infrastructure assets. The municipality should strengthen capital expenditure planning, improve project implementation and explore sustainable funding sources to increase investment in municipal infrastructure.

Contracted services (25%)

Contracted services recorded an actual ratio of 25%, significantly exceeding the benchmark range of 2%–5%. This represents a material adverse variance and indicates a high reliance on externally contracted services. Management should review contracted services expenditure, assess the necessity and value-for-money of existing contracts, and strengthen contract management and cost-control measures.

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%		25%
				Contracted Services	85 052 000
				Total Operating Expenditure	343 092 000
				Taxation Expense	-

Creditor's payment period (326Days)

The creditor payment period was recorded at **362 days against the benchmark of 30 days**, resulting in an unfavourable variance of **332 days**. This indicates that creditors are, on average, being settled significantly beyond the prescribed 30-day payment period.

The exceptionally high creditor payment period is indicative of cash-flow constraints and liquidity pressures, which may be contributing to the accumulation of outstanding supplier obligations. The prolonged payment period increases the municipality's exposure to potential interest and penalties, supplier restrictions, and disruptions to service delivery.

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		326 days
				Trade Creditors	1 889 607 000
				Contracted Services	29 799 000
				Repairs and Maintenance	55 253 000
				General expenses	185 708 000
				Bulk Purchases	1 847 546 000
				Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	

4.1 CAPITAL EXPENDITURE

Grants	Gazetted Amnt	Total Received to date	Q4 Actual	YTD spending	% spent on received amt
MIG	29 618 000	29 618 000	4 556 084	29 618 000	100%
MDRG	6 000 000	6 000 000	2 800 000	2 800 000	47%
WSIG (ROLL-OVER)	2 910 894	-	1 408 808	2 616 830	90%

Total allocation for capital grants from the National Treasury for the **2025_26** financial year amounted to **and R29.6 million** for MIG as per the gazette. In addition, Municipal Disaster Recovery Grant **(R6 million)** was received in March, with a period running from 1 April and crossing over to the new financial year and ends at 30 September 2026. The approved rollover from 2024/25 **WSIG** amounted to **R2.9 million**. Allocation received in the fourth quarter amounted to **R5.3 million for MIG**. The total expenditure incurred in the fourth quarter amounted to **R12 million.**

4.2 CASH FLOW STATEMENT

Net Cash from operating activities

The net cash from operating activities as at 30 June 2026 amounted to an unfavourable **R414 million** which is supported by grants received from operational and capital project. The municipality cash flow from operating activities shows a positive move which indicate that the budget funding plan of the municipality must be fully implemented in order to maximise revenue.

The ability to collect revenue from our customers will lead to a positive cash and cash equivalent over the medium term which will automatically lead to a sustainable and funded budget to enable the municipality to honour its debts.

Net Cash from investing activities

The net cash from investing activities shows a cash outflow resulting from the acquisition of a Tractor, Mini-sub, Isuzu bakkie and other assets to the value of **R8.7 million** which added to the Municipal fleet and reflects on the Fixed Assets Register and includes the capital expenditure from grants.

Net Increase/ Decrease in cash held

The municipality recorded an increase in net cash held of **R5.7 million** as at 30 June 2026.

Description R thousands	June 2025_26 Actual
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts	
Property rates, penalties & collection charges	9 725
Service charges	19 813
Other revenue	18 978
Government - operating	–
Government - capital	–
Interest	321
Dividends	–
Total receipts	**48 838**
Payments	
Suppliers and employees	(36 736)
Finance charges	(6 951)
Transfers and Grants	(5 565)
Total payments	**(49 252)**
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(414)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Received from arrangements	–
Disposal of assets	–
(Increase) / Decrease in non-current investments	–
Payments	(8 765)
Capital assets	(8 765)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(8 765)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts	
Increase in consumer deposits	4
Borrowing long term/refinancing	–
Payments	
Repayment of borrowing	–
Finance lease payments	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**4**
NET INCREASE/ (DECREASE) IN CASH HELD	**(5 356)**
Cash/cash equivalents at beginning of the month:	11 110
Cash/cash equivalents at month end:	5 754

5. IN-YEAR BUDGET STATEMENT TABLES

Table C2: **Quarterly Financial Performance by Vote**

Table C2 measures the quarterly actuals against the year-to-date SDBIP figures which 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: **Quarterly 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 billed revenue by vote for the fourth quarter amounted to **R203 million** and total expenditure amounted to **R340 million**.

Table C4: **Quarterly 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 deviation in revenue is 62% and 0% for expenditure of the fourth quarter compared to the budget.

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

Table C5 indicates the quarterly actuals on capital expenditure for all votes and measures the year-to-date actuals against the year to date planning (SDBIP) figures. For the fourth quarter, there was capital expenditure amounting to **R12 million**. All grants were fully spent at year end.

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

The table provides an overview of the financial position of the municipality's assets and liabilities. As at 30 June 2026, the community wealth amounts to a favourable **R114 million**. Total liabilities amounts to **R2.4 billion**, whilst total assets amounts to **R2.5 billion** which resulted in the favourable net-assets **R114 million**, all figures are accumulative.

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

Table C7 provides detail of the actual year to date in-flow and out-flow. For the Fourth quarter, the net cash from operating activities was a favourable **R26 million**, the net cash from investing activities amounted to an unfavourable **R12 million.** The net cash from financing activities amounts to **R5.7 million.**

The Bank balance as at 30 June 2026, amounted to a favourable balance of **R 5.7 million.**

BANK NAME	TYPE OF ACCOUNT	BALANCE
STD BANK	MAIN ACCOUNT	1 340 664
STD BANK	CALL ACCOUNT ELEC	3 577 545
STD BANK	CALL ACCOUNT	11
STD BANK	TRAFFIC	66 864
STD BANK	MONEY MARKET	163 413
ABSA BANK	CALL ACCOUNT	605 454
BALANCE		5 753 951

3 SUPPORTING DOCUMENTATION

- **3.1 PERFOMANCE INDICATORS:**

    - Supporting table SC2 provides detail on performance indicators in particular to revenue management.
    - The measurement of the payment rate is based on the circular 71 method as prescribed by National Treasury. The formula is based on the gross debtor opening balance plus billed revenue less gross debtor closing balance less bad debts written off divide by billed revenue.

- **3.2 DEBTORS/RECEIVABLES ANALYSIS:**

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

CUSTOMER GROUP	APRIL	MAY	JUNE
Organs of state	13 850 164.89	15 170 883.85	15 823 872.04
Commercial	91 682 273.39	92 997 639.79	92 678 104.53
Households	1 045 060 606.00	1 061 915 930.99	1 070 202 821.00
Mines	24 727 519.35	25 883 732.64	25 774 795.94
Farms	938 623 113.00	872 665 809.37	875 576 869.50
Indigent	8 683 978.95	9 670 658.39	11 150 584.47
Municipal Props	5 296 537.32	30 248 757.15	76 680.71
Other	29 585 791.69	70 247.44	5 768 884.40
Top 200	60 457.52	5 514 238.01	34 190 486.52
	2 157 570 442.11	**2 114 137 897.63**	**2 131 243 099.11**

- The measurement of the rate is based on the amount received up to the levy date in fourth quarter, compared to the levy that was done in the previous quarters. The collection rate for the fourth quarter is **(42%)** and is higher than the fourth quarter **(24%).** The payment rate has been slowly increasing following the supplementary valuation which reduced the billed revenue for Kusile Power Station from +/- **R85 million** to **R7.7 million** monthly. However, the matter is not yet resolved and the Power Station's account is sitting (as at 30 June 2026) at **R769 million** with a monthly payment still at **R1 400**.

	Q1	Q2	Q3	Q4
Billing	135 757 331	425 513 844	410 720 744	165 334 323
Collection	- 34 710 214	- 96 177 525	- 97 571 938	98 385 799
Collection rate	**-26%**	**-23%**	**-24%**	**42%**

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 June 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 **R493 million.**

3.4 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS ANALYSIS:

The table SC8 provides details for councillor and employee benefits. For the fourth quarter 2025/26 total salaries, allowances and benefits amounted to **R53.7 Million**.

3.5 CAPITAL EXPENDITURE TREND

Supporting table SC12 provides information on the quarterly trends for capital expenditure. In terms of this table, the capital expenditure incurred for the fourth quarter amounted to **R12 million**.

Attached as Annexure are the following:

- The actual quarterly Budget Statement Annexure "A"
- Consumer Account Payment levels Annexure "B"
- Actual year to date of consumer debtors – Age analysis Annexure "C"
- A creditors age analysis Annexure "D"
- Credit control and Debt collection report "E"
- Non-compliance letter from Provincial Treasury and self-assessment for May 2026 is attached as Annexure "F"
- Government debt Annexure 'G"

DEBTORS

Debtors' Age Analysis as at 30 June 2025_26, outstanding debtors comprise of consumer and sundry debtors. The total outstanding debtors amounts to **R2.1 billion** the consumer debtors amount to **R1.9 billion** and sundry debtors amount to **R145 million**. Creditors to the amount **R1.8 billion** were not paid during the month.

Description		Budget Year 2025/26											
R thousands	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	5 853	3 443	3 315	3 324	3 072	3 484	2 613	255 752	280 856	271 560	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	19 515	1 609	1 112	577	593	357	438	22 914	47 115	25 992	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	20 016	14 999	90 413	94 695	87 627	87 037	86 807	493 835	975 430	940 415	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	958	543	433	431	389	373	306	22 146	25 579	24 077	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 237	737	633	2 397	651	505	485	27 081	33 726	31 752	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	5 763	5 189	5 213	5 295	5 160	5 137	5 071	249 922	286 749	275 798	-	-
Interest on Arrear Debtor Accounts	1810	11 180	10 184	9 986	9 641	9 480	9 234	9 028	267 932	336 666	315 302	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	3 265	1 109	941	1 241	949	1 366	857	135 394	145 121	140 748	-	-
Total By Income Source	**2000**	**67 787**	**37 814**	**112 046**	**117 600**	**107 921**	**107 494**	**105 605**	**1 474 977**	**2 131 243**	**2 025 643**	-	-
2019/20 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 157	1 234	568	1 026	437	834	249	9 320	15 824	12 433	-	-
Commercial	2300	5 231	2 963	2 535	2 312	2 014	1 857	1 791	73 976	92 678	84 465	-	-
Households	2400	23 618	19 139	18 962	21 346	18 338	18 154	17 261	933 384	1 070 203	1 027 446	-	-
Other	2500	36 781	14 478	89 981	92 916	87 132	86 649	86 304	458 297	952 538	901 278	-	-
Total By Customer Group	**2600**	**67 787**	**37 814**	**112 046**	**117 600**	**107 921**	**107 493**	**105 605**	**1 474 977**	**2 131 243**	**2 025 642**	-	-

CREDITORS

Description	NT Code	Budget Year 2025/26								
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	44 155	13 941	31 221	15 237	1 249 304	-		-	1 353 858
Bulk Water	0200	5 181	10 166	10 055	9 324	458 963	-		-	493 688
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	32402	4 416	311	488	926	-	-	-	38 542
Auditor General	0800	11	77	12	36	35	1257	-	-	1 428
Financial Systems	0900	-	900	497	693	-	-	-	-	2 090
Total By Customer Type	**1000**	**81 749**	**29 501**	**42 095**	**25 778**	**1 709 227**	**1 257**	**-**	**-**	**1 889 607**

8. Allocation and grant receipts and expenditure

Grants	Gazetted Amnt	Total Received to date	Q4	YTD Actual	% spent on received amount
FMG	1 900 000	1 900 000	439 532	1 899 935	100%
EPWP	1 976 000	2 153 000	-	2 153 000	100%
MIG	29 618 000	29 618 000	4 556 084	29 618 000	100%
MDRG	6 000 000	6 000 000	2 800 000	2 800 000	47%
WSIG (ROLL-OVE	2 910 894	-	1 408 808	2 616 830	90%

FMG, EPWP, MIG is 100% spent while WSIG is 90% spent, with retention of 10% withheld. The MDRG is at 47% spent, however, the condition for this grant allows a cross over to 2026/27, for the period is April - September 2026.

9. Councillors and employee benefits

Number of months--------->	12					
	Pro-rata	Adjustment	Q4	YTD	%	Reason for Variance
	Budget	Budget	Actual	Actual	Actual	
Councillors:						
Allowances	12 146 000	12 146 000	2 530 000	10 166 000	83.7%	None
Employees:						
Basic salary	117 012 000	128 262 000	32 522 000	128 994 000	100.6%	Variance is due to new appointments
Travelling allowance	13 815 000	13 480 000	3 106 000	12 001 000	89.0%	None
Overtime	20 701 000	18 578 000	3 300 000	15 373 000	82.7%	None
Employee social contributions	60 173 000	59 342 000	12 292 000	48 422 000	81.6%	None
TOTAL	**223 847 000**	**231 808 000**	**53 750 000**	**214 956 000**	**92.7%**	

1.1 The current debt status as at 30 June 2026

DEBT BOOK PER SERVICE						
	Apr-26		May-26		Jun-26	
SERVICE	TOTAL	ALLOCATIONS	TOTAL	ALLOCATIONS	TOTAL	ALLOCATIONS
RATES	1 038 347 345.17	48%	974 756 766.23	46%	976 941 201.73	46%
INTEREST	317 626 889.80	15%	327 319 640.47	15%	336 757 094.48	16%
HIRE	278 900 064.13	13%	283 582 553.36	13%	286 894 403.39	13%
WATER	276 834 689.14	13%	279 362 958.88	13%	281 218 128.77	13%
VAT	88 464 288.22	4%	89 768 689.78	4%	91 452 811.09	4%
ELECTRICITY	43 989 401.06	2%	44 611 611.94	2%	47 627 708.06	2%
SUNDRY NON VAT	40 390 380.82	2%	40 338 127.92	2%	40 103 181.21	2%
REFUSE	33 501 093.36	2%	33 800 507.44	2%	33 857 418.72	2%
SEWERAGE	26 091 996.03	1%	26 185 519.85	1%	25 669 137.75	1%
SUNDRIES VAT	21 363 995.87	1%	21 350 068.40	1%	21 241 541.54	1%
OTHER SERVICES	2 308 187.80	0%	2 308 017.33	0%	2 307 919.29	0%
DEPOSIT	- 4 937.14	0%	- 6 988.85	0%	- 5 229.91	0%
ADVANCE PAYMENT	- 9 631 359.37	0%	- 9 270 008.70	0%	- 9 099 377.63	0%
Grand Total	2 158 182 034.89	100%	2 114 107 464.05	100%	2 134 965 938.49	100%

Debt Movement

VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

MOVEMENT IN DEBT BOOK - VICTOR KHANYE LOCAL MUNICIPALITY - QUARTER 4 - 2025/2026

Period	Opening balance	Movement	Closing balance	Decrease/increase %
Apr-26	2 099 667 852.86	58 514 182.03	2 158 182 034.89	2.79%
May-26	2 158 182 034.89	- 44 074 570.84	2 114 107 464.05	-2.04%
Jun-26	2 114 107 464.05	20 858 474.44	2 134 965 938.49	0.99%
Total Movement for Quarter 4				

✓ The major contributor to the increase in the debt book is the unpaid disputed amount from Kusile Power station, increase in valuations and properties correctly classified as vacant stands

1.2 Top two owing Categories

Rates remain the highest outstanding service, accounting for 46% of the total debt book, with no change from May 2026. Although the percentage has remained unchanged, the outstanding rates balance continues to be significantly high. This is primarily attributable to the outstanding rates account of Eskom Kusile, as well as the non-payment of rates by certain property owners who have lodged objections or disputes against the new General Valuation (GV) Roll.

Below factors remains as the challenges:

- Farms are mostly contributing to the debt due to no strict credit control measures implemented,
- the municipality is not supplying electricity or water to some properties categorised as farms hence it becomes a challenge to execute credit control
- Property categories which changed from vacant residential to vacant with an increased tariff.

Hire charges remain the second-highest outstanding service, accounting for 13% of the total debt book. This percentage has remained unchanged since April 2026.

Below factors remains as challenges:

- Non-payment of the flat rate by residents.
- Residents of Botleng proper and the extensions are the contributors of the non-payments of these services.

The third highest owing service is Water, at 13% which remained unchanged since April 2026.

The below still remains a challenge in the municipality:

- Unmetered properties.
- Old infrastructure, faulty and damaged meters.
- Illegal connections.
- Eskom licenced areas

DEBT BOOK PER ACCOUNT TYPE						
	Apr-26		May-26		Jun-26	
ACC TYPE	TOTAL	ALLOCATIONS	TOTAL	ALLOCATIONS	TOTAL	ALLOCATIONS
RESIDENTIAL	1 045 320 209.20	48%	1 061 892 997.41	50%	1 071 152 254.99	50%
FARMS	938 686 595.91	43%	872 658 309.37	41%	876 109 373.43	41%
BUSINESS	91 865 499.47	4%	92 997 639.79	4%	93 304 523.27	4%
TOP 200	29 618 096.85	1%	30 248 757.15	1%	34 834 451.82	2%
MINES	24 727 519.35	1%	25 883 732.64	1%	26 584 933.69	1%
GOVERNMENT	13 850 164.89	1%	15 170 883.85	1%	15 826 872.04	1%
INDIGENT	8 756 454.38	0%	9 670 658.39	0%	11 300 564.29	1%
OTHER	5 297 037.32	0%	5 514 238.01	0%	5 776 284.25	0%
MUNICIPAL PROP	60 457.52	0%	70 247.44	0%	76 680.71	0%
Grand Total	**2 158 182 034.89**	**100%**	**2 114 107 464.05**	**100%**	**2 134 965 938.49**	**100%**

- The top owing consumer group is that of residential. These includes conventional residents, staff, councillors, pensioners. 50% of the debt book is owed by this category, which remained the same as of the month of May 2026. Reflecting an increase of 2% from April to June 2026.
- The second owing group is that of Farms at 41% of the debt book, which remained the same since the month of April 2026.
- The third owing group is Businesses, which accounts for 4% of the debt book and remained unchanged from April 2026. Most of this debt arises from the industrial areas in Delmas Extension 14 and Delmas Extension 6.
- Top 200 are the fourth owing group at 2%, reflecting an increase of 1% from the month of May 2026
- The fifth owing categories are Mines, Government and Indigents, which contributes only 3% of the total Debt Book reflecting an increase of 1% from the month of May 2026.

1.3 Government Debt:

7						
	Apr-26		May-26		Jun-26	
DEPARTMENTS	**TOTAL**	**ALLOCATIONS**	**TOTAL**	**ALLOCATIONS**	**TOTAL**	**ALLOCATIONS**
DEPARTMENT OF EDUCATION	6 099 955.15	44%	6 479 608.95	43%	6 740 856.22	43%
NDPW	3 240 258.95	23%	3 263 818.09	22%	3 329 843.30	21%
HEALTH (CLINICS)	1 477 650.61	11%	1 766 863.04	12%	2 132 759.28	13%
PWRT	1 170 211.83	8%	1 628 223.51	11%	1 436 288.90	9%
DEPARTMENT OF HEALTH AND SOC	1 034 736.60	7%	1 040 419.69	7%	1 024 760.76	6%
DRDLR	361 678.14	3%	418 442.84	3%	535 688.35	3%
HEALTH (HOSPITAL)	272 391.59	2%	389 669.66	3%	417 699.54	3%
SAPS	102 088.27	1%	67 336.47	0%	75 632.28	0%
DEPARTMENT OF JUSTICE	47 763.73	0%	66 776.75	0%	75 543.24	0%
AGRICULTURE	15 267.00	0%	20 885.55	0%	30 917.49	0%
SASSA	7 679.30	0%	8 135.99	0%	7 702.81	0%
DEPARTMENT OF LABOUR	5 332.23	0%	5 482.82	0%	5 507.16	0%
Grand Total	**13 835 013.40**	**100%**	**15 155 663.36**	**100%**	**15 813 199.33**	**100%**

- Schools continue to be the highest contributor under Department of Education, Botleng Secondary School with a debt that amounts to *R 4, 270, 282.65* as of 30 June 2026.

1.4. Collection of arrears

The municipality continues to effect credit control actions in areas accessible and is conducting credit control utilizing the Conlog prepaid system.
The table below reflects the payment rate for the months ended 31 January - June 2026:

PAYMENT RATE PER SERVICE APRIL-JUNE 2026			
	Apr-26	May-26	Jun-26
Type Of Service	**Payment Rate**	**Payment Rate**	**Payment Rate**
DEPOSIT	0%	0%	0%
ADVANCE PAYMENT	0%	0%	0%
INTEREST	2%	4%	3%
VAT	65%	72%	73%
WATER	38%	51%	46%
ELECTRICITY	93%	100%	100%
RATES	11%	9%	46%
REFUSE	63%	73%	68%
SEWERAGE	72%	78%	87%
SUNDRIES VAT	0%	0%	0%
SUNDRY NON VAT	100%	100%	100%
HIRE	16%	16%	17%
OTHER SERVICES	0%	0%	0%
PAYMENT ADVANCED	100%	100%	100%
Total	**23%**	**24%**	**54%**

PAYMENT RATE PER WARD APRIL-JUNE 2026			
	Apr-26	May-26	Jun-26
Ward	**Payment Rate**	**Payment Rate**	**Payment Rate**
WARD 1	15%	14%	24%
WARD 2	15%	14%	16%
WARD 3	16%	12%	19%
WARD 4	4%	4%	4%
WARD 5	2%	2%	2%
WARD 6	77%	89%	83%
WARD 7	98%	75%	80%
WARD 8	51%	44%	43%
WARD 9	6%	6%	45%
PAYMENT ADVANCED	0%	0%	0%
Total	**23%**	**24%**	**54%**

The payment rate for the month ending June 2026 was 54%, reflecting a 30% increase compared to the previous month. This significant improvement indicates enhanced revenue collection performance during the reporting period. Furthermore, following the gazetting of the supplementary valuation roll, corrections were made to the billing of Eskom Kusile. These adjustments resulted in a reduction of the amount billed to Kusile, contributing to a more accurate billing position and positively influencing the overall payment rate.

Another contributing factor to the decline is linked to exceptions identified through the Conlog DCU system, which indicated that over 3,200 meters had switched to tamper mode. This has negatively impacted the municipality's ability to enforce credit control through the prepaid system.

The municipality currently has 379 direct connections done by its electricians, representing an increase of 33 connections from the previous total of 346. These interventions generated revenue of R146,593.09 for a period of three months. However, despite the increase in the number of direct connections, payments decreased by 18% compared to the previous month.

The increase in direct connections coupled with the decline in payments is a concern, as it indicates that a number of customers have not settled their accounts, including the direct connection fees. To address this, the Revenue Section has identified the affected accounts, and a list of defaulting customers will be submitted to the Electricity Department to facilitate the disconnection of services in accordance with the municipality's Credit Control Policy.

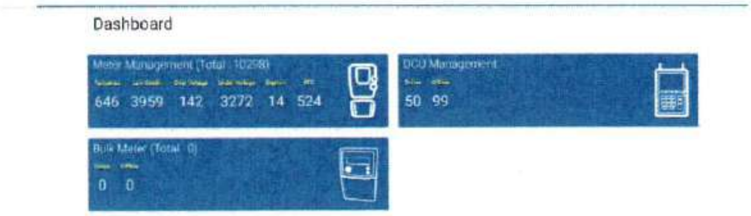
DIRECT CONNECTIONS COLLECTIONS	
MONTH	COLLECTIONS
Apr-26	41462.19
May-26	58 018.76
Jun-26	47 112.14
TOTAL	146 593.09

To enhance collections, the municipality continues to enforce its Credit Control Policy by issuing notices to the community, disconnecting defaulting consumers, blocking prepaid meters, and handing over all accounts older than 90 days to appointed debt collectors.

Despite these efforts, the section still faces significant challenges in credit control and debt collection, including:

- Unmetered properties
- Faulty meters and aged infrastructure
- Areas where meter readers cannot gain access due to lack of water supply
- Blocked servitudes

Additionally, the number of online DCUs decreased from 52 in April to 52 in June 2026. The system remains instrumental in addressing credit control challenges, particularly with tampered and low-voltage meters. A snapshot of the PowerNova dashboard for April and June 2026, reflecting DCU meter monitoring is provided below.



1.5. DISCONNECTIONS:

REMINDER SMSs			
MONTH	**WARDS**	**NUMBER OF ACCOUNTS**	**OVERDUE AMOUNT**
Apr-26	1,2,3,4,5and 8	5660	1 044 398 477.82
May-26	ALL WARDS	11384	1 651 067 765.79
Jun-26	ALL WARDS	10750	1 589 936 114.25

- A total of 27 794 reminder SMSs were issued for the period of three months

The Municipal Manager appointed a Revenue Enhancement Team, which supports disconnection processes and conducts meter audits to ensure accurate billing and the recovery of all amounts due and payable to the municipality. Below is a summary of the work undertaken by the Revenue Enhancement Team.

ARRANGEMENTS								
ACCOUNT NO	ACCOUNT HOLDER	START DATE	CAPITAL DEBT	AGREEMENT AMOUNT	Apr-26	May-26	Jun-26	Jul-2

69770000	THAQDEER INVESTMENT T/A	Apr-26	254 625.03	5 000.00	5 000.00	5 000.00	-	
121700000	RICHARDS JL	Apr-26	535 846.13	1 000.00	2 990.00	1 500.00	-	
9065560000	MUHMMAD MU	Mar-26	19 734.46	1 532.63	3 200.00	1 400.00	1 000.00	
9081660000	THAQDEER INV CC RB	Apr-26	493 081.21	15 000.00	13 000.00	15 000.00	-	
9990400055	BAMBANANI METALS	Apr-26	80 941.53	5 563.59	20 000.00	-	-	
9990401018	D AND NANDI AUTO SPARES	Apr-26	49 253.56	8 000.00	5 000.00	-	-	
9154730000	DELMAS DEVELOPMENT	Apr-26	354 853.49	15 000.00	15 000.00		15 000.00	
9082800000	MOHHAMAD AI	May-26	57 214.21	3 786.00	-	11 700.00	-	
9165370000	MAC CHEM PTY LTD	May-26	34 500.00	2 875.00	-	2 875.00	31 625.00	
			1 880 049.62	**57 757.22**	**64 190.00**	**37 475.00**	**47 625.00**	-

CATEGORY	NUMBER OF ACCOUNTS	PAYMENTS RECEIVED
RESIDENTIAL PROPERTIES	11	- 7 818.95
BUSINESS AND COMMERCIAL	3	- 63 374.00

MAY COLLECTION		
32 DERDE STR	STRAIGHT CONNECTION	1 500.00
46 DERDE STR	ILLEGAL CONNECTION	31 687.10
UNCONFIRMED NUMBER	ILLEGAL CONNECTION	31 687.10
104 INDIA COMPLEX	DISCONNECTION	11 700.00
		76 574.20

JUNE COLLECTION		
TAMBOTIE TRUST	STRAIGHT CONNECTION	1 000.00
LIFE STYLE	STRAIGHT CONNECTION	3 000.00
VAN DER MERWE	PREPAID ARRANGEMENT	1 500.00
TOP GEAR	PREPAID ARRANGEMENT	1 500.00
DELMAS BANDE	ILLEGAL CONNECTION	31 687.10
DELMAS BANDE WORKSHOP	ILLEGAL CONNECTION	31 687.10
SMART CORNER	ILLEGAL CONNECTION	31 687.10
MOHAMMED A	ILLEGAL CONNECTION	31 687.10
KRITZINGER MG	ILLEGAL CONNECTION	15 069.60
		148 818.00

Revenue Enhancement Team- Disconnections

- Since the inception of the Revenue Enhancement Team, a total of 9 payment arrangements has been concluded with customers in arrears.

- These payment arrangements have generated a total collection of R149 290. 00.
- During the three month-period, an amount of R 296,585.15 was recovered from customers involved in illegal electricity tampering and straight connections.
- These collections demonstrate the positive impact of the Revenue Enhancement Team's enforcement and debt recovery initiatives, while ongoing disconnections and follow-up actions remain essential to improve compliance and revenue collection.

- Power Nova remains one of the tools the Municipality can use to execute remote disconnections, particularly in areas such as Wards 1, 2, and 3, where SMS notifications were sent as part of credit control measures.

CHALLENGES WITH DISCONNECTIONS

- Tools of trade remain a challenge to execute the credit control and debt collection - Transport.
- Inability to perform verification of disconnected properties - capacity.
- Business and residential properties that remain with electricity straight connections due to non-availability of meters.
- Illegal partitioning of properties especially the Business.

Recommendation

- It is recommended that the municipality consider the appointment of a company that will assist the municipality with disconnections, meter monitoring and meter audits.

1.6. INDIGENT APPLICATIONS

INDIGENT APPLIACTIONS		
MONTH	NUMBER OF APPLICATIONS	TOTAL
Apr-26	29	1 305 356.21
May-26	28	827 265.76
Jun-26	21	1 436 551.55
Grand Total	78	

- A total of 78 applications were processed from April to June 2026
- For the 2025/26 financial year, a total of *R47,778,779.65* in indigent debt has been written off following Council approval. This initiative has provided qualifying indigent households with debt relief while contributing to a more accurate reflection of the municipality's recoverable debt book.

Challenges

- Letter of authority remains a challenge for many households
- Some applicants own properties with back rooms used for rental purposes, affecting eligibility.
- There are cases where applicants have purchased properties without updating ownership details, as well as individuals occupying a property they do not legally own.
- The Revenue Section encourages all stakeholders that are specifically responsible for the verification of the forms to priorities the verification process so that we can together reduce the back lock of the forms that are still waiting to be captured on the system.

1.7. COUNCILLORS & OFFICIALS DEBT:

CLLRS' DEBT BOOK	
MONTH	TOTAL
Apr-26	226 269.70
May-26	232 318.74
Jun-26	222 347.37

OFFICIALS OWING MORE THAN 30 DAYS	
MONTH	TOTAL
Apr-26	3 397 629.21
May-26	3 456 679.61
Jun-26	3 481 128.39

- The Municipality has 344 accounts listed for water and lights deduction for both Cllrs and Officials

- A total of R 1,075,970.58 was collected from both Cllrs and officials from the month of April to June 2026.
- Human Resources Unit to provide information on all new recruits as they are hired to ensure timely updates to the water and lights deduction list.

1.8. PREPAID SALES

PREPAID SALES		
Period	Vklm & 3rd Party vendors sales	Total sales
Apr-26	3 540 781.77	3 540 781.77
May-26	3 913 449.25	3 913 449.25
Jun-26	4 164 120.75	4 164 120.75
TOTAL		11 618 351.77

- A total of R 11,618,351.77 was generated from prepaid sales over a three-month period.
- Although prepaid electricity purchases have improved, the increasing number of straight connections remains a significant concern, as these connections contribute to electricity losses and negatively impact municipal revenue collection.

1.9. DEBT INCENTIVE

DEBT-INCENTIVE		
MONTH	APPLICATIONS	TOTAL
Apr-26	455	32 400 659.15
May-26	457	32 669 101.76
Jun-26	459	26 682 895.89

- As at the end of June 2026, a total of 459 debtors were participating in the Debt Incentive Programme. During the month, 2 new applications were received, bringing the total value of debt under the programme to *R26,682,895.89*.
- The reduction in the outstanding customer balances is primarily attributable to the 40% debt **write-off** granted to qualifying customers who successfully complied with the programme requirements.
- The Revenue Section has written off debt under the programme as follows:
  - *R1,777,786.10* as at 30 June 2024;

- *R6,350,839.72* as at 30 June 2025; and
- *R5,996,064.88* as at 30 June 2026, which includes qualifying smallholding category customers who were previously excluded from the programme.

- Over the three-year implementation period of the **30:30:40 "Watch Your Debt Disappear!"** campaign, the Revenue Section successfully assisted 223 customers by providing debt relief while encouraging the settlement of outstanding municipal accounts.

- The Revenue Section has since managed to write off an amount of *R 1,777,786.10* at the end of June 2024 and *R 6,350,839.72* as at end of June 2025 which is inclusive of small holding category customers who were previously excluded.

- The Section is encouraging the public at large to apply for this fantastic opportunity of reducing their debt with 30% for new applications and 40% for customers who have been in the programme from inception in the 2025/2026 financial year.

1.10. HANDED OVER ACCOUNTS

Below is a summary of the April – June 2026 collections by the debt collectors.

DEBT COLLECTORS' COLLECTION APRIL-JUNE 2026			
COLLECTORS' NAME	APRIL COLLECTION	MAY COLLECTION	JUNE COLLECTION
REVCO	390 327.87	672 176.86	500 323.39
IBC FORENSIC	565 141.08	1 074 705.54	891 234.82
BTF GLOBAL	146 147.00	568 169.42	331 500.82

1. HUMAN RESOURCE IMPLICATIONS

2. LEGAL IMPLICATIONS

Failure to implement credit control and debt collection policy will be in contravention of S64 of Municipal Finance Management, i.e. monies owed to municipality are not collected promptly.

3. FINANCIAL IMPLICATIONS

Increase in the Debt Book

Low collection rate which will hamper service delivery result in compliance with Circular 124 conditions by NT.

4. RISK IMPLICATIONS

Cash Flow Problems: Without proper credit control, there is a higher likelihood of late payments or non-payment from customers. This can lead to cash flow shortages, which can hinder the business's ability to pay its own bills, invest in new opportunities, or meet day-to-day operational expenses.

Increased Bad Debts: Ineffective credit control can result in extending credit to customers who are unable to pay. This increases the risk of bad debts, which are costly to the business as they represent lost revenue and may require additional time and resources to recover.

Damage to Customer Relationships: Inaccurate billing can lead to customer dissatisfaction. Errors in invoices, such as overcharging or undercharging, can erode trust and damage relationships with customers, potentially leading to loss of business.

Regulatory and Compliance Issues: Failing to adhere to credit control policies and accurate billing practices can lead to regulatory breaches. This could result in penalties, fines, or legal actions, depending on the industry and local regulations.

Financial Reporting Errors: Inaccurate billing can lead to errors in financial reporting. This can affect the accuracy of financial statements, leading to poor decision-making by management and potentially misleading investors and stakeholders.

Operational Inefficiencies: Poor credit control and billing practices can create additional workload for staff, who may need to spend extra time rectifying errors, chasing payments, and managing disputes. This can reduce overall productivity and increase operational costs.

Loss of Competitive Advantage: Businesses that fail to manage credit effectively may find themselves at a competitive disadvantage. Efficient credit control and accurate billing can be a differentiator in the Juneket, and businesses that lag in these areas may lose customers to competitors who offer better financial management and transparency.

Increased Collection Costs: Ineffective credit control may necessitate the use of collection agencies or legal action to recover outstanding debts. This can increase costs and strain resources.

Risk of Fraud: Without strict credit control and billing accuracy, there is an increased risk of fraud. Fraudulent activities, such as issuing fake invoices or manipulating customer accounts, can go unnoticed and lead to significant financial losses.

Reputational Damage: Both inaccurate billing and poor credit control can damage a company's reputation. Customers may share negative experiences publicly, which can harm the company's brand and lead to a loss of trust among existing and potential customers.

5. STRATEGIC IMPLICATIONS

6. OTHER IMPLICATIONS

N/A

Circular 124, for debt relief program - Eskom reconciliation as at 30 June 2025/26.

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	564352549787	R 1 061 071 043.58	R 16 955 921.29	R 2 543 388.19	R 4 884 827.90	R 24 384 137.38	R -	R 1 085 455 180.96
			R 132 322 923.53	**R 19 848 438.52**	**R 48 761 972.28**			

ESKOM SUB ACCOUNT

Segment in ledger ==================>			*Bulk Purchases*	*VAT*	*Interest expense*			
MONTH	INVOICE NO	BALANCE BROUGHT FORWARD	TOTAL EXC	VAT	INTEREST	TOTAL INC	AMOUNT PAID	BALANCE + INVOICE - PAID = TOTAL DUE
Jul-25	889781822327	R 134 765 327.14	R 15 617 398.99	R 2 342 609.85	R 1 183 867.66	R 19 143 876.50	R -	R 153 909 203.64
Aug-25	889497857686	R 153 909 203.64	R 14 253 554.22	R 2 138 033.13	R 1 252 752.71	R 17 644 340.06	R 2 000 000.00	R 169 553 543.70
Sept-25	889378192530	R 169 553 543.70	R 8 987 025.14	R 1 348 053.77	R 1 464 013.65	R 11 799 092.56	R 9 500 000.00	R 171 852 636.26
Oct-25	889763053264	R 171 852 636.26	R 7 897 298.06	R 1 184 594.71	R 2 018 272.63	R 11 100 165.40	R 4 500 000.00	R 178 452 801.66
Nov-25	889280628311	R 178 452 801.66	R 7 788 570.39	R 1 168 285.56	R 1 464 878.67	R 10 421 734.62	R 1 000 000.00	R 187 874 536.28
Dec-25	889250184604	R 187 874 536.28	R 9 664 108.25	R 1 449 616.24	R 1 872 550.92	R 12 986 275.41	R 7 000 000.00	R 193 860 811.69
Jan-26	889204764776	R 193 860 811.69	R 8 984 617.64	R 1 347 692.65	R 1 633 224.98	R 11 965 535.27	R 2 000 000.00	R 203 826 346.96
Feb-26	889929345408	R 203 826 346.96	R 9 665 296.11	R 1 449 794.42	R 2 350 713.62	R 13 465 804.15	R 1 500 000.00	R 215 792 151.11
Mar-26	889570809146	R 215 792 151.11	R 9 230 991.14	R 1 384 648.67	R 1 428 237.60	R 12 043 877.41	R -	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	889035393667	R 249 131 433.36	R 15 431 936.17	R 2 314 790.43	R 2 024 293.27	R 19 771 019.87	R 500 000.00	R 268 402 453.23
			127 646 432.28	**19 146 964.86**	**21 343 728.95**			

Choose name from list - Table C1 Monthly Budget Statement Summary - M12 - Quarter 4

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	108 696	128 920	138 920	53 772	915 081	138 920	776 162	559%	138 920
Service charges	315 713	355 029	362 032	76 713	312 829	362 032	(49 203)	-14%	362 032
Investment revenue	1 265	–	–	–	–	–	–		–
Transfers and subsidies - Operational	153 285	161 007	161 007	3 578	160 714	161 007	(293)	0%	161 007
Other own revenue	171 201	303 539	311 542	49 155	183 840	311 542	(127 702)	-41%	311 542
Total Revenue (excluding capital transfers and contributions)	**750 159**	**948 495**	**973 500**	**183 218**	**1 572 464**	**973 500**	**598 964**	**62%**	**973 500**
Employee costs	207 328	211 691	219 640	53 750	214 956	219 640	(4 684)	-2%	219 640
Remuneration of Councillors	9 790	12 146	12 146	2 530	10 166	12 146	(1 980)	-16%	12 146
Depreciation and amortisation	60 323	53 279	56 591	24 074	53 424	56 591	(3 167)	-6%	56 591
Interest	97 555	50 000	60 000	29 065	118 183	60 000	58 183	97%	60 000
Inventory consumed and bulk purchases	297 491	352 797	343 972	91 604	343 045	343 972	(927)	0%	343 972
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	434 350	314 105	315 730	142 068	267 199	315 730	(48 531)	-15%	315 730
Total Expenditure	**1 106 838**	**994 017**	**1 008 079**	**343 092**	**1 006 972**	**1 008 079**	**(1 107)**	**0%**	**1 008 079**
Surplus/(Deficit)	**(356 679)**	**(45 522)**	**(34 579)**	**(159 874)**	**565 492**	**(34 579)**	**600 071**	**-1735%**	**(34 579)**
Transfers and subsidies - capital (monetary allocations)	44 337	46 618	52 618	20 523	20 523	52 618	(32 095)	-61%	52 618
Transfers and subsidies - capital (in-kind)	16 063	30 500	30 500	–	–	30 500	(30 500)	-100%	30 500
contributions	**(296 279)**	**31 596**	**48 539**	**(139 351)**	**586 015**	**48 539**	**537 476**	**1107%**	**48 539**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(296 279)**	**31 596**	**48 539**	**(139 351)**	**586 015**	**48 539**	**537 476**	**1107%**	**48 539**
Capital expenditure & funds sources									
Capital expenditure	**86 343**	**65 245**	**64 495**	**12 121**	**37 123**	**64 495**	**(27 372)**	**-42%**	**64 495**
Capital transfers recognised	77 304	46 645	46 645	9 146	26 029	46 645	(20 616)	-44%	46 645
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	7 924	18 600	17 850	2 968	10 586	17 850	(7 264)	-41%	17 850
Total sources of capital funds	**85 229**	**65 245**	**64 495**	**12 114**	**36 614**	**64 495**	**(27 881)**	**-43%**	**64 495**
Financial position									
Total current assets	538 342	202 468	773 842		1 485 050				773 842
Total non current assets	1 056 892	1 030 231	1 060 872		1 040 592				1 060 872
Total current liabilities	2 005 203	932	2 192 895		2 348 911				2 192 895
Total non current liabilities	61 841	686 528	64 841		61 841				64 841
Community wealth/Equity	**(471 639)**	**545 239**	**(423 022)**		**114 205**				**(423 022)**
Cash flows									
Net cash from (used) operating	–	119 775	78 486	26 004	188 710	78 486	(110 225)	-140%	78 486
Net cash from (used) investing	64 037	(65 245)	(64 495)	(12 058)	(42 476)	(64 495)	(22 019)	34%	(64 495)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**67 762**	**76 659**	**26 352**	–	**158 596**	**26 352**	**(132 244)**	**-502%**	**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	–	–	–	–	–	–	–	–	–

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Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		388 614	311 972	328 275	108 706	1 209 837	328 275	881 562	269%	328 275
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		388 614	311 972	328 275	108 706	1 209 837	328 275	881 562	269%	328 275
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		13 829	7 760	7 760	2 038	7 168	7 760	(592)	-8%	7 760
Community and social services		2 208	2 608	2 608	294	1 422	2 608	(1 187)	-45%	2 608
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		7 471	3 511	3 511	1 196	3 566	3 511	55	2%	3 511
Housing		4 150	1 641	1 641	548	2 181	1 641	539	33%	1 641
Health		–	–	–	–	–	–	–		–
Economic and environmental services		(2 290)	4 356	6 056	19 406	19 468	6 056	13 413	221%	6 056
Planning and development		–	4 356	6 056	–	62	6 056	(5 993)	-99%	6 056
Road transport		(2 290)	–	–	19 406	19 406	–	19 406	#DIV/0!	–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		410 407	701 525	714 528	73 592	356 514	714 528	(358 014)	-50%	714 528
Energy sources		174 972	329 394	333 397	50 918	181 803	333 397	(151 594)	-45%	333 397
Water management		117 454	208 373	211 173	16 316	69 767	211 173	(141 406)	-67%	211 173
Waste water management		29 237	113 471	116 671	2 446	12 232	116 671	(104 439)	-90%	116 671
Waste management		88 744	50 286	53 286	3 911	92 712	53 286	39 426	74%	53 286
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	810 559	1 025 813	1 056 618	203 741	1 592 987	1 056 618	536 369	51%	1 056 618
Expenditure - Functional										
Governance and administration		508 764	347 625	361 388	103 889	330 735	361 388	(30 653)	-8%	361 388
Executive and council		47 972	45 242	55 715	12 672	41 965	55 715	(13 751)	-25%	55 715
Finance and administration		460 792	302 383	305 672	91 217	288 770	305 672	(16 902)	-6%	305 672
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		77 188	103 623	102 636	29 020	96 115	102 636	(6 520)	-6%	102 636
Community and social services		30 918	34 792	38 007	10 075	37 929	38 007	(78)	0%	38 007
Sport and recreation		4 019	2 493	3 989	1 661	3 738	3 989	(251)	-6%	3 989
Public safety		40 485	64 699	58 760	16 816	52 714	58 760	(6 047)	-10%	58 760
Housing		1 766	1 639	1 879	469	1 734	1 879	(144)	-8%	1 879
Health		–	–	–	–	–	–	–		–
Economic and environmental services		44 710	68 810	58 180	17 481	43 993	58 180	(14 187)	-24%	58 180
Planning and development		6 151	19 956	17 355	1 356	3 653	17 355	(13 702)	-79%	17 355
Road transport		41 150	47 093	39 565	16 091	39 943	39 565	379	1%	39 565
Environmental protection		(2 591)	1 760	1 260	34	396	1 260	(864)	-69%	1 260
Trading services		476 178	473 960	485 875	192 702	536 129	485 875	50 253	10%	485 875
Energy sources		310 681	275 709	292 336	137 170	372 951	292 336	80 614	28%	292 336
Water management		117 349	130 169	124 141	39 247	109 075	124 141	(15 065)	-12%	124 141
Waste water management		42 458	53 845	55 598	13 376	46 775	55 598	(8 823)	-16%	55 598
Waste management		5 690	14 237	13 801	2 909	7 328	13 801	(6 473)	-47%	13 801
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	1 108 838	994 017	1 008 079	343 092	1 006 972	1 008 079	(1 107)	0%	1 008 079
Surplus/ (Deficit) for the year		(298 279)	31 596	48 539	(139 351)	586 015	48 539	537 476	1107%	48 539

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Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 - Quarter 4

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–		–
Vote 2 - Budget and Treasury		388 814	311 972	328 275	108 706	1 209 837	328 275	881 562	268.5%	328 275
Vote 3 - Corporate Services		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		2 208	2 608	2 608	294	1 422	2 608	(1 187)	-45.5%	2 608
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		7 471	3 511	3 511	1 196	3 566	3 511	55	1.6%	3 511
Vote 7 - Housing		4 150	1 641	1 641	548	2 181	1 641	539	32.9%	1 641
Vote 8 - Health Services		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		–	4 356	6 056	–	62	6 056	(5 993)	-99.0%	6 056
Vote 10 - Roads Transport		(2 290)	–	–	19 406	19 406	–	19 406	#DIV/0!	–
Vote 11 - Electricity Services		174 972	329 394	333 397	50 918	181 803	333 397	(151 594)	-45.5%	333 397
Vote 12 - Water Services		117 454	208 373	211 173	16 316	69 767	211 173	(141 406)	-67.0%	211 173
Vote 13 - Waste Water Management		29 237	113 471	116 671	2 446	12 232	116 671	(104 439)	-89.5%	116 671
Vote 14 - Solid Waste Management		88 744	50 286	53 286	3 911	92 712	53 286	39 426	74.0%	53 286
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**810 559**	**1 025 613**	**1 056 618**	**203 741**	**1 592 987**	**1 056 618**	**536 369**	**50.8%**	**1 056 618**
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		59 529	66 115	82 334	16 363	56 057	82 334	(26 277)	-31.9%	82 334
Vote 2 - Budget and Treasury		430 662	270 388	258 529	80 752	248 743	258 529	(9 787)	-3.8%	258 529
Vote 3 - Corporate Services		6 273	186	13 856	3 379	13 651	13 856	(205)	-1.5%	13 856
Vote 4 - Community and Social Services		30 918	34 792	38 007	10 075	37 929	38 007	(78)	-0.2%	38 007
Vote 5 - Sport and Recreation		4 019	2 493	3 989	1 661	3 738	3 989	(251)	-6.3%	3 989
Vote 6 - Public Safety		40 485	64 699	58 760	16 816	52 714	58 760	(6 047)	-10.3%	58 760
Vote 7 - Housing		1 766	1 639	1 879	469	1 734	1 879	(144)	-7.7%	1 879
Vote 8 - Health Services		(2 591)	1 760	1 260	34	396	1 260	(864)	-68.5%	1 260
Vote 9 - Planning and Development		4 113	14 622	6 380	944	1 423	6 380	(4 957)	-77.7%	6 380
Vote 10 - Roads Transport		50 128	62 244	44 902	17 168	42 935	44 902	(1 967)	-4.4%	44 902
Vote 11 - Electricity Services		310 681	275 709	292 336	137 170	372 951	292 336	80 614	27.6%	292 336
Vote 12 - Water Services		117 349	130 169	124 141	39 247	109 075	124 141	(15 065)	-12.1%	124 141
Vote 13 - Waste Water Management		42 458	53 845	55 598	13 376	46 775	55 598	(8 823)	-15.9%	55 598
Vote 14 - Solid Waste Management		5 690	14 237	13 801	2 909	7 328	13 801	(6 473)	-46.9%	13 801
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 101 479**	**992 897**	**995 773**	**340 360**	**995 450**	**995 773**	**(323)**	**0.0%**	**995 773**
Surplus/ (Deficit) for the year	2	**(290 919)**	**32 716**	**60 845**	**(136 619)**	**597 537**	**60 845**	**536 692**	**882.1%**	**60 845**

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Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		213 908	246 628	250 631	55 152	216 230	250 631	(34 401)	-14%	250 631
Service charges - Water		72 969	78 691	78 691	15 199	68 650	78 691	(10 041)	-13%	78 691
Service charges - Waste Water Management		13 174	14 392	14 392	2 446	12 232	14 392	(2 160)	-15%	14 392
Service charges - Waste management		15 661	15 318	18 318	3 915	15 718	18 318	(2 600)	-14%	18 318
Sale of Goods and Rendering of Services		2 228	7 231	9 086	756	3 592	9 086	(5 494)	-60%	9 086
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		68 849	165 255	165 255	352	792	165 255	(164 463)	-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	548	2 118	1 641	477	29%	1 641
Licence and permits		–	–	–	–	–	–	–		–
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		1 533	806	431	475	1 065	431	634	147%	431
Non-Exchange Revenue								–		
Property rates		108 696	128 920	138 920	53 772	915 081	138 920	776 162	559%	138 920
Surcharges and Taxes		69 951	73 281	73 281	16 346	66 144	73 281	(7 138)	-10%	73 281
Fines, penalties and forfeits		6 801	2 235	2 235	678	1 852	2 235	(383)	-17%	2 235
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		153 285	161 007	161 007	3 578	160 714	161 007	(293)	0%	161 007
Interest		13 718	53 090	59 612	29 996	108 273	59 612	48 661	82%	59 612
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		6 262	–	–	4	4	–	4	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		750 159	948 495	973 500	183 218	1 572 464	973 500	598 964	62%	973 500
Expenditure By Type										
Employee related costs		207 328	211 691	219 640	53 750	214 956	219 640	(4 684)	-2%	219 640
Remuneration of councillors		9 790	12 146	12 146	2 530	10 166	12 146	(1 980)	-16%	12 146
Bulk purchases - electricity		227 563	228 174	226 174	72 332	260 201	226 174	34 027	15%	226 174
Inventory consumed		69 928	124 623	117 798	19 272	82 844	117 798	(34 955)	-30%	117 798
Debt impairment		149 695	89 408	61 908	–	–	61 908	(61 908)	-100%	61 908
Depreciation and amortisation		60 323	53 279	56 591	24 074	53 424	56 591	(3 167)	-6%	56 591
Interest		97 555	50 000	60 000	29 065	118 183	60 000	58 183	97%	60 000
Contracted services		110 395	128 878	149 932	85 052	166 873	149 932	16 941	11%	149 932
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		73 709	31 594	31 383	47 764	50 559	31 383	19 176	61%	31 383
Operational costs		51 150	64 224	72 507	8 929	49 445	72 507	(23 062)	-32%	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	1 008 079	343 092	1 006 972	1 008 079	(1 107)	0%	1 008 079
Surplus/(Deficit)		(356 679)	(45 522)	(34 579)	(159 874)	565 492	(34 579)	600 071	-1735%	(34 579)
Transfers and subsidies - capital (monetary allocations)		44 337	46 618	52 618	20 523	20 523	52 618	(32 095)	-61%	52 618
Transfers and subsidies - capital (in-kind)		16 063	30 500	30 500	–	–	30 500	(30 500)	-100%	30 500
Surplus/(Deficit) after capital transfers & contributions		(296 279)	31 596	48 539	(139 351)	586 015	48 539			48 539
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		(296 279)	31 596	48 539	(139 351)	586 015	48 539			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	(139 351)	586 015	48 539			48 539
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		(296 279)	31 596	48 539	(139 351)	586 015	48 539			48 539

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Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 - Quarter 4

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
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	2 850	(1 773)	-62%	2 850
Vote 2 - Budget and Treasury		40 449	950	950	15 317	17 876	950	16 926	1782%	950
Vote 3 - Corporate Services		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		(393)	200	200	2	557	200	357	179%	200
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		–	300	300	15	15	300	(285)	-95%	300
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health Services		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		29	550	550	–	30	550	(520)	-95%	550
Vote 10 - Roads Transport		22 212	23 700	23 700	(6 261)	5 160	23 700	(18 540)	-78%	23 700
Vote 11 - Electricity Services		38 198	5 000	5 000	–	1 831	5 000	(3 169)	-63%	5 000
Vote 12 - Water Services		(20 390)	20 500	20 500	1 250	2 449	20 500	(18 051)	-88%	20 500
Vote 13 - Waste Water Management		528	6 445	6 445	1 143	4 785	6 445	(1 660)	-26%	6 445
Vote 14 - Solid Waste Management		2 083	4 000	4 000	666	3 343	4 000	(657)	-16%	4 000
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	86 343	65 245	64 495	12 121	37 123	64 495	**(27 372)**	-42%	64 495
Total Capital Expenditure		**86 343**	**65 245**	**64 495**	**12 121**	**37 123**	**64 495**	**(27 372)**	-42%	64 495
Capital Expenditure - Functional Classification										
Governance and administration		**50 310**	**10 550**	**9 800**	**19 942**	**26 816**	**9 800**	17 016	174%	9 800
Executive and council		185	350	350	–	–	350	(350)	-100%	350
Finance and administration		50 125	10 200	9 450	19 942	26 816	9 450	17 366	184%	9 450
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(393)**	**500**	**500**	**17**	**572**	**500**	72	14%	**500**
Community and social services		(393)	200	200	2	557	200	357	179%	200
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	300	300	15	15	300	(285)	-95%	300
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**16 007**	**18 250**	**18 250**	**(10 897)**	**(2 674)**	**18 250**	(20 924)	-115%	18 250
Planning and development		29	550	550	–	30	550	(520)	-95%	550
Road transport		15 978	17 700	17 700	(10 897)	(2 704)	17 700	(20 403)	-115%	17 700
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**20 420**	**35 945**	**35 945**	**3 060**	**12 409**	**35 945**	(23 536)	-65%	**35 945**
Energy sources		38 198	5 000	5 000	–	1 831	5 000	(3 169)	-63%	5 000
Water management		(20 390)	20 500	20 500	1 250	2 449	20 500	(18 051)	-88%	20 500
Waste water management		528	6 445	6 445	1 143	4 785	6 445	(1 660)	-26%	6 445
Waste management		2 083	4 000	4 000	666	3 343	4 000	(657)	-16%	4 000
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**86 343**	**65 245**	**64 495**	**12 121**	**37 123**	**64 495**	**(27 372)**	**-42%**	**64 495**
Funded by:										
National Government		77 304	46 645	46 645	9 146	26 029	46 645	(20 616)	-44%	46 545
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		77 304	**46 645**	**46 645**	**9 146**	26 029	46 645	**(20 616)**	**-44%**	46 645
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		7 924	18 600	17 850	2 968	10 586	17 850	(7 264)	-41%	17 850
Total Capital Funding		**85 229**	**65 245**	**64 495**	**12 114**	**36 614**	**64 495**	**(27 881)**	-43%	64 495

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Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M12 - Quarter 4

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)	21 843	(13 186)
Trade and other receivables from exchange transactions		59 341	(7 735)	(3 511)	210 028	(3 511)
Receivables from non-exchange transactions		16 333	146 472	107 936	826 172	107 936
Current portion of non-current receivables		–	–	–	–	–
Inventory		2 418	(35 945)	128 534	2 266	128 534
VAT		447 888	23 017	554 069	425 757	554 069
Other current assets		0	–	0	(1 016)	0
Total current assets		538 342	202 468	773 842	1 485 050	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	943 461	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	1 040 592	1 060 872
TOTAL ASSETS		1 595 234	1 232 699	1 834 714	2 525 642	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	1 922	1 710
Trade and other payables from exchange transactions		1 681 168	113 075	1 802 147	2 028 464	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		306 022	2 298	403 235	286 656	403 235
Other current liabilities		–	–	–	–	–
Total current liabilities		2 005 203	932	2 192 895	2 348 911	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		2 067 044	687 460	2 257 736	2 410 752	2 257 736
NET ASSETS	2	(471 810)	545 239	(423 022)	114 890	(423 022)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(471 639)	545 239	(423 022)	114 205	(423 022)
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	(471 639)	545 239	(423 022)	114 205	(423 022)

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	236 078	230 652	28 625	121 528	230 652	(109 123)	-47%	230 652
Service charges		–	450 169	314 129	70 911	302 586	314 129	(11 543)	-4%	314 129
Other revenue		–	23 809	79 316	11 269	112 889	79 316	33 573	42%	79 316
Transfers and Subsidies - Operational		–	161 007	167 007	6 177	90 086	167 007	(76 921)	-46%	167 007
Transfers and Subsidies - Capital		–	46 618	46 618	–	1	46 618	(46 617)	-100%	46 618
Interest		–	–	224 867	–	–	224 867	(224 867)	-100%	224 867
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		–	(797 906)	(984 103)	(90 978)	(438 380)	(984 103)	545 723	-55%	(984 103)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	119 775	78 486	26 004	188 710	78 486	(110 225)	-140%	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)	(12 058)	(42 476)	(64 495)	22 019	-34%	(64 495)
NET CASH FROM/(USED) INVESTING ACTIVITIES		64 037	(65 245)	(64 495)	(12 058)	(42 476)	(64 495)	(22 019)	34%	(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		64 037	54 530	13 991	13 946	146 235	13 991			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:		67 762	76 659	26 352		158 596	26 352			26 352

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 - Quarter 4

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 764	6 985	6 985	1 413	5 757	6 985	(1 227)	-18%	6 985
Pension and UIF Contributions		1 022	1 230	1 230	285	1 089	1 230	(141)	-11%	1 230
Medical Aid Contributions		379	448	448	100	385	448	(63)	-14%	448
Motor Vehicle Allowance		186	428	428	96	379	428	(49)	-11%	428
Cellphone Allowance		799	985	985	201	805	985	(180)	-18%	985
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1 640	2 070	2 070	436	1 751	2 070	(320)	-15%	2 070
Sub Total - Councillors		**9 790**	**12 146**	**12 146**	**2 530**	**10 166**	**12 146**	**(1 980)**	**-16%**	**12 146**
% increase	4		**24.1%**	**24.1%**						**24.1%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 185	5 336	4 306	839	3 856	4 306	(450)	-10%	4 306
Pension and UIF Contributions		352	106	200	48	186	200	(14)	-7%	200
Medical Aid Contributions		271	73	73	25	79	73	6	8%	73
Overtime		–	9	9	2	9	9	(1)	-9%	9
Performance Bonus		218	–	186	94	187	186	1	1%	186
Motor Vehicle Allowance		687	632	1 022	164	739	1 022	(282)	-28%	1 022
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		360	146	146	30	120	146	(26)	-18%	146
Other benefits and allowances		1	5	1	0	1	1	0	1%	1
Payments in lieu of leave		–	–	20	6	22	20	2	10%	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**	**1 209**	**5 200**	**5 963**	**(764)**	**-13%**	**5 963**
% increase	4		**3.2%**	**-2.4%**						**-2.4%**
Other Municipal Staff										
Basic Salaries and Wages		116 828	111 676	123 956	31 683	125 138	123 956	1 182	1%	123 956
Pension and UIF Contributions		26 869	30 052	28 766	7 130	28 624	28 766	(143)	0%	28 766
Medical Aid Contributions		11 135	12 797	12 516	3 562	13 366	12 516	850	7%	12 516
Overtime		13 120	20 692	18 569	3 298	15 344	18 569	(3 226)	-17%	18 569
Performance Bonus		8 591	10 172	10 812	2 486	10 524	10 812	(288)	-3%	10 812
Motor Vehicle Allowance		10 158	13 183	12 436	2 942	11 262	12 436	(1 174)	-9%	12 436
Cellphone Allowance		42	143	143	33	134	143	(9)	-6%	143
Housing Allowances		1 292	830	825	127	436	825	(389)	-47%	825
Other benefits and allowances		6 570	4 008	4 086	1 021	3 936	4 086	(150)	-4%	4 086
Payments in lieu of leave		1 215	–	–	–	–	–	–		–
Long service awards		0	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	3 250	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		300	157	467	83	316	467	(151)	-32%	467
Acting and post related allowance		1 849	1 675	1 101	176	678	1 101	(423)	-38%	1 101
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**201 220**	**205 385**	**213 677**	**52 542**	**209 757**	**213 677**	**(3 920)**	**-2%**	**213 677**
% increase	4		**2.1%**	**6.2%**						**6.2%**
Total Parent Municipality		**217 119**	**223 837**	**231 786**	**56 281**	**225 122**	**231 786**	**(6 664)**	**-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		–	–	–	–	–	–	–		–

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 - Quarter 4

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Board Fees	5	–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Executive members Board	2	–	–	–	–	–	–	–		–
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–		–
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–		–
% increase	4									
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		**217 119**	**223 837**	**231 786**	**56 281**	**225 122**	**231 786**	**(6 664)**	**-3%**	**231 786**
% increase	4		3.1%	6.8%						6.8%
TOTAL MANAGERS AND STAFF		**207 328**	**211 691**	**219 640**	**53 750**	**214 956**	**219 640**	**(4 684)**	-2%	219 640

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Choose name from list - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 - Quarter 4

Month	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
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	4 274	#VALUE!	64 495	#VALUE!	#VALUE!	#VALUE!
Total Capital expenditure	86 343	65 245	64 495	37 123					

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Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		48 524	28 728	45 574	55 253	91 220	45 574	(45 646)	-100.2%	45 574
Roads Infrastructure		2 399	4 000	3 000	1 906	3 367	3 000	(367)	-12.2%	3 000
Roads		–	–	–	–	–	–	–		–
Road Structures		–	–	–	–	–	–	–		–
Road Furniture		–	–	–	–	–	–	–		–
Capital Spares		2 399	4 000	3 000	1 906	3 367	3 000	367	0	3 000
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		37 487	6 000	24 162	51 702	81 241	24 162	(57 079)	-236.2%	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	51 702	81 241	24 162	57 079	0	24 162
Water Supply Infrastructure		2 096	2 000	1 000	115	628	1 000	372	37.2%	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	115	628	1 000	(372)	(0)	1 000
Sanitation Infrastructure		5 298	2 000	2 500	752	2 462	2 500	38	1.5%	2 500
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		5 298	2 000	2 500	752	2 462	2 500	(38)	(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	6 712	556	807	6 712	5 905	88.0%	6 712
Sand Pumps		–	–	–	–	–	–	–		–

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Piers		–	–	–	–	–	–	–		–
Revetments		–	–	–	–	–	–	–		–
Promenades		–	–	–	–	–	–	–		–
Capital Spares		1 093	3 778	6 712	556	807	6 712	(5 905)	(0)	6 712
Information and Communication Infrastructure		150	10 950	8 200	222	2 716	8 200	5 484	66.9%	8 200
Data Centres		–	–	–	–	–	–	–		–
Core Layers		–	–	–	–	–	–	–		–
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		150	10 950	8 200	222	2 716	8 200	(5 484)	(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		–	–	–	–	–	–	–		–

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Training Centres		–	–	–	–	–	–	–		–
Manufacturing Plant		–	–	–	–	–	–	–		–
Depots		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights		–	–	–	–	–	–	–		–
Effluent Licenses		–	–	–	–	–	–	–		–
Solid Waste Licenses		–	–	–	–	–	–	–		–
Computer Software and Applications		–	–	–	–	–	–	–		–
Load Settlement Software Applications		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
		–	–	–	–	–	–	–		–
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Policing and Protection		–	–	–	–	–	–	–		–
Zoological plants and animals		–	–	–	–	–	–	–		–
Immature		–	–	–	–	–	–	–		–
Policing and Protection		–	–	–	–	–	–	–		–
Zoological plants and animals		–	–	–	–	–	–	–		–
Total Repairs and Maintenance Expenditure	1	48 524	28 728	45 574	55 253	91 220	45 574	(45 646)	-100.2%	45 574

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: 15 July 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 June 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

17/07/2026

TM Mashabela
Municipal Manager

Victor Khanye
Local Municipality
16 -07- 2026
Revenue Section

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

Name of Department	Total amount outstanding	0-30 Days	31-60 Days	61-90 Days	90 Days and over	Payments received by the municipality in May 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	30,917.49	10,031.94	12,145.97	6,534.78	33,122.29	-			30,917.49		
Economic Development and Tourism											
Education	19,050.47	-	-	-	19,050.47	-			565.23	-	18,485.24
Education: Schools	6,887,888.59	694,117.72	422,576.01	31,911.23	12,627,172.22	(220,254.59)			6,887,888.59		
Public Works,Roads and Transport	2,132,759.28	586,373.26	582,294.76	349,402.85	2,747,447.68	(233,161.62)		2,132,759.28	-		
Community Safety Security and Liaison											
Health (Clinics)	1,436,288.90	200,763.54	80,284.22	51,952.48	2,559,577.56	(359,975.02)			146,294.91		1,289,993.99
Health (Hospitals)	418,442.84	418,442.84	-	-		(917,107.58)			418,442.84		
Culture Sport and Recreation											
Social Development	1,024,229.13	89,322.90	81,172.34	55,529.21	1,822,455.81	(104,981.85)			1,024,229.13		-
Human Settlements											
Sub Total: Provincial Departments	11,919,578.75	1,999,052.22	1,168,473.29	466,238.56	19,808,804.03	(1,215,480.52)		2,132,759.28	8,596,338.39		1,308,479.23
National Departments:											
National Department of Public Works	3,586,382.52	18,029.30	42,365.64	44,831.99	7,067,538.05	(239,988.81)		305,462.13	-		3,280,920.39
National Department of Rural Development and Land Reform	417,699.54	28,829.88	27,991.62	27,953.55	751,424.13	-		417,699.54			
South African Social Security Agency - SASSA	7,702.81	7,702.81	-	-	-	(11,793.82)			-		7,702.81
South African Police Services - SAPS	(180,995.98)	65,356.84	74,123.33	1,419.31	-437,535.20	(65,356.84)			(180,995.98)		
Justice Department	75,632.28	75,632.28	-	-	-	(67,336.84)			75,632.28		
Labour Department	5,507.16	2,876.75	2,630.41	-	-	(2,852.41)			5,507.16		
Sub Total: National Departments	3,891,928.33	197,622.92	147,110.99	74,204.89	7,381,426.98	(387,328.72)		723,161.67	(99,856.84)		3,288,623.20
Total Debt owed by Sector Departments	15,861,505.03	2,196,680.14	1,305,584.19	569,535.40	27,190,231.01	(1,602,809.34)		2,855,920.95	8,408,481.65		4,697,102.43
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)	15,861,505.03	2,196,680.14	1,305,584.19	569,535.49	27,190,231.01	(1,602,809.34)		2,855,920.95	8,408,481.65		4,697,402.45

Compiled By CFO : Signature Moholoa

Certified as correct by Municipal Manager : Signature

NB.These amounts include Rates and services charges

Victor Khanye
Local Municipality

16 -07- 2026

Revenue Section

provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

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

SigcinaMafa SesiFundza UmNyango weeMali ZesiFunda Provinsiale Tesourie

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

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

Mr. Sadesh Ramjathan
Director: Revenue Management
National Treasury
Private Bag X 115
PRETORIA
0001
2210

Dear Mr. Mashabela and Mr. Ramjathan

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

1. PURPOSE

To provide feedback on Victor Khanye LM's debt relief compliance report for May 2026

2. BACKGROUND

The National Treasury approved the debt relief application of Victor Khanye LM with effect 01 September 2023. May 2026 constitutes the 33rd 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 May 2026.

3. DISCUSSION

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 May 2026. The Municipality also needs to comply with the following conditions in future:

Condition 6.1 – Municipality non-compliance

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

From the Provincial Treasury's assessment, the municipality achieved a 68% compliance with the MFMA Circular 124 conditions during May 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 decreased slightly if compared to the April 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.

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 – April 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 May 2026 are discussed in more detail below.

Condition 6.3 Maintain Current Bulk Account.

The municipality's Eskom account for April 2026 was R22,273,548.70 according to the Eskom Section 41 report. The Municipality only paid R2 million in May 2026. The data strings of the Municipality correctly show R2,000,000 payments made to Eskom in May 2026. The electricity income for May 2026 was R18,677,605 according to schedule SC30.

The municipality only paid their Eskom account in full twice (March 2024 and December 2024) in the 33 months that the municipality is on the debt relief programme. Only R225,9 million of the R704,5 million electricity income was paid to Eskom. The municipality's average payment percentage is 32%. The total short payments from September 2023 to May 2026 are R478,6 million.

The municipality emailed the April 2026 Rand Water invoice. The amount to be paid by the municipality was R5,784,770,21. The municipality paid the exact amount to Rand Water in May 2026. The water data strings for Month 11 in May 2026 was not uploaded on LG Portal.

Condition 6.4 Compliance with a funded MTREF budget

The Municipality adopted an unfunded budget amounting to R900 million with the 2023/24 budget. It increased to R1,064 billion unfunded with the 2024/25 budget. It further increased to R1,507 billion unfunded with the 2024/25 adjustment budget. It increased further with the 2025/26 adjustment budget to R1,642 billion unfunded. It decreased to R1,380 billion unfunded with the 2026/27 final 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 reduced to R14,4 million deficit with the 2026/27 final 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.

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 May 2026 was 49%. 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 May 2026 was uploaded on the Go-Muni portal and it was emailed to MPT. The mSCOA data strings for May 2026 was uploaded to the Go-Muni portal. The MFMA S71 Statement for May 2026 was also published on the municipality's website. The MFMA S71 Statement was also assessed against the Municipal Budget-and Reporting Regulations, 2009 (MBRR) and the National Treasury MFMA S71 reporting guidance issued to debt relief municipalities on 10 May 2024 read in conjunction with paragraphs 9(i) to 9(ix) of the NT debt relief approval letter. The assessment confirmed that the MFMA S71 narrative statement included the following information:

MFMA S71 Statement component		Compliance (Yes / No)
1.	***The Budget Performance Overview (paragraph 4) of the MFMA S71 statement*** explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	***The conclusion (paragraph 14) of the MFMA S71 statement*** explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	No
3.	***Annexure B of the MFMA S71 statement included the following debt relief reporting components-***	
3.1.1	The municipality's MFMA Circular 124 self-assessment	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 i. the overall performance graph; ii. Summary worksheet; and iii. 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

The municipality was not implementing the budget funding plan initiatives as there are no real improvement on the billing and the collection. There are also no remedial actions undertaken to achieve compliance and the timeframes thereof outlined.
PT developed a standard BFP format for all municipalities in July 2025. The municipality used this format to populate their BFP with the support of the resident MFIP advisor and it was approved by Council in a Special Council meeting held on 13 October 2025. The municipality is now reporting on the progress with the implementation of the BFP every month as part of the debt relief compliance.

Condition 6.10 - Provincial Treasury certification of municipal compliance

All the PT's outstanding compliance assessments and reports for Victor Khanye LM (September 2023 – April 2026) were compiled and issued to the National Treasury and the municipality as part of the PT's May 2026 debt relief submission. The PT also designated Ms. Theko going forward to facilitate timely and quality debt relief submissions to the HOD and that such are issued by the Mpumalanga PT to Victor Khanye LM and the National Treasury before the 20 working days after month-end deadline on a monthly basis going forward.

Condition 6.11 - Limitation on Municipal borrowing powers

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

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

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

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

Condition 6.14 - NERSA Licence

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

4. RECOMMENDATIONS

It is recommended that:

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

Regards

Milazi

MS. G.M. MILAZI
GENERAL MANAGER: SUSTAINABLE RESOURCE MANAGEMENT
DATE: 26-06-2026

Annexure A2 - Monthly

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Mpumalanga Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

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

I, Ms Gu[illegible] Mashilen[illegible], 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

Condition			
Condition 6,3 + 6,12		**Maintaining the Eskom and bulk water current account –** [illegible]	
	6.12.2	- Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note** - refer condition 6.12 .2*	Yes
	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes
	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	No
	6.3.1	- Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note** - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.*	No
	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes
	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
	6.4	**Compliance with a funded MTREF –** *(choose from drop down list the MTREF assessed)*	2026/27 Adopted MTREF
	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No
	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	No
	6.4.1	- Has the municipality made adequate provision for debt impairment *(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		Note - [illegible]	
	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes

	Note – If the municipality merely [illegible] the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as "No".	
6.4.2	- ***If the municipality's MTREF is not funded***, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
	Note – If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.	
6.4.2	- ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework***, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? *Note – only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	N/a
6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes
6,5	**Cost reflective tariffs** – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
6,6	**Electricity and water as collection tools** – has the municipality, with effect from the tabling of the 2023/24 MTREF, ***demonstrated, through its by-laws and budget related policies*** that:	
6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? *Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.*	Yes
6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? *Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.*	No
6.6	***Supporting evidence*** *: The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.*	
6,7	Maintain a minimum average quarterly collection of property rates and service charges –	
6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
	Note – [illegible]	
6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following :**	
6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	No
6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	No
6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes

24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
	6.8	**Municipality's Completeness of the revenue base -**	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	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? *Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement*	No
28	6.8.2	- **For the latest ending Quarter** -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes
	6.9	**Monitor and report on implementation -**	
29	6.9.1	- **MFMA section 71 reporting -** has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	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? *Note - condition 6.9.2 has a typing error and must refer to 6.9.1*	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://lguploadportal.treasury.gov.za?	No FRP
		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	
	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://lguploadportal.treasury.gov.za? *Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.*	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?	No
		Note - if the PT failed to address its failure [illegible]	
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?	No
		Note - there is a prohibition on municipal borrowing for [illegible] municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans entered into after the effective date of debt relief approval as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition	
	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?	No
		Note - [illegible]	

8		*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
9	6,13	**Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? *Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA*	Yes
5	6,14	'**NERSA License** - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes
		Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.	

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

Signature of HOD/ NT/ MM: pp

Date: **22/06/2026**

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

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account (C1–C6)	Part B: Compliance with a funded MTREF (C7–C11)	Part C: FRP/BFP & Tariff Assessment (C12–C14)	Part D: Electricity and water as collection tools (C15–C18)	Part C: Quarterly collection of property rates and services charges (C19–C25)	Maximization of Revenue Base (C26–C28)	Part E: Oversight (C29–C32)	C33	C34	C35	C36	C37	C38	C39	C40	C41	Scoring and Rating	
Month	Code Descr	Code																	Score	Rating
25.July25	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	68%	[illegible]
26.August25	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	63%	[illegible]
27.September25	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	68%	[illegible]
28.October25	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	66%	[illegible]
29.November25	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	83%	[illegible]
30.December25	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	66%	[illegible]
31.January26	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	68%	[illegible]
32.February26	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	68%	[illegible]
33.March26	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	71%	[illegible]
34.April26	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	71%	[illegible]
35.May26	Victor Khanye	MP311	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	68%	[illegible]
36.June26	Victor Khanye	MP311																	0%	Not completed
37.July26	Victor Khanye	MP311																	0%	Not completed
38.August26	Victor Khanye	MP311																	0%	Not completed
39.September26	Victor Khanye	MP311																	0%	Not completed
40.October26	Victor Khanye	MP311																	0%	Not completed
41.November26	Victor Khanye	MP311																	0%	Not completed

HOD Name:	Ms G Mashiteng	Comments/Motivation
Signature of HOD:	pp	
Date:	22/06/2026	

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

ENVISAGED IMPACT

The reason for reporting is to enhance sound financial management and promote transparency and accountability of officials and councillors and if the grey areas are not addressed, they could lead to serious implication on service delivery to the community of Victor Khanye Local Municipality.

STAKEHOLDERS CONSULTED

This report is used by National Treasury, Provincial Treasury, Cogta and the general public to assess the municipality's financial viability, grants allocations and the expenditure to date.

LEGAL IMPLICATIONS

The inability to pay creditors on time will lead to legal implication for the municipality.

FINANCIAL IMPLICATIONS

The National Treasury may stop the transfer of the equitable share to municipalities that fail to meet their financial obligations, particularly regarding Eskom and Rand Water debts.

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

OTHER IMPLICATIONS

All deviations report should follow the correct process and clear detail report should be prepared as the Auditor General may declare the deviations as irregular expenditure.

7. RECOMMENDATIONS OF THE MUNICIPAL MANAGER (THAT):

- That the Municipal Council consider the report in terms of Section 52(d) of MFMA.
- That the Municipal Council consider that Table c1 – Table C7 is obtained in terms guided by the National Treasury.
- That the Municipality consider that both Eskom and Rand Water debt as at 30 June 2025_26 amounts to **R 1.3 billion** and **R493 million** respectively;
- That the Municipal Council consider that the debt book amounts to **R2 billion;**
- That the Municipal Council consider the payments made in the Fourth quarter to Eskom and Rand Water amounts to **R13 million** and **R21 million** respectively;
- Ensure that meter readings, valuation information and customer accounts are regularly reconciled.
- Intensify collection measures, particularly for the municipality's largest outstanding debtors.
- Assess all contracts for necessity, value for money, deliverables and compliance with procurement requirements.
- That non-compliance letter from Provincial treasury and the self-assessment for June be noted;
- That the government debt be noted;
- The council should consider the debt relief circular 124 for the June 2025/26.

T.P Mahlangu
CHIEF FINANCIAL OFFICER