



VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

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BUDGET & TREASURY OFFICE

QUALITY CERTIFICATE

I, **T.M MASHABELA**, Municipal Manager of Victor Khanye Local Municipality, hereby certify that the Budget Statement for September 2024/25 has been prepared in accordance with the Municipal Finance Management Act and regulation made under that Act.

INITIALS AND SURNAME *T. M. MASHABELA*

MUNICIPAL MANAGER OF VICTOR KHANYE LOCAL MUNICIPALITY MP311

SIGNATURE..... *T. M. Mashabela*

DATE..... *11/10/2024*



VICTOR KHANYE

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BUDGET AND TREASURY

Enquires: S Maphanga

Ref: 5/1/4

**TO : MUNICIPAL MANAGER
T.M MASHABELA**

**FROM : CHIEF FINANCIAL OFFICER
T.P MAHLANGU**

DATE : 10 OCTOBER 2024

RE : SECTION 71 REPORT

PURPOSE

To provide the Executive Mayor/Council with the budget and financial performance report for 30 September 2024_25.

BACKGROUND

In terms of section 71(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasuries a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month. The format was amended in line with the Municipal Budget and Reporting Regulation and approved in terms of Section 168 of the Municipal Finance Management Act per Government Gazette No. 32141 dated 17 April 2009 for implementation with effect from 1 September 2009 as follows:

- a) Actual revenue, per revenue source;
- b) Actual borrowings;
- c) Actual operating expenditure, per vote;
- d) Actual capital expenditure, per vote;
- e) The amount of any allocation received;
- f) Actual expenditure on those allocations, excluding expenditure on – 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 SEPTEMBER 2009 for implementation with effect from 1 SEPTEMBER 2009 as follows:

Table C1 s71 actual monthly Budget Statement Summary;

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

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

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

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

Table C6 actual monthly budget statement – financial position.

Table C7 actual monthly statement - Cash flow.

DISCUSSION

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

3. EXECUTIVE SUMMARY

- **Table C1: Monthly Budget Statement Summary SEPTEMBER 2024_25**

Description	Budget	Month Actual	YTD Actual	YTD Budget
Revenue	- 773 201 000	- 50 902 000	- 217 578 000	- 193 300 000
Expenditure	878 754 000	56 246 000	185 875 000	219 644 000
Surplus/Deficit	105 553 000	5 344 000	- 31 703 000	

Operating revenue for the month of September amounted to **R50 million** and a year-to-date revenue billed amounts to **R217 million**.

Type OfService	Total Settlements	Total Movement	Billing	PaymentRate(Billing)
DEPOSIT	- 3 087.24	1 900.00	-	0%
ADVANCE PAYMENT	639 066.37	-	-	0%
INTEREST	- 161 814.24	7 056 578.66	8 149 846.68	2%
VAT	- 2 898 708.87	2 426 417.99	4 925 546.62	59%
WATER	- 2 797 035.23	4 532 439.71	4 719 331.46	59%
ELECTRICITY	- 13 607 945.45	2 723 841.15	19 350 263.41	70%
RATES	- 6 851 157.22	14 397 490.85	14 322 332.57	48%
REFUSE	- 880 790.28	1 373 392.99	1 383 990.00	64%
SEWERAGE	- 796 768.50	1 209 962.92	1 090 048.35	73%
SUNDRIES VAT	- 99 795.73	440.00	440.00	22681%
SUNDRY NON VAT	- 226 403.07	2 074.80	2 074.80	10912%
HIRE	- 988 011.26	6 398 161.13	6 369 238.29	16%
OTHER SERVICES	- 1 495.12	29 168.45	-	0%
PAYMENT ADVANCED	- 820 235.53	-	-	100%
Total	- 29 494 181.37	40 151 868.65	60 313 112.18	49%

REVENUE VARIANCES

Service Charges – Electricity

The billing for September amounted to **R19 million** and revenue of **R13 million** was realized through electricity sales (**70%**). The project for replacing pre-paid meters is still underway together with the TID project. The blocking of all zero buy meters and implementation of new Nersa tariffs (**Time of use**) have yield significant improvement on the billing of Electricity revenue. The debt and credit control on zero buy is monitored on a monthly basis.

Service Charges – Water

The billing for September amounted to **R 4.7 million** and revenue realized amounted to **R2.7 million (59%)**. The non-revenue project is still underway and is expected to increase the revenue realised on water.

Service Charges – Sanitation

The billing for September amounted to **R1.2 million** and **R796 thousand** was realized (**73%**).

Service Charges – Refuse

The billing for September amounted to **R1.3 million** and **R880 thousand** was realized shows a positive variance of (**64%**).

Property Rates

Billing for property rates for the month of September amounted to **R14 million** and revenue realized amounted to **R6.8 million (48%)**, this is due to the increase in tariffs.

Rental of facilities and equipment

Billing for the month amounted to **R6.3 million** and only **R988 thousand** was realized (**16%**).

Other revenue – Other revenue collected amounted to **R3.4 million**. Other revenue comprises of fines, grave fees, clearance certificates, building plans, etc.

Payment rate

Total billing amounted to **R60 million** and only **R29 million** was collected, this is because many of the previously approved indigents term has expired and they need to re-apply. Therefore, there is no more rebate on their accounts, hence the **49%**.

EXPENDITURE

Monthly Budget Statement - Financial Performance (Expenditure) – September 2023-24

	Original Budget 2024/25	Monthly Budget	Monthly Actual	YTD Actual	YTD budget	Variance	Variance %
R thousands							
Expenditure By Type							
Employee related costs	201 439 000	16 786 583.33	17 277 000	49 039 000	50 360 000	- 1 321 000	-3%
Remuneration of councillors	10 101 000	841 750.00	768 000	2 310 000	2 525 000	- 215 000	-9%
Bulk purchases - Electricity	203 854 000	16 987 833.33	19 384 000	75 506 000	50 964 000	24 542 000	48%
Inventory consumed and Bulk pur	92 124 000	7 677 000.00	3 684 000	17 107 000	23 031 000	- 5 924 000	-26%
Debt impairment	108 336 000	9 028 000.00	-	-	27 084 000	- 27 084 000	-100%
Depreciation and asset impairme	52 446 000	4 370 500.00	-	-	13 112 000	- 13 112 000	-100%
Finance charges	30 000 000	2 500 000.00	2 855 000	15 551 000	7 500 000	8 051 000	107%
Contracted services	92 062 000	7 671 833.33	9 056 000	19 052 000	23 016 000	- 3 964 000	-17%
Transfers and subsidies	-	-	-	-	-	-	0%
Irrecoverable debts written off	29 800 000	2 483 333.33	-	-	7 450 000	- 7 450 000	-100%
Operational Costs	58 413 000	4 867 750.00	3 223 000	7 309 000	14 603 000	- 7 294 000	-50%
Other Losses	-	-	-	-	-	-	0%
Total Expenditure	878 575 000	73 214 583	56 247 000	185 874 000	219 645 000	- 33 771 000	-15%

Employee related cost – For the month of September 2024_25 total salaries, allowances and benefits and including back-pays amounted to **R17 million**. The technical problem between Payday and Munsoft has been fixed, and the journals are processed.

Bulk Purchases-Electricity – Bulk invoices amounted to **R31 million**. The municipality is non-compliant regarding circular 124 of the Eskom debt relief.

A payment of **R4.8 million** was made to Eskom for both the bulk and north sub-station account. Another payment of **R1.2 million** was made but was not captured on the current statement, it will reflect on next month's statement.

Inventory consumed – The consumables amounted to **R3.6 million**, the invoice for bulk water was not received on time before the month-end closing.

A payment of **R3.2 million** was made to the Rand Water.

Finance charges – Interest charged amounted to **R2.8 million**.

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

Operational costs – For the month of September, general expenditure amounted to **R3.2 million**.

The operating expenditure for the month of September amounts to **R56 million** and the budgeted expenditure amount to **R185 million**.

Norms and Ratio

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%		49%
				Gross Debtors closing balance	1 120 299 447
				Gross Debtors opening balance	1 095 491 150
				Bad debts written Off	
				Billed Revenue	646 406 000

The norm for Collection rate is slightly stagnant and with the target of 95%. The collection rate has reduced from 54% to 49%. The investigation is underway. The enhancement of revenue strategy must be intensified and the tariffs charged accordingly.

Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		0.39
				Current Assets	703 438 000
				Current Liabilities	1 800 639 000

The norm of Current ratio indicate that the municipality will not be able to pay its current obligations and provide for a risk cover to enable it to continue operation, once the current liabilities exceed the current assets it will highlight serious financial challenges of insufficient cash to meet its current obligations.

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%		2%
				Contracted Services	19 052 000
				Total Operating Expenditure	878 574 000
				Taxation Expense	-

The norm of Contracted services is 2%. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

Repairs and Maintenance

Description R thousands	Original Budget 2024/25	YTD Budget	YTD Actual	Variance	Variance % %
Infrastructure	15 260 000	3 815 000	936 000	2 879 000	119%
Roads Infrastructure	5 000 000	1 250 000	-	1 250 000	100%
Capital Spares	5 000 000	1 250 000	-	1 250 000	100%
Electrical Infrastructure	6 000 000	1 500 000	99 000	1 401 000	93%
Capital Spares	6 000 000	1 500 000	99 000	1 401 000	93%
Water Supply Infrastructure	1 700 000	425 000	489 000	- 64 000	-15%
Capital Spares	1 700 000	425 000	489 000	- 64 000	-15%
Sanitation Infrastructure	500 000	125 000	317 000	- 192 000	-154%
Capital Spares	500 000	125 000	317 000	- 192 000	-154%
Coastal infrastructure	2 060 000	515 000	31 000	484 000	94%
Capital Spares	2 060 000	515 000	31 000	484 000	94%
Information and communication in	10 792 000	2 698 000	160 000	2 538 000	94%
Data centres	10 792 000	2 698 000	160 000	2 538 000	94%
Capital Spares	10 792 000	2 698 000	160 000	2 538 000	94%
Total Repairs and Maintenance Expenditure	26 052 000	6 513 000	1 096 000	5 417 000	83%

Repairs and maintenance analysis Supporting table SC13c measures the extent to which Council's assets are maintained per asset class. Expenditure incurred for September amounts to **R1 million**.

4. BUDGET PERFORMANCE OVERVIEW

4.1 Capital Expenditure

Grants	Gazetted amount	Total Received To-Date	Sept Actual	YTD spending	% spent on received amt
MIG	28 420 000	8 046 000	175 821	1 517 675	19%
WSIG	25 000 000	7 151 000	-	813 551	11%

Total allocation for conditional grants from the National Treasury for the **2024-2025** financial year amounts to **R53.4 million for MIG and WSIG**.

4.2 CASH FLOW STATEMENT

Net Cash from operating activities

The net cash from operating activities for September shows a negative cash amount of **R1.4 million** which is supported by grants received from operational and capital project. As part of the budget funding plan the municipality is busy with the data cleansing, review of tariffs to be cost reflecting and meter audit to ensure that municipality is not grant depended.

Net Cash from investing activities

The net cash from investing activities for September shows a cash outflow of **R2.8** that is a payment of capital projects.

Net Increase/ Decrease in cash held

The municipality recorded a decrease in net cash held of **R1.3 million** in September 2024.

Description	
	Sept 2024_25 Actual
R thousands	
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts	
Property rates, penalties & collection charges	6 851
Service charges	52 707
Other revenue	4 304
Government - operating	–
Government - capital	–
Interest	7 844
Dividends	–
Total receipts	71 706
Payments	
Suppliers and employees	(65 621)
Finance charges	(2 855)
Transfers and Grants	(1 762)
Total payments	(70 238)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1 468
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Received from arrangements	–
Disposal of assets	–
(Increase) / Decrease in non-current investments	–
Payments	(2 855)
Capital assets	(2 855)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2 855)
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts	
Increase in consumer deposits	2
Borrowing long term/refinancing	–
Payments	
Repayment of borrowing	–
Finance lease payments	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	2
NET INCREASE/ (DECREASE) IN CASH HELD	1 352
Cash/cash equivalents at beginning of the month:	30 162
Cash/cash equivalents at month end:	31 514

5. IN-YEAR BUDGET STATEMENT TABLES

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

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

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

Table C3 measures the actual year to date against the year to date SDBIP figures, which have been realised by vote for the revenue and expenditure. The deviations by vote are reflected in the year-to-date (YTD) variance column. Total revenue by vote for the month of September resulted in an unfavourable balance of **R50 million** and total expenditure amounted to **R56 million**.

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

Table C4 provides details of the service delivery targets for revenue by source and expenditure by type. For revenue, the main deviations are service charges: water, rental of facilities, interest on investments and outstanding debtors, fines, licenses and permits and agency services and other revenue. In the case of expenditure finance charges, contracted services, bulk purchases, other materials, transfer & subsidies and other expenditure. The total deficit in revenue is **13%** and deviation of **-15%** for expenditure for the month compared to the budget.

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

Table C5 indicates the monthly actuals on capital expenditure for all votes and measures the year-to-date actuals against the year to date planning (SDBIP) figures. For the month of September, the expenditure amounted to **R1.7 million**.

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

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

The table provides an overview of the financial position of the municipality's assets and liabilities. As at 30 September 2024_25, the community wealth amounts to an unfavourable **R28 million**, Total liabilities amounts to **R1.8 billion**, whilst total assets amount to **R1.7 billion** which resulted in an unfavourable net-assets of **R28 million**, all figures are accumulative.

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

Table C7 provides detail of the actual year to date in-flow and out-flow. For the month of September, the net cash from operating activities is a favourable **R4.6 million**, the Net cash from investing activities amounted to an unfavourable **R2.7 million**. The net cash from financing activities amounts to **R0**. The Bank balance at the end of the month amounted to **R31 million**.

BANK NAME	TYPE OF ACCOUNT	BALANCE
STD BANK	MAIN ACCOUNT	734 165
STD BANK	CALL ACCOUNT	22 955 863
STD BANK	TRAFFIC	629 401
STD BANK	MONEY MARKET	120 064
ABSA BANK	CALL ACCOUNT	7 074 296
BALANCE		31 513 789

SUPPORTING DOCUMENTATION

3.1 PERFORMANCE INDICATORS:

- Supporting table SC2 provides detail on performance indicators in particular to revenue management.
- The measurement of the payment rate is based on the circular 71 methods as prescribed by National Treasury. The formula is based on the gross debtor opening balance 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. Currently outstanding debtors amounts to **R1.1 billion** including interest on arrears. Outstanding debtors over 90days amounts to **R1 billion**. The table below reflects the debtor's age analysis by customer group, the data cleansing will commence shortly as the advert is been issued.

CUSTOMER GROUP	SEPTEMBER
Organs of state	36 641 732.61
Commercial	78 646 601.03
Households	812 613 721.46
Mines	16 891 773.85
Farms	89 306 400.13
Indigents	61 860 308.72
Top fifty	21 069 485.38
Other	3 269 423.95
	1 120 299 447.13

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 31 days of receiving the invoice or statement.

For the month ended in September 2024_25, creditors amounted to **R 1.3 billion** and the bulk of the creditors relates to Eskom account with an amount **R899 million** and Rand Water with an amount of **R440 million**.

3.4 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS ANALYSIS:

The table SC8 provides details for councillor and employee benefits. For the actual month of September 2024_25 total salaries, allowances and benefits amounted to **R18 million**.

3.5 CAPITAL EXPENDITURE TREND

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table, the capital expenditure incurred for the month amounted to **R1.7 million**.

Attached as Annexure are the following:

- The actual monthly Budget Statement Annexure "A"
- An analysis of top 20 creditors for the month Annexure "B"
- Actual year to date of consumer debtors – Age analysis Annexure "C"
- Non-compliance letter from Provincial Treasury and self-assessment for the month of September 2024 is attached as Annexure "D"
- MFMA Circular 124 – completeness of revenue for the month of September 2024 is attached Annexure "E"

6. DEBTORS

Debtors' Age Analysis for the month ended 30 September 2024_25, outstanding debtors comprise of consumer and sundry debtors. The total outstanding debtors amounts to **R1.1 billion** of which consumer debtor's amount to **R730** and sundry debtors amount to **R390**. Creditors to the amount **R1.2 billion** were not paid during the month.

Description	NT Code	Budget Year 2024/25							Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr				
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	(9)	5 406	3 035	247 056	-	-	-	255 487	247 056	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	(627)	15 809	6 855	17 670	-	-	-	39 708	17 670	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	(12)	13 945	8 883	176 189	-	-	-	199 005	176 189	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	1 089	667	22 998	-	-	-	24 753	22 998	-	-
Receivables from Exchange Transactions - Waste Management	1600	(1)	1 293	714	25 044	-	-	-	27 050	25 044	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	(1)	6 081	5 851	230 038	-	-	-	241 969	230 038	-	-
Interest on Arrear Debtor Accounts	1810	-	8 218	8 122	167 915	-	-	-	184 255	167 915	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(172)	3 682	2 097	142 465	-	-	-	148 072	142 465	-	-
Total By Income Source	2000	(822)	55 523	36 224	1 029 375	-	-	-	1 120 299	1 029 375	-	-
2019/20 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	-	6 926	5 480	24 235	-	-	-	36 642	24 235	-	-
Commercial	2300	(3)	7 359	3 419	67 872	-	-	-	78 647	67 872	-	-
Households	2400	(766)	20 284	17 670	775 425	-	-	-	812 614	775 425	-	-
Other	2500	(53)	20 953	9 655	161 843	-	-	-	192 397	161 843	-	-
Total By Customer Group	2600	(822)	55 523	36 224	1 029 375	-	-	-	1 120 299	1 029 375	-	-

7. CREDITORS AGE ANALYSIS

MP311 Victor Khanye - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 - Sept										
Description	NT Code	Budget Year 2024/25	31- 60 Days	61- 90 Days	91- 120 Days	121- 150 Days	151- 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	25 146	-	31 788	36 584	805 530	-	-	-	899 049
Bulk Water	0200	11 740	11 265	11 254	11 766	394 532	-	-	-	440 557
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	10 354	-	-	-	-	-	-	-	10 354
Auditor General	0800	1 918	841	-	-	-	-	-	-	2 759
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	49 159	12 106	43 042	48 350	1 200 063	-	-	-	1 352 720

8. Allocation and grant receipts and expenditure

Grants	Gazetted amount	Total Received To-Date	Sept Actual	YTD spending	% spent on received amount
Equitable share	149 824 000	62 427 000	9 360 321	50 914 861	82%
FMG	1 800 000	1 800 000	29 592	391 666	22%
EPWP	1 361 000	341 000	498 852	1 535 938	225%
MIG	28 420 000	8 046 000	175 821	1 517 674	19%
WSIG	25 000 000	7 151 000	-	813 551	11%

9. Councillor and board member allowances and employee benefits

Number of months----->		3			
	Pro-rata Budget	Sept Actual	Actual YTD	% Actual	Reason for Variance
Councillors:					
Allowances	2 525 250	768 000	2 310 000	91.5%	None
Employees:					
Basic salary	31 556 250	10 491 000	29 157 000	92.4%	None
Travelling allowance	2 643 000	940 000	2 688 000	101.7%	None
Overtime	2 263 250	1 470 000	4 340 000	191.8%	Debt collection and credit control program and attending to after hours calls.
Employee social contribution	13 897 000	4 376 000	12 855 000	92.5%	
TOTAL	52 884 750	18 045 000	51 350 000	97.1%	

10. Material variances to the service delivery and budget implementation plan

Choose name from list - Supporting Table SC1 Material variance explanations - M03 - September				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue			
	Electricity	- 5 742 000	The project for replacing pre-paid meters is still underway together with the TID project	Monthly monitoring of the zero buy meters.
	Water	- 1 922 000	Non-payment of services from previously approved indigents that were kicked out of the system.	Constant approval of indigents applicants.
	Sanitation	- 293 000	Non-payment of services from previously approved indigents that were kicked out of the system.	Constant approval of indigents applicants.
	Refuse	- 503 000	Non-payment of services from previously approved indigents that were kicked out of the system.	Constant approval of indigents applicants.
	Property Rate	- 7 471 000	Increase in tariffs	Encourage payments and bill correctly.
2	Expenditure By Type			
	Employee related costs	- 1 321 000	Back-pays were paid this month.	None
	Bulk Electricity	- 2 397 000		
	Inventory consumed	- 3 993 000	The invoice for bulk water was not received on time before the month-end closing	Request a copy while waiting for the original.
	Contracted Services	- 1 385 000	Misclassification	Corrective journal be passed.

13. Conclusion

14. Annexure A: C Schedules

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

16. Municipal Manager's quality certificate

Choose name from list - Table C1 Monthly Budget Statement Summary - M03 - September

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	109 807	123 486	-	14 003	42 812	30 872	11 940	39%	123 486
Service charges	265 429	328 584	-	22 466	75 184	82 146	(6 962)	-8%	328 584
Investment revenue	1 037	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	143 890	152 985	-	-	58 455	38 246	20 209	53%	152 985
Other own revenue	142 671	168 146	-	14 433	41 127	42 037	(909)	-2%	-
Total Revenue (excluding capital transfers and contributions)	662 834	773 201	-	50 902	217 578	193 300	24 278	13%	773 201
Employee costs	186 893	201 439	-	17 277	49 039	50 360	(1 320)	-3%	201 439
Remuneration of Councillors	9 364	10 101	-	768	2 310	2 525	(215)	-9%	10 101
Depreciation and amortisation	29 000	52 446	-	-	-	13 112	(13 112)	-100%	52 446
Interest	85 022	30 000	-	2 855	15 551	7 500	8 051	107%	30 000
Inventory consumed and bulk purchases	332 402	295 978	-	23 068	92 613	73 994	18 619	25%	295 978
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	187 250	288 611	-	12 279	26 361	72 153	(45 792)	-63%	288 611
Total Expenditure	829 929	878 574	-	56 246	185 875	219 644	(33 769)	-15%	878 574
Surplus/(Deficit)	(167 095)	(105 373)	-	(5 344)	31 704	(26 343)	58 047	-220%	(105 373)
Transfers and subsidies - capital (monetary allocations)	-	53 420	-	-	-	13 355	(13 355)	-100%	53 420
Transfers and subsidies - capital (In-kind)	-	119 417	-	-	-	29 854	(29 854)	-100%	119 417
Surplus/(Deficit) after capital transfers &	(167 095)	67 465	-	(5 344)	31 704	16 866	14 838	88%	67 465
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(167 095)	67 465	-	(5 344)	31 704	16 866	14 838	88%	67 465
Capital expenditure & funds sources									
Capital expenditure	68 494	65 740	-	1 762	14 856	16 435	(1 578)	-10%	65 740
Capital transfers recognised	40 335	53 420	-	153	2 545	13 355	(10 810)	-81%	53 420
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	28 157	12 320	-	1 609	12 312	3 080	9 232	300%	12 320
Total sources of capital funds	68 493	65 740	-	1 762	14 856	16 435	(1 578)	-10%	65 740
Financial position									
Total current assets	774 221	196 010	-	-	703 438				196 010
Total non current assets	1 051 353	996 847	-	-	1 068 504				996 847
Total current liabilities	1 769 662	(16 295)	-	-	1 743 027				(16 295)
Total non current liabilities	51 833	683 528	-	-	57 612				683 528
Community wealth/Equity	4 079	525 624	-	-	(28 697)				525 624
Cash flows									
Net cash from (used) operating	198 904	108 909	-	4 631	58 087	27 323	(30 764)	-113%	108 909
Net cash from (used) investing	75 837	(62 740)	-	(2 746)	(20 004)	(15 685)	4 319	-28%	(62 740)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	279 611	76 169	-	-	44 481	41 638	(2 842)	-7%	52 566
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - September

Description	Ref	2022/23	Budget Year 2023/24							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		312 253	345 621	-	27 961	114 744	86 405	28 339	33%	345 621
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		312 253	345 621	-	27 961	114 744	86 405	28 339	33%	345 621
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 013	6 572	-	475	1 178	1 643	(465)	-28%	6 572
Community and social services		1 789	1 967	-	38	173	492	(318)	-65%	1 967
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 600	3 363	-	280	659	841	(182)	-22%	3 363
Housing		1 624	1 242	-	156	345	311	35	11%	1 242
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	4 772	-	-	-	1 193	(1 193)	-100%	4 772
Planning and development		-	4 772	-	-	-	1 193	(1 193)	-100%	4 772
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		345 568	589 074	-	22 465	101 656	147 269	(45 612)	-31%	589 074
Energy sources		178 524	210 547	-	14 733	53 361	52 637	724	1%	210 547
Water management		57 697	170 770	-	5 366	14 301	42 693	(28 391)	-67%	170 770
Waste water management		11 909	170 772	-	1 050	3 447	42 693	(39 246)	-92%	170 772
Waste management		97 438	36 986	-	1 316	30 547	9 246	21 301	230%	36 986
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	662 834	946 039	-	50 902	217 578	236 510	(18 931)	-8%	946 039
Expenditure - Functional										
Governance and administration		304 609	332 800	-	18 444	52 780	83 200	(30 420)	-37%	332 800
Executive and council		43 024	45 646	-	4 197	11 614	11 412	202	2%	45 646
Finance and administration		261 580	287 154	-	14 247	41 166	71 788	(30 622)	-43%	287 154
Internal audit		5	-	-	-	-	-	-	-	-
Community and public safety		70 222	65 962	-	5 671	19 023	16 491	2 532	15%	65 962
Community and social services		27 975	9 424	-	2 705	8 023	2 356	5 667	241%	9 424
Sport and recreation		2 300	3 037	-	93	94	759	(666)	-86%	3 037
Public safety		38 648	53 102	-	2 704	10 487	13 275	(2 789)	-21%	53 102
Housing		1 299	400	-	170	420	100	320	320%	400
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		39 913	52 238	-	1 378	3 919	13 060	(9 141)	-70%	52 238
Planning and development		13 919	15 074	-	180	591	3 768	(3 177)	-84%	15 074
Road transport		25 474	36 374	-	1 197	3 294	9 094	(5 799)	-64%	36 374
Environmental protection		520	791	-	1	33	198	(164)	-83%	791
Trading services		415 186	427 574	-	30 753	110 152	106 893	3 259	3%	427 574
Energy sources		262 678	242 182	-	23 613	82 173	60 545	21 627	36%	242 182
Water management		107 799	114 299	-	4 575	19 573	28 575	(9 001)	-32%	114 299
Waste water management		35 738	40 620	-	2 452	7 870	10 155	(2 285)	-23%	40 620
Waste management		8 970	30 473	-	113	536	7 618	(7 082)	-93%	30 473
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	829 929	878 574	-	56 246	185 875	219 644	(33 769)	-15%	878 574
Surplus/ (Deficit) for the year		(167 095)	67 465	-	(5 344)	31 704	16 866	14 838	88%	67 465

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 - September

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		312 253	345 621	-	27 961	114 744	86 405	28 339	32.8%	345 621
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		1 789	1 967	-	38	173	492	(318)	-64.7%	1 967
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1 600	3 363	-	280	659	841	(182)	-21.6%	3 363
Vote 7 - Housing		1 624	1 242	-	158	345	311	35	11.2%	1 242
Vote 8 - Health Services		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	4 772	-	-	-	1 193	(1 193)	-100.0%	4 772
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Electricity Services		178 524	210 547	-	14 733	53 361	52 637	724	1.4%	210 547
Vote 12 - Water Services		57 697	170 770	-	5 366	14 301	42 693	(28 391)	-66.5%	170 770
Vote 13 - Waste Water Management		11 909	170 772	-	1 050	3 447	42 693	(39 246)	-91.9%	170 772
Vote 14 - Solid Waste Management		97 438	36 986	-	1 316	30 547	9 246	21 301	230.4%	36 986
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	662 834	946 039	-	50 902	217 578	236 510	(18 931)	-8.0%	946 039
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		58 063	58 090	-	5 037	14 099	14 523	(423)	-2.9%	58 090
Vote 2 - Budget and Treasury		234 880	263 576	-	11 589	33 790	65 894	(32 104)	-48.7%	263 576
Vote 3 - Corporate Services		8 940	137	-	1 028	2 775	34	2 741	8007.1%	137
Vote 4 - Community and Social Services		27 975	9 424	-	2 705	8 023	2 356	5 667	240.6%	9 424
Vote 5 - Sport and Recreation		2 300	3 037	-	93	94	769	(666)	-87.7%	3 037
Vote 6 - Public Safety		38 648	53 102	-	2 704	10 487	13 275	(2 789)	-21.0%	53 102
Vote 7 - Housing		1 299	400	-	170	420	100	320	319.6%	400
Vote 8 - Health Services		520	791	-	1	33	198	(164)	-83.1%	791
Vote 9 - Planning and Development		7 746	7 317	-	26	75	1 829	(1 755)	-95.9%	7 317
Vote 10 - Roads Transport		25 612	50 077	-	1 096	3 100	12 519	(9 419)	-75.2%	50 077
Vote 11 - Electricity Services		262 678	242 182	-	23 613	82 173	60 545	21 627	35.7%	242 182
Vote 12 - Water Services		107 799	114 299	-	4 575	19 573	28 575	(9 001)	-31.5%	114 299
Vote 13 - Waste Water Management		35 738	40 620	-	2 452	7 870	10 155	(2 285)	-22.5%	40 620
Vote 14 - Solid Waste Management		8 970	30 473	-	113	636	7 618	(7 082)	-93.0%	30 473
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	821 170	873 524	-	55 202	183 048	218 381	(35 333)	-18.2%	873 524
Surplus/ (Deficit) for the year	2	(158 335)	72 515	-	(4 300)	34 530	18 129	16 402	90.5%	72 515

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		184 431	225 890	—	14 734	53 368	56 473	(3 105)	-5%	225 890
Service charges - Water		56 595	74 236	—	5 366	14 301	18 559	(4 258)	-23%	74 236
Service charges - Waste Water Management		11 909	13 785	—	1 050	3 447	3 446	0	0%	13 785
Service charges - Waste management		12 494	14 672	—	1 317	4 068	3 668	400	11%	14 672
Sale of Goods and Rendering of Services		2 266	6 926	—	164	598	1 732	(1 134)	-65%	6 926
Agency services		—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		85 315	90 454	—	358	358	22 613	(22 255)	-98%	90 454
Interest from Current and Non Current Assets		1 037	—	—	—	—	—	—	—	—
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		1 624	1 572	—	158	345	393	(48)	-12%	1 572
Licence and permits		—	—	—	—	—	—	—	—	—
Operational Revenue		337	772	—	18	100	193	(93)	-48%	772
Non-Exchange Revenue										
Property rates		109 807	123 486	—	14 003	42 812	30 872	11 940	39%	123 486
Surcharges and Taxes		49 204	33 486	—	6 045	17 422	8 371	9 050	108%	33 486
Fines, penalties and forfeits		744	2 141	—	203	382	535	(153)	-29%	2 141
Licence and permits		—	—	—	—	—	—	—	—	—
Transfers and subsidies - Operational		143 890	152 985	—	—	58 455	38 246	20 209	53%	152 985
Interest		—	32 795	—	7 486	21 922	8 199	13 723	167%	32 795
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		3 179	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		662 834	773 201	—	50 902	217 578	193 300	24 278	13%	773 201
Expenditure By Type										
Employee related costs		186 893	201 439	—	17 277	49 039	50 360	(1 320)	-3%	201 439
Remuneration of councillors		9 364	10 101	—	768	2 310	2 525	(215)	-9%	10 101
Bulk purchases - electricity		203 040	203 854	—	19 384	75 506	50 964	24 543	48%	203 854
Inventory consumed		129 362	92 124	—	3 684	17 107	23 031	(5 924)	-26%	92 124
Debt impairment		—	108 336	—	—	—	27 084	(27 084)	-100%	108 336
Depreciation and amortisation		29 000	52 446	—	—	—	13 112	(13 112)	-100%	52 446
Interest		85 022	30 000	—	2 855	15 551	7 500	8 051	107%	30 000
Contracted services		115 261	92 062	—	9 056	19 052	23 016	(3 963)	-17%	92 062
Transfers and subsidies		—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		—	29 800	—	—	—	7 450	(7 450)	-100%	29 800
Operational costs		61 482	58 413	—	3 223	7 309	14 603	(7 295)	-50%	58 413
Losses on Disposal of Assets		—	—	—	—	—	—	—	—	—
Other Losses		10 507	—	—	—	—	—	—	—	—
Total Expenditure		829 929	878 574	—	56 246	185 875	219 644	(33 769)	-15%	878 574
Surplus/(Deficit)		(167 095)	(105 373)	—	(5 344)	31 704	(26 343)	58 047	-220%	(105 373)
Transfers and subsidies - capital (monetary allocations)		—	53 420	—	—	—	13 355	(13 355)	-100%	53 420
Transfers and subsidies - capital (in-kind)		—	119 417	—	—	—	29 854	(29 854)	-100%	119 417
Surplus/(Deficit) after capital transfers & contributions		(167 095)	67 465	—	(5 344)	31 704	16 866			67 465
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		(167 095)	67 465	—	(5 344)	31 704	16 866			67 465
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		(167 095)	67 465	—	(5 344)	31 704	16 866			67 465
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		(167 095)	67 465	—	(5 344)	31 704	16 866			67 465

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
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		709	2 700	-	60	60	675	(615)	-91%	2 700
Vote 2 - Budget and Treasury		324	500	-	50	50	125	(75)	-60%	500
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Community and Social Services		-	20	-	-	-	5	(5)	-100%	20
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-		-
Vote 6 - Public Safety		-	-	-	-	-	-	-		-
Vote 7 - Housing		-	-	-	-	-	-	-		-
Vote 8 - Health Services		-	-	-	-	-	-	-		-
Vote 9 - Planning and Development		-	100	-	-	-	25	(25)	-100%	100
Vote 10 - Roads Transport		10 881	19 421	-	1 653	4 216	4 855	(640)	-13%	19 421
Vote 11 - Electricity Services		29 396	6 500	-	-	9 824	1 625	8 199	505%	6 500
Vote 12 - Water Services		23 889	31 499	-	-	707	7 875	(7 167)	-91%	31 499
Vote 13 - Waste Water Management		3 167	3 000	-	-	-	750	(750)	-100%	3 000
Vote 14 - Solid Waste Management		127	2 000	-	-	-	500	(500)	-100%	2 000
Vote 15 -		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	68 494	65 740	-	1 762	14 856	16 435	(1 578)	-10%	65 740
Total Capital Expenditure		68 494	65 740	-	1 762	14 856	16 435	(1 578)	-10%	65 740
Capital Expenditure - Functional Classification										
Governance and administration		1 034	8 200	-	1 609	2 823	2 050	773	38%	8 200
Executive and council		-	200	-	-	-	50	(50)	-100%	200
Finance and administration		1 034	8 000	-	1 609	2 823	2 000	823	41%	8 000
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	20	-	-	-	5	(5)	-100%	20
Community and social services		-	20	-	-	-	5	(5)	-100%	20
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		10 881	14 521	-	153	1 502	3 630	(2 128)	-59%	14 521
Planning and development		-	100	-	-	-	25	(25)	-100%	100
Road transport		10 881	14 421	-	153	1 502	3 605	(2 103)	-58%	14 421
Environmental protection		-	-	-	-	-	-	-		-
Trading services		56 579	42 999	-	-	10 532	10 750	(218)	-2%	42 999
Energy sources		29 396	6 500	-	-	9 824	1 625	8 199	505%	6 500
Water management		23 889	31 499	-	-	707	7 875	(7 167)	-91%	31 499
Waste water management		3 167	3 000	-	-	-	750	(750)	-100%	3 000
Waste management		127	2 000	-	-	-	500	(500)	-100%	2 000
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	68 494	65 740	-	1 762	14 856	16 435	(1 578)	-10%	65 740
Funded by:										
National Government		40 335	53 420	-	153	2 545	13 355	(10 810)	-81%	53 420
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-		-
Transfers recognised - capital		40 335	53 420	-	153	2 545	13 355	(10 810)	-81%	53 420
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		28 157	12 320	-	1 609	12 312	3 080	9 232	300%	12 320
Total Capital Funding		68 493	65 740	-	1 762	14 856	16 435	(1 578)	-10%	65 740

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M03 - September

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		(15 706)	76 041	-	162	76 041
Trade and other receivables from exchange transactions		300 298	66 959	-	159 842	66 959
Receivables from non-exchange transactions		149 039	84 982	-	120 978	84 982
Current portion of non-current receivables		-	-	-	-	-
Inventory		(30 543)	(31 972)	-	10 191	(31 972)
VAT		372 322	-	-	414 955	-
Other current assets		(1 190)	-	-	(2 690)	-
Total current assets		774 221	196 010	-	703 438	196 010
Non current assets						
Investments		-	-	-	-	-
Investment property		89 163	68 123	-	88 433	68 123
Property, plant and equipment		961 052	927 495	-	978 933	927 495
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		1 075	1 075	-	1 075	1 075
Intangible assets		64	155	-	64	155
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1 051 353	996 847	-	1 068 504	996 847
TOTAL ASSETS		1 825 574	1 192 857	-	1 771 941	1 192 857
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		6 804	-	-	7 224	-
Consumer deposits		1 704	1 781	-	1 710	1 781
Trade and other payables from exchange transactions		1 430 287	57 000	-	1 419 702	57 000
Trade and other payables from non-exchange transactions		51 301	(86 622)	-	15 197	(86 622)
Provision		2 376	11 546	-	4 777	11 546
VAT		276 008	-	-	294 417	-
Other current liabilities		1 182	-	-	-	-
Total current liabilities		1 769 662	(16 295)	-	1 743 027	(16 295)
Non current liabilities						
Financial liabilities		1 349	7 528	-	(2 301)	7 528
Provision		16 505	676 000	-	18 905	676 000
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		33 979	-	-	41 008	-
Total non current liabilities		51 833	683 528	-	57 612	683 528
TOTAL LIABILITIES		1 821 495	667 233	-	1 800 639	667 233
NET ASSETS	2	4 079	525 624	-	(28 697)	525 624
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		4 079	525 624	-	(28 697)	525 624
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	4 079	525 624	-	(28 697)	525 624

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		89 893	137 878	-	5 849	25 322	34 470	(9 148)	-27%	137 878
Service charges		280 527	337 393	-	10 219	60 667	84 348	(23 681)	-28%	337 393
Other revenue		71 673	48 503	-	16 274	51 984	12 126	39 858	329%	48 503
Transfers and Subsidies - Operational		88 228	152 985	-	-	30 451	38 246	(7 795)	-20%	152 985
Transfers and Subsidies - Capital		30 000	53 420	-	-	7 151	13 355	(6 204)	-46%	53 420
Interest		1 423	-	-	358	358	-	358	#DIV/0!	-
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(362 839)	(621 270)	-	(28 068)	(117 846)	(155 221)	37 375	-24%	(621 270)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		198 904	108 909	-	4 631	58 087	27 323	(30 764)	-113%	108 909
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		75 837	(62 740)	-	(2 746)	(20 004)	(15 685)	(4 319)	28%	(62 740)
NET CASH FROM/(USED) INVESTING ACTIVITIES		75 837	(62 740)	-	(2 746)	(20 004)	(15 685)	4 319	-28%	(62 740)
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		274 741	46 169	-	1 885	38 084	11 638			46 169
Cash/cash equivalents at beginning:		4 870	30 000	-		6 397	30 000			6 397
Cash/cash equivalents at month/year end:		279 611	76 169	-		44 481	41 638			52 566

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 - September

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 543	10 101	-	426	1 279	2 525	(1 247)	-49%	10 101
Pension and UIF Contributions		987	-	-	83	249	-	249	#DIV/0!	-
Medical Aid Contributions		336	-	-	30	91	-	91	#DIV/0!	-
Motor Vehicle Allowance		260	-	-	30	87	-	87	#DIV/0!	-
Cellphone Allowance		773	-	-	67	201	-	201	#DIV/0!	-
Housing Allowances		-	-	-	-	-	-	-	#DIV/0!	-
Other benefits and allowances		1 464	-	-	131	405	-	405	#DIV/0!	-
Sub Total - Councillors		9 364	10 101	-	768	2 310	2 525	(215)	-9%	10 101
% increase	4		7.9%							7.9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 407	5 759	-	344	1 089	1 440	(350)	-24%	5 759
Pension and UIF Contributions		135	237	-	10	31	59	(28)	-48%	237
Medical Aid Contributions		60	-	-	5	16	-	16	#DIV/0!	-
Overtime		64	-	-	1	2	-	2	#DIV/0!	-
Performance Bonus		87	-	-	-	83	-	83	#DIV/0!	-
Motor Vehicle Allowance		669	-	-	81	191	-	191	#DIV/0!	-
Cellphone Allowance		-	-	-	-	-	-	-	#DIV/0!	-
Housing Allowances		120	-	-	10	30	-	30	#DIV/0!	-
Other benefits and allowances		0	4	-	0	0	1	(1)	-83%	4
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 Municipality		6 543	6 001	-	452	1 442	1 500	(58)	-4%	6 001
% increase	4		-8.3%							-8.3%
Other Municipal Staff										
Basic Salaries and Wages		108 365	120 466	-	10 147	28 068	30 117	(2 048)	-7%	120 466
Pension and UIF Contributions		24 692	25 881	-	2 266	6 381	6 470	(89)	-1%	25 881
Medical Aid Contributions		9 905	9 960	-	930	2 819	2 490	329	13%	9 960
Overtime		9 049	9 053	-	1 470	4 340	2 263	2 076	92%	9 053
Performance Bonus		7 837	9 945	-	670	2 220	2 486	(266)	-11%	9 945
Motor Vehicle Allowance		9 001	10 572	-	859	2 497	2 643	(146)	-6%	10 572
Cellphone Allowance		42	-	-	11	34	-	34	#DIV/0!	-
Housing Allowances		1 239	1 101	-	22	50	275	(225)	-82%	1 101
Other benefits and allowances		7 004	5 105	-	313	871	1 276	(406)	-32%	5 105
Payments in lieu of leave		1 178	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		256	-	-	25	75	-	75	#DIV/0!	-
Acting and post related allowance		1 782	3 355	-	110	243	839	(596)	-71%	3 355
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		180 349	195 438	-	16 825	47 597	48 859	(1 262)	-3%	195 438
% increase	4		8.4%							8.4%
Total Parent Municipality		196 257	211 539	-	18 045	51 350	52 885	(1 535)	-3%	211 539
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-

Choose name from list - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 - September

Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	3 453	5 478	–	4 364	4 364	5 478	1 114	20.3%	7%
August	2 022	5 478	–	8 730	13 094	10 957	(2 138)	-19.5%	20%
September	4 071	5 478	–	1 762	14 856	16 435	1 578	9.6%	23%
October	2 302	5 478	–	–		21 913	–		
November	6 708	5 478	–	–		27 392	–		
December	3 994	5 478	–	–		32 870	–		
January	4 071	5 478	–	–		38 348	–		
February	335	5 478	–	–		43 827	–		
March	10 544	5 478	–	–		49 305	–		
April	13 195	5 478	–	–		54 783	–		
May	9 385	5 478	–	–		60 262	–		
June	8 414	5 478	–	–		65 740	–		
Total Capital expenditure	68 494	65 740	–	14 856					

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 - September

Description	Ref	2022/23	Budget Year 2023/24							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		46 078	26 052	-	1 096	1 819	6 513	4 694	72.1%	26 052
Roads Infrastructure		690	5 000	-	-	-	1 250	1 250	100.0%	5 000
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		690	5 000	-	-	-	1 250	(1 250)	(0)	5 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		37 421	6 000	-	99	676	1 500	824	54.9%	6 000
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		37 421	6 000	-	99	676	1 500	(824)	(0)	6 000
Water Supply Infrastructure		1 449	1 700	-	489	516	425	(91)	-21.5%	1 700
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		1 449	1 700	-	489	516	425	91	0	1 700
Sanitation Infrastructure		1 409	500	-	317	317	125	(192)	-153.9%	500
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		1 409	500	-	317	317	125	192	0	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		258	2 060	-	31	100	515	415	80.6%	2 060
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		258	2 060	-	31	100	515	(415)	(0)	2 060

Choose name from list - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 - September

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-		-
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
<u>Intangible Assets</u>		-	-	-	-	-	-	-		-
Servitudes		-	-	-	-	-	-	-		-
Licences and Rights		-	-	-	-	-	-	-		-
Water Rights		-	-	-	-	-	-	-		-
Effluent Licenses		-	-	-	-	-	-	-		-
Solid Waste Licenses		-	-	-	-	-	-	-		-
Computer Software and Applications		-	-	-	-	-	-	-		-
Load Settlement Software Applications		-	-	-	-	-	-	-		-
Unspecified		-	-	-	-	-	-	-		-
<u>Computer Equipment</u>		-	-	-	-	-	-	-		-
Computer Equipment		-	-	-	-	-	-	-		-
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-		-
Furniture and Office Equipment		-	-	-	-	-	-	-		-
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-		-
Machinery and Equipment		-	-	-	-	-	-	-		-
<u>Transport Assets</u>		-	-	-	-	-	-	-		-
Transport Assets		-	-	-	-	-	-	-		-
<u>Land</u>		-	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
<u>Living resources</u>		-	-	-	-	-	-	-		-
Mature		-	-	-	-	-	-	-		-
Policing and Protection		-	-	-	-	-	-	-		-
Zoological plants and animals		-	-	-	-	-	-	-		-
Immature		-	-	-	-	-	-	-		-
Policing and Protection		-	-	-	-	-	-	-		-
Zoological plants and animals		-	-	-	-	-	-	-		-
Total Repairs and Maintenance Expenditure	1	46 078	26 052	-	1 096	1 819	6 513	4 694	72.1%	26 052



Annexure A2 - Monthly

National Treasury
Municipal Debt Relief
Form Number: 22
Municipal Financial Management Act No. 59 of 2018

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	Sep'24
National Financial Year	2024/25
Demarcation Code of Municipality being assessed	MT2511
District	Nkangala
Demarcation Description	Victor Khanye

I, Carol Coetzee, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting)

6.3 + Maintaining the Eskom and bulk water current account –

Condition 6.12 (current account for the purpose of this section means the account for a single month's consumption)

Choose from drop down list

1	2	3	4	5	6	7	8
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)? <i>Note - Refer condition 6.12.2</i>	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 Goshunt Upload Portal https://goshuntportal.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?	Yes					
6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approved means the total Eskom charges for the billing period plus VAT. Does any component that may be due in terms of payment arrangement of "New users" (March 2023 and / or subsequent current accounts) up to the date of RT approval of the application.</i>	Yes					
6.3.2	- 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 Goshunt Upload Portal https://goshuntportal.treasury.gov.za ?	Yes					
6.3.3	- 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					
6.3.4	- 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 MTRF – (choose from drop down list the MTRF assessed)	2024/25 MTRF					
6.4.1	- Is the municipality's MTRF funded and aligning to the National Treasury's Budget Funding Guidelines - https://mfma.treasury.gov.za/Subsidiary/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?	Yes					

Notes/Comments

9	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 ending of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
10	6.4.1	<i>Note: - For example, if the municipality during the preceding 12 months only managed to collect 50 per cent of its revenue (then projected), the provision for debt impairment (taking into account the historic collection trend) should only be 50 per cent of the 2023/24 MTRF's revenue projection (the property rates). If the municipality managed to collect 100 per cent of its revenue, then the provision for debt impairment should be 100 per cent of the 2023/24 MTRF's revenue projection (the property rates). If the municipality managed to collect 75 per cent of its revenue, then the provision for debt impairment should be 75 per cent of the 2023/24 MTRF's revenue projection (the property rates). The provision for debt impairment must be based on the actual collection of revenue. The Provincial Treasury must respond to this item as "No".</i> - 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? <i>Note: - If the municipality really used the depreciation and asset impairment to "reduce" the budget and there is no real alignment between the provision for such with the state of assets (asset register), the Provincial Treasury must respond to this item as "No".</i>	Yes	
11	6.4.2	- If the municipality's MTRF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTRF Budget (refer item 9.3 of MTRMA Budget Circular no. 122, 09 December 2022)?	Yes	
12	6.4.2	<i>Note: - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the FI/NFI must assess whether the existing FRP incorporates / will give effect to a funded MTRF. If not, the FRP requires strengthening.</i> - If the municipality's MTRF 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 MTRF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MTRMA Budget Circular no. 122, 09 December 2022)? <i>Note: - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/A	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations align with and give effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher winter Eikon tariffs, lower January collection rates, etc.)?	Yes	
14	6.5	Cost reflective tariffs - (excluding metro) has the municipality included its completed tariff tool (refer MTRMA Circular no. 58 and item 5.2 of MTRMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTRF submissions with effect the tabling of the 2023/24 MTRF?	Yes	
15	6.6	Electricity and water as collection tools - has the municipality, with effect from the tabling of the 2023/24 MTRF, demonstrated, through its by-laws and budget related policies, that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all paid payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	Yes	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity and water limits of 50 Kilo-watt electricity and 6 Kilo-litres water, respectively?	No	
19	6.6	<i>Note: - the municipality's monthly MTRMA 6.7.1 statement must include as part of the narratives the indigent information in the required 17 forms.</i>		
20	6.7	Supportive evidence: The National Treasury and/or Provincial Treasury's related budget assessment confirms the municipality's relevant MTRF's related budget policies and by-laws demonstrate compliance with paragraph 6.5.		
21	6.7.1	Maintain a minimum average quarterly collection of property rates and services charges - - 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 MTRMA 6.7.1 monthly and quarterly statements(s) and MSCOA data strings uploaded via the GoMuni Upload Portal?	No	

<i>Note: although the report was submitted for collection before the 71 is 80 per cent (national), municipalities under the 80% need support will be exempted for the first year from submitting to the system.</i>			
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 6.7.2, has the municipality demonstrated to the satisfaction of National Treasury the following:		
6.7.2.1	- the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.2; - 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	
6.7.2.2	the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes	
6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	
6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTRER with a smart pre-paid meter?	Yes	
6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 valid 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 data -		
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 supplementation (GR) compiled by the registered municipal valuer?	Yes	
6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified?	No	
6.8.2	<i>Note: monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i> - 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. 99, 98, 107 and 108) to the upload portal on https://gapsportal.treasury.gov.za?	Yes	
6.9	Monitor and report on implementation -		
6.9.1	- MFMA section 71 reporting - has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the action 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?	Yes	
6.9.3	<i>Note: condition 6.9.2 has a 120 day grace and must refer to 6.9.1</i> - Municipalities with financial recovery plans (FRP) - if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the Gokhulani Upload Portal https://gapsportal.treasury.gov.za ?	No FRP	
<i>Note: a municipality with a FRP may only benefit from the 120-day grace period if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>			
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 designated municipality may not benefit from Municipal Debt Relief, unless:		
6.10.1	- has the relevant Provincial Treasury (designated) / National Treasury (non-designated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	

6.10.2	- has the head of the relevant Provincial Treasury (deputised) 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 timely uploaded the compliance certificate via the Goshunt Upload Portal https://uploadportal.treasury.gov.za ?	Yes ☒	
6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No ☒	
<i>Note - If the PT failed to submit its failure into non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			
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 ☒	
<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular no. 124, condition 6.11.1 (Limitation on municipality borrowing powers) will stop in effect in relation to new long term loans entered into after the effective date of the relevant approval as envisaged in paragraph 4.1.1. Short term borrowing, including making use of an overdraft for on-going trading purposes or not considered within the scope of this condition.</i>			
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account - (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes ☒	
6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes ☒	
<i>Note: Only if relevant in the specific circumstances, will a request be made to the Director of Finance from the municipality's request to exempt the municipality from MFMA s.8(3).</i>			
6.13	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 (submitting to its MFMA s.7.1 statement collected revenue).	No ☒	
6.14	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrears debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury Office of the Accountant General Issued for Municipal Debt Relief to date?	Yes ☒	
<i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with nSCOA.</i>			
6.14	NESA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	No ☒	

PT: HOD/ NT/ MM: Name:

Signature of HOD/ NT/ MM:

Date:

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

Isaacs, Nick Donato Nicholas

2024/10/10

Circular 124, for debt relief program - Eskom reconciliation as at 30 September 2024.

ESKOM MAIN ACCOUNT

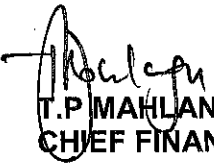
Segment in ledger =====>			Bulk Purchases	VAT	Interest expense			
MONTH	INVOICE NO	BALANCE BROUGHT FORWARD	TOTAL EXC	VAT	INTEREST	TOTAL INC	AMOUNT PAID	BALANCE + INVOICE - PAID
Jul-24	564970455838	R 788 317 604.03	R 17 162 735.76	R 2 574 410.36	R 1 824 450.58	R 21 561 596.70	R 10 000 000.00	R 799 879 200.73
Aug-24	564900948545	R 799 879 200.73	R 12 738 610.06	R 1 910 791.51	R 2 051 138.83	R 816 579 741.13	R 4 000 000.00	R 812 579 741.13
Sep-24	564422207920	R 812 579 741.13	R 10 760 784.63	R 1 614 117.70	R 2 390 542.28	R 827 345 185.74	R 2 800 000.00	R 824 545 185.74
Oct-24						R -		R -
Nov-24						R -		R -
Dec-24						R -		R -
Jan-25						R -		R -
Feb-25						R -		R -
Mar-25						R -		R -
Apr-25						R -		R -
May-25						R -		R -
Jun-25						R -		R -
			R 40 662 130.45	R 6 099 319.57	R 6 266 131.69			

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-24	889668296263	R 50 012 521.37	R 12 890 775.60	R 1 933 616.34	R 198 410.58	R 15 022 802.52	R 10 000 000.00	R 55 035 323.89
Aug-24	889135332215	R 55 035 323.89	R 12 873 889.17	R 1 931 083.38	R 282 902.76	R 70 123 199.20	R 4 000 000.00	R 66 123 199.20
Sep-24	889612650615	R 66 123 199.20	R 8 623 201.00	R 1 293 480.15	R 464 334.26	R 76 504 214.61	R 2 000 000.00	R 74 504 214.61
Oct-24		R 74 504 214.61				R 74 504 214.61		R 74 504 214.61
Nov-24						R -		R -
Dec-24						R -		R -
Jan-25						R -		R -
Feb-25						R -		R -
Mar-25						R -		R -
Apr-25						R -		R -
May-25						R -		R -
Jun-25						R -		R -
			34 387 865.77	5 158 179.87	945 647.60			

17. Recommendations

1. That the Municipal Council consider the report in terms of Section 71 of MFMA.
2. That the Municipal Council consider that Table c1 – Table C7 is obtained in terms guided by the National Treasury.
3. That the Municipality consider that both Eskom and Rand Water debt as at 30 September 2024_25 amounts to **R 878 703 000** and **R440 557 040** respectively;
4. That the Municipal Council consider that the debt book amounts to **R1 120 299 447**;
5. That the Municipal Council consider the September payments made to Eskom and Rand Water amounts to **R6 million** and **R3.2 million** respectively;
6. Therefore, the implementation of credit control and debt collection policy must be intensified.


T.P. MAHLANGU
CHIEF FINANCIAL OFFICER