VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

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BUDGET & TREASURY OFFICE

QUALITY CERTIFICATE

I,N.B Mokoena, Acting Municipal Manager of Victor Khanye Local Municipality, hereby certify that the Budget Statement for the first quarter (1 July – 30 September 2025/26) has been prepared in accordance with the Municipal Finance Management Act and regulation made under that Act.

INITIALS AND SURNAME ..NB MOKOENA......................................

MUNICIPAL MANAGER OF VICTOR KHANYE LOCAL MUNICIPALITY MP311

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

DATE..15/10/2025..............................

VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

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FINANCIAL SERVICES

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

TO : MUNICIPAL MANAGER
T.M MASHABELA

FROM : CHIEF FINANCIAL OFFICER
T.P MAHLANGU

DATE : 14 OCTOBER 2025

RE : SECTION 52(d) REPORT`

REASON FOR REPORT

To provide the Executive mayor/Council with the budget and financial performance report for first quarter period ended (1 July - 30 Sep 2024_25).

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 First quarter 2009 as follows:

Table C1 s71 actual quarterly Budget Statement Summary;

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 – Q1 (July - Sep 2025_26)**

Description	Budget	Q1 Actual	YTD Actual	YTD Budget
Revenue	- 948 495 000	- 430 502 000	- 430 502 000	- 237 124 000
Expenditure	994 017 000	194 189 000	194 189 000	248 504 000
Surplus/Deficit	45 522 000	- 236 313 000	- 236 313 000	
Capital expenditure	29 618 000	5 883 000	5 883 000	16 311 000
Debtors		1 374 391 318		
Creditors		1 667 718 118		
Avarege payment rate	85%	36%		

The actual revenue billed for the first quarter amounted to **R430 million**. When in comparison with the year-to-date budget of **R237 million**, there is appositive variance of **R193 million (82%)**.

The expenditure for the first quarter amounted to **R194 million**. When compared with the year-to-date budget of **R248 million**, there is a negative variance of **R54 million (-22%).**

The net operating surplus for the first quarter amounts to **R236 million**.

Grants received in the first quarter amounted to a total of **R74.3 million**, **R494 thousand** for EPWP, **R8.2 million** for MIG and **R65.7 million** for equitable share and the expenditure thereof amounted to

Total debtors as at 30 September 2025 amounts to **R1.4 billion** and Creditors owed amounts to **R1.6 billion** in which the highest is an amount of R1**.1 billion** owed to Eskom and **R510 million** owed to Rand Water.

The new valuation for Kusile Power Station amounts to **R24 billion**. The on-going engagement with the mine has their account in arrears which has not been paid for July and August, and the power station's account is now sitting at **R249.5 million**. However, the payment received for September **(R1 400)** is as it was before the new valuation, hence the low average collection rate **(36%.)** However, the collection rate for the first quarter would have been **60%** had the Kusile Power station's new valuation not included.

	Original Budget 2025/2026	Q1 Actual	YTD Actual	YTD Budget	Variance	Variance %
R Thousands						
Revenue by source						
Exchange revenue						
Service charges-electricity revenue	246 628 000	57 870 000	57 870 000	61 657 000	- 3 787 000	-6%
Service charges-water revenue	78 691 000	32 727 000	32 727 000	19 673 000	13 054 000	66%
Service charges-sanitation revenue	14 392 000	3 369 000	3 369 000	3 598 000	- 229 000	-6%
Service charge_refuse revenue	15 318 000	4 120 000	4 120 000	3 829 000	291 000	8%
Sale of Goods and rendering of services	7 231 000	505 000	505 000	1 808 000	- 1 303 000	-72%
interest earned-outsanding debtors	165 255 000	16 000	16 000	41 314 000	- 41 298 000	-100%
interest from current assets and non cur	-	-	-	-	-	
Rental facillities and equipment	1 641 000	571 000	571 000	410 000	161 000	39%
Operational revenue	806 000	70 000	70 000	201 000	- 131 000	-65%
					-	
Non-exchange revenue					-	
property rates	128 920 000	279 860 000	279 860 000	32 230 000	247 630 000	768%
Fines,penalties and forteits	2 235 000	335 000	335 000	559 000	- 224 000	-40%
Surcharges and Taxes	73 281 000	17 259 000	17 259 000	18 320 000	- 1 061 000	-6%
Transfers and Subsidies-Operational	161 007 000	8 161 000	8 161 000	40 252 000	- 32 091 000	-80%
interest	53 090 000	25 640 000	25 640 000	13 273 000	12 367 000	93%
other Gains	-	-		-		
Total Revenue (excluding capital transf	948 495 000	430 503 000	430 503 000	237 124 000	193 379 000	82%

EXCHANGE REVENUE

Service Charges – Electricity - The billing for the first quarter amounted to **R57.8 million** (-**6%**) compared with the Budgeted amount of **R61.6million**. Electricity remains the highest performing service.

Service Charges – Water – Billing for the first quarter amounted to **R32.7 million (66%)** and is significantly higher than the budgeted amount of **R19.6 million**. There has been high consumption due to many faulty meters whose readings are still being corrected.

The project of installing prepaid water meters in Eloff and Sundra is completed as part of the water conservation project.

Service Charges – Waste Water – An amount of **R3.3 million** was realised in the first quarter and when compared with the year-to-date budget amount of **R3.5 million,** there is a variance of **(-6%).**

Service Charges – Solid Waste – An amount of **R4 million** was realised in the first quarter and when compared with the year to date budget amount of **R3.8 million,** the variance is **8%.**

Sale of goods and rendering of service - Billing for the first quarter amounted to **R505 thousand**. This line item comprises of grave fees, reconnection and disconnection fees and other miscellaneous services.

Operational revenue – Billed revenue amounted to **R70 thousand**. This line item comprise of revenue such as sale of building plans and clearance certificates etc.

NON-EXCHANGE REVENUE

Property Rates – Billing for property rates for the first quarter amounted to **R279. million** against the budgeted **R32 million (768%)**.

The new valuation for Kusile Power Station amounts to **R24 billion**. The on-going engagement with the mine has their account in arrears which has not been paid for July and August, and the power station's account is now sitting at **R249.5 million**. However, the payment received for September **(R1 400)** is as it was before the new valuation, hence the huge variance.

Surcharges and Taxes – Billing for The first quarter amounted **to R17 million** and there is a slight variance when compared to the year to date budget amount of **R18 million (-6%)**. Surcharges comprise of the flat rates for households in Botleng.

Interest earned on outstanding debtors – Billed revenue for the quarter amounted to **R25.6 million** for both the exchange and non-exchange revenue.

Transfers and subsidies

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

Actual receipts to-date in 2025_26 financial year amounted to **R208 million** included in the actual revenue are the grant monies received for equitable share, municipal infrastructure grant, Financial Management Grant, Extended Public Works Programme.

	Oridinal Budget 2025/2026	Q1	YTD Actual	YTD budget	Variance	Variance %
R thousands						
Expenditure By Type						
Employee related costs	211 691 000	52 953 000	52 953 000	52 923 000	30 000	0%
Remuneration of councillors	12 146 000	2 469 000	2 469 000	3 036 000	- 567 000	-19%
Bulk purchases - Electricity	228 174 000	62 751 000	62 751 000	57 043 000	5 708 000	10%
Inventory consumed and Bulk pur	124 623 000	26 701 000	26 701 000	31 156 000	- 4 455 000	-14%
Debt impairment	89 408 000	-	-	22 352 000	- 22 352 000	-100%
Depreciation and asset impairme	53 279 000	-	-	13 320 000	- 13 320 000	-100%
Finance charges	50 000 000	17 681 000	17 681 000	12 500 000	5 181 000	41%
Contracted services	128 878 000	17 141 000	17 141 000	32 220 000	- 15 079 000	-47%
Transfers and subsidies	-	-	-	-	-	0%
Irrecoverable debts written off	31 594 000	2 512 000	2 512 000	7 899 000	- 5 387 000	-68%
Operationsl Costs	64 224 000	11 981 000	11 981 000	16 056 000	- 4 075 000	-25%
Losses on Disposal of Asset		-	-	-	-	0%
Other Losses	-	-	-	-	-	0%
Total Expenditure	**994 017 000**	**194 189 000**	**194 189 000**	**248 505 000**	**- 54 316 000**	**-22%**

Employee related cost – Expenditure for the first quarter amounted to **R55 million** and salaries are within the acceptable norm in terms of the variance between quarterly budget and actual. **(-19%)**

Bulk Purchases-Electricity – Expenditure to the amount of **R62 million** was incurred for Electricity purchases for the first quarter.

A payment of **R26.5 million** was made to Eskom in the first quarter for both the bulk and north sub-station account. The municipality remains non-compliant for the debt relief as per circular 124.

Inventory consumed - Expenditure incurred for bulk water and the stores items amounted to **R26.7 million**. A payment of **R21 million** was made to the Rand Water.

Finance charges – Expenditure for the quarter amounted to **R17.6 million**. The interest on bulk purchases remains high.

Contracted services – Expenditure on contracted services amounted to **R17 million** and when compared to the year to date budget of **R32 million,** it shows a saving on contracted expenditure. Contracted services consist of legal fees, general maintenance of infrastructure, financial and non-financial systems, telephones, maintenance of toilets in informal settlement etc.

Other expenditure – Expenditure for the first quarter amounted to **R11.9 million,** and cover general expenses not on contracted services (stationery, materials, consumables and PPE).

Actual payments to-date in 2025_26 financial year amounted to **R204.5 million.** Included in the actual payments are the grant expenditure for Equitable Share, MIG, FMG and EPWP.

Repairs and Maintenance

Description R thousands	Original Budget 2025/26	Q1 Actual	Year to Date Actual	Year to Date Budget		Variance	Variance %
Infrastructure	**17 778 000**	**1 662 000**	**1 662 000**	**4 445 000**	-	**2 783 000**	**726%**
Roads Infrastructure	**4 000 000**	**-**	**-**	**1 000 000**	-	**1 000 000**	**107%**
Capital Spares	4 000 000	-	-	1 000 000	-	1 000 000	-100%
Electrical Infrastructure	**6 000 000**	**611 000**	**611 000**	**1 500 000**	-	**889 000**	**244%**
Capital Spares	6 000 000	611 000	611 000	1 500 000	-	889 000	2444%
Water Supply Infrastructure	**2 000 000**	**12 000**	**12 000**	**500 000**	-	**488 000**	**-98%**
Capital Spares	2 000 000	12 000	12 000	500 000	-	488 000	-98%
Sanitation Infrastructure	**2 000 000**	**1 016 000**	**1 016 000**	**500 000**		**516 000**	**340%**
solid waste infrastracture	2 000 000	1 016 000	1 016 000	500 000		516 000	340%
Costal Infrastructure	**3 778 000**	**23 000**	**23 000**	**945 000**	-	**922 000**	**-98%**
Capital Spares	3 778 000	23 000	23 000	945 000	-	922 000	-98%
Information and communicatio	**10 950 000**	**205 000**	**205 000**	**2 738 000**	-	**2 533 000**	**153%**
Data centres	10 950 000	205 000	205 000	2 738 000		4 178 000	153%
Capital Spares	10 950 000	205 000	205 000	2 738 000	-	2 533 000	-93%
Total Repairs and Maintenance Expenditure	**28 728 000**	**1 867 000**	**1 867 000**	**7 183 000**	-	**5 316 000**	**-74%**

Repairs and maintenance analysis Supporting table SC13c measures the extent to which Council's assets are maintained per asset class. Expenditure incurred for the first quarter amounts to **R1.8 million.**

Norms and Ratios

Current ratio (0:43)

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

Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		0.43
				Current Assets	909 342 000
				Current Liabilities	2 124 519 000

Average Collection Rate (36%)

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

Collection Rate	(Gross Debtors Closing Balance + Bailled 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%		36%
				Gross Debtors closing balance	1 483 505 468
				Gross Debtors opening balance	1 374 391 318
				Bad debts written Off	-
				Billed Revenue	343 538 702

Cash/Cost coverage ratio (0 Month)

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

Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		0 Month
				Cash and cash equivalents	30 544 312
				Unspent Conditional Grants	-
				Overdraft	-
				Short Term Investments	-
				Total Annual Operational Expenditure	994 017 000

Capital expenditure to operating expenditure (3%)

The ratio shows that the low spending by the municipality in infrastructure holds potential risks to service delivery.

Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		3%
				Total Operating Expenditure	194 189 000
				Taxation Expense	-
				Total Capital Expenditure	5 883 000

Contracted services (9%)

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

Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		9%
				Contracted Services	17 141 000
				Total Operating Expenditure	194 189 000
				Taxation Expense	-

Creditor's payment period (330 Days)

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

Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		330 days
				Trade Creditors	1 667 718 000
				Contracted Services	17 141 000
				Repairs and Maintenance	1 866 000
				General expenses	177 048 000
				Bulk Purchases	1 650 825 946
				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	Q1 Actual	YTD spending	% spent on received amt
MIG	29 618 000	8 228 000	5 883 000	5 883 000	71%

Total allocation for capital grants from the National Treasury for the **2025-2026** financial year Amounts to **R29.6million (MIG),** and the spending for the first quarter amounted to **R5.8 million.**

4.2 CASH FLOW STATEMENT

Net Cash from operating activities

The net cash from operating activities for September amounted to a favourable **R243 thousand,** which is supported by grants, received from operational and capital project. As part of the budget-funding plan the municipality is busy with the data cleansing, review of tariffs to be cost reflecting and meter audit to ensure that municipality is not grant depended.

Net Cash from investing activities

The net cash from investing activities for September shows a cash outflow of **R 5.8 million** that is a payment of capital projects.

Net Increase/ Decrease in cash held

The municipality recorded an increase in net cash held of **R26 million** as at 30 September 2025.

Description R thousands	Sept 2025_26 Actual
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts	
Property rates, penalties & collection charges	9 319
Service charges	21 362
Other revenue	14 573
Government - operating	54 765
Government - capital	8 228
Interest	279
Dividends	–
Total receipts	**108 526**
Payments	
Suppliers and employees	(84 222)
Finance charges	(8 918)
Transfers and Grants	(15 143)
Total payments	**(108 283)**
NET CASH FROM/(USED) OPERATING ACTIVITIES	**243**
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Received from arrangements	–
Disposal of assets	–
(Increase) / Decrease in non-current investments	–
Payments	(8 001)
Capital assets	(8 001)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(8 001)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts	
Increase in consumer deposits	3
Borrowing long term/refinancing	–
Payments	
Repayment of borrowing	–
Finance lease payments	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**3**
NET INCREASE/ (DECREASE) IN CASH HELD	**26 499**
Cash/cash equivalents at beginning of the month:	4 045
Cash/cash equivalents at month end:	30 544

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 First quarter amounted to **R239 million** and total expenditure amounted to **R239.3 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 67.9% and -23.0% for expenditure of the first 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 first quarter, there was capital expenditure amounting to **R5.8 million**. All municipal departments have been sensitise on the urgency of spending on capital projects that are grant funded and the spending have been linked to the performance of each Executive Directorate.

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

The table provides an overview of the financial position of the municipality's assets and liabilities. As at 30 September 2025, the community wealth amounts to an unfavourable **R210.7 million**. Total liabilities amounts to **R2.1 billion**, whilst total assets amounts to **R1.9 billion** which resulted in the unfavourable net-assets of **R300 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 first quarter, the net cash from operating activities was a favourable **R26 million**, the net cash from investing activities amounted to an unfavourable **R9 million.** The net cash from financing activities amounts to **R0.**

The Bank balance as at 30 September 2025 amounted to a favourable balance of **R 30 million**.

BANK NAME	TYPE OF ACCOUNT	BALANCE
STD BANK	MAIN ACCOUNT	912 298
STD BANK	CALL ACCOUNT ELEC	26 798 375
STD BANK	CALL ACCOUNT	535 068
STD BANK	TRAFFIC	839 216
STD BANK	MONEY MARKET	941 377
ABSA BANK	CALL ACCOUNT	517 979
BALANCE		**30 544 312**

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 **R1.4 billion** including interest on arrears. Outstanding debtors over 90 days amounts to **R1 billion**. The table below reflects the debtor's age analysis by customer group.

- The measurement of the payment rate is based on the amount received up to the levy date in First quarter, compared to the levy that was done in the previous quarter, the average payment rate for the quarter **36%** did not reach the target of **85%**.

period	Billing		Collection	Collection rate
July	53 614 035,75	-	29 759 730,78	-56%
August	141 401 004,06	-	40 189 739,95	-28%
September	148 523 661,89	-	35 919 839,29	-24%
Average	**343 538 701,70**	-	**105 869 310,02**	**-36%**

CUSTOMER GROUP	JULY	AUGUST	SEPTEMBER
Organs of state	12 720 258	11 744 202	12 449 007
Commercial	93 696 363	91 363 274	82 541 055
Households	929 230 860	936 968 916	957 819 516
Mines	18 734 805	19 460 944	20 091 500
Farms	171 838 470	255 174 397	339 370 957
Indigents	31 612 202	37 672 569	42 097 768
Top 200	17 482 439	18 013 490	24 636 581
Municipal prop	200 498	11 406	13 809
Other	3 713 462	3 982 121	4 485 276
	1 279 229 357	**1 374 391 319**	**1 483 505 468**

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.

3.4 COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS ANALYSIS:

The table SC8 provides details for councillor and employee benefits. For the first quarter 2025 total salaries, allowances and benefits amounted to **R55 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 first quarter amounted to **R5.8 million**.

Attached as Annexure are the following:

- The actual quarterly Budget Statement Annexure "A"
- Actual year to date of consumer debtors – Age analysis Annexure "B"
- A creditors age analysis Annexure "C"
- Grants spending – Annexure "D"

DEBTORS

Debtors' Age Analysis as at 30 September 2025_26, outstanding debtors comprise of consumer and sundry debtors. The total outstanding debtors amounts to **R1.4 billion** of which consumer debtor's amount to **R928 million** and sundry debtors amount to **R131 million**.

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	15 126	7 649	4 274	257 391	–	–	–	–	284 440	261 665	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	13 500	2 919	1 522	21 610	–	–	–	–	39 551	23 132	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	95 152	89 281	88 148	156 307	–	–	–	–	428 888	244 455	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	1 081	585	432	23 369	–	–	–	–	25 467	23 801	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 247	695	580	27 396	–	–	–	–	29 917	27 976	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	5 819	5 501	5 492	249 115	–	–	–	–	265 928	254 608	–	–
Interest on Arrear Debtor Accounts	1810	9 654	8 586	8 356	238 433	–	–	–	–	265 030	246 789	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	4 522	1 371	1 614	136 779	–	–	–	–	144 286	138 393	–	–
Total By Income Source	**2000**	**146 101**	**116 586**	**110 419**	**1 110 400**	–	–	–	–	**1 483 505**	**1 220 819**	–	–
2019/20 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 529	533	860	9 527	–	–	–	–	12 449	10 387	–	–
Commercial	2300	6 436	2 906	2 578	70 621	–	–	–	–	82 541	73 200	–	–
Households	2400	32 548	21 622	18 560	885 089	–	–	–	–	957 820	903 649	–	–
Other	2500	105 588	91 525	88 420	145 162	–	–	–	–	430 696	233 582	–	–
Total By Customer Group	**2600**	**146 101**	**116 586**	**110 419**	**1 110 400**	–	–	–	–	**1 483 505**	**1 220 819**	–	–

CREDITORS

Creditors to the amount **R1.6 billion** were not paid.

MP311 Victor Khanye - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03_2025-26

Description	NT Code	Budget Year 2025/26								
		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
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	27 912	–	80 654	36 272	995 515	–		–	1 140 354
Bulk Water	0200	12 283	13 695	14 468	11 120	458 907	–		–	510 472
PAYE deductions	0300	–	–	–	–	–	–	-	–	–
VAT (output less input)	0400	–	–	–	–	–	–	-	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	-	–	–
Loan repayments	0600	–	–	–	–	–	–	-	–	–
Trade Creditors	0700	10 309	–	–	–	–	–	-	–	10 309
Auditor General	0800	683	31	132	625	1 022	233	-	–	2 726
Financial Systems	0900	77	428	3 236	116	–	–	-	–	3 857
Total By Customer Type	**1000**	**51 265**	**14 154**	**98 489**	**48 133**	**1 455 444**	**233**	**–**	**–**	**1 667 718**

8. Allocation and grant receipts and expenditure

Grants	Gazetted Amnt	Total Received to date	Q1 Actual	YTD Actual	% spent on received amount
Equitable share	157 131 000	65 471 000	28 016 303	28 016 303	43%
FMG	1 900 000	1 900 000	473 004	473 004	25%
EPWP	1 976 000	494 000	-	-	0%
MIG	29 618 000	8 228 000	5 883 000	5 883 000	71%

9. Councillors and employee benefits

Number of months---------> 3

	Pro-rata	Q1	YTD	%	Reason for Variance
	Budget	Actual	Actual	Actual	
Councillors:					
Allowances	3 036 500	2 469 000	2 469 000	81,3%	None
Employees:					
Basic salary	29 253 000	31 508 000	31 508 000	107,7%	Variance is due to new appointments
Travelling allowance	3 453 750	3 029 000	3 029 000	87,7%	None
Overtime	5 175 250	4 038 000	4 038 000	78,0%	None
Employee social contributions	15 043 250	14 378 000	14 378 000	95,6%	None
TOTAL	**55 961 750**	**55 422 000**	**55 422 000**	**99,0%**	

13. Conclusion

14. Annexure A: C Schedules

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

16. Municipal Manager's quality certificate

Circular 124, for debt relief program - Eskom reconciliation as at 30 September 2025.

Kindly note the payments are made on an accrual basis.

ESKOM MAIN ACCOUNT

Segment in ledger ==================>			*Bulk Purchases*	*VAT*	*Interest expense*				
MONTH	INVOICE NO	BALANCE BROUGHT FORWARD	TOTAL EXC	VAT	INTEREST	TOTAL INC	AMOUNT PAID		BALANCE + INVOICE - PAID
Jul-25	564731882911	R 919 521 846,63	R 16 793 909,51	R 2 519 086,43	R 3 150 642,01	R 22 463 637,95			R 941 985 484,58
Aug-25	564495502814	R 941 985 484,58	R 16 040 229,23	R 2 406 034,38	R 3 222 585,81	R 21 668 849,42	R 1 500 000,00		R 962 154 334,00
Sept-25	564769460259	R 962 154 334,00	R10 529 243,80	R 1 579 386,57	R 3 738 308,67	R 15 850 607,54	R 11 500 000,00		R 968 501 273,04
Oct-25									
Nov-25									
Dec-25									
Jan-26									
Feb-26									
Mar-26									
Apr-26									
May-26									
Jun-26									

ESKOM SUB ACCOUNT

Segment in ledger ==================>			*Bulk Purchases*	*VAT*	*Interest expense*				
MONTH	INVOICE NO	BALANCE BROUGHT FORWARD	TOTAL EXC	VAT	INTEREST	TOTAL INC	AMOUNT PAID	REBILLED ADJUSTME	BALANCE + INVOICE - PAID = TOTAL DUE
Jul-25	889781822327	R 134 765 327,14	R 15 617 398,99	R 2 342 609,85	R 1 183 867,66	R 19 143 876,50			R 153 909 203,64
Aug-25	889497857686	R 153 909 203,64	R 14 253 554,22	R 2 138 033,13	R 1 252 752,71	R 17 644 340,06	R 2 000 000,00		R 169 553 543,70
Jan-00	889378192530	R 169 553 543,70	R 8 987 025,14	R 1 348 053,77	R 1 464 013,65	R 12 061 763,92	R 11 500 000,00		R171 852 636,26
Oct-25									
Nov-25									
Dec-25									
Jan-26									
Feb-26									
Mar-26									
Apr-26									
May-26									
Jun-26									
			38 857 978,35	5 828 696,75	3 900 634,02				

MP311 Victor Khanye - Table C1 Monthly Budget Statement Summary - M03 - Quarter 1

Description R thousands	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	108 696	128 920	–	279 860	279 860	32 230	247 630	768%	128 920
Service charges	315 713	355 029	–	98 085	98 085	88 757	9 328	11%	355 029
Investment revenue	1 265	–	–	–	–	–	–		–
Transfers and subsidies - Operational	153 285	161 007	–	8 161	8 161	40 252	(32 091)	-80%	161 007
Other own revenue	171 201	303 539	–	44 396	44 396	75 885	(31 489)	-41%	303 539
Total Revenue (excluding capital transfers and contributions)	**750 159**	**948 495**	**–**	**430 502**	**430 502**	**237 124**	**193 379**	**82%**	**948 495**
Employee costs	207 328	211 691	–	52 953	52 953	52 923	30	0%	211 691
Remuneration of Councillors	9 790	12 146	–	2 469	2 469	3 036	(567)	-19%	12 146
Depreciation and amortisation	59 405	53 279	–	–	–	13 320	(13 320)	-100%	53 279
Interest	97 555	50 000	–	17 681	17 681	12 500	5 181	41%	50 000
Inventory consumed and bulk purchases	297 491	352 797	–	89 451	89 451	88 199	1 252	1%	352 797
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	413 472	314 105	–	31 634	31 634	78 526	(46 892)	-60%	314 105
Total Expenditure	**1 085 042**	**994 017**	**–**	**194 189**	**194 189**	**248 504**	**(54 316)**	**-22%**	**994 017**
Surplus/(Deficit)	**(334 883)**	**(45 522)**	**–**	**236 314**	**236 314**	**(11 381)**	**247 694**	**-2176%**	**(45 522)**
Transfers and subsidies - capital (monetary allocations)	44 337	46 618	–	–	–	11 655	(11 655)	-100%	46 618
Transfers and subsidies - capital (in-kind)	16 063	30 500	–	–	–	7 625	(7 625)	-100%	30 500
contributions	**(274 483)**	**31 596**	**–**	**236 314**	**236 314**	**7 899**	**228 415**	**2892%**	**31 596**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(274 483)**	**31 596**	**–**	**236 314**	**236 314**	**7 899**	**228 415**	**2892%**	**31 596**
Capital expenditure & funds sources									
Capital expenditure	**86 343**	**65 245**	**–**	**5 883**	**5 883**	**16 311**	**(10 428)**	**-64%**	**65 245**
Capital transfers recognised	77 304	46 645	–	5 883	5 883	11 661	(5 778)	-50%	46 645
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**7 924**	**18 600**	**–**	**–**	**–**	**4 650**	**(4 650)**	**-100%**	**18 600**
Total sources of capital funds	**85 229**	**65 245**	**–**	**5 883**	**5 883**	**16 311**	**(10 428)**	**-64%**	**65 245**
Financial position									
Total current assets	617 910	202 468	–		909 342				202 468
Total non current assets	1 060 427	1 030 231	–		1 066 310				1 030 231
Total current liabilities	2 063 894	932	–		2 124 519				932
Total non current liabilities	61 841	686 528	–		61 841				686 528
Community wealth/Equity	**(296 578)**	**545 239**	**–**		**(210 708)**				**545 239**
Cash flows									
Net cash from (used) operating	93 120	119 775	–	26 408	26 408	29 944	3 536	12%	119 775
Net cash from (used) investing	64 037	(65 245)	–	(9 047)	(9 047)	(16 311)	(7 265)	45%	(65 245)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**160 882**	**76 659**	**–**	**–**	**29 722**	**35 762**	**6 040**	**17%**	**66 891**

Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

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MP311 Victor Khanye - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - Quarter 1

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**388 607**	**311 972**	**–**	**341 613**	**341 613**	**77 993**	263 620	338%	**311 972**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		388 607	311 972	–	341 613	341 613	77 993	263 620	338%	311 972
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**13 829**	**7 760**	**–**	**1 268**	**1 268**	**1 940**	(672)	-35%	**7 760**
Community and social services		2 208	2 608	–	88	88	652	(564)	-86%	2 608
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		7 471	3 511	–	608	608	878	(270)	-31%	3 511
Housing		4 150	1 641	–	571	571	410	161	39%	1 641
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(2 290)**	**4 356**	**–**	**–**	**–**	**1 089**	(1 089)	-100%	**4 356**
Planning and development		–	4 356	–	–	–	1 089	(1 089)	-100%	4 356
Road transport		(2 290)	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**410 413**	**701 525**	**–**	**87 622**	**87 622**	**175 381**	**(87 759)**	-50%	**701 525**
Energy sources		174 972	329 394	–	44 983	44 983	82 349	(37 366)	-45%	329 394
Water management		117 460	208 373	–	32 727	32 727	52 093	(19 366)	-37%	208 373
Waste water management		29 237	113 471	–	3 369	3 369	28 368	(24 999)	-88%	113 471
Waste management		88 744	50 286	–	6 544	6 544	12 572	(6 028)	-48%	50 286
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**810 559**	**1 025 613**	**–**	**430 502**	**430 502**	**256 403**	**174 099**	**68%**	**1 025 613**
Expenditure - Functional										
Governance and administration		**467 492**	**347 625**	**–**	**69 010**	**69 010**	**86 906**	(17 896)	-21%	**347 625**
Executive and council		47 972	45 242	–	11 120	11 120	11 310	(190)	-2%	45 242
Finance and administration		419 520	302 383	–	57 890	57 890	75 596	(17 706)	-23%	302 383
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**77 122**	**103 623**	**–**	**21 657**	**21 657**	**25 906**	(4 249)	-16%	**103 623**
Community and social services		30 876	34 792	–	9 299	9 299	8 698	601	7%	34 792
Sport and recreation		4 011	2 493	–	57	57	623	(567)	-91%	2 493
Public safety		40 466	64 699	–	11 903	11 903	16 175	(4 272)	-26%	64 699
Housing		1 769	1 639	–	398	398	410	(11)	-3%	1 639
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**44 904**	**68 810**	**–**	**3 870**	**3 870**	**17 202**	(13 333)	-78%	**68 810**
Planning and development		6 156	19 956	–	568	568	4 989	(4 421)	-89%	19 956
Road transport		41 339	47 093	–	3 298	3 298	11 773	(8 475)	-72%	47 093
Environmental protection		(2 591)	1 760	–	4	4	440	(436)	-99%	1 760
Trading services		**495 524**	**473 960**	**–**	**99 652**	**99 652**	**118 490**	**(18 838)**	-16%	**473 960**
Energy sources		329 715	275 709	–	66 526	66 526	68 927	(2 401)	-3%	275 709
Water management		118 271	130 169	–	21 388	21 388	32 542	(11 154)	-34%	130 169
Waste water management		42 283	53 845	–	9 886	9 886	13 461	(3 575)	-27%	53 845
Waste management		5 255	14 237	–	1 851	1 851	3 559	(1 708)	-48%	14 237
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	3	**1 085 042**	**994 017**	**–**	**194 189**	**194 189**	**248 504**	**(54 316)**	**-22%**	**994 017**
Surplus/ (Deficit) for the year		**(274 483)**	**31 596**	**–**	**236 314**	**236 314**	**7 899**	**228 415**	**2892%**	**31 596**

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MP311 Victor Khanye - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 - Quarter 1

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	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		388 607	311 972	–	341 613	341 613	77 993	263 620	338,0%	311 972
Vote 3 - Corporate Services		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		2 208	2 608	–	88	88	652	(564)	-86,4%	2 608
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		7 471	3 511	–	608	608	878	(270)	-30,7%	3 511
Vote 7 - Housing		4 150	1 641	–	571	571	410	161	39,2%	1 641
Vote 8 - Health Services		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		–	4 356	–	–	–	1 089	(1 089)	-100,0%	4 356
Vote 10 - Roads Transport		(2 290)	–	–	–	–	–	–		–
Vote 11 - Electricity Services		174 972	329 394	–	44 983	44 983	82 349	(37 366)	-45,4%	329 394
Vote 12 - Water Services		117 460	208 373	–	32 727	32 727	52 093	(19 366)	-37,2%	208 373
Vote 13 - Waste Water Management		29 237	113 471	–	3 369	3 369	28 368	(24 999)	-88,1%	113 471
Vote 14 - Solid Waste Management		88 744	50 286	–	6 544	6 544	12 572	(6 028)	-47,9%	50 286
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**810 559**	**1 025 613**	**–**	**430 502**	**430 502**	**256 403**	**174 099**	**67,9%**	**1 025 613**
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		59 534	66 115	–	14 341	14 341	16 529	(2 188)	-13,2%	66 115
Vote 2 - Budget and Treasury		388 970	270 388	–	47 910	47 910	67 597	(19 687)	-29,1%	270 388
Vote 3 - Corporate Services		6 273	186	–	3 470	3 470	46	3 424	7365,0%	186
Vote 4 - Community and Social Services		30 876	34 792	–	9 299	9 299	8 698	601	6,9%	34 792
Vote 5 - Sport and Recreation		4 011	2 493	–	57	57	623	(567)	-90,9%	2 493
Vote 6 - Public Safety		40 466	64 699	–	11 903	11 903	16 175	(4 272)	-26,4%	64 699
Vote 7 - Housing		1 769	1 639	–	398	398	410	(11)	-2,7%	1 639
Vote 8 - Health Services		(2 591)	1 760	–	4	4	440	(436)	-99,0%	1 760
Vote 9 - Planning and Development		4 113	14 622	–	44	44	3 656	(3 612)	-98,8%	14 622
Vote 10 - Roads Transport		50 738	62 244	–	4 043	4 043	15 561	(11 518)	-74,0%	62 244
Vote 11 - Electricity Services		329 715	275 709	–	66 526	66 526	68 927	(2 401)	-3,5%	275 709
Vote 12 - Water Services		118 271	130 169	–	21 388	21 388	32 542	(11 154)	-34,3%	130 169
Vote 13 - Waste Water Management		42 283	53 845	–	9 886	9 886	13 461	(3 575)	-26,6%	53 845
Vote 14 - Solid Waste Management		5 255	14 237	–	1 851	1 851	3 559	(1 708)	-48,0%	14 237
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 079 683**	**992 897**	**–**	**191 121**	**191 121**	**248 224**	**(57 104)**	**-23,0%**	**992 897**
Surplus/ (Deficit) for the year	2	**(269 123)**	**32 716**	**–**	**239 382**	**239 382**	**8 179**	**231 203**	**2826,8%**	**32 716**

MP311 Victor Khanye - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - Quarter 1

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		213 902	246 628	–	57 870	57 870	61 657	(3 787)	-6%	246 628
Service charges - Water		72 976	78 691	–	32 727	32 727	19 673	13 054	66%	78 691
Service charges - Waste Water Management		13 174	14 392	–	3 369	3 369	3 598	(229)	-6%	14 392
Service charges - Waste management		15 661	15 318	–	4 120	4 120	3 829	290	8%	15 318
Sale of Goods and Rendering of Services		2 228	7 231	–	505	505	1 808	(1 303)	-72%	7 231
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		68 849	165 255	–	16	16	41 314	(41 297)	-100%	165 255
Interest from Current and Non Current Assets		1 265	–	–	–	–	–	–		–
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		1 860	1 641	–	571	571	410	161	39%	1 641
Licence and permits		–	–	–	–	–	–	–		–
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		1 533	806	–	70	70	201	(131)	-65%	806
Non-Exchange Revenue								–		
Property rates		108 696	128 920	–	279 860	279 860	32 230	247 630	768%	128 920
Surcharges and Taxes		69 951	73 281	–	17 259	17 259	18 320	(1 062)	-6%	73 281
Fines, penalties and forfeits		6 801	2 235	–	335	335	559	(224)	-40%	2 235
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		153 285	161 007	–	8 161	8 161	40 252	(32 091)	-80%	161 007
Interest		13 718	53 090	–	25 640	25 640	13 273	12 368	93%	53 090
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		6 262	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**750 159**	**948 495**	**–**	**430 502**	**430 502**	**237 124**	**193 379**	**82%**	**948 495**
Expenditure By Type										
Employee related costs		207 328	211 691	–	52 953	52 953	52 923	30	0%	211 691
Remuneration of councillors		9 790	12 146	–	2 469	2 469	3 036	(567)	-19%	12 146
Bulk purchases - electricity		227 563	228 174	–	62 751	62 751	57 043	5 707	10%	228 174
Inventory consumed		69 928	124 623	–	26 701	26 701	31 156	(4 455)	-14%	124 623
Debt impairment		108 927	89 408	–	–	–	22 352	(22 352)	-100%	89 408
Depreciation and amortisation		59 405	53 279	–	–	–	13 320	(13 320)	-100%	53 279
Interest		97 555	50 000	–	17 681	17 681	12 500	5 181	41%	50 000
Contracted services		129 371	128 878	–	17 141	17 141	32 220	(15 079)	-47%	128 878
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		73 709	31 594	–	2 512	2 512	7 899	(5 387)	-68%	31 594
Operational costs		52 065	64 224	–	11 981	11 981	16 056	(4 075)	-25%	64 224
Losses on Disposal of Assets		9 065	–	–	–	–	–	–		–
Other Losses		40 336	–	–	–	–	–	–		–
Total Expenditure		**1 085 042**	**994 017**	**–**	**194 189**	**194 189**	**248 504**	**(54 316)**	**-22%**	**994 017**
Surplus/(Deficit)		**(334 883)**	**(45 522)**	**–**	**236 314**	**236 314**	**(11 381)**	**247 694**	**-2176%**	**(45 522)**
Transfers and subsidies - capital (monetary allocations)		44 337	46 618	–	–	–	11 655	(11 655)	-100%	46 618
Transfers and subsidies - capital (in-kind)		16 063	30 500	–	–	–	7 625	(7 625)	-100%	30 500
Surplus/(Deficit) after capital transfers & contributions		**(274 483)**	**31 596**	**–**	**236 314**	**236 314**	**7 899**			**31 596**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**(274 483)**	**31 596**	**–**	**236 314**	**236 314**	**7 899**			**31 596**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**(274 483)**	**31 596**	**–**	**236 314**	**236 314**	**7 899**			**31 596**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**(274 483)**	**31 596**	**–**	**236 314**	**236 314**	**7 899**			**31 596**

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MP311 Victor Khanye - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - Quarter 1

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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	–	–	–	900	(900)	-100%	3 600
Vote 2 - Budget and Treasury		40 449	950	–	–	–	238	(238)	-100%	950
Vote 3 - Corporate Services		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		(393)	200	–	–	–	50	(50)	-100%	200
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		–	300	–	–	–	75	(75)	-100%	300
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health Services		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		29	550	–	–	–	137	(137)	-100%	550
Vote 10 - Roads Transport		22 212	23 700	–	3 183	3 183	5 925	(2 742)	-46%	23 700
Vote 11 - Electricity Services		38 198	5 000	–	–	–	1 250	(1 250)	-100%	5 000
Vote 12 - Water Services		(20 390)	20 500	–	437	437	5 125	(4 688)	-91%	20 500
Vote 13 - Waste Water Management		528	6 445	–	930	930	1 611	(681)	-42%	6 445
Vote 14 - Solid Waste Management		2 083	4 000	–	1 333	1 333	1 000	333	33%	4 000
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	86 343	65 245	–	5 883	5 883	16 311	**(10 428)**	**-64%**	65 245
Total Capital Expenditure		**86 343**	**65 245**	**–**	**5 883**	**5 883**	**16 311**	**(10 428)**	**-64%**	**65 245**
Capital Expenditure - Functional Classification										
Governance and administration		**50 310**	**10 550**	**–**	**–**	**–**	**2 638**	(2 638)	-100%	**10 550**
Executive and council		185	350	–	–	–	88	(88)	-100%	350
Finance and administration		50 125	10 200	–	–	–	2 550	(2 550)	-100%	10 200
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(393)**	**500**	**–**	**–**	**–**	**125**	(125)	-100%	**500**
Community and social services		(393)	200	–	–	–	50	(50)	-100%	200
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	300	–	–	–	75	(75)	-100%	300
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**16 007**	**18 250**	**–**	**3 183**	**3 183**	**4 562**	(1 380)	-30%	**18 250**
Planning and development		29	550	–	–	–	137	(137)	-100%	550
Road transport		15 978	17 700	–	3 183	3 183	4 425	(1 242)	-28%	17 700
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**20 420**	**35 945**	**–**	**2 700**	**2 700**	**8 986**	(6 286)	-70%	**35 945**
Energy sources		38 198	5 000	–	–	–	1 250	(1 250)	-100%	5 000
Water management		(20 390)	20 500	–	437	437	5 125	(4 688)	-91%	20 500
Waste water management		528	6 445	–	930	930	1 611	(681)	-42%	6 445
Waste management		2 083	4 000	–	1 333	1 333	1 000	333	33%	4 000
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**86 343**	**65 245**	**–**	**5 883**	**5 883**	**16 311**	**(10 428)**	**-64%**	**65 245**
Funded by:										
National Government		77 304	46 645	–	5 883	5 883	11 661	(5 778)	-50%	46 645
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		77 304	46 645	–	5 883	5 883	11 661	(5 778)	-50%	46 645
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		7 924	18 600	–	–	–	4 650	(4 650)	-100%	18 600
Total Capital Funding		85 229	65 245	–	5 883	5 883	16 311	(10 428)	-64%	65 245

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MP311 Victor Khanye - Table C6 Monthly Budget Statement - Financial Position - M03 - Quarter 1

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	–	(13 643)	76 659
Trade and other receivables from exchange transactions		96 710	(7 735)	–	153 365	(7 735)
Receivables from non-exchange transactions		20 449	146 472	–	272 802	146 472
Current portion of non-current receivables		–	–	–	–	–
Inventory		2 418	(35 945)	–	(4 960)	(35 945)
VAT		485 972	23 017	–	502 794	23 017
Other current assets		0	–	–	(1 016)	–
Total current assets		**617 910**	**202 468**	**–**	**909 342**	**202 468**
Non current assets						
Investments		–	–	–	–	–
Investment property		92 507	66 580	–	92 507	66 580
Property, plant and equipment		966 782	964 328	–	972 665	964 328
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		1 075	1 075	–	1 075	1 075
Intangible assets		64	(1 752)	–	64	(1 752)
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**1 060 427**	**1 030 231**	**–**	**1 066 310**	**1 030 231**
TOTAL ASSETS		**1 678 337**	**1 232 699**	**–**	**1 975 652**	**1 232 699**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		4 692	–	–	4 692	–
Consumer deposits		1 710	(8 865)	–	1 732	(8 865)
Trade and other payables from exchange transactions		1 701 058	113 075	–	1 733 496	113 075
Trade and other payables from non-exchange transactions		2 911	(117 122)	–	13 533	(117 122)
Provision		8 701	11 546	–	8 701	11 546
VAT		344 822	2 298	–	362 365	2 298
Other current liabilities		–	–	–	–	–
Total current liabilities		**2 063 894**	**932**	**–**	**2 124 519**	**932**
Non current liabilities						
Financial liabilities		(3 419)	7 528	–	(3 419)	7 528
Provision		21 276	679 000	–	21 276	679 000
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		43 984	–	–	43 984	–
Total non current liabilities		**61 841**	**686 528**	**–**	**61 841**	**686 528**
TOTAL LIABILITIES		**2 125 735**	**687 460**	**–**	**2 186 359**	**687 460**
NET ASSETS	2	**(447 397)**	**545 239**	**–**	**(210 708)**	**545 239**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(296 578)	545 239	–	(210 708)	545 239
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**(296 578)**	**545 239**	**–**	**(210 708)**	**545 239**

MP311 Victor Khanye - Table C7 Monthly Budget Statement - Cash Flow - M03 - Quarter 1

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		108 019	236 078	–	33 025	33 025	59 020	(25 995)	-44%	236 078
Service charges		308 925	450 169	–	85 841	85 841	112 542	(26 701)	-24%	450 169
Other revenue		58 809	23 809	–	21 044	21 044	5 952	15 092	254%	23 809
Transfers and Subsidies - Operational		33 912	161 007	–	4 818	4 818	40 252	(35 434)	-88%	161 007
Transfers and Subsidies - Capital		18 911	46 618	–	–	–	11 655	(11 655)	-100%	46 618
Interest		1 265	–	–	–	–	–	–		–
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(436 721)	(797 906)	–	(118 321)	(118 321)	(199 477)	81 156	-41%	(797 906)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**93 120**	**119 775**	**–**	**26 408**	**26 408**	**29 944**	**3 536**	**12%**	**119 775**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		64 037	(65 245)	–	(9 047)	(9 047)	(16 311)	7 265	-45%	(65 245)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**64 037**	**(65 245)**	**–**	**(9 047)**	**(9 047)**	**(16 311)**	**(7 265)**	**45%**	**(65 245)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**157 156**	**54 530**	**–**	**17 361**	**17 361**	**13 632**			**54 530**
Cash/cash equivalents at beginning:		3 725	22 130	–		12 361	22 130			12 361
Cash/cash equivalents at month/year end:		160 882	76 659	–		29 722	35 762			66 891

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MP311 Victor Khanye - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 - Quarter 1

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Quarter 1	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	–	1 359	1 359	1 746	(387)	-22%	6 985
Pension and UIF Contributions		1 022	1 230	–	266	266	308	(42)	-14%	1 230
Medical Aid Contributions		379	448	–	96	96	112	(16)	-15%	448
Motor Vehicle Allowance		186	428	–	93	93	107	(14)	-13%	428
Cellphone Allowance		799	985	–	203	203	246	(44)	-18%	985
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1 640	2 070	–	453	453	518	(65)	-13%	2 070
Sub Total - Councillors		**9 790**	**12 146**	**–**	**2 469**	**2 469**	**3 036**	**(567)**	**-19%**	**12 146**
% increase	4		**24,1%**							**24,1%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 185	5 336	–	1 101	1 101	1 334	(232)	-17%	5 336
Pension and UIF Contributions		352	106	–	45	45	26	18	70%	106
Medical Aid Contributions		271	73	–	17	17	18	(1)	-6%	73
Overtime		–	9	–	2	2	2	(0)	-9%	9
Performance Bonus		218	–	–	93	93	–	93	#DIV/0!	–
Motor Vehicle Allowance		687	632	–	206	206	158	48	30%	632
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		360	146	–	30	30	37	(7)	-18%	146
Other benefits and allowances		1	5	–	0	0	1	(1)	-84%	5
Payments in lieu of leave		–	–	–	4	4	–	4	#DIV/0!	–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		35	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**6 109**	**6 307**	**–**	**1 499**	**1 499**	**1 577**	**(78)**	**-5%**	**6 307**
% increase	4		**3,2%**							**3,2%**
Other Municipal Staff										
Basic Salaries and Wages		116 003	111 676	–	30 407	30 407	27 919	2 488	9%	111 676
Pension and UIF Contributions		26 869	30 052	–	7 177	7 177	7 513	(336)	-4%	30 052
Medical Aid Contributions		11 135	12 797	–	3 081	3 081	3 199	(118)	-4%	12 797
Overtime		13 120	20 692	–	4 038	4 038	5 173	(1 135)	-22%	20 692
Performance Bonus		8 591	10 172	–	2 660	2 660	2 543	117	5%	10 172
Motor Vehicle Allowance		10 158	13 183	–	2 823	2 823	3 296	(472)	-14%	13 183
Cellphone Allowance		42	143	–	34	34	36	(2)	-6%	143
Housing Allowances		1 292	830	–	103	103	208	(104)	-50%	830
Other benefits and allowances		6 570	4 008	–	928	928	1 002	(74)	-7%	4 008
Payments in lieu of leave		1 215	–	–	–	–	–	–		–
Long service awards		825	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	3 250	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		300	157	–	77	77	39	38	97%	157
Acting and post related allowance		1 849	1 675	–	125	125	419	(293)	-70%	1 675
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**201 220**	**205 385**	**–**	**51 454**	**51 454**	**51 346**	**108**	**0%**	**205 385**
% increase	4		**2,1%**							**2,1%**
Total Parent Municipality		**217 119**	**223 837**	**–**	**55 422**	**55 422**	**55 959**	**(537)**	**-1%**	**223 837**
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Board Fees	5	–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–

MP311 Victor Khanye - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 - Quarter 1

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
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	–	55 422	55 422	55 959	(537)	-1%	223 837
% increase	4		3,1%							3,1%
TOTAL MANAGERS AND STAFF		207 328	211 691	–	52 953	52 953	52 923	30	0%	211 691

MP311 Victor Khanye - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 - Quarter 1

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
Monthly expenditure performance trend									
July	4 364	5 437	–	787	787	5 437	4 650	85,5%	1%
August	8 730	5 437	–	(264)		10 874	–		
September	1 762	5 437	–	5 360	#VALUE!	16 311	#VALUE!	#VALUE!	#VALUE!
October	4 992	5 437	–	–		21 748	–		
November	2 807	5 437	–	–		27 185	–		
December	5 679	5 437	–	–		32 623	–		
January	1 356	5 437	–	–		38 060	–		
February	3 230	5 437	–	–		43 497	–		
March	5 859	5 437	–	–		48 934	–		
April	1 587	5 437	–	–		54 371	–		
May	5 874	5 437	–	–		59 808	–		
June	40 102	5 437	–	–		65 245	–		
Total Capital expenditure	**86 343**	**65 245**	**–**	**5 883**					

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MP311 Victor Khanye - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 - Quarter 1

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**67 499**	**28 728**	–	**1 866**	**1 866**	**7 182**	5 316	**74,0%**	**28 728**
Roads Infrastructure		2 399	4 000	–	–	–	1 000	1 000	**100,0%**	4 000
Roads		–	–	–	–	–	–	–		–
Road Structures		–	–	–	–	–	–	–		–
Road Furniture		–	–	–	–	–	–	–		–
Capital Spares		2 399	4 000	–	–	–	1 000	(1 000)	(0)	4 000
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		56 462	6 000	–	611	611	1 500	889	**59,3%**	6 000
Power Plants		–	–	–	–	–	–	–		–
HV Substations		–	–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		–	–	–	–	–	–	–		–
MV Substations		–	–	–	–	–	–	–		–
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		–	–	–	–	–	–	–		–
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		56 462	6 000	–	611	611	1 500	(889)	(0)	6 000
Water Supply Infrastructure		2 096	2 000	–	12	12	500	488	**97,6%**	2 000
Dams and Weirs		–	–	–	–	–	–	–		–
Boreholes		–	–	–	–	–	–	–		–
Reservoirs		–	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		–	–	–	–	–	–	–		–
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	–	–	–	–	–	–		–
Distribution Points		–	–	–	–	–	–	–		–
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		2 096	2 000	–	12	12	500	(488)	(0)	2 000
Sanitation Infrastructure		5 298	2 000	–	1 016	1 016	500	(516)	**-103,1%**	2 000
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		5 298	2 000	–	1 016	1 016	500	516	0	2 000
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		–	–	–	–	–	–	–		–
Waste Processing Facilities		–	–	–	–	–	–	–		–
Waste Drop-off Points		–	–	–	–	–	–	–		–
Waste Separation Facilities		–	–	–	–	–	–	–		–
Electricity Generation Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines		–	–	–	–	–	–	–		–
Rail Structures		–	–	–	–	–	–	–		–
Rail Furniture		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
MV Substations		–	–	–	–	–	–	–		–
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Coastal Infrastructure		1 093	3 778	–	23	23	945	922	**97,6%**	3 778
Sand Pumps		–	–	–	–	–	–	–		–
Piers		–	–	–	–	–	–	–		–
Revetments		–	–	–	–	–	–	–		–
Promenades		–	–	–	–	–	–	–		–
Capital Spares		1 093	3 778	–	23	23	945	(922)	(0)	3 778
Information and Communication Infrastructure		150	10 950	–	205	205	2 738	2 532	**92,5%**	10 950
Data Centres		–	–	–	–	–	–	–		–
Core Layers		–	–	–	–	–	–	–		–

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MP311 Victor Khanye - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 - Quarter 1

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		150	10 950	–	205	205	2 738	(2 532)	(0)	10 950
Community Assets		–	–	–	–	–	–	–		–
Community Facilities		–	–	–	–	–	–	–		–
Halls		–	–	–	–	–	–	–		–
Centres		–	–	–	–	–	–	–		–
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		–	–	–	–	–	–	–		–
Galleries		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Libraries		–	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		–	–	–	–	–	–	–		–
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		–	–	–	–	–	–	–		–
Markets		–	–	–	–	–	–	–		–
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Monuments		–	–	–	–	–	–	–		–
Historic Buildings		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Conservation Areas		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		–	–	–	–	–	–	–		–
Operational Buildings		–	–	–	–	–	–	–		–
Municipal Offices		–	–	–	–	–	–	–		–
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	–	–	–	–	–	–		–
Laboratories		–	–	–	–	–	–	–		–
Training Centres		–	–	–	–	–	–	–		–
Manufacturing Plant		–	–	–	–	–	–	–		–
Depots		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–

MP311 Victor Khanye - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 - Quarter 1

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
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	67 499	28 728	–	1 866	1 866	7 182	5 316	74,0%	28 728

ENVISAGED IMPACT

The reason for the 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.

STAKEHOLDERS CONSULTED

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

LEGAL IMPLICATIONS

The none payment of Eskom, Rand Water and the Auditor General accounts will lead to legal implication to the municipality.

FINANCIAL IMPLICATIONS

They are no financial implication to the budget, IDP and SDBIP

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.

Annexure A2 - Monthly

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

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	Sept'25
National Financial Year	2025/26
Demarcation Code of Municipality being assessed	MP311
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)

Choose from drop down list

Notes/Comments

Condition	6,3 + 6,12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):		Notes/Comments
1	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	
2	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	
3	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	
4	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.*	Yes	
5	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	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
	6.4	Compliance with a funded MTREF – *(choose from drop down list the MTREF assessed)*	2025/26 Adopted MTREF	
7	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	
8	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	

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 tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also propert rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".		
10	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 used 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".		
11	6.4.2	- ***If the municipality's MTREF is not funded***, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes	
		Note - If the municipality has an FRP, a separate budget funding plan is not necesary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strenghtening.		
12	6.4.2	- ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework***, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? ***Note** - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	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 aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
14	6.5	**Cost reflective tariffs** – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
	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:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? 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	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? ***Note** – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.*	No	
	6.6	***Supporting evidence**: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.*		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	

		Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.	
	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** :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	No
21	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
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes
23	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
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?	Yes
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
	6.10	*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.* *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 such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.*	
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 three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the 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?	Yes
		***Note:** Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).*	
39		***Supporting evidence*** : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
40	**6.13**	**Accounting Treatment -** has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? ***Note** - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.*	Yes
41	**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: TSWALEDI MACDONALD MASHABELA

Signature of HOD/ NT/ MM:

Date: 14/10/2025

** ***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.*

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 2025_25 amounts to **R 1.4 billion** and **R510 million** respectively;
4. That the Municipal Council consider that the debt book amounts to **R1.6 billion;**
5. That the Municipal Council consider the payments made in the first quarter to Eskom and Rand Water amounts to **R26.5 million** and **R21.2 million** respectively;
6. Therefore, the implementation of credit control and debt collection policy must be intensified.
7. That the council consider the debt relief circular 124 for the month of September.

T.P Mahlangu
CHIEF FINANCIAL OFFICER