

DRAFT MINUTES OF THE TWENTIETH (20TH) ORDINARY COUNCIL MEETING OF THE SIXTH COUNCIL OF MALUTI-A-PHOFUNG LOCAL MUNICIPALITY HELD ON THURSDAY THE 23RD OF OCTOBER 2025, AT THE PHUTHADITJHABA MULTIPURPOSE HALL AT 10H00

ADDENDUM 2

REPORT ON THE MFMA SECTION 52(d) FOR THE 1ST QUARTER (JULY – SEPTEMBER 2025)

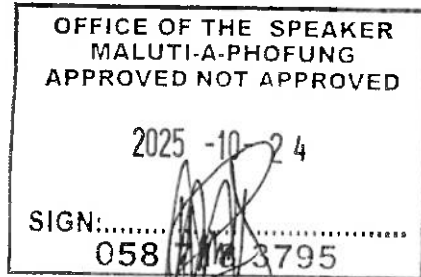
COUNCIL RESOLVED:

1. Council takes note of the MFMA section 52(d) report for the 1st Quarter (July to September 2025)
2. Council takes note of the budget funding plan pillars as summarised in the report under paragraph 4.5
3. Council notes the Municipal Debt Relief compliance status based on the self-assessment from July – September 2025 as captured in paragraph 16.1 and 16.2 of the report.
4. Council further takes note of the Municipal Debt Relief compliance from July – August 2025 from the Free State Provincial Treasury as captured in paragraph 16.5 of the report
5. Council takes note of the Equitable Share release requirements under Annexure A of the MFMA circular 123 and status of submission as captured in paragraph 17.1 of the report
6. Council and Senior Management of the Municipality must closely monitor and enforce accountability for implementation of activities on the budget funding plan, the debt relief requirements and the revenue enhancement strategy.

Signed :.....

Speaker

Olle Mandlenkosi Dlamini



Date :.....

Issued by : *NJABULO SIBIYA*

Received by : *R. NJ. Motswagwe 28/10/2025*

REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL



MFMA SECTION 52(D)

**1ST QUARTER (JULY - SEPTEMBER)
2025**



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

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Abbreviations and Acronyms

CFO	Chief Financial Officer	ℓ	litre
MM	Municipal Manager	LED	Local Economic Development
EM	Executive Mayor	MFMA	Municipal Financial Management Act
DoRA	Division of Revenue Act	MIG	Municipal Infrastructure Grant
DWA	Department of Water Affairs	MMC	Member of Mayoral Committee
EEDSM	Energy Efficiency Demand Side Management	MPRA	Municipal Properties Rates Act
EPWIP	Expanded Public Works Incentive Programme	MSA	Municipal Systems Act
FMG	Finance Management Grant	MTEF	Medium-term Expenditure Framework
WSIG	Water Service Infrastructure Grant	MTREF	Medium-term Revenue and Expenditure Framework
FY	Financial Year	NERSA	National Electricity Regulator South Africa
mSCOA	Municipal Standard Chart of Accounts	PPE	Property Plant and Equipment
FBS	Free basic services	SALGA	South African Local Government Association
FBE	Free basic electricity	SDBIP	Service Delivery Budget Implementation Plan
IDP	Integrated Development Strategy	HIT	Harrismith Intabazwe Tshame
kℓ	kilolitre		
km	kilometre		
KPA	Key Performance Area		
KPI	Key Performance Indicator		
kWh	kilowatt		
UIF&W	Unauthorised, Irregular, Fruitless and Wasteful		
CAPEX	Capital Expenditure		
MBRR	Municipal budget and reporting regulations		
BFP	Budget Funding Plan		
Share of associate /Intercompany/Parent subsidiary transactions - refers to the revenue received by the Entity from the Parent which includes the Equitable Share, Water and Sewer			



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PART 1 - IN-YEAR REPORT FOR THE 1ST QUARTER (JULY– SEPTEMBER) 2025

1 PURPOSE

The purpose of this report is to provide quarterly statement on the implementation of the budget of the municipality for the 1st Quarter (July - September) 2025.

2 BACKGROUND AND DISCUSSION

2.1. The strategic objective of this report is to improve the effectiveness of governance, administrative and financial systems:

- Strengthen integrated planning, monitoring and evaluation of municipal programs.
- Improve public participation and oversight to enhance accountability.
- Increase municipal financial viability.

2.2. The format of this in-year report is regulated and the content guided by the MFMA and MFMA circulars as follows:

2.2.1. Section 52(d) of the MFMA No.56 of 2003 states that:

The mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

2.2.2. Municipal Budget and Reporting Regulations - Government Gazette No 32141 of 17 June 2009

The specific format for the report required to be submitted to the Executive Mayor and Treasury, as referred to in section 71 has been prescribed in terms of Schedule C and F of the MBRR.

2.2.3. MFMA Circular No. 123 - Municipal Debt Relief Circular for the 2023/24 MTREF - 03 March 2023

Paragraph 8.1. Criteria for the release of the Equitable Share

Requires municipalities to include a completed equitable share release requirement checklist as part of the MFMA s52 (d) quarterly reporting.



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2.2.4. MFMA Circular No. 124 - Municipal Debt Relief Circular for the 2023/24 MTREF - 13 March 2023

Paragraph: 3.1. Municipal Debt Relief – Application/ Merit Based

Every municipality with arrear Eskom debt as of 31 March 2023 may make a written application to the National Treasury for Municipal Debt Relief.

2.2.5. MFMA Circular No. 128 - Municipal Budget Circular for the 2024/25 MTREF - 08 March 2024

Paragraph 3.1. Update on Municipal Debt Relief (MFMA Circular No. 124)

Debt relief reporting requirements

Municipalities approved for debt Relief (in terms of their National Treasury approvals), must ensure that their MFMA s.71 statements, over-and-above the normal MFMA s.71 requirements, include the following as a minimum:

- The municipality's self-assessment in the format of the compliance certificate issued in MFMA Circular No. 124: Annexure A2 (signed by the Municipal Manager) – municipalities should use the latest format of the compliance certificate issued during February 2024 available under MFMA Circular No. 124 and included as **Annexure B** to this circular;
- The municipality's progress towards restricting free basic services to the national policy limits (condition 6.6) and in the format included as **Annexure C** to this circular;
- The municipality's progress towards achieving a minimum average quarterly collection of 80 per cent (condition 6.7) and in the format included as **Annexure D** to this circular;
- If the municipality's 2024/25 and/ or 2025/26 MTREF is not funded, the MFMA Section 71 statement must monthly include the municipality's progress against its approved **Budget Funding Plan**:
 - The high-level summary of its **monthly property rates reconciliation** (in the National Treasury template format already shared with the municipality during the application process); and
 - The municipality's **progress in addressing any variances** evident from its monthly **property rates reconciliation**; etc.



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3 EXECUTIVE SUMMARY

The budget statement for the 1st quarter ending 30 September 2025 must be submitted to Council by the 31st October 2025 in order to comply with the reporting timeline section 52(d) of the MFMA No 56 of 2003.

The progress on the implementation of the activities on the budget funding plan is monitored monthly and uploaded to the goMuni portal and the quarterly reports are submitted to Council.

The municipality was approved on the 21^{sts} of November 2023 to participating in MFMA Circular 124 Municipal Debt Relief and is required to report on compliance matters affecting the debt relief. The monthly budget statement has been extended to include debt relief reporting requirements listed under paragraph 13.1 of the MFMA Circular 128.

The financial performance is highly affected by both internal and external factors, which amongst others include:

- High inflation rate.
- Aging infrastructure.
- Wage increases for municipal staff and the need to fill critical vacancies.
- Inability to service the outstanding Eskom and DWS debts.
- Low cash flow to procure sufficient machinery, vehicles and other tools to effectively deliver the services to the community.
- The high unemployment rate which affects the payment of services.
- The number of rural wards which currently do not pay for services.
- Resistance by other consumers to pay the municipal services.
- Organisations such as HIT which is operating to deliver services and collects monies from the community.
- Illegal water and electricity connections, cable theft and tampering.



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The municipality is currently implementing the following measures to improve the financial performance and address the challenges above:

- Notices and cut offs to non-paying consumers.
- Implement the flat rate to all rural households who have not registered as indigents.
- Regular introduction of the debt incentive schemes.
- The partnering with Eskom to normalise the electricity infrastructure through DAA.
- The revenue enhancement team has been established to develop strategies to improve revenue, the revenue enhancement strategy was approved on the 20th of November 2024
- The budget was also submitted with the budget funding plan which is monitored on a monthly and quarterly basis.
- Investments made to different banks in order to yield interests.
- Reduction of incurring expenditure on non-core item.
- The appointment of professional to conduct an assessment on the dissolution of the Water Entity.



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MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

The following tables show the consolidated overview of the budget performance for the period ending September 2025.

3.1 Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget

Description R'000	Financial Year 2025/2026					
	Original Budget	1st Quarter Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Operating Revenue	2 137 247	565 171	565 171	534 312	30 859	6%
Intercompany/Parent subsidiary transactions	270 618	51 168	51 168	67 655	(16 487)	-24%
Total consolidated revenue	2 407 865	616 339	616 339	601 966	14 372	2%
Consolidated Operating Expenditure	2 638 370	605 832	605 832	659 592	(53 761)	-8%
Surplus/ (Deficit)	(230 505)	10 507	10 507	(57 626)	68 133	-118%
Capital expenditure	316 681	25 049	25 049	79 170	(54 122)	-68%

The consolidated total revenue for the 1st quarter was R616.3 million. This positive cash flow was contributed by the first trench of the Equitable share that was received in the 1st quarter. The total year to date actual operating revenue of R616.3 million was R14.3 million (2%) more than the year to date budget of R601.9 million. This includes intercompany transactions

The consolidated total expenditure for the 1st quarter of R605.8 million is equal to the year to date actuals which is less than the year to date budget of R659.5 million by R53.7 million (8%). The non-cash transactions, which are debt impairment and depreciation are not calculated and recorded monthly as required, which contributes to the variances.

The total year to date capital expenditure of R25 million is equal to the year to date actuals but less than the year to date budget of R79.1 million (68%). The variance is due to the fact that the total capital expenditure from conditional grants recorded on the above table is vat exclusive whilst the budget includes the VAT portion. This is also due to the fact most projects are still at the procurement phases.



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3.2 Table 2: Consolidated summary: Statement of Financial Performance: Adjusted Budget

Description R'000	Financial Year 2025/2026				
	Original Budget	YearTD budget	%	YearTD actual	%
Operating Revenue	2 137 247	534 312	25%	565 171	26%
Intercompany/Parent subsidiary transactions	270 618	67 655	25%	51 168	19%
Total consolidated operating revenue	2 407 865	601 966	25%	616 339	26%
Total consolidated operating expenditure	2 638 370	659 592	25%	605 832	23%
Surplus/ (Deficit)	(230 505)	(57 626)	25%	10 507	-5%
Total Capital expenditure	316 681	79 170	25%	25 049	8%

The total year to date outcomes should be at 25% of the budget by the end of the 1st quarter ending 30 September 2025. The total year to date operating revenue was at 26% of the budget and the total year to date operating expenditure was at 23% of the budget and the total capital expenditure was at 8% of the adjusted budget.

The operating revenue positive results was due to the R366 million equitable share trench received in July 2025; the operating expenditure was at 23% which shows a risk of unauthorised expenditure by year end. The capital expenditure is below the target of 25%, spending will improve once the procurement processes are completed.



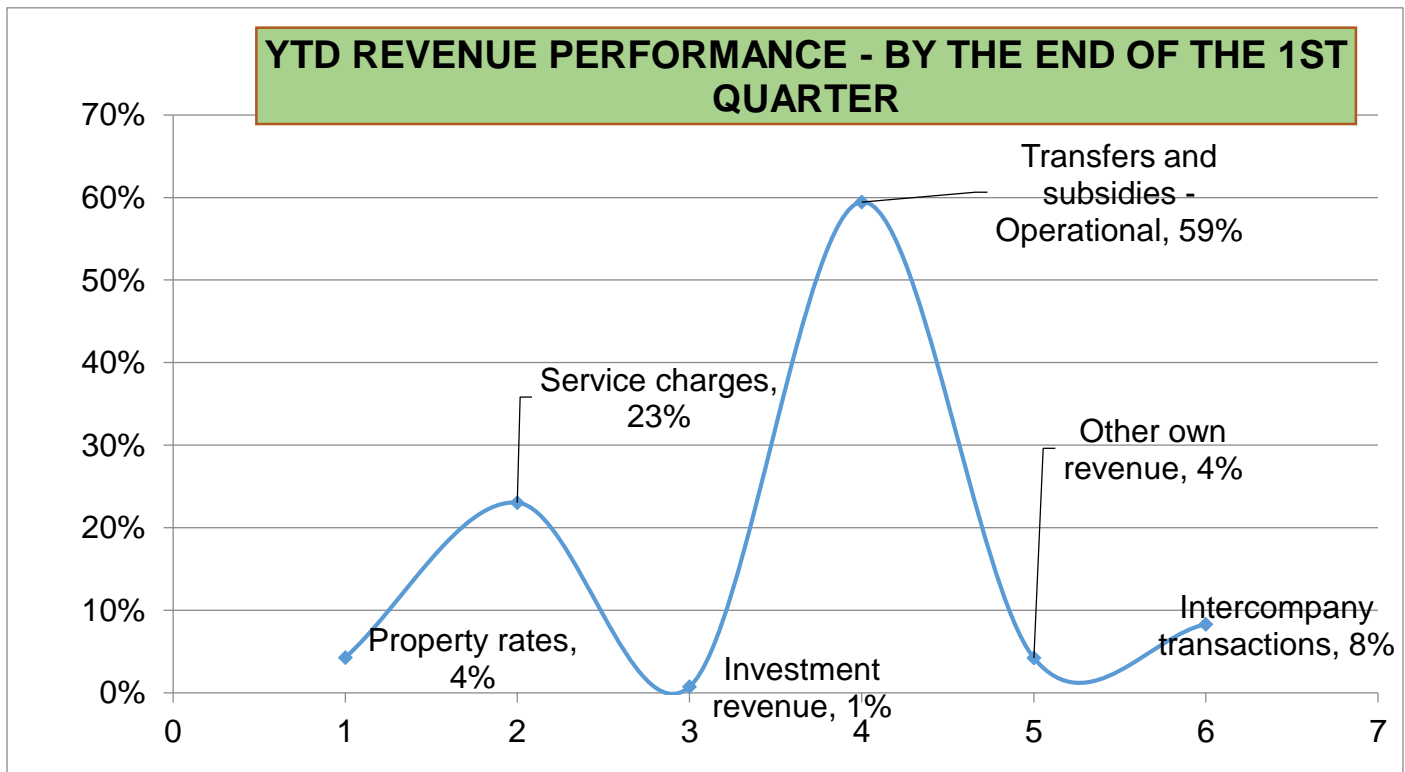
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3.3 Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue

It can be seen from the table below that **59%** of the total revenue to date came from transfers and subsidies. The second contributor to the municipality comes from service charges, which was **23%** by the end of the 1st quarter 2025.

Year to date performance by the end of the 1st quarter ending 30 September 2025		
Description R'000	Amount	%
Property rates	26 226	4%
Service charges	141 945	23%
Investment revenue	4 500	1%
Transfers and subsidies - Operational	366 381	59%
Other own revenue	26 120	4%
Intercompany transactions	51 168	8%
Total Revenue	616 339	100%





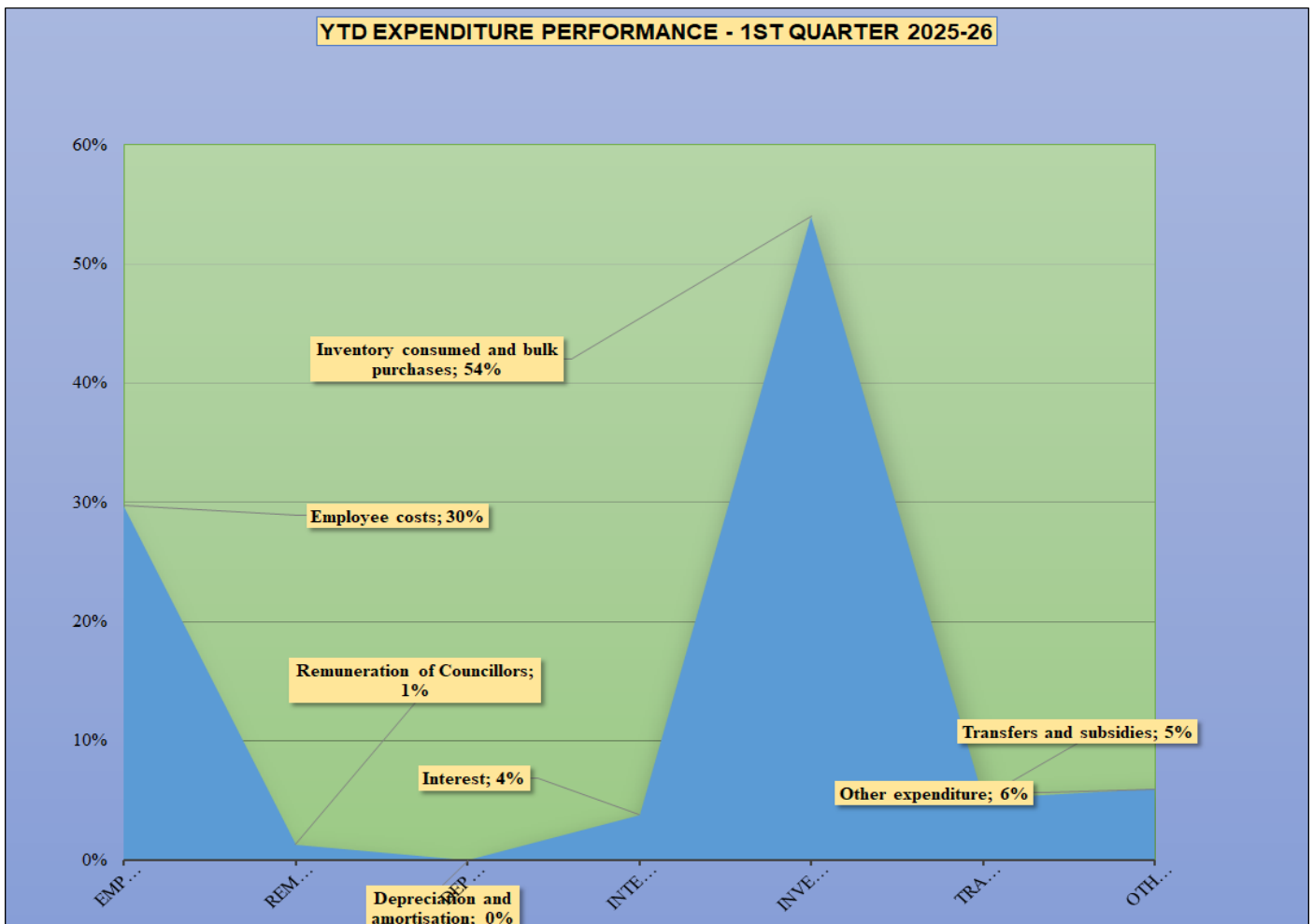
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3.4 Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

The chart shows that to date **54%** of the total year to date expenditure was from inventory consumed and bulk purchases. The year to date employee costs was at **30%** of the total expenditure.

Year to date performance by the end of the 1st quarter 2025/26		
Description R'000	Amount	%
Employee costs	180 119	30%
Remuneration of Councillors	8 040	1%
Depreciation and amortisation	–	0%
Interest	23 052	4%
Inventory consumed and bulk purchases	327 191	54%
Transfers and subsidies	31 336	5%
Other expenditure	36 094	6%
Total Expenditure	605 832	100%





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4 BUDGET PERFORMANCE OVERVIEW

4.1 Operating Revenue by Source

4.1.1 Table 3: Table C4 Consolidated Financial Performance (Revenue)

Description	Budget year 2025-2026								
	Original Budget	Jul-25	Aug-25	Sep-25	1st quarter actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands (R'000)									
Revenue By Source									
Exchange Revenue									
Service charges - Electricity	739 063	(737)	25 119	64 566	88 948	88 948	184 766	(95 818)	-52%
Service charges - Water	95 159	9 515	8 730	7 141	25 385	25 385	23 790	1 596	7%
Service charges - Waste Water Management	51 422	4 562	4 568	4 760	13 889	13 889	12 855	1 034	8%
Service charges - Waste management	51 184	4 566	4 585	4 571	13 722	13 722	12 796	926	7%
Sale of Goods and Rendering of Services	6 743	324	276	198	798	798	1 686	(887)	-53%
Interest earned from Receivables	125 181	8 492	8 911	(26)	17 376	17 376	31 295	(13 919)	-44%
Interest from Current and Non Current Assets	12 764	–	4 042	458	4 500	4 500	3 191	1 309	41%
Rent on Land	1 000	–	–	–	–	–	250	(250)	-100%
Rental from Fixed Assets	3 992	112	89	150	351	351	998	(647)	-65%
Operational Revenue	11 772	105	107	122	333	333	2 943	(2 610)	-89%
Non-Exchange Revenue									
Property rates	110 363	8 540	9 093	8 594	26 226	26 226	27 591	(1 365)	-5%
Fines, penalties and forfeits	2 396	147	243	51	441	441	599	(159)	-26%
Licence and permits	1 663	–	–	–	–	–	416	(416)	0%
Transfers and subsidies - Operational	882 846	366 046	335	–	366 381	366 381	220 712	145 670	66%
Interest	41 693	3 398	3 423	–	6 821	6 821	10 423	(3 602)	-35%
Other Gains	7	–	–	–	–	–	2	(2)	-100%
Total	2 137 247	405 068	69 520	90 583	565 171	565 171	534 312	30 859	6%
Intercompany/Parent subsidiary transactions	270 618	–	33 865	17 303	51 168	51 168	67 655	(16 487)	-24%

- **Electricity revenue** for the 1st quarter amounting to R88.9 million is equal to the year to date actual. The year to date amounted to R88.9 million which was 52% less than the target of R184.7 million. The conventional billing has been taken over by Eskom from September 2024 in addition to the LPU's billing, however not all transactions have been sent to the Municipality by Eskom for recording in order for correct billing outcomes to reflect in the municipal books. There are weekly meetings whereby all these issues are addressed
- **Water revenue** for the 1st quarter amounted to R25.3 million and equal to the year to date actual but was 7% more than the budget of R23.7 million. The municipality is currently not reading meters; consumers are billed on estimates.
- **Waste water management revenue** was R13.8 million for the 1st quarter and actual year to date. This was R1 million (7%) more than the R12.8 million year to date budget



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- **Waste management revenue** for the 1st quarter amounted to R13.7 million and equal to the year to date which was 7% above the target of R12.7 million.
- **Sale of good and services** for the 1st quarter was R798 thousand and the year to date which was 53% less than the target of R1.6 million.
- **Interest earned receivables (debtors)** for the 1st quarter amounted to R17.3 million and the year to date outcome which was R13.9 million (44%) below the year to date target of R31.2 million.
- **Interest from current and non-current assets** amounted to R4.5 million and the year to date outcome which was 41% more than the target of R3.1 million.
- **Rental from fixed assets** for the 1st quarter and year to date actual is R351 thousand which is R647 thousand (65%) less than the year to date budget of R998 thousand. This depends on consumer needs
- **Operational revenue** year to date and 1st quarter amounted to R333 thousand which was 89% less than the target of R2.9 million. Collection on other municipal income should be improved
- **Property rates** year to date outcome of R26.2 million was 5% less than the target of R27.5 million. The reconciliation between valuation roll and the financial system is performed quarterly and variances addressed monthly
- **Fines** year to date amounted to R441 thousand and equal to the 1st quarter. The year to date budget of R559 thousand was more than the year to date actual of R441 thousand by R159 thousand (26%).
- **Transfers and subsidies** the 1st quarter actuals and total year to date amounted to R366.3 million. The 1st trench of the equitable share was received in the first quarter
- **Interest (property rates)** the 1st quarter actuals and year to date outcomes of R6.8 million was less by R3.6 million (35%) to the year to date budget of R10.4 million.
- **Intercompany transactions** – includes the monthly invoices for the equitable share subsidy and the monthly revenue billing or invoices which the Entity submits to the Parent municipality to claim the monies collected by the Parent municipality for water and sewerage. The year total year to date actual amounted to R366.3 million by the end of the 1st quarter 2025.



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4.2 Operating Expenditure by Type

4.2.1 Table 4: Table C4 Consolidated Financial Performance (Expenditure)

Description R thousands (R'000)	Budget year 2025-2026								
	Original Budget	Jul-25	Aug-25	Sep-25	1st quarter actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Expenditure by type									
Employee related costs	722 554	46 406	74 315	59 398	180 119	180 119	180 639	(520)	0%
Remuneration of councillors	36 529	2 699	2 670	2 670	8 040	8 040	9 132	(1 093)	-12%
Bulk purchases - electricity	1 114 944	150 024	170 272	375	320 672	320 672	278 736	41 936	15%
Inventory consumed	69 277	1 201	911	4 407	6 519	6 519	17 319	(10 800)	-62%
Debt impairment	13 280	-	-	-	-	-	3 320	(3 320)	0%
Depreciation and amortisation	75 930	-	-	-	-	-	18 983	(18 983)	0%
Interest	51 662	23 043	9	0	23 052	23 052	12 915	10 137	78%
Contracted services	203 440	7 253	8 428	10 642	26 323	26 323	50 860	(24 537)	-48%
Transfers and subsidies	198 043	-	-	31 336	31 336	31 336	49 511	(18 175)	-37%
Irrecoverable debts written off	23 120	57	165	387	609	609	5 780	(5 171)	0%
Operational costs	129 590	637	2 028	6 496	9 161	9 161	32 398	(23 237)	-72%
Other Losses	-	-	-	-	-	-	-	-	#DIV/0!
Total	2 638 370	231 320	258 799	115 712	605 832	605 832	659 592	(53 761)	-8%

- **Employee related costs** - the 1st quarter outcome of R180.1 million was R520 thousand less than the year to date budget of R180.6 million. This includes the year to date movements of overtime as indicated under [Table 17](#) (excluding shifts).
- **Remuneration of councillors'** year to date of R8 million is 12% less than the target of R9.1 million.
- **Bulk purchases electricity** for the 1st quarter amounted to R320.6 million which is R41.9 million more than the year to date budget of R278.7 million. The September invoice was not captured on the financial system.
- **Inventory consumed** year to date amounted to R6.5 million which was 62% less than the target of R10.8 million.
- **Debt impairment and Depreciation** have no movement to date. The monthly calculations are not performed as required.
- **Interest** year to date amounted to R23 million. The municipality was charged the interest due to failure to maintain the Eskom current account.



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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- **Contracted services** outcome for the 1st quarter amounting to R26.3 million was R24.5 million (48%) less than the year to date budget of R50.8 million.
- **Transfers and subsidies** which includes MAP Water subsidy and own funding EPWP amounted to R31.3 million.
- **Irrecoverable debts written off** year to date amounted to date R609 thousand. The debt incentive program is in progress
- **Operational costs** year to date was at R9.1 million which was 72% below the target of R32.3 million. This category includes amongst others; protective clothing, water and sewerage levies to the entity, advertisements, audit fees).



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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4.2.2 Table 4.1 Repairs & Maintenance Expenditure per directorate per inventory type

Description	Budget 2025/26	Jul-25	Aug-25	Sep-25	1st quarter actuals	YTD Actual
Vote 03 - Corporate Services	254	3	–	0	3	3
R & M - Computer Equipment	200	–	–	–	–	–
Inventory: R & M - Computer Equipment	54	3	–	0	3	3
Vote 05 - Municipal Infrastructure	20,500	–	708	–	708	708
R & M - Resurfacing Of Roads	5,000	–	–	–	–	–
R & M - Streets & Stormwater	1,000	–	–	–	–	–
Contracted: Maintenance water access to buildings	1,500	–	–	–	–	–
R & M - Maintenance Of VIP Toilets	1,500	–	–	–	–	–
Maintenance Of Cell - Landfillsites	3,000	–	–	–	–	–
Cover Material Landfill site	2,000	–	–	–	–	–
Rehabilitation of landfill site	1,500	–	–	–	–	–
Inventory: R & M - Resurfacing Of Roads	5,000	–	708	–	708	708
Vote 06 - Community Services	400	–	–	–	–	–
Repair fence - Bluegumbosch cemetery	400	–	–	–	–	–
Vote 07 - Public Safety & Transport	5,912	1,010	–	952	1,962	1,962
Contr: Maintenance Of Equipment	612	–	–	–	–	–
R & M - Motors & Pumps	200	–	–	–	–	–
R & M - Vehicles	5,000	1,010	–	952	1,962	1,962
Inventory: R & M - Vehicles	100	–	–	0	0	–
Vote 08 - Sports, Arts, Parks, Culture	3,650	–	127	–	127	127
R & M - Grounds & Open Spaces	2,000	–	–	–	–	–
Contr: Maintenance Of Equipment	150	–	–	–	–	–
Inventory: R & M - Grounds & Open Spaces	1,500	–	127	–	127	127
Vote 09 - LED & TOURISM	2,000	–	–	–	–	–
R & M - Buildings	2,000	–	–	–	–	–
Vote 10 - Human Settlements	27,600	28	29	–	56	56
R & M - Buildings	25,000	28	29	–	56	56
Contr: Maintenance Of Equipment	500	–	–	–	–	–
Contr: Maintenance Of Equipment	600	–	–	–	–	–
Inventory: R & M - Buildings	1,000	–	–	–	–	–
Inventory: R & M - Equipment & Tools	500	–	–	–	–	–
Vote 13 - Electricity Department	28,360	–	148	483	630	630
R & M - Network Reticulation	6,360	–	145	–	145	145
R & M - Substations	5,000	–	–	–	–	–
R & M - Tranformers	3,000	–	–	–	–	–
R & M - Street Lights	1,000	–	–	–	–	–
R & M - Traffic Lights	1,000	–	–	–	–	–
Inventory: R & M - Network Reticulation	5,000	–	–	–	–	–
Inventory: R & M - Substations	1,000	–	–	483	483	483
Inventory: R & M - Tranformers	2,000	–	–	–	–	–
Inventory: R & M - Street Lights	2,000	–	3	–	3	3
Inventory: R & M Traffic Lights	2,000	–	–	–	–	–
Vote 14 - Maluti Water	23,817	–	–	22	22	22
R & M - Computer Equipment	144	–	–	–	–	–
R & M - Build & Ground Pump Stations	470	–	–	–	–	–
R & M - Build & Ground Reservoirs	376	–	–	–	–	–
R & M - Build & Grounds Fika Patso Wtw	21	–	–	–	–	–
R & M - Build & Grounds Makwane Wtw	43	–	–	–	–	–
R & M - Building & Gr Sterkfontein Wtw	21	–	–	–	–	–
R & M - Building & Grounds Wilge Wtw	701	–	–	–	–	–
R & M - Fleet Management	1,191	–	–	–	–	–
R & M - Motors & Pumps Fika Patso Wtw	340	–	–	–	–	–
R & M - Motors & Pumps Hs & Tsiame Wwtw	6,952	–	–	–	–	–
R & M - Motors & Pumps Makwane Wtw	85	–	–	–	–	–
R & M - Motors & Pumps Phu Ela Kest Wwtw	2,734	–	–	–	–	–
R & M - Motors & Pumps Pump Stations	26	–	–	–	–	–
R & M - Motors & Pumps Reservoirs	51	–	–	–	–	–
R & M - Motors & Pumps Sterkfontein Wtw	26	–	–	–	–	–
R & M - Motors & Pumps Wilge Wtw	2,308	–	–	–	–	–
R & M - Netw Reticul Qwa Qwa	125	–	–	–	–	–
R & M - Network Reticulation Harrysmith	357	–	–	21	21	21
R & M - Quality Monitoring	706	–	–	–	–	–
R & M - Sheq Plus Sheq Incentive	2,144	–	–	–	–	–
R & M - Vehicle Licenses	1,130	–	–	–	–	–
R & M - Vehicles	706	–	–	–	–	–
R&M - Motors & Pumps Makw & Moeding Wwtw	222	–	–	–	–	–
Other R&M inventory	2,938	–	–	1	1	1
Total	112,093	1,041	1,012	1,457	3,510	3,509



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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4.2.3 Table 4.2 Repairs & Maintenance Expenditure per Service per inventory type

FS194 Maluti-a-Phofung - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q1 First Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		25 956	54 515	54 515	504	1 359	13 629	12 269	90,0%	54 515
Roads Infrastructure		4 033	10 000	10 000	-	708	2 500	1 792	71,7%	10 000
Roads		4 033	10 000	10 000	-	708	2 500	1 792	71,7%	10 000
Storm water Infrastructure		-	1 000	1 000	-	-	250	250	100,0%	1 000
Drainage Collection		-	1 000	1 000	-	-	250	250	100,0%	1 000
Electrical Infrastructure		20 992	28 360	28 360	483	630	7 090	6 460	91,1%	28 360
MV Substations		3 028	5 000	5 000	-	-	1 250	1 250	100,0%	5 000
MV Networks		9 264	12 000	12 000	483	485	3 000	2 515	83,8%	12 000
LV Networks		8 699	11 360	11 360	-	145	2 840	2 695	94,9%	11 360
Water Supply Infrastructure		-	1 632	1 632	-	-	408	408	100,0%	1 632
Reservoirs		-	376	376	-	-	94	94	100,0%	376
Pump Stations		-	470	470	-	-	117	117	100,0%	470
Water Treatment Works		-	786	786	-	-	197	197	100,0%	786
Sanitation Infrastructure		222	4 023	4 023	21	21	1 006	985	97,9%	4 023
Pump Station		-	1 500	1 500	-	-	375	375	100,0%	1 500
Reticulation		222	1 982	1 982	21	21	496	475	95,8%	1 982
Waste Water Treatment Works		-	540	540	-	-	135	135	100,0%	540
Solid Waste Infrastructure		710	9 500	9 500	-	-	2 375	2 375	100,0%	9 500
Landfill Sites		710	6 500	6 500	-	-	1 625	1 625	100,0%	6 500
Waste Transfer Stations		-	3 000	3 000	-	-	750	750	100,0%	3 000
Community Assets		-	400	400	-	-	100	100	100,0%	400
Community Facilities		-	400	400	-	-	100	100	100,0%	400
Cemeteries/Crematoria		-	400	400	-	-	100	100	100,0%	400
Other assets		1 329	29 500	29 500	-	184	7 375	7 191	97,5%	29 500
Operational Buildings		1 329	29 500	29 500	-	184	7 375	7 191	97,5%	29 500
Municipal Offices		1 329	29 500	29 500	-	184	7 375	7 191	97,5%	29 500
Computer Equipment		20	1 022	1 022	0	3	256	252	98,6%	1 022
Computer Equipment		20	1 022	1 022	0	3	256	252	98,6%	1 022
Furniture and Office Equipment		-	363	363	-	-	91	91	100,0%	363
Furniture and Office Equipment		-	363	363	-	-	91	91	100,0%	363
Machinery and Equipment		6 495	26 293	26 293	953	1 963	6 573	4 610	70,1%	26 293
Machinery and Equipment		6 495	26 293	26 293	953	1 963	6 573	4 610	70,1%	26 293
Total Repairs and Maintenance Expenditure	1	33 799	112 093	112 093	1 457	3 510	28 023	24 514	87,5%	112 093



**MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST
QUARTER (JULY – SEPTEMBER) 2025**

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4.2.4 Table 5. Summary of YTD Bulk Electricity expenditure and outstanding Eskom debt

The total outstanding balance for the Eskom amounted to R9.7 billion by the end of September 2025.

ESKOM BULK INVOICE CHARGES AND PAYMENTS DURING THE FINANCIAL YEAR 2025/26							
R'000							
Months	Opening balance	Payments	Payment Adjustments	Total charges for billing period	Adjustments	VAT	Closing balance
Jul-25	9 372 594	(54 310)	420	151 901	8 651	20 626	9 499 883
Aug-25	9 499 883	(32 748)	10 989	169 780	8 432	22 213	9 678 548
Sep-25	9 678 548	(37 481)	9	104 809	8 437	13 774	9 768 095
	TOTAL	(124 539)	11 418	426 490	25 519	56 613	

4.2.5 Table 6. Summary of YTD Bulk Water expenditure and outstanding DWS debt

The total outstanding balance was R504.7 million as per the August 2025 statement. The statement for September 2025 had not been received by the time this report was completed. The below table included the R10 million paid in August.

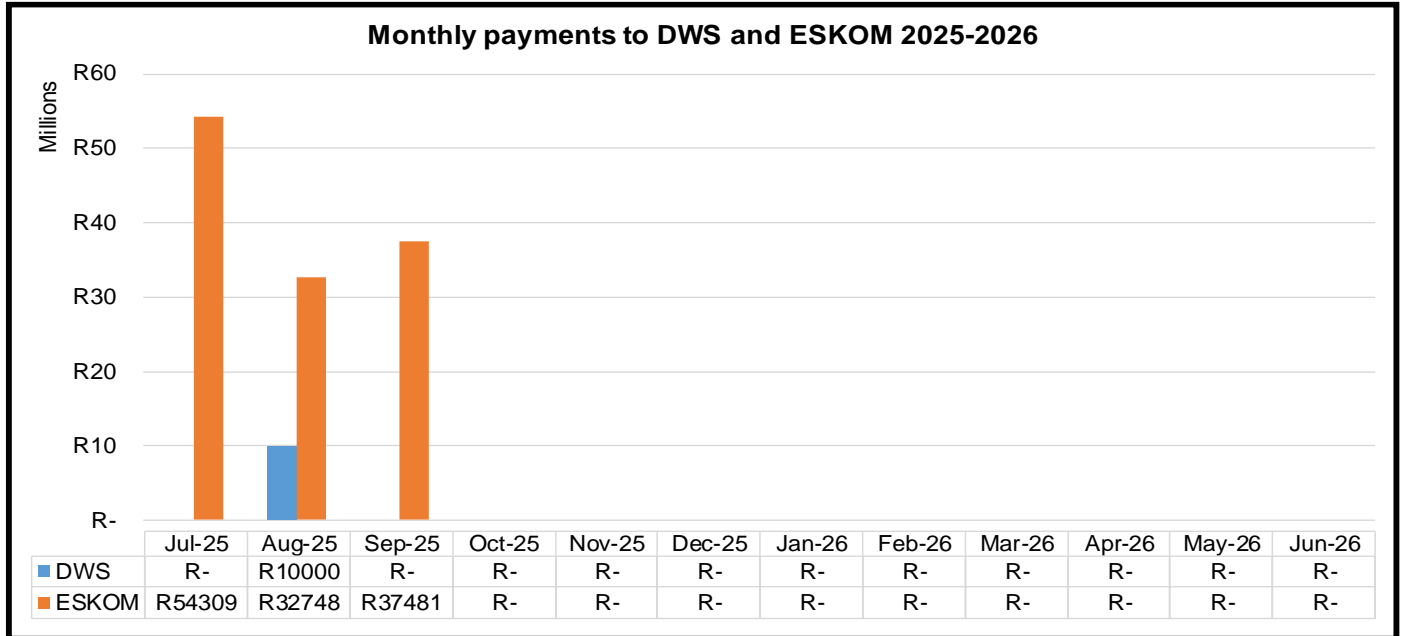
DWS BULK INVOICE CHARGES AND PAYMENTS FROM JULY 2025 TO DATE						
R'000						
Months	Opening balance	Payments	Payment Adjustments	Interests	Total charges	Closing balance
May-25	524 118	(10 000)	–	–	372	514 490
Jun-25	514 490	–	–	–	239	514 729
Jul-25	514 729	–	–	–	–	514 729
Aug-25	514 729	(10 000)	–	–	–	504 729
Sep-25	504 729	–	–	–	–	504 729
	TOTAL	(20 000)	–	–	611	



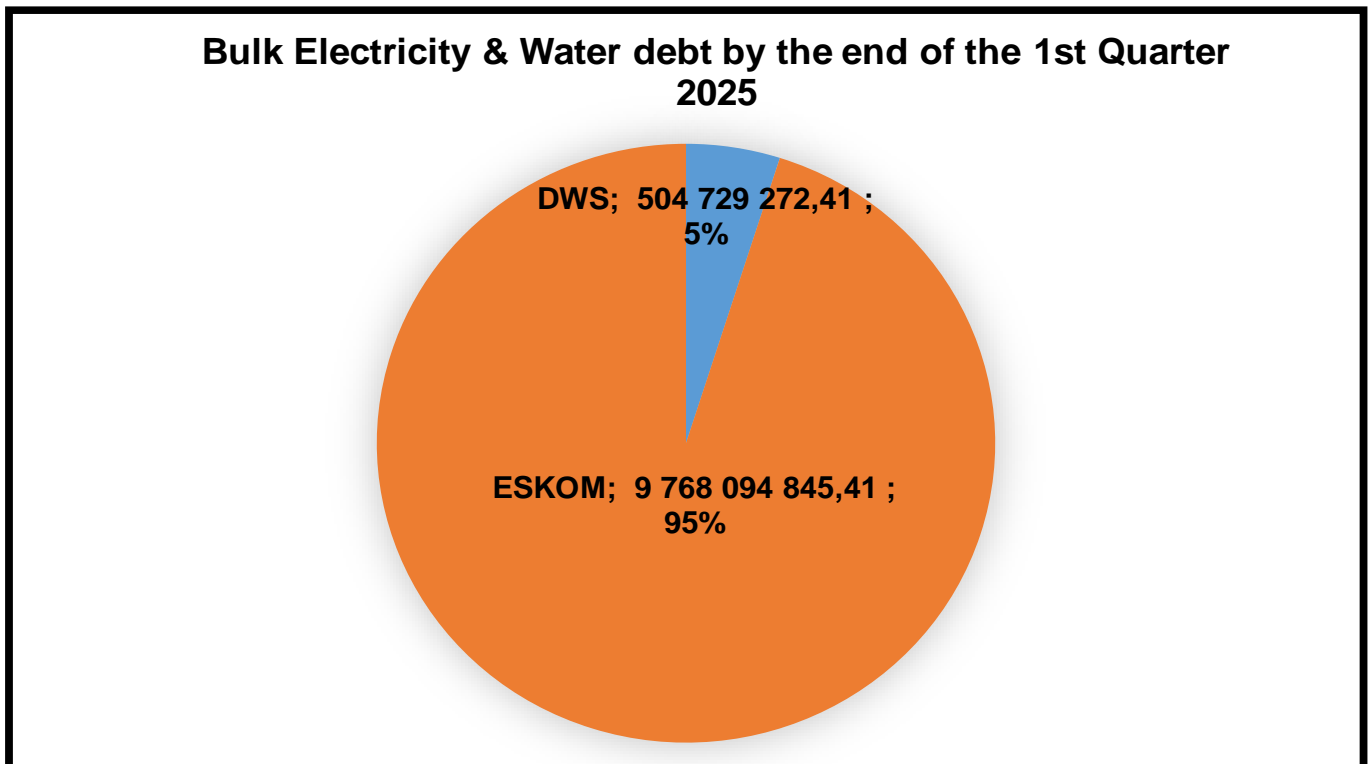
MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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4.2.6 Chart 2.1: Monthly payments to DWS & ESKOM



4.2.7 Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt





MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

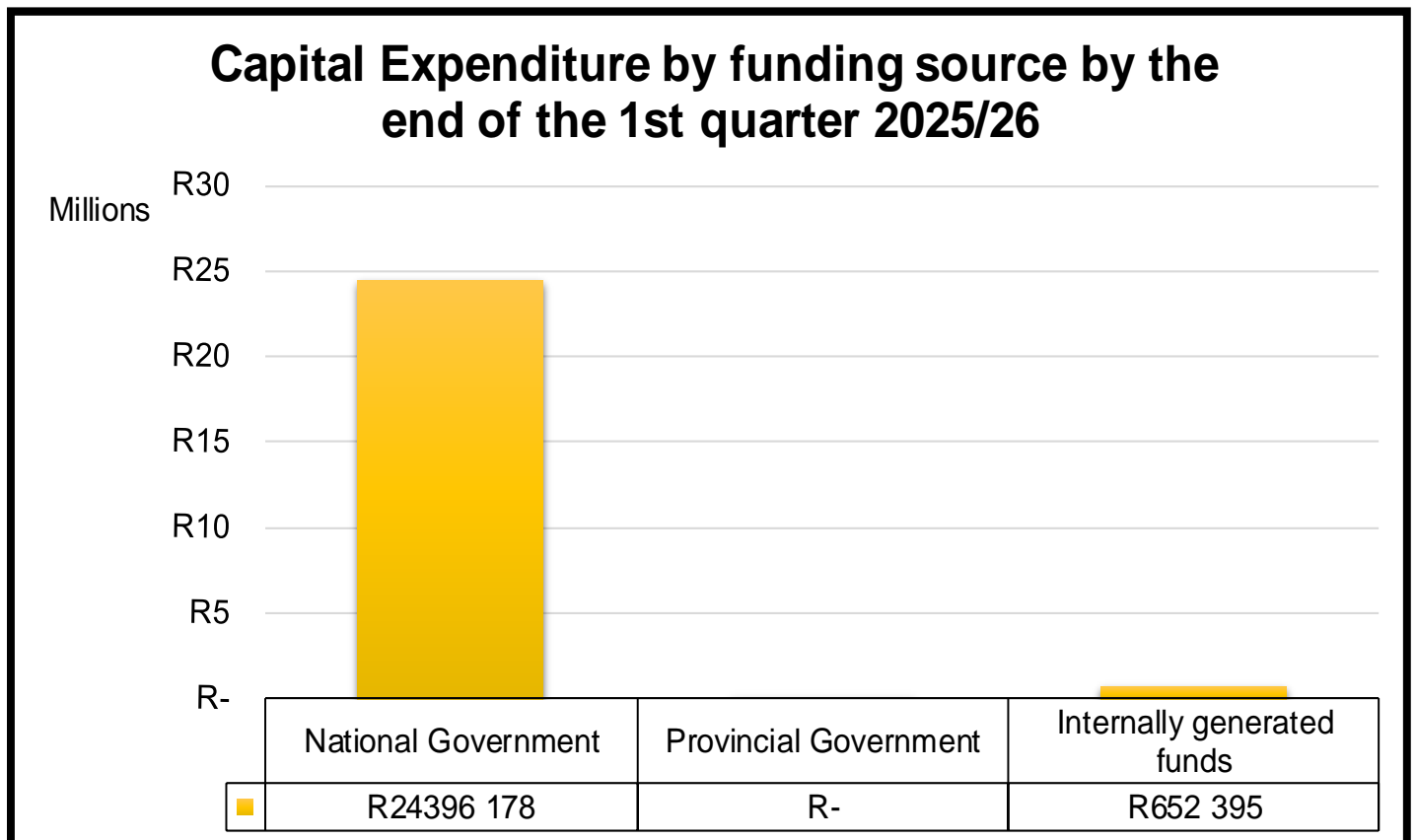
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4.3 Capital expenditure

4.3.1 Table 7: High level summary: Capital Expenditure (VAT exclusive)

Description R'000	Capital expenditure by funding source 2025/26					
	Original Budget	July Actuals	August Actuals	September Actuals	1st Quarter Actuals	YearTD actuals
National Government	286 417	1 997	12 050	10 350	24 396	24 396
Provincial Government	–	–	–	–	–	–
Internally generated funds	30 264	250	402	–	652	652
Total	316 681	2 247	12 452	10 350	25 049	25 049

4.3.2 Chart 3: Total Capital expenditure (waiting for Sep amounts)



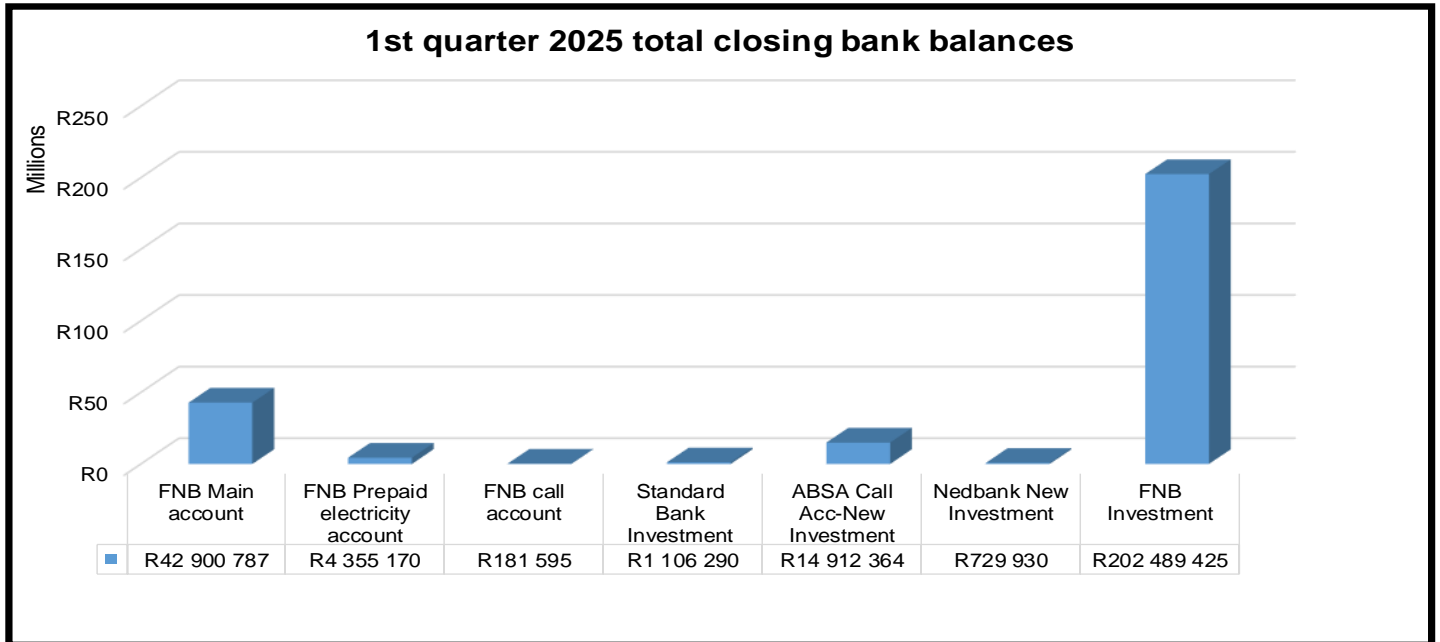


MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

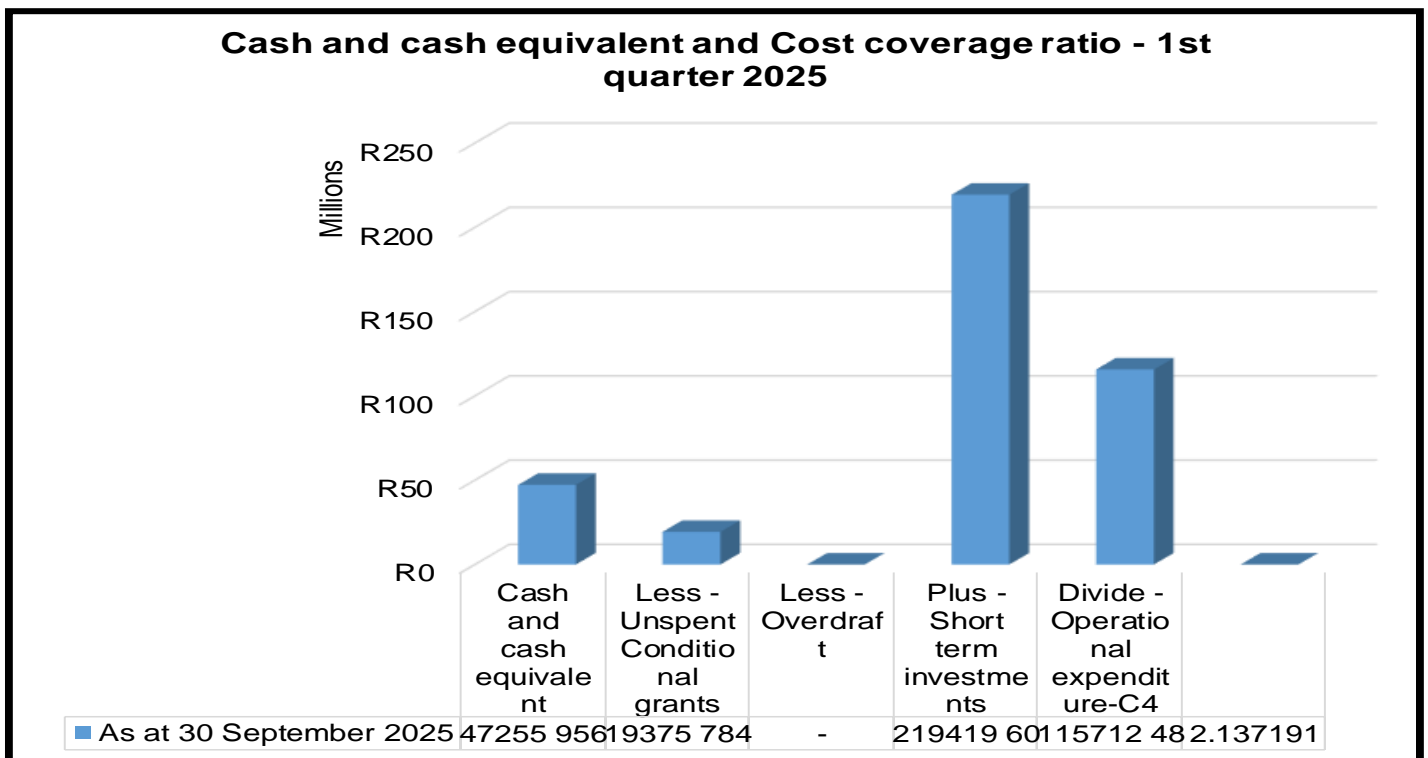
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4.4 Cash Flows

4.4.1 Chart 4: Call investment deposits and Cash & cash equivalents at year-end.



4.4.2 Chart 5: Cash & cash equivalents and Cost coverage ratio





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MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

4.5 Budget Funding Plan progress

The following performance on the 5 pillars of the budget funding plan by the end of the 1st quarter must be noted.

4.5.1 Positive Cash flow

The municipality's bank balance was positive with the total closing balance of R266.6 million (which includes main account and investments accounts)

4.5.2 Cash Coverage

The cash coverage ratio by the end of the 1st quarter was 2.1 which indicated that the cash available could cover 2 months costs. See Chart 5.

4.5.3 Collection Rate

The collection rate by the end of the 1st quarter as per C-Schedule Table C4 and Table C7 was at 186%. There is still a challenge with regards to the payment of accounts by consumers.

4.5.4 Trade Payables

The creditors balance amounted to R10.5 billion, including the Eskom debt of R9.768 billion and the DWS debt of R500.3 million (this is the total recorded on the financial system to date, the total on the statement received up to August 2025 is R504 million).

4.5.5 Non-core expenditures

The year to date budget as at 1st quarter 2025 was R104.1 million and the year to date outcomes was R31.5 million resulting into a year to date overspending of R5.5 million due to the reduction in employee costs category.

Reduction in non-core expenditure 2025/26							
Description R'000	Original Budget	Quarterly Allocation	1st quarter actual	1st quarter savings	YearTD Budget	YearTD Outcomes	YearTD Savings
Use of consultants	37 591	9 398	7 767	1 631	9 398	7 767	1 631
Travelling expenses	5 205	1 301	220	1 081	1 301	220	1 081
Reduction in Employee costs	55 536	13 884	23 055	(9 171)	13 884	23 055	(9 171)
Sponsorships, events and catering	1 155	289	45	244	289	45	244
Communications (adverts, telephone)	4 670	1 167	501	666	1 167	501	666
Total	104 157	26 039	31 588	(5 549)	26 039	31 588	(5 549)



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5 CONSOLIDATED IN-YEAR BUDGET STATEMENT TABLES

FS194 Maluti-a-Phofung - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - Q1 First										
Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
Governance and administration	1	1 022 164	1 034 661	1 034 661	9 035	403 820	258 665	145 155	56%	1 034 661
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1 022 164	1 034 661	1 034 661	9 035	403 820	258 665	145 155	56%	1 034 661
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		27 422	34 324	34 324	424	2 391	8 581	(6 190)	-72%	34 324
Community and social services		13 292	5 658	5 658	165	1 641	1 415	226	16%	5 658
Sport and recreation		13 086	16 362	16 362	101	184	4 091	(3 907)	-96%	16 362
Public safety		383	462	462	38	252	115	136	118%	462
Housing		662	11 842	11 842	120	315	2 960	(2 646)	-89%	11 842
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		31 615	64 443	64 443	85	1 522	16 111	(14 589)	-91%	64 443
Planning and development		978	8 256	8 256	85	498	2 064	(1 566)	-76%	8 256
Road transport		30 637	56 187	56 187	-	1 023	14 047	(13 023)	-93%	56 187
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1 153 460	1 295 069	1 295 069	81 039	173 592	323 767	(150 176)	-46%	1 295 069
Energy sources		695 361	823 845	823 845	64 567	96 770	205 961	(109 191)	-53%	823 845
Water management		215 958	238 348	238 348	7 141	42 255	59 587	(17 332)	-29%	238 348
Waste water management		157 031	157 216	157 216	4 760	17 740	39 304	(21 564)	-55%	157 216
Waste management		85 110	75 660	75 660	4 571	16 827	18 915	(2 088)	-11%	75 660
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	2 234 660	2 428 497	2 428 497	90 583	581 324	607 124	(25 800)	-4%	2 428 497
Expenditure - Functional										
Governance and administration		580 451	713 906	713 906	68 783	136 089	178 477	(42 388)	-24%	713 906
Executive and council		88 596	101 573	101 573	6 588	19 560	25 393	(5 833)	-23%	101 573
Finance and administration		483 791	603 222	603 222	61 574	114 774	150 806	(36 032)	-24%	603 222
Internal audit		8 064	9 111	9 111	621	1 755	2 278	(523)	-23%	9 111
Community and public safety		585 178	181 120	181 120	16 733	42 249	45 280	(3 031)	-7%	181 120
Community and social services		20 667	24 023	24 023	1 446	4 588	6 006	(1 418)	-24%	24 023
Sport and recreation		469 350	54 437	54 437	4 344	12 319	13 609	(1 290)	-9%	54 437
Public safety		90 742	91 491	91 491	10 593	24 287	22 873	1 414	6%	91 491
Housing		4 418	11 169	11 169	350	1 055	2 792	(1 738)	-62%	11 169
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		44 797	89 706	89 706	3 415	10 546	22 427	(11 880)	-53%	89 706
Planning and development		23 665	39 196	39 196	2 356	6 668	9 799	(3 131)	-32%	39 196
Road transport		21 132	50 510	50 510	1 059	3 878	12 627	(8 749)	-69%	50 510
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1 821 263	1 649 374	1 649 374	26 466	416 001	412 343	3 657	1%	1 649 374
Energy sources		1 569 405	1 259 188	1 259 188	6 168	360 221	314 797	45 424	14%	1 259 188
Water management		80 850	146 057	146 057	7 463	18 763	36 514	(17 751)	-49%	146 057
Waste water management		58 100	93 557	93 557	5 104	13 638	23 389	(9 752)	-42%	93 557
Waste management		112 908	150 572	150 572	7 731	23 379	37 643	(14 264)	-38%	150 572
Other		3 009	4 263	4 263	316	947	1 066	(119)	-11%	4 263
Total Expenditure - Functional	3	3 034 698	2 638 370	2 638 370	115 712	605 832	659 593	(53 761)	-8%	2 638 370
Surplus/ (Deficit) for the year		(800 037)	(209 873)	(209 873)	(25 129)	(24 508)	(52 468)	27 961	-0,532906	(209 873)



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

FS194 Maluti-a-Phofung - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		1 754	1 500	1 500	(136)	282	1 500	(1 218)	-81.2%	1 500
Vote 04 - Financial Services		1 048 318	1 220 450	1 259 497	35 946	1 213 063	1 259 497	(46 434)	-3.7%	1 259 497
Vote 05 - Municipal Infrastructure		464 801	449 196	504 733	89 919	470 738	504 733	(33 995)	-6.7%	504 733
Vote 06 - Community Services		5 084	16 570	12 429	2 686	12 632	12 429	203	1.6%	12 429
Vote 07 - Public Safety & Transport		1 663	1 539	1 178	25	383	1 178	(795)	-67.5%	1 178
Vote 08 - Sports, Arts, Parks, Culture		7 467	29 586	13 653	2 582	11 341	13 653	(2 312)	-16.9%	13 653
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	5 863	50	1	16	50	(34)	-67.3%	50
Vote 10 - Hunan Settlements		968	4 700	7 333	54	1 326	7 333	(6 007)	-81.9%	7 333
Vote 11 - ldp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		810	1 151	1 284	196	962	1 284	(323)	-25.1%	1 284
Vote 13 - Electricity Department		328 861	438 350	700 081	17 355	309 623	700 081	(390 459)	-55.8%	700 081
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 859 728	2 168 904	2 501 738	148 626	2 020 365	2 501 738	(481 373)	-19.2%	2 501 738
Expenditure by Vote	1									
Vote 01 - Legislative Authority		52 866	60 810	67 885	4 178	57 393	67 885	(10 493)	-15.5%	67 885
Vote 02 - Office Of The Municipal Manager		19 363	24 184	26 078	1 720	21 955	26 078	(4 123)	-15.8%	26 078
Vote 03 - Corporate Services		105 256	128 366	141 433	6 733	95 223	141 433	(46 210)	-32.7%	141 433
Vote 04 - Financial Services		887 618	343 814	370 559	179 215	355 209	370 559	(15 350)	-4.1%	370 559
Vote 05 - Municipal Infrastructure		427 059	167 479	287 918	10 891	131 283	287 918	(156 636)	-54.4%	287 918
Vote 06 - Community Services		18 255	22 861	22 946	1 310	20 821	22 946	(2 125)	-9.3%	22 946
Vote 07 - Public Safety & Transport		135 984	148 800	194 032	10 642	175 825	194 032	(18 207)	-9.4%	194 032
Vote 08 - Sports, Arts, Parks, Culture		30 006	13 075	46 351	3 774	45 082	46 351	(1 268)	-2.7%	46 351
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		10 784	15 967	13 347	1 053	11 598	13 347	(1 749)	-13.1%	13 347
Vote 10 - Hunan Settlements		7 785	13 041	14 458	660	12 061	14 458	(2 397)	-16.6%	14 458
Vote 11 - ldp, Pms Department		3 869	4 222	4 012	310	3 713	4 012	(300)	-7.5%	4 012
Vote 12 - Spatial Development, Planning & Traditional Affairs		10 229	13 137	11 775	952	10 669	11 775	(1 106)	-9.4%	11 775
Vote 13 - Electricity Department		1 149 945	839 888	1 329 212	82 661	1 200 338	1 329 212	(128 875)	-9.7%	1 329 212
Vote 14 - Maluti Water		126 458	167 947	167 947	10 873	119 704	167 947	(48 242)	-28.7%	167 947
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2 985 478	1 963 591	2 697 955	314 972	2 260 874	2 697 955	(437 081)	-16.2%	2 697 955
Surplus/ (Deficit) for the year	2	(1 125 750)	205 313	(196 216)	(166 346)	(240 508)	(196 216)	(44 292)	22.6%	(196 216)



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

FS194 Maluti-a-Phofung - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		287 671	739 063	739 063	64 566	88 948	184 766	(95 818)	-52%	739 063
Service charges - Water		81 910	95 159	95 159	7 141	25 385	23 790	1 596	7%	95 159
Service charges - Waste Water Management		48 889	51 422	51 422	4 760	13 889	12 855	1 034	8%	51 422
Service charges - Waste management		48 662	51 184	51 184	4 571	13 722	12 796	926	7%	51 184
Sale of Goods and Rendering of Services		2 688	6 743	6 743	198	798	1 686	(887)	-53%	6 743
Agency services										
Interest										
Interest earned from Receivables		107 556	125 181	125 181	(26)	17 376	31 295	(13 919)	-44%	125 181
Interest from Current and Non Current Assets		20 949	12 764	12 764	458	4 500	3 191	1 309	41%	12 764
Dividends										
Rent on Land			1 000	1 000			250	(250)	-100%	1 000
Rental from Fixed Assets		1 857	3 992	3 992	150	351	998	(647)	-65%	3 992
Licence and permits										
Special rating levies										
Operational Revenue		1 087	11 772	11 772	122	333	2 943	(2 610)	-89%	11 772
Non-Exchange Revenue										
Property rates		107 972	110 363	110 363	8 594	26 226	27 591	(1 365)	-5%	110 363
Surcharges and Taxes										
Fines, penalties and forfeits		207	2 396	2 396	51	441	599	(159)	-26%	2 396
Licence and permits			1 663	1 663			416	(416)	-100%	1 663
Transfers and subsidies - Operational		852 793	882 846	882 846		366 381	220 712	145 670	66%	882 846
Interest		426 385	41 693	41 693		6 821	10 423	(3 602)	-35%	41 693
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		8	7	7			2	(2)	-100%	7
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		1 988 634	2 137 247	2 137 247	90 583	565 171	534 312	30 859	6%	2 137 247
Expenditure By Type										
Employee related costs		665 365	722 554	722 554	59 398	180 119	180 639	(520)	0%	722 554
Remuneration of councillors		37 151	36 529	36 529	2 670	8 040	9 132	(1 093)	-12%	36 529
Bulk purchases - electricity		1 068 512	1 114 944	1 114 944	375	320 672	278 736	41 936	15%	1 114 944
Inventory consumed		27 262	69 277	69 277	4 407	6 519	17 319	(10 800)	-62%	69 277
Debt impairment		423 323	13 280	13 280			3 320	(3 320)	-100%	13 280
Depreciation and amortisation		7 940	75 930	75 930			18 983	(18 983)	-100%	75 930
Interest		426 974	51 662	51 662	0	23 052	12 915	10 137	78%	51 662
Contracted services		136 514	203 440	203 440	10 642	26 323	50 860	(24 537)	-48%	203 440
Transfers and subsidies		177 250	198 043	198 043	31 336	31 336	49 511	(18 175)	-37%	198 043
Irrecoverable debts written off		1 180	23 120	23 120	387	609	5 780	(5 171)	-89%	23 120
Operational costs		69 899	129 590	129 590	6 496	9 161	32 398	(23 237)	-72%	129 590
Losses on Disposal of Assets		(6 676)								
Other Losses		2								
Total Expenditure		3 034 698	2 638 370	2 638 370	115 712	605 832	659 593	(53 761)	-8%	2 638 370
Surplus/(Deficit)		(1 046 063)	(501 123)	(501 123)	(25 129)	(40 661)	(125 281)	84 620	(0)	(501 123)
Transfers and subsidies - capital (monetary allocations)										
		246 026	291 250	291 250		16 153	72 812	(56 659)	(0)	291 250
Transfers and subsidies - capital (in-kind)										
Surplus/(Deficit) after capital transfers & contributions		(800 037)	(209 873)	(209 873)	(25 129)	(24 508)	(52 468)	27 961	(0)	(209 873)
Income Tax										
Surplus/(Deficit) after income tax		(800 037)	(209 873)	(209 873)	(25 129)	(24 508)	(52 468)	27 961	(0)	(209 873)
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(800 037)	(209 873)	(209 873)	(25 129)	(24 508)	(52 468)	27 961	(0)	(209 873)
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions		202 535	270 618	270 618	17 303	51 168	67 655	(16 487)	(0)	270 618
Surplus/ (Deficit) for the year		(597 503)	60 745	60 745	(7 826)	26 660	15 186	11 474	0	60 745



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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FS194 Maluti-a-Phofung - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q1 First Quarter										
Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation										
Vote 01 - Legislative Authority	2	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	500	500	-	-	125	(125)	-100%	500
Vote 03 - Corporate Services		5 012	2 500	2 500	-	221	625	(404)	-65%	2 500
Vote 04 - Financial Services		193	1 000	1 000	-	181	250	(69)	-28%	1 000
Vote 05 - Municipal Infrastructure		98 981	234 850	234 850	5 964	15 446	58 713	(43 266)	-74%	234 850
Vote 06 - Community Services		(346 922)	4 061	4 061	382	745	1 015	(270)	-27%	4 061
Vote 07 - Public Safety & Transport		11 428	11 000	11 000	-	-	2 750	(2 750)	-100%	11 000
Vote 08 - Sports, Arts, Parks, Culture		10 323	13 212	13 212	916	1 488	3 303	(1 815)	-55%	13 212
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	100	100	-	-	25	(25)	-100%	100
Vote 11 - ldp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affa		-	4 500	4 500	-	-	1 125	(1 125)	-100%	4 500
Vote 13 - Electricity Department		983	44 958	44 958	3 088	6 967	11 240	(4 273)	-38%	44 958
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Total Capital Expenditure		(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Capital Expenditure - Functional Classification										
Governance and administration		5 204	5 000	5 000	-	402	1 250	(848)	-68%	5 000
Executive and council		-	500	500	-	-	125	(125)	-100%	500
Finance and administration		5 204	4 500	4 500	-	402	1 125	(723)	-64%	4 500
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(325 171)	27 373	27 373	1 297	2 233	6 843	(4 610)	-67%	27 373
Community and social services		(346 922)	4 061	4 061	382	745	1 015	(270)	-27%	4 061
Sport and recreation		10 323	13 212	13 212	916	1 488	3 303	(1 815)	-55%	13 212
Public safety		11 428	10 000	10 000	-	-	2 500	(2 500)	-100%	10 000
Housing		-	100	100	-	-	25	(25)	-100%	100
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		20 466	60 418	60 418	1 273	2 413	15 104	(12 691)	-84%	60 418
Planning and development		-	4 500	4 500	-	-	1 125	(1 125)	-100%	4 500
Road transport		20 466	55 918	55 918	1 273	2 413	13 979	(11 566)	-83%	55 918
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		79 497	223 890	223 890	7 779	20 000	55 973	(35 973)	-64%	223 890
Energy sources		983	44 958	44 958	3 088	6 967	11 240	(4 273)	-38%	44 958
Water management		18 395	93 518	93 518	3 715	11 404	23 379	(11 976)	-51%	93 518
Waste water management		46 757	84 915	84 915	975	1 629	21 229	(19 600)	-92%	84 915
Waste management		13 363	500	500	-	-	125	(125)	-100%	500
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Funded by:										
National Government		(178 901)	286 417	286 417	10 350	24 396	71 604	(47 208)	-66%	286 417
Provincial Government		(56 370)	-	-	-	-	-	-	-	-
Transfers recognised - capital		(235 271)	286 417	286 417	10 350	24 396	71 604	(47 208)	-66%	286 417
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		15 269	30 264	30 264	-	652	7 566	(6 913)	-91%	30 264
Total Capital Funding		(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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The table indicates that the total assets amounted to R244.1 billion and the total liabilities amounted to R217.4 billion by the end of 1st quarter 2025. This information is not a true reflection of the financial position figures; this will be corrected when the Municipality has fully converted to being mSCOA compliant.

FS194 Maluti-a-Phofung - Table C6 Consolidated Monthly Budget Statement - Financial Position - Q1 First

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		322 944	1 565 339	1 565 339	27 286	1 565 339
Trade and other receivables from exchange transactions		1 341 262	738 083	738 083	125 602	738 083
Receivables from non-exchange transactions		243 262	329 362	329 362	8 728	329 362
Current portion of non-current receivables		144	–	–	–	–
Inventory		4 567	1 134	1 134	63	1 134
VAT		1 692 332	1 640 585	1 640 585	57 905	1 640 585
Other current assets		(1 162)	(1 071)	(1 071)	(489)	(1 071)
Total current assets		3 603 348	4 273 433	4 273 433	219 096	4 273 433
Non current assets						
Investments						
Investment property		600 310	803 255	803 255	–	803 255
Property, plant and equipment		3 018 732	1 412 104	1 412 104	25 049	1 412 104
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		–	–	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		(144)	–	–	–	–
Other non-current assets						
Total non current assets		3 618 898	2 215 359	2 215 359	25 049	2 215 359
TOTAL ASSETS		7 222 247	6 488 793	6 488 793	244 144	6 488 793
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		(15 019)	(15 019)	(15 019)	–	(15 019)
Consumer deposits		26 232	25 901	25 901	385	25 901
Trade and other payables from exchange transactions		11 703 553	7 067 046	7 067 046	171 535	7 067 046
Trade and other payables from non-exchange transactions		12 724	–	–	31 891	–
Provision		215 734	(320 442)	(320 442)	280	(320 442)
VAT		866 190	722 201	722 201	13 393	722 201
Other current liabilities		–	–	–	–	–
Total current liabilities		12 809 412	7 479 687	7 479 687	217 484	7 479 687
Non current liabilities						
Financial liabilities		320	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		320	–	–	–	–
TOTAL LIABILITIES		12 809 732	7 479 687	7 479 687	217 484	7 479 687
NET ASSETS	2	(5 587 486)	(990 895)	(990 895)	26 660	(990 895)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(5 506 680)	(1 070 138)	(1 070 138)	–	(1 070 138)
Reserves and funds		(212 934)	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	(5 719 614)	(1 070 138)	(1 070 138)	–	(1 070 138)



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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This information is not a true reflection of the financial position figures; this will be corrected when the Municipality has fully converted to being mSCOA compliant.

FS194 Maluti-a-Phofung - Table C7 Consolidated Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	91 512	91 512	15 728	41 475	22 878	18 597	81%	91 512
Service charges		-	740 715	740 715	81 395	119 756	185 179	(65 422)	-35%	740 715
Other revenue		-	(197 652)	(197 652)	(50 110)	(96 072)	(49 413)	(46 659)	94%	(197 652)
Transfers and Subsidies - Operational		-	882 846	882 846	-	369 828	220 712	149 116	68%	882 846
Transfers and Subsidies - Capital		-	291 250	291 250	21 869	44 597	72 812	(28 215)	-39%	291 250
Interest		-	10 979	10 979	1 193	3 940	2 745	1 196	44%	10 979
Dividends								-		
Payments										
Suppliers and employees		-	(982 302)	(982 302)	(182 899)	(326 635)	(245 575)	81 059	-33%	(982 302)
Interest								-		
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	837 349	837 349	(112 823)	156 890	209 337	52 447	25%	837 349
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	10 000	10 000	120	315	2 500	(2 185)	-87%	10 000
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments										
Payments										
Capital assets		-	(316 681)	(316 681)	(11 902)	(26 601)	(79 170)	(52 569)	66%	(316 681)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(306 681)	(306 681)	(11 782)	(26 286)	(76 670)	(50 384)	66%	(306 681)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	31	31	49	385	8	377	4846%	31
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	31	31	49	385	8	(377)	-4846%	31
NET INCREASE/ (DECREASE) IN CASH HELD		-	530 700	530 700	(124 556)	130 989	132 675			530 700
Cash/cash equivalents at beginning:		586 443	41 833	41 833	255 545	-	41 833			-
Cash/cash equivalents at month/year end:		586 443	572 533	572 533	130 989	130 989	174 508			530 700



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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PART 2 - SUPPORTING DOCUMENTATION

6 DEBTORS AGE ANALYSIS

6.1 Table 8: Supporting Table SC3: Aged Debtors

- The total debt book amounted to R3 billion by the end of 1st quarter 2025. This total does not include the credited amounts or journals done.
- The table indicates that the largest debt is from the Water source with a total of R878.7 million including bills from rural wards that can't be collected due to water network infrastructure that was wrongly installed and led to incorrect bills.
- The largest debt by customer group is from Households with a total of R1.8 billion.

FS194 Maluti-a-Phofung - Supporting Table SC3 Monthly Budget Statement - aged debtors -Q1 2025

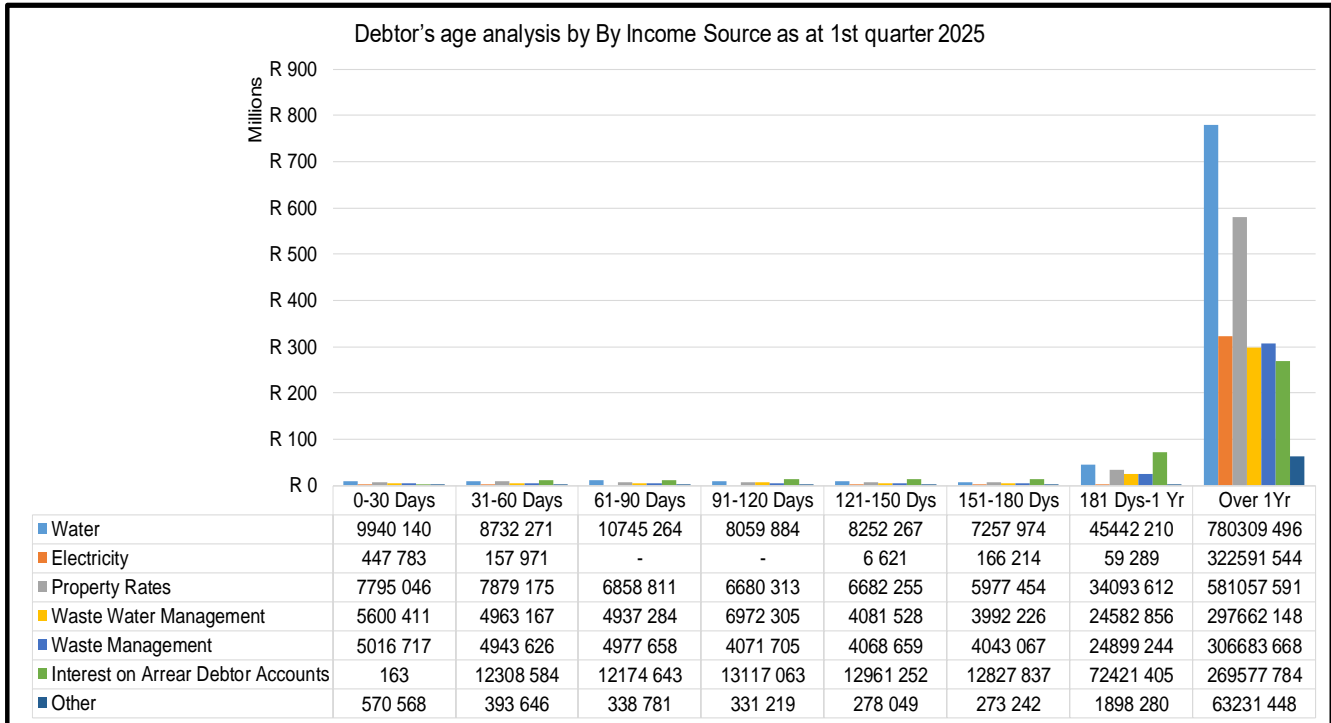
Description	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source										
Water	1200	9 940	8 732	10 745	8 060	8 252	7 258	45 442	780 309	878 740
Electricity	1300	448	158	–	–	7	166	59	322 592	323 429
Property Rates	1400	7 795	7 879	6 859	6 680	6 682	5 977	34 094	581 058	657 024
Waste Water Management	1500	5 600	4 963	4 937	6 972	4 082	3 992	24 583	297 662	352 792
Waste Management	1600	5 017	4 944	4 978	4 072	4 069	4 043	24 899	306 684	358 704
Interest on Arrear Debtor Accounts	1810	0	12 309	12 175	13 117	12 961	12 828	72 421	269 578	405 389
Other	1900	571	394	339	331	278	273	1 898	63 231	67 315
Total By Income Source	2000	29 371	39 378	40 032	39 232	36 331	34 538	203 397	2 621 114	3 043 393
Debtors Age Analysis By Customer Group										
Organs of State	2200	6 116	6 600	7 891	6 942	5 629	4 826	28 318	441 867	508 188
Commercial	2300	5 749	7 603	7 026	7 091	7 504	7 002	39 927	564 313	646 214
Households	2400	17 457	25 030	24 982	25 016	23 060	22 573	134 306	1 585 437	1 857 860
Other	2500	49	145	135	184	138	138	846	29 497	31 132
Total By Customer Group	2600	29 371	39 378	40 032	39 232	36 331	34 538	203 397	2 621 114	3 043 393



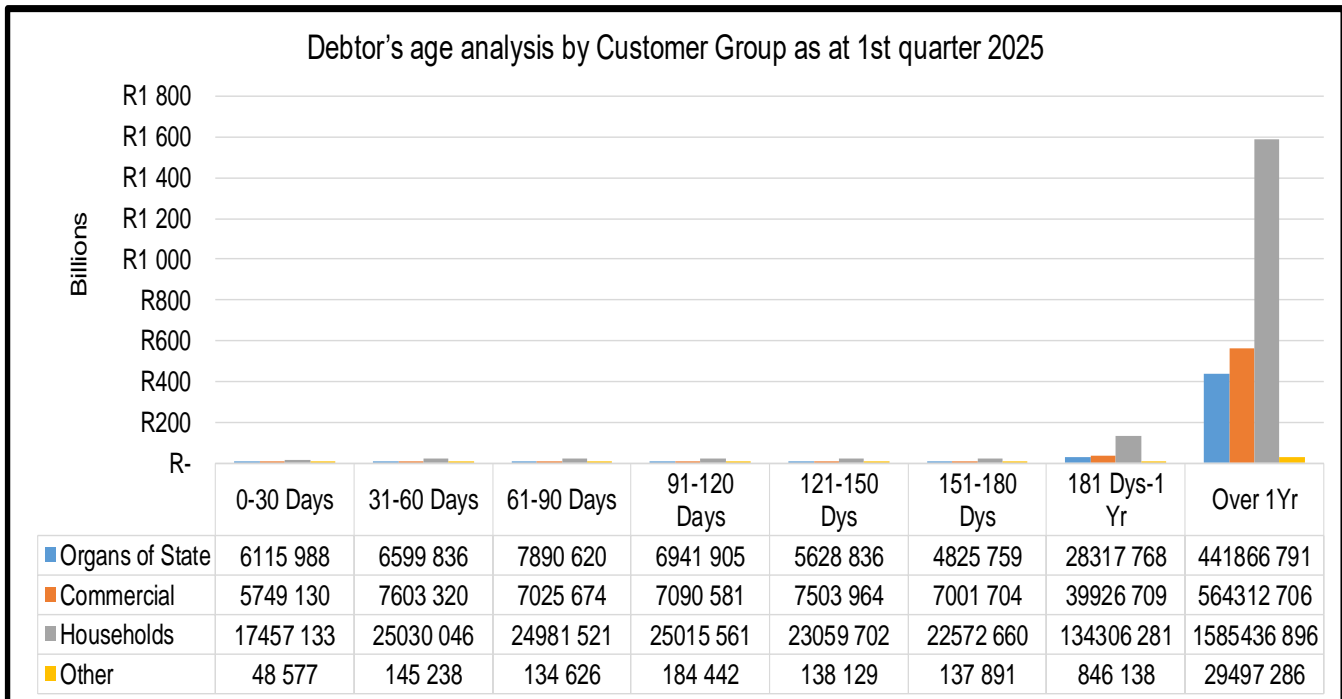
MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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6.2 Chart 6.1: Debtor's age analysis by Income Source



6.3 Chart 6.2: Debtor's age analysis by Customer Group

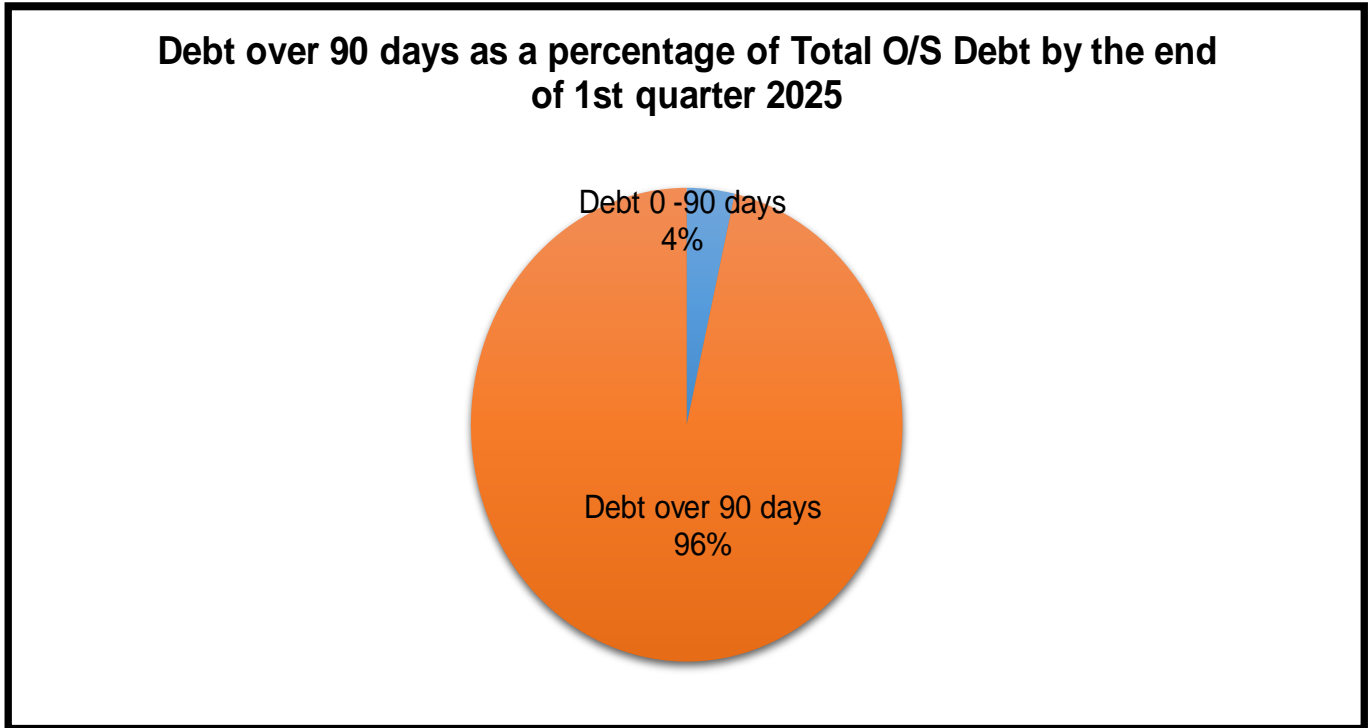




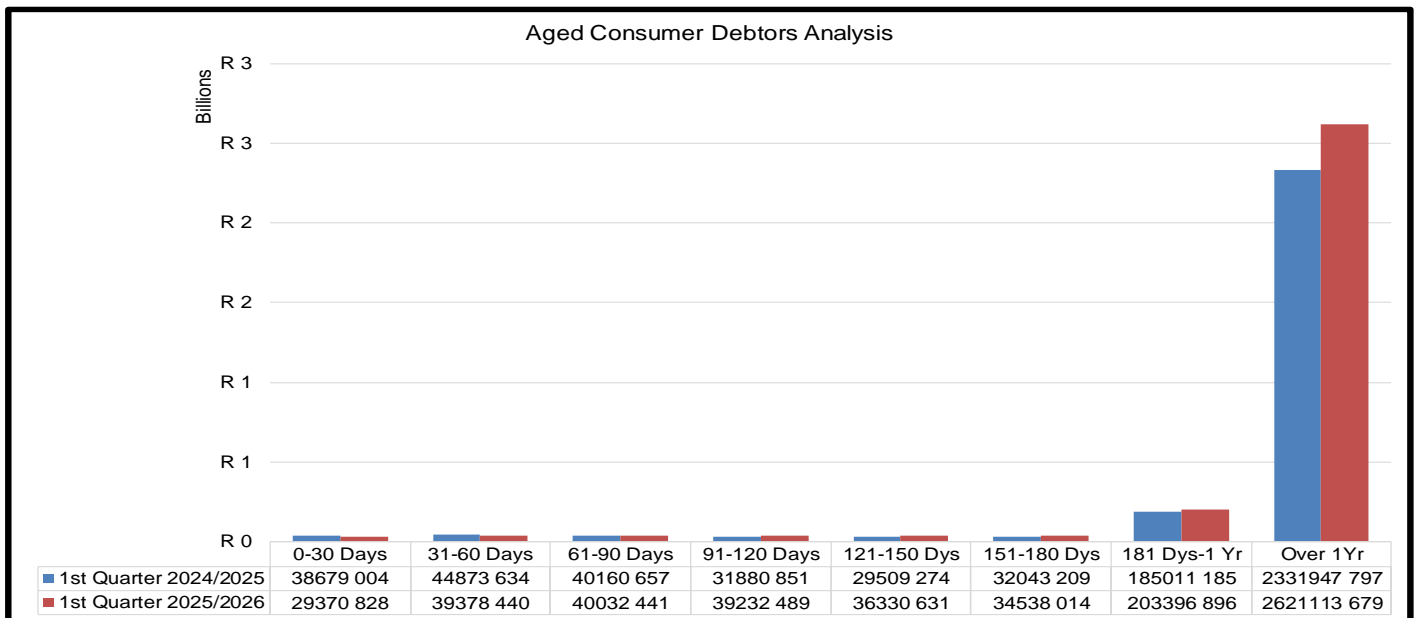
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6.4 Chart 7: Debt over 90 days as a percentage of total outstanding debt



6.5 Chart 8: Aged Consumer Debtor Analysis

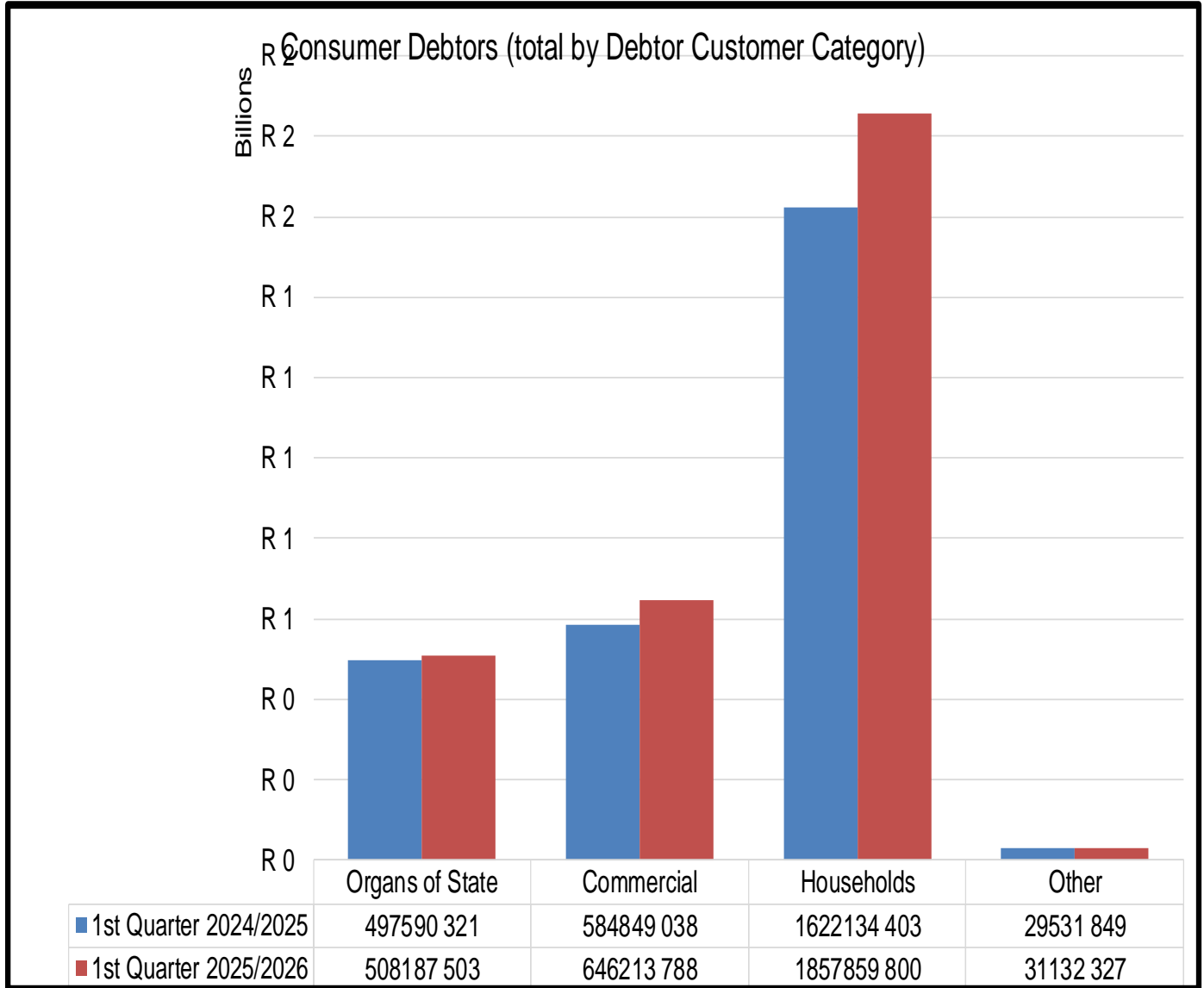




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6.6 Chart 9: Consumer Debtors (total by Debtor Customer Category)





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6.7 Table 9: Collection rate

- The collection rate during by the end of the 1st quarter was at 137%

1ST QUARTER BILLING AND COLLECTION 2025/26																		
R'000																		
PERIOD	RATES & TAXES			ELECTRICITY			WATER			SEWER			WASTE			TOTAL		
	Billing	Collection		Billing	Collection		Billing	Collection		Billing	Collection		Billing	Collection		Billing	Collection	
Jul-25	8 999	22 534	250%	15 509	3 064	20%	6 790	2 923	43%	3 819	571	15%	3 853	614	16%	38 970	29 706	76%
Aug-25	8 540	3 213	38%	(737)	25 344	-3440%	9 515	4 290	45%	4 562	710	16%	4 566	846	19%	26 445	34 403	130%
Sep-25	9 093	15 728	173%	25 119	61 853	246%	8 730	4 084	47%	4 568	1 327	29%	4 585	14 130	308%	52 094	97 122	186%
1st quarter	26 631	41 475	156%	39 891	90 260	226%	25 035	11 298	45%	12 948	2 608	20%	13 003	15 591	120%	117 509	161 231	137%

6.8 Table 10: Revised Average collection rate

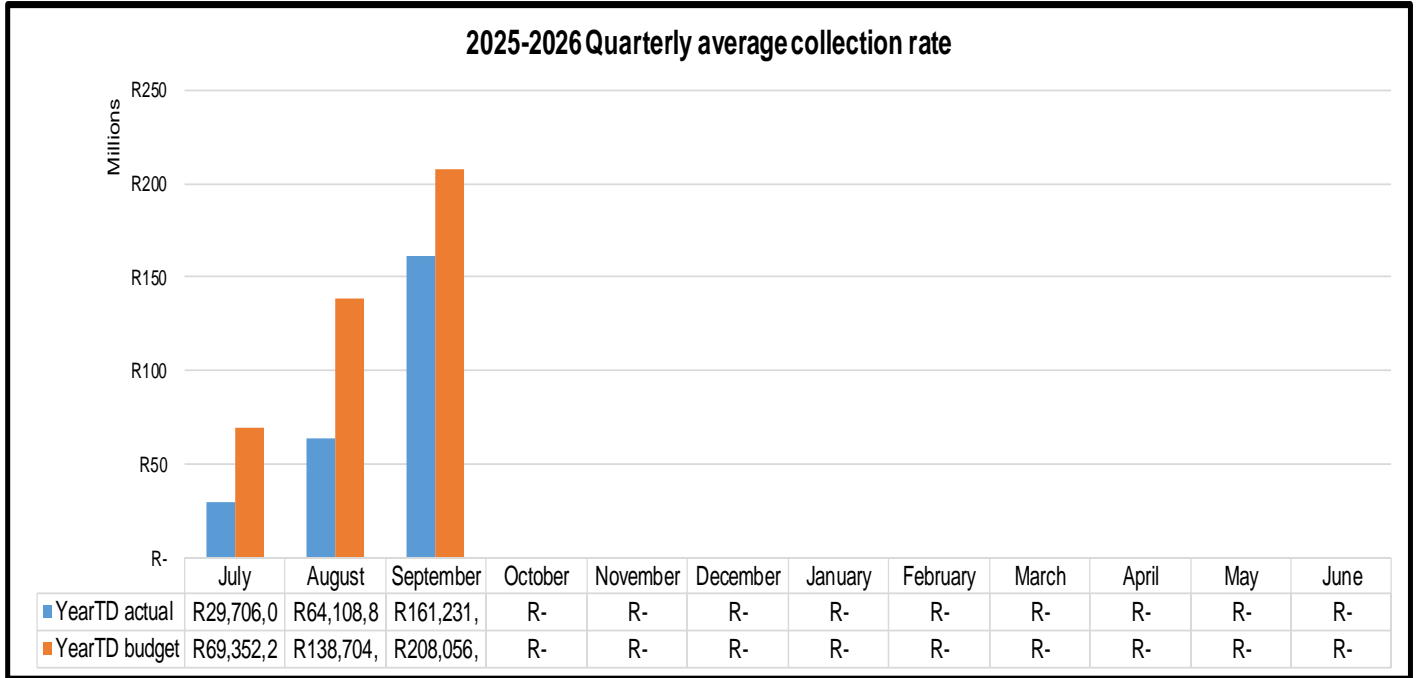
FS194 Maluti-a-Phofung - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - 1st quarter							
Description	Total Budget	Collection outcomes for the financial year 2025-2026					% Outcome vs Budget
		July	August	Sept	1st	YearTD Outcome	
		Outcome	Outcome	Outcome	Quarter Actual		
R thousands		Outcome	Outcome	Outcome	Actual	Outcome	
Property rates	91 512	22 534	3 213	15 728	41 475	41 475	45%
Service charges - Electricity revenue	589 970	3 064	25 344	61 853	90 260	90 260	15%
Service charges - Water revenue	75 768	2 923	4 290	4 084	11 298	11 298	15%
Service charges - Waste Water Management	37 424	571	710	1 327	2 608	2 608	7%
Service charges - Waste Mangement	37 553	614	846	14 130	15 591	15 591	42%
Total	807 512	29 706	34 403	97 122	161 231	161 231	20%



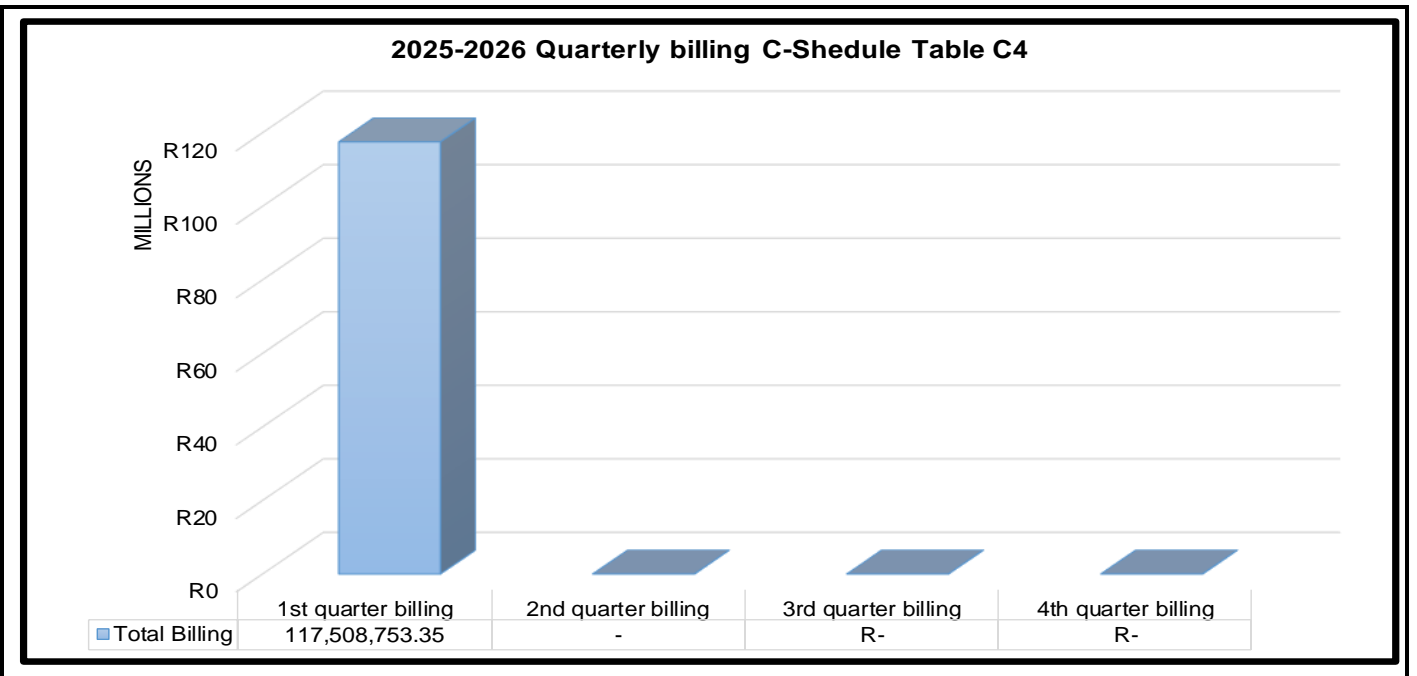
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6.9 Chart 10: Comparative trend: Quarterly and Revised average collection rate



6.10 Chart 11.1: Quarterly - Total Billing Receipts incl Prepaid Electricity

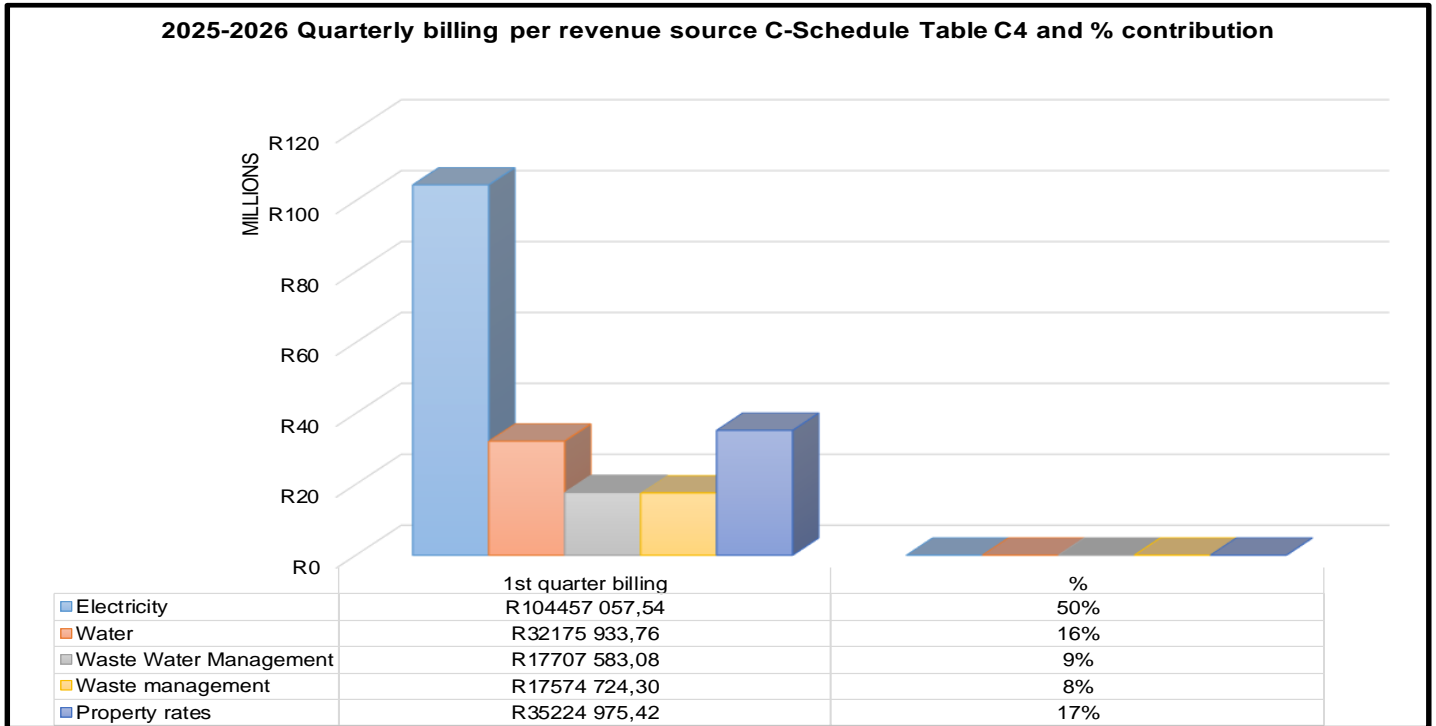




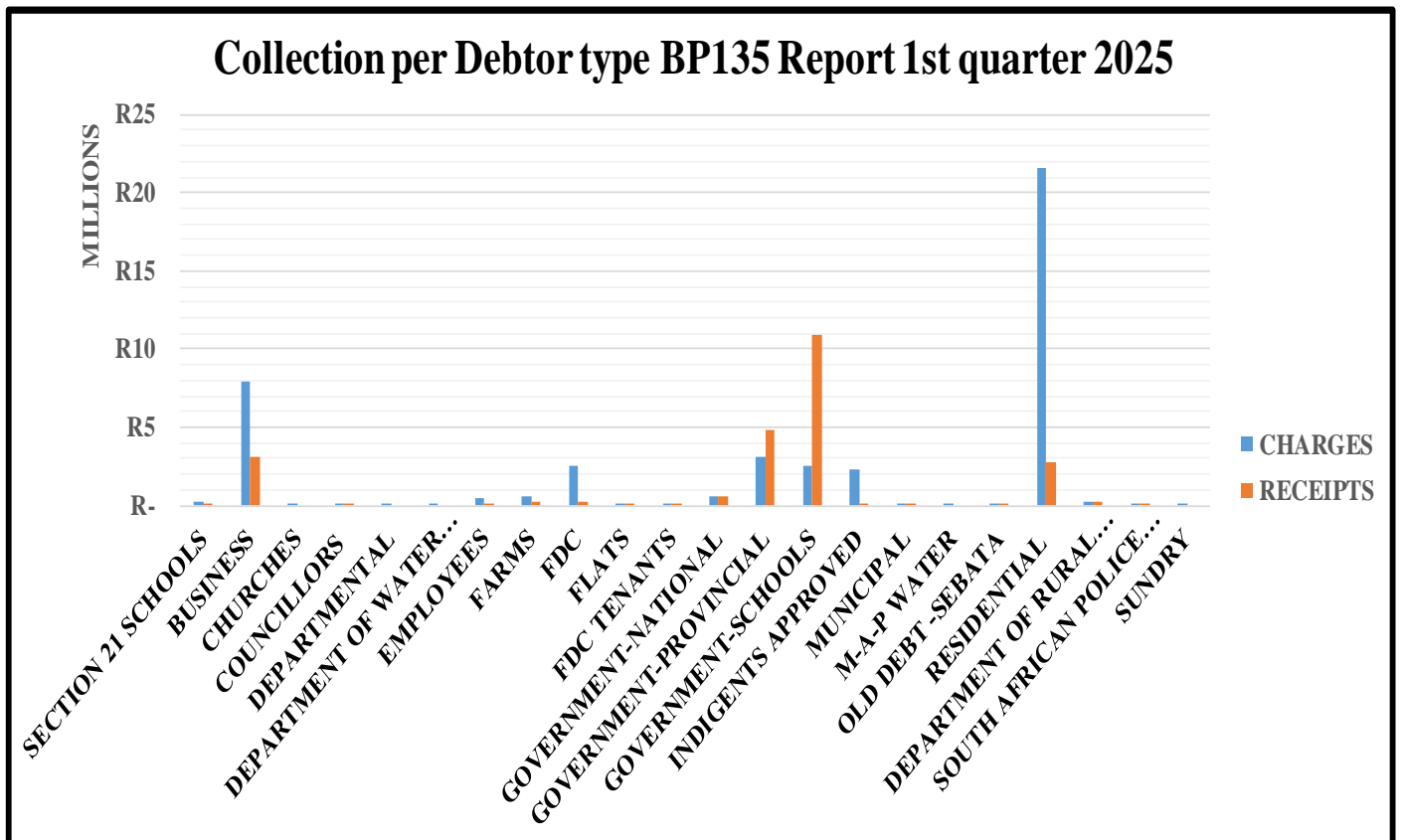
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6.11 Chart 11.2: Quarterly billing receipts per revenue source and % contribution



6.12 Chart 12: Billing receipts per Customer Group





MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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7 CREDITORS AGE ANALYSIS

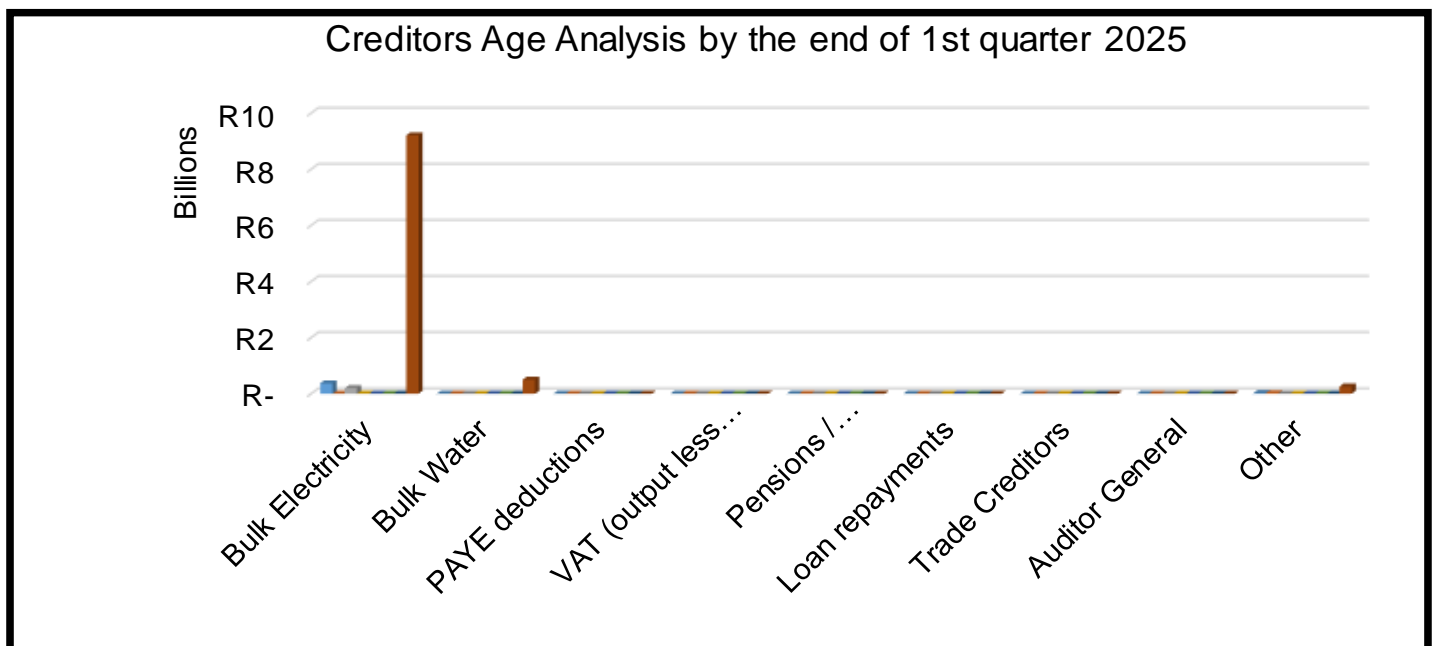
The Bulk Electricity amount reflected on the below table is as per Eskom invoice. The total Eskom balance currently recorded on the financial system for creditors report amounts to R8.052 billion. This balance should be corrected to balance with the Eskom statement balance of R9.768 billion. The total debt for the DWS amounts to R512 million as per statement received up to August 2025, however the total on the financial system is R500.3 million. The total creditors amounted to R9.994 billion by the end of the 1st quarter 2025.

7.1 Table 11: Supporting Table SC4: Aged Creditors

FS194 Maluti-a-Phofung - Supporting Table SC4 Monthly Budget Statement - aged creditors - 1st quarter 2025

Description	NT Code	Budget Year 2024/25								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150	151 - 180	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	367 328	-	197 879	-	-	-	-	9 202 888	9 768 095
Bulk Water	0200	-	-	-	-	-	-	-	500 336	500 336
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	43	43
Other	0900	21 318	17 155	-	-	-	-	-	254 072	292 545
Total By Customer Type	1000	-	-	-	-	-	-	-	-	10 561 019

7.2 Chart 13: Aged Creditors Analysis





MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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8 INVESTMENTS PORTFOLIO ANALYSIS

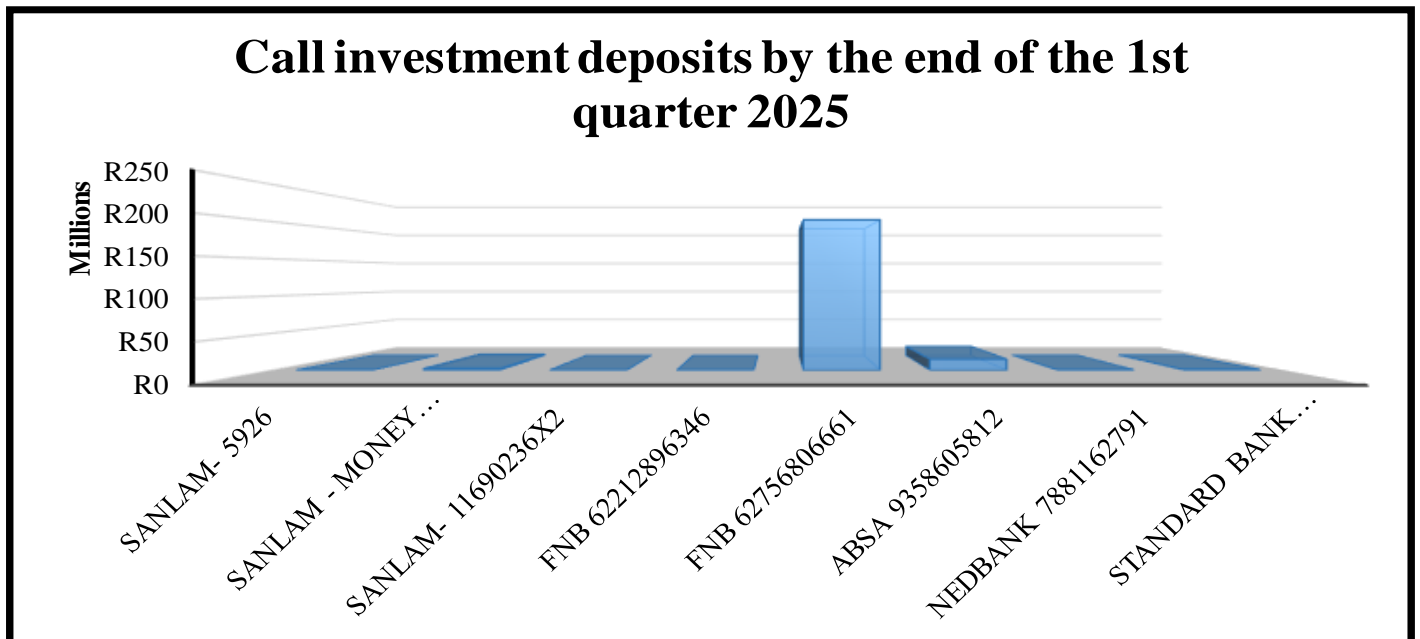
8.1 Table 12: Supporting Table SC5: Investment portfolio

- The closing balances by the end of 1st quarter 2025 amounted to R222.6 million.

FS194 Maluti-a-Phofung - Supporting Table SC5 Monthly Budget Statement - investment portfolio - 1st quarter 2025

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality							
Sanlam- 5926	Yrs	Money market	557	-	-	-	557
Sanlam - Money Market-50189057	Yrs	Money market	2 300	-	-	-	2 300
Sanlam- 11690236x2	Yrs	Money market	346	-	-	-	346
FNB 62212896346	Months	Call account	40	1	-	140	182
Standard Bank 348526407	Months	Investment	-	-	-	-	-
FNB 62756806661	Months	Investment	5	3 503	(169 000)	367 981	202 489
ABSA 9358605812	Months	Investment	14 633	280	-	-	14 912
Nedbank 7881162791	Months	Investment	717	13	0	-	730
Standard Bank 480823938	Months	Investment	61 099	1 660	(61 653)	-	1 106
TOTAL INVESTMENTS AND INTEREST			79 697	5 457	(230 653)	368 121	222 622

8.2 Chart 14: Call investment deposits at month-end





MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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9 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

9.1 Table 13: Supporting Table SC6: Transfers and grant receipts

FS194 Maluti-a-Phofung - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		852 793	882 846	882 846	-	366 381	220 712	145 670	66.0%	882 846
Equitable Share		847 138	876 719	876 719	-	366 046	219 180	146 866	67.0%	876 719
Expanded Public Works Programme Integrated Grant		2 655	3 127	3 127	-	-	782	(782)	-100.0%	3 127
Local Government Financial Management Grant		3 000	3 000	3 000	-	335	750	(415)	-55.3%	3 000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
Capacity Building and Other Grants		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Parent Municipality		-	-	-	-	-	-	-		-
Unspecified		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	852 793	882 846	882 846	-	366 381	220 712	145 670	66.0%	882 846
Capital Transfers and Grants										
National Government:		245 065	291 250	291 250	21 869	44 597	72 812	(28 215)	-38.8%	291 250
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Integrated National Electrification Programme Grant		-	39 958	39 958	17 981	17 981	9 989	7 992	80.0%	39 958
Municipal Infrastructure Grant		197 555	199 464	199 464	3 888	3 888	49 866	(45 978)	-92.2%	199 464
Neighbourhood Development Partnership Grant		-	100	100	-	-	25	(25)	-100.0%	100
Water Services Infrastructure Grant		47 510	51 728	51 728	-	22 728	12 932	9 796	75.8%	51 728
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	245 065	291 250	291 250	21 869	44 597	72 812	(28 215)	-38.8%	291 250
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 097 858	1 174 096	1 174 096	21 869	410 978	293 524	117 454	40.0%	1 174 096



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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9.2 Table 14: Supporting Table SC7(1): Transfers and grant expenditure

FS194 Maluti-a-Phofung - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		605 132	664 136	664 136	68 112	141 911	166 034	(24 123)	-14.5%	664 136
Equitable Share		592 111	653 176	653 176	67 840	141 335	163 294	(21 960)	-13.4%	653 176
Expanded Public Works Programme Integrated Grant		2 655	3 127	3 127	183	183	782	(598)	-76.6%	3 127
Local Government Financial Management Grant		2 969	3 000	3 000	69	373	750	(377)	-50.3%	3 000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		7 397	4 833	4 833	20	20	1 208	(1 188)	-98.4%	4 833
Provincial Government:		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		605 132	664 136	664 136	68 112	141 911	166 034	(24 123)	-14.5%	664 136
Capital expenditure of Transfers and Grants										
National Government:		(178 901)	286 417	286 417	10 350	24 396	71 604	(47 208)	-65.9%	286 417
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	39 958	39 958	3 088	6 967	9 989	(3 023)	-30.3%	39 958
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		(220 214)	194 631	194 631	5 362	8 553	48 658	(40 105)	-82.4%	194 631
Neighbourhood Development Partnership Grant		-	100	100	-	-	25	(25)	-100.0%	100
Water Services Infrastructure Grant		41 313	51 728	51 728	1 899	8 877	12 932	(4 055)	-31.4%	51 728
Provincial Government:		(56 370)	-	-	-	-	-	-	-	-
Infrastructure Grant		(56 370)	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		(235 271)	286 417	286 417	10 350	24 396	71 604	(47 208)	-65.9%	286 417
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		369 861	950 553	950 553	78 461	166 307	237 638	(71 332)	-30.0%	950 553



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9.3 Table 15: Summary of expenditure per grant

The total year to date by the end of the 1st quarter amounted to R27.1 million (VAT incl).

Description R thousands	Summary of expenditure per grants 2025/26 financial year						
	Original Budget	Jul-25	Aug-25	Sep-25	1st Quarter Actuals	YearTD Actuals	Balance
<u>Expenditure: SC7</u>							
<u>Operating Transfers and Grants</u>							
National Government:							
Expanded Public Works Programme Integrated Grant	3 127	–	–	183	183	183	2 944
Local Government Financial Management Grant	3 000	293	50	69	411	411	2 589
Total Operating Transfers and Grants	6 127	293	50	252	594	594	5 533
<u>Capital Transfers and Grants</u>							
Integrated National Electrification Programme Grant	39 958	1 545	2 916	3 088	7 549	7 549	32 409
Municipal Infrastructure Grant (<i>incl. PMU</i>)	199 464	752	2 918	5 382	9 051	9 051	190 413
Neighbourhood Development Partnership Grant	100	–	–	–	–	–	100
Water Services Infrastructure Grant	51 728	–	8 024	1 899	9 923	9 923	41 805
Total Capital Transfers and Grants	291 250	2 296	13 857	10 370	26 523	26 523	264 727
TOTAL EXPENDITURE OF TRANSFERS & GRANT	297 377	2 589	13 907	10 621	27 117	27 117	270 260



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10 COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

10.1 Table 16: Supporting Table SC8: Councillor and staff benefits

The 1st quarter actuals for employee costs of the Parent municipality including councillors amounted to R144.4 million.

FS194 Maluti-a-Phofung - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		29 415	29 095	29 095	67	4 438	7 274	(2 836)	-39%	29 095
Pension and UIF Contributions		134	146	146	14	42	37	6	16%	146
Medical Aid Contributions		35	62	62	4	13	15	(2)	-16%	62
Cellphone Allowance		3 545	3 781	3 781	274	815	945	(130)	-14%	3 781
Other benefits and allowances		4 023	3 444	3 444	2 311	2 731	861	1 870	217%	3 444
Sub Total - Councillors		37 151	36 529	36 529	2 670	8 040	9 132	(1 093)	-12%	36 529
% increase	4		-1,7%	-1,7%						-1,7%
Senior Managers of the Municipality										
Basic Salaries and Wages		7 489	10 320	10 320	368	1 712	2 580	(868)	-34%	10 320
Pension and UIF Contributions		202	272	272	1	20	68	(48)	-71%	272
Medical Aid Contributions		48	63	63	–	5	16	(11)	-71%	63
Motor Vehicle Allowance		1 196	1 608	1 608	120	280	402	(122)	-30%	1 608
Cellphone Allowance		87	125	125	5	14	31	(17)	-54%	125
Sub Total - Senior Managers of Municipality		9 021	12 389	12 389	493	2 030	3 097	(1 067)	-34%	12 389
% increase	4		37,3%	37,3%						37,3%
Other Municipal Staff										
Basic Salaries and Wages		326 387	347 848	347 848	27 713	83 077	86 962	(3 885)	-4%	347 848
Pension and UIF Contributions		57 510	60 956	60 956	5 039	15 127	15 239	(112)	-1%	60 956
Medical Aid Contributions		28 729	30 557	30 557	2 262	7 028	7 639	(611)	-8%	30 557
Overtime		46 603	45 329	45 329	5 544	16 737	11 332	5 405	48%	45 329
Performance Bonus		12 509	26 964	26 964	1 521	5 431	6 741	(1 310)	-19%	26 964
Motor Vehicle Allowance		13 104	14 372	14 372	1 127	3 392	3 593	(201)	-6%	14 372
Cellphone Allowance		1 039	1 140	1 140	128	364	285	79	28%	1 140
Housing Allowances		1 676	1 826	1 826	165	479	456	22	5%	1 826
Other benefits and allowances		1 358	1 720	1 720	274	764	430	334	78%	1 720
Payments in lieu of leave		2 207	404	404	63	521	101	420	415%	404
Long service awards		5 551	–	–	449	766	–	766	#DIV/0!	–
Post-retirement benefit obligations	2	(2 343)	1 120	1 120	104	(48)	280	(328)	-117%	1 120
Acting and post related allowance		1 422	1 651	1 651	319	700	413	287	70%	1 651
Sub Total - Other Municipal Staff		495 752	533 887	533 887	44 707	134 336	133 472	864	1%	533 887
% increase	4		7,7%	7,7%						7,7%
Total Parent Municipality		541 924	582 806	582 806	47 871	144 406	145 702	(1 295)	-1%	582 806



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- The 1st quarter actuals on employee costs for the Entity amounted to R43.7 million.
- The total consolidated year to date total employee costs amounted R188.1 million (including councillors).

FS194 Maluti-a-Phofung - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration Ref	2024/25		Budget Year 2025/26						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C					%	D
	1		7,5%	7,5%					7,5%
Senior Managers of Entities									
Basic Salaries and Wages	-	4 579	4 579	-	-	1 145	(1 145)	-100%	4 579
Pension and UIF Contributions	-	938	938	-	-	235	(235)	-100%	938
Medical Aid Contributions	-	301	301	-	-	75	(75)	-100%	301
Motor Vehicle Allowance	-	763	763	-	-	191	(191)	-100%	763
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	251	251	-	-	63	(63)	-100%	251
Other benefits and allowances	2	382	382	0	1	95	(95)	-99%	382
Acting and post related allowance	-	248	248	-	-	62	(62)	-100%	248
Sub Total - Senior Managers of Entities	2	7 462	7 462	0	1	1 865	(1 865)	-100%	7 462
% increase		329358,5%	329358,5%						329358,5%
Other Staff of Entities									
Basic Salaries and Wages	74 320	86 090	86 090	6 491	19 488	21 523	(2 035)	-9%	86 090
Pension and UIF Contributions	8 595	14 604	14 604	738	2 218	3 651	(1 433)	-39%	14 604
Medical Aid Contributions	9 246	9 683	9 683	825	2 468	2 421	47	2%	9 683
Overtime	23 851	10 207	10 207	2 168	6 318	2 552	3 766	148%	10 207
Performance Bonus	5 633	11 897	11 897	296	1 925	2 974	(1 049)	-35%	11 897
Motor Vehicle Allowance	14 375	14 637	14 637	1 254	3 758	3 659	98	3%	14 637
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	2 177	3 858	3 858	184	552	964	(412)	-43%	3 858
Other benefits and allowances	12 886	10 853	10 853	1 135	3 556	2 713	843	31%	10 853
Payments in lieu of leave	274	-	-	22	152	-	152	#DIV/0!	-
Long service awards	66	1 230	1 230	-	-	307	(307)	-100%	1 230
Post-retirement benefit obligations	-	500	500	-	-	125	(125)	-100%	500
Acting and post related allowance	9 166	5 258	5 258	1 085	3 317	1 314	2 002	152%	5 258
Sub Total - Other Staff of Entities	160 590	168 816	168 816	14 197	43 751	42 204	1 547	4%	168 816
% increase		5,1%	5,1%						5,1%
Total Municipal Entities	160 592	176 278	176 278	14 198	43 752	44 069	(317)	-1%	176 278
TOTAL SALARY, ALLOWANCES & BENEFITS	702 517	759 084	759 084	62 069	188 158	189 771	(1 613)	-1%	759 084
% increase		8,1%	8,1%						8,1%
TOTAL MANAGERS AND STAFF	665 365	722 554	722 554	59 398	180 119	180 639	(520)	0%	722 554



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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10.2 Table 17: Current YTD Overtime expenditure excl Night-shift allowance

The DIV/0! indicates that the expenditure was incurred on items with no budget allocation. The targeted % for the 1st quarter is 25%, any expenditure beyond that 25% has a risk of unauthorised expenditure. MAP Water has incurred expenditure on overtime of R3.1 million where there is no allocation.

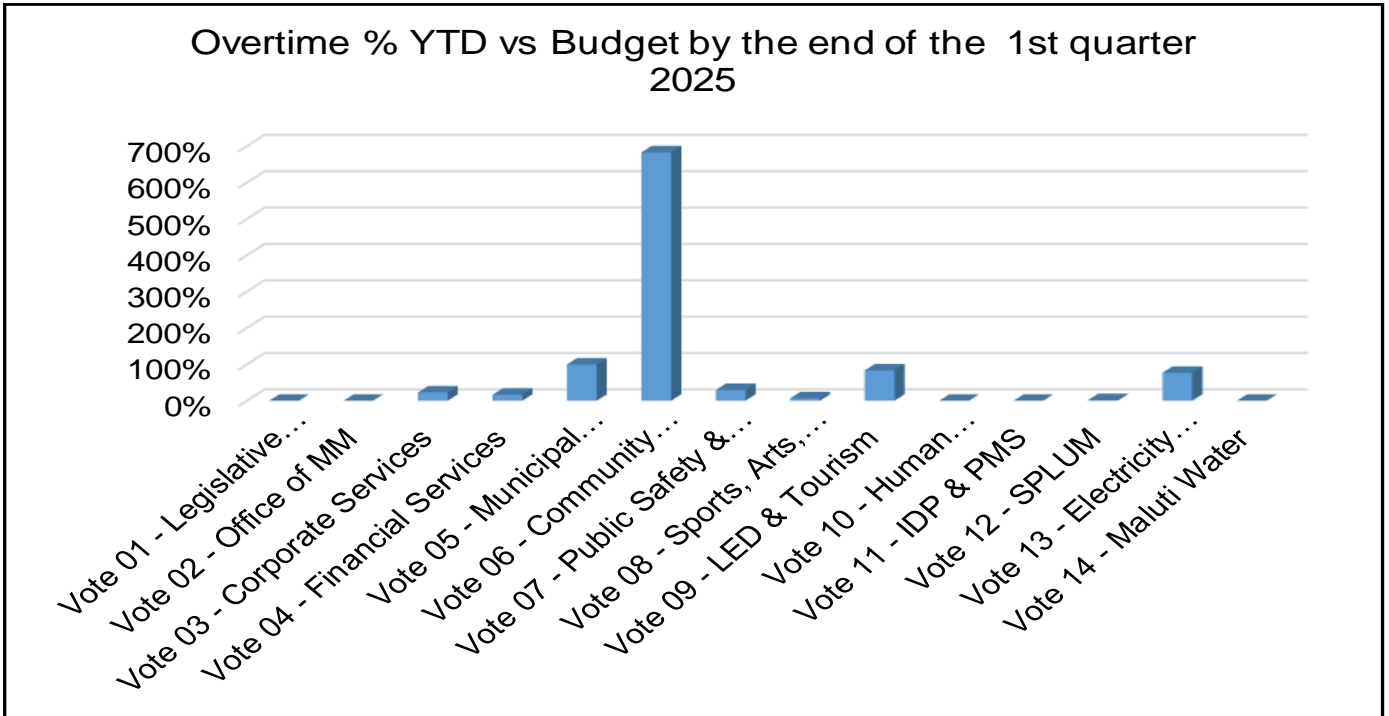
Overtime expenditure excl Night-shift allowance 2025/26								
Departments R'000	Original Budget	Jul-25	Aug-25	Sep-25	1st quarter	% Quarterly vs Budget	Year to date	% YTD vs Budget
Vote 01 - Legislative Authority	-	-	-	-	-	0%	-	0%
Vote 02 - Office of MM	-	-	-	-	-	0%	-	0%
Vote 03 - Corporate Services	189	11	33	-	43	23%	43	23%
Vote 04 - Financial Services	600	70	29	-	99	17%	99	17%
Vote 05 - Municipal Infrastructure	2 402	1 008	712	673	2 393	100%	2 393	100%
Vote 06 - Community Services	15	35	40	27	102	683%	102	683%
Vote 07 - Public Safety & Transport	1 000	92	103	100	295	30%	295	30%
Vote 08 - Sports, Arts, Parks, Culture	530	5	30	-	35	7%	35	7%
Vote 09 - LED & Tourism	100	46	-	38	84	84%	84	84%
Vote 10 - Human Settlements	100	-	-	-	-	0%	-	0%
Vote 11 - IDP & PMS	-	-	-	-	-	0%	-	0%
Vote 12 - SPLUM	50	1	-	-	1	2%	1	2%
Vote 13 - Electricity Department	6 376	1 499	1 636	1 764	4 898	77%	4 898	77%
Vote 14 - Maluti Water	-	-	2 029	1 102	3 131	#DIV/0!	3 131	#DIV/0!
Total	11 362	2 768	4 610	3 704	11 082	98%	11 082	98%



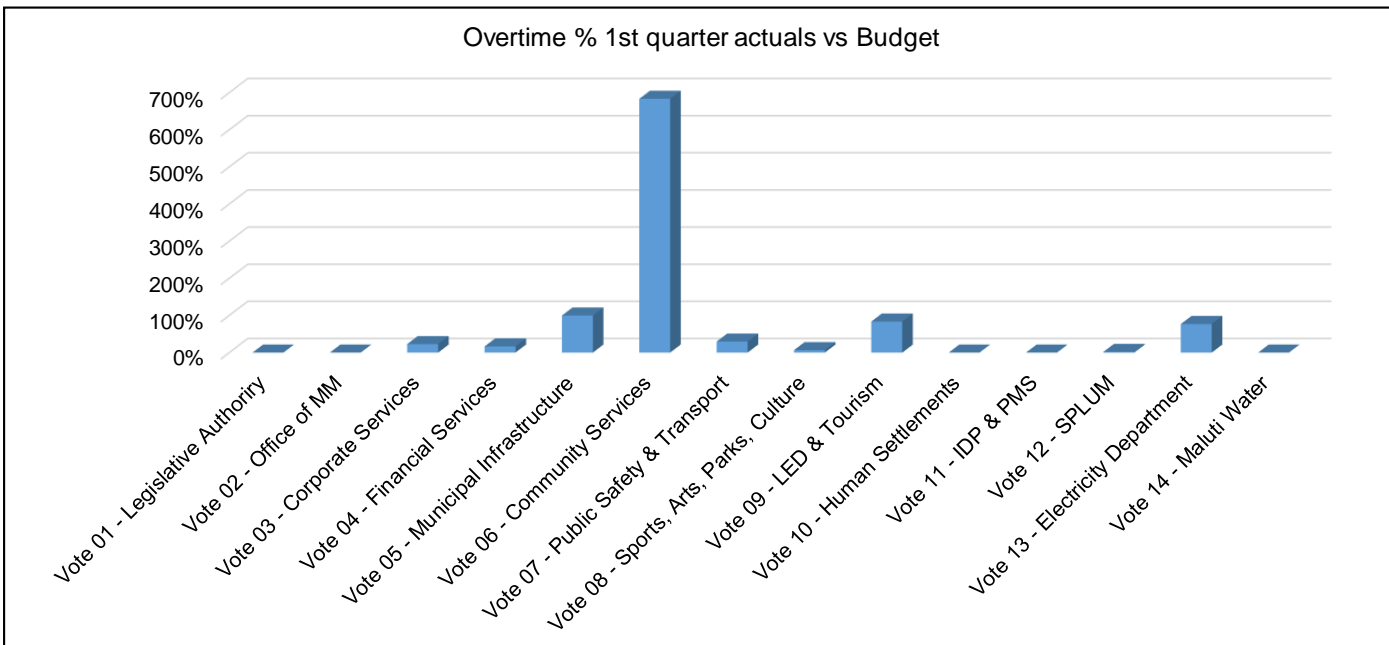
MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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10.3 Chart 14.1: Overtime Actual vs Budget



10.4 Chart 14.2: Monthly and Annual Overtime Comparison





MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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11 MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

FS194 Maluti-a-Phofung - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		282	1 560	1 560	-	-	390	(390)	-100.0%	1 560
Vote 04 - Financial Services		1 224 416	1 303 719	1 303 719	26 338	454 988	325 930	129 058	39.6%	1 303 719
Vote 05 - Municipal Infrastructure		488 735	527 411	527 411	16 472	77 845	131 853	(54 008)	-41.0%	527 411
Vote 06 - Community Services		12 632	4 792	4 792	119	1 467	1 198	269	22.5%	4 792
Vote 07 - Public Safety & Transport		383	462	462	38	252	115	136	117.9%	462
Vote 08 - Sports, Arts, Parks, Culture		13 086	16 362	16 362	101	184	4 091	(3 907)	-95.5%	16 362
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		16	5 863	5 863	22	232	1 466	(1 233)	-84.2%	5 863
Vote 10 - Hunan Settlements		1 321	12 708	12 708	166	488	3 177	(2 689)	-84.6%	12 708
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		962	2 394	2 394	63	266	598	(332)	-55.5%	2 394
Vote 13 - Electricity Department		695 361	823 845	823 845	64 567	96 770	205 961	(109 191)	-53.0%	823 845
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2 437 195	2 699 115	2 699 115	107 886	632 492	674 779	(42 287)	-6.3%	2 699 115
Expenditure by Vote	1									
Vote 01 - Legislative Authority		65 145	67 317	67 317	4 438	12 792	16 829	(4 037)	-24.0%	67 317
Vote 02 - Office Of The Municipal Manager		22 148	24 646	24 646	1 981	5 834	6 162	(327)	-5.3%	24 646
Vote 03 - Corporate Services		80 146	129 100	129 100	9 129	25 173	32 275	(7 102)	-22.0%	129 100
Vote 04 - Financial Services		299 741	354 893	354 893	43 038	60 860	88 723	(27 864)	-31.4%	354 893
Vote 05 - Municipal Infrastructure		163 542	276 817	276 817	11 744	30 379	69 204	(38 825)	-56.1%	276 817
Vote 06 - Community Services		20 843	23 603	23 603	1 462	4 636	5 901	(1 265)	-21.4%	23 603
Vote 07 - Public Safety & Transport		186 641	184 056	184 056	19 666	51 967	46 014	5 953	12.9%	184 056
Vote 08 - Sports, Arts, Parks, Culture		469 350	54 437	54 437	4 344	12 319	13 609	(1 290)	-9.5%	54 437
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		11 692	16 591	16 591	1 302	3 496	4 148	(652)	-15.7%	16 591
Vote 10 - Hunan Settlements		12 061	44 933	44 933	546	1 747	11 233	(9 487)	-84.5%	44 933
Vote 11 - Idp, Pms Department		3 713	4 078	4 078	337	1 000	1 019	(19)	-1.9%	4 078
Vote 12 - Spatial Development, Planning & Traditional Affairs		11 269	22 791	22 791	1 033	3 119	5 698	(2 579)	-45.3%	22 791
Vote 13 - Electricity Department		1 568 703	1 257 084	1 257 084	6 112	360 052	314 271	45 781	14.6%	1 257 084
Vote 14 - Maluti Water		119 704	178 023	178 023	10 583	32 458	44 506	(12 048)	-27.1%	178 023
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3 034 698	2 638 370	2 638 370	115 712	605 832	659 593	(53 761)	-8.2%	2 638 370
Surplus/ (Deficit) for the year	2	(597 503)	60 745	60 745	(7 826)	26 660	15 186	11 474	75.6%	60 745



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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12 CAPITAL PROGRAMME PERFORMANCE

12.1 Table 18: Detailed capital expenditure report

The year to date capital expenditure from conditional grants amounted to R24.3 million (excluding VAT).

CAPITAL EXPENDITURE FUNDED BY NATIONAL GRANTS 2025/2026								
Description (Functional classification) R'000	Source of funding	Original Budget	July Actual	August Actual	September Actual	1st Quarter	YTD Actual	%
ROADS PROJECTS		51 354	-	890	1 273	2 163	2 163	4%
Makwane Paved Roads Phase 1	MIG	17 390	-	601	1 273	1 874	1 874	11%
Qholosing Paved Roads - Phase 1	MIG	12 721	-	289	-	289	289	2%
Intabazwe resurfacing of road	MIG	10 298	-	-	-	-	-	0%
Fika Patso 3km paved road	MIG	10 946	-	-	-	-	-	0%
WATER PROJECTS		41 790	-	711	1 816	2 527	2 527	6%
Ha Sethunya Wat Retic 500 Phase 2	MIG	14 671	-	-	-	-	-	0%
Thaba Bosiu Water Pipeline	MIG	3 218	-	711	1 816	2 527	2 527	79%
Upgrading Of Water Pump Stations	MIG	14 891	-	-	-	-	-	0%
Water Pump Station - MIG R&M	MIG	9 011	-	-	-	-	-	0%
SEWERAGE PROJECTS		84 915	654	-	975	1 629	1 629	2%
Namahadi:Construction Sewer Network	MIG	8 315	-	-	975	975	975	12%
Sewer Pump Station - MIG R&M	MIG	9 000	654	-	-	654	654	7%
Upgrade Bluegun Bosch Sewer	MIG	16 469	-	-	-	-	-	0%
Tshiamo Upgrade Of Sewer System	MIG	26 206	-	-	-	-	-	0%
Qwaqwa: Constr 3500 Vip Toilets-Ph13c	MIG	24 925	-	-	-	-	-	0%
WASTE WATER PROJECTS		51 728	-	6 977	1 899	8 877	8 877	17%
Water Distribution Network P1	WSIG	34 544	-	-	-	-	-	0%
Makholokweng Bulk And Sewer Network	WSIG	15 000	-	6 977	-	6 977	6 977	47%
Tlholong Ext 4	WSIG	2 184	-	-	1 899	1 899	1 899	87%
COMMUNITY FACILITY PROJECTS		3 361	-	364	382	745	745	22%
Phuthaditjhaba: Upgrading Of Town Hall	MIG	3 361	-	364	382	745	745	22%
SPORTS AND RECREATIONAL FACILITIES		13 212	-	572	916	1 488	1 488	11%
New swimmingpool platberg stadiuim	MIG	7 474	-	572	916	1 488	1 488	20%
Refurb charles mopedi stadiuim ph 2	MIG	5 738	-	-	-	-	-	0%
ELECTRICITY PROJECTS		39 958	1 343	2 535	3 088	6 967	6 967	17%
Integrated National Electrification Programme	INEPG	39 958	1 343	2 535	3 088	6 967	6 967	17%
OTHER		100	-	-	-	-	-	0%
Neighbourhood Development Partnership Grant	NDPG	100	-	-	-	-	-	0%
TOTAL ASSETS FUNDED BY NATIONAL GRANTS		286 417	1 997	12 050	10 350	24 396	24 396	9%



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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The total capital assets from own funds for the 1st quarter (July – September 2025) amounted to R652 thousand.

CAPITAL BUDGET FROM OWN SOURCE 2025/2026								
Description R'000	Original Budget	July actual	August actual	September actual	1st Quarter	YearTD outcome	%	Balance
PARENT MUNICIPALITY								
Clocking Systems (Machinery)	500	-	-	-	-	-	0%	500
Machinery & Equipment	500	-	-	-	-	-	0%	500
Computer & Equipment	2 000	-	221	-	221	221	11%	1 779
Furniture & Fittings	1 000	-	181	-	181	181	18%	819
Compact Roller (Road Equipment)	564	-	-	-	-	-	0%	564
Yellow Fleet (Plant & Machinery)	4 000	250	-	-	250	250	6%	3 750
Skip Remover Truck	500	-	-	-	-	-	0%	500
Mobile Toilets	200	-	-	-	-	-	0%	200
Machinery & Equipment	500	-	-	-	-	-	0%	500
Fire Engine	7 000	-	-	-	-	-	0%	7 000
Vehicles	3 000	-	-	-	-	-	0%	3 000
Install Cctv Street Cameras (Equipment)	1 000	-	-	-	-	-	0%	1 000
Equipment: Land Surveyor & Plotter	4 500	-	-	-	-	-	0%	4 500
Transformers	5 000	-	-	-	-	-	0%	5 000
TOTAL CAPITAL EXPENDITURE FUNDED FROM OWN SOURCE	30 264	250	402	-	652	652	2%	29 611



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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12.2 Chart 15: Capital Expenditure Monthly Trend: actual v target

FS194 Maluti-a-Phofung - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - Q1 First Quarter

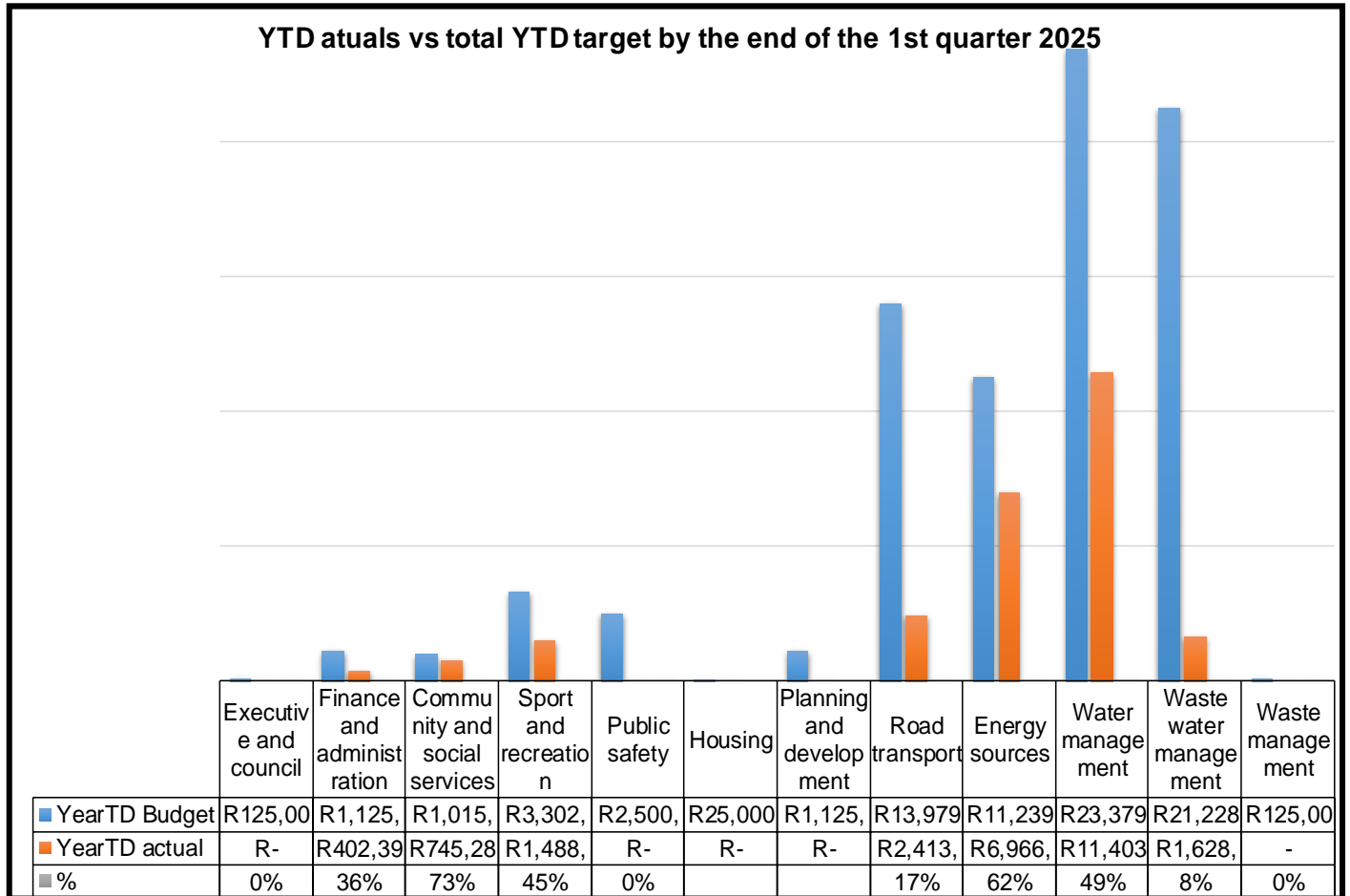
Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	13 347	26 390	26 390	2 247	2 247	26 390	24 143	91,5%	30%
August	825	26 390	26 390	12 452	12 452	52 780	40 328	76,4%	166%
September	10 780	26 390	26 390	10 350	10 350	79 170	68 820	86,9%	138%
October	9 427	26 390	26 390	–	–	105 560	105 560	100,0%	0%
November	60 366	26 390	26 390	–	–	131 950	131 950	100,0%	0%
December	2 940	26 390	26 390	–	–	158 340	158 340	100,0%	0%
January	391	26 390	26 390	–	–	184 731	184 731	100,0%	0%
February	42 927	26 390	26 390	–	–	211 121	211 121	100,0%	0%
March	4 917	26 390	26 390	–	–	237 511	237 511	100,0%	0%
April	5 423	26 390	26 390	–	–	263 901	263 901	100,0%	–
May	22 065	26 390	26 390	–	–	290 291	290 291	100,0%	–
June	45 215	26 390	26 390	–	–	316 681	316 681	100,0%	–
Total Capital expenditure	218 624	316 681	316 681	25 049					



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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12.3 Chart 16: Capital Expenditure: YTD actual vs YTD target





MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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13 OTHER SUPPORTING DOCUMENTS

FS194 Maluti-a-Phofung - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q1 First Quarter)										
Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								%	
Single Year expenditure appropriation	2									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-		-
Vote 02 - Office Of The Municipal Manager		-	500	500	-	-	125	(125)	-100%	500
Vote 03 - Corporate Services		5 012	2 500	2 500	-	221	625	(404)	-65%	2 500
Vote 04 - Financial Services		193	1 000	1 000	-	181	250	(69)	-28%	1 000
Vote 05 - Municipal Infrastructure		98 981	234 850	234 850	5 964	15 446	58 713	(43 266)	-74%	234 850
Vote 06 - Community Services		(346 922)	4 061	4 061	382	745	1 015	(270)	-27%	4 061
Vote 07 - Public Safety & Transport		11 428	11 000	11 000	-	-	2 750	(2 750)	-100%	11 000
Vote 08 - Sports, Arts, Parks, Culture		10 323	13 212	13 212	916	1 488	3 303	(1 815)	-55%	13 212
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-		-
Vote 10 - Hunan Settlements		-	100	100	-	-	25	(25)	-100%	100
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-		-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	4 500	4 500	-	-	1 125	(1 125)	-100%	4 500
Vote 13 - Electricity Department		983	44 958	44 958	3 088	6 967	11 240	(4 273)	-38%	44 958
Vote 14 - Maluti Water		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Total Capital Expenditure		(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Capital Expenditure - Functional Classification										
Governance and administration		5 204	5 000	5 000	-	402	1 250	(848)	-68%	5 000
Executive and council		-	500	500	-	-	125	(125)	-100%	500
Finance and administration		5 204	4 500	4 500	-	402	1 125	(723)	-64%	4 500
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		(325 171)	27 373	27 373	1 297	2 233	6 843	(4 610)	-67%	27 373
Community and social services		(346 922)	4 061	4 061	382	745	1 015	(270)	-27%	4 061
Sport and recreation		10 323	13 212	13 212	916	1 488	3 303	(1 815)	-55%	13 212
Public safety		11 428	10 000	10 000	-	-	2 500	(2 500)	-100%	10 000
Housing		-	100	100	-	-	25	(25)	-100%	100
Health		-	-	-	-	-	-	-		-
Economic and environmental services		20 466	60 418	60 418	1 273	2 413	15 104	(12 691)	-84%	60 418
Planning and development		-	4 500	4 500	-	-	1 125	(1 125)	-100%	4 500
Road transport		20 466	55 918	55 918	1 273	2 413	13 979	(11 566)	-83%	55 918
Environmental protection		-	-	-	-	-	-	-		-
Trading services		79 497	223 890	223 890	7 779	20 000	55 973	(35 973)	-64%	223 890
Energy sources		983	44 958	44 958	3 088	6 967	11 240	(4 273)	-38%	44 958
Water management		18 395	93 518	93 518	3 715	11 404	23 379	(11 976)	-51%	93 518
Waste water management		46 757	84 915	84 915	975	1 629	21 229	(19 600)	-92%	84 915
Waste management		13 363	500	500	-	-	125	(125)	-100%	500
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Funded by:										
National Government		(178 901)	286 417	286 417	10 350	24 396	71 604	(47 208)	-66%	286 417
Provincial Government		(56 370)	-	-	-	-	-	-		-
Transfers recognised - capital		(235 271)	286 417	286 417	10 350	24 396	71 604	(47 208)	-66%	286 417
Borrowing	6									
Internally generated funds		15 269	30 264	30 264	-	652	7 566	(6 913)	-91%	30 264
Total Capital Funding		(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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FS194 Maluti-a-Phofung - Supporting Table SC13d Consolidated Monthly Budget Statement - depreciation by asset class - Q1 First Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		-	68 232	68 232	-	-	17 058	17 058	100,0%	68 232
Roads Infrastructure		-	23 122	23 122	-	-	5 780	5 780	100,0%	23 122
<i>Roads</i>		-	23 122	23 122	-	-	5 780	5 780	100,0%	23 122
Electrical Infrastructure		-	19 286	19 286	-	-	4 822	4 822	100,0%	19 286
<i>LV Networks</i>		-	19 286	19 286	-	-	4 822	4 822	100,0%	19 286
Water Supply Infrastructure		-	5 300	5 300	-	-	1 325	1 325	100,0%	5 300
<i>Boreholes</i>		-	5 300	5 300	-	-	1 325	1 325	100,0%	5 300
Solid Waste Infrastructure		-	20 524	20 524	-	-	5 131	5 131	100,0%	20 524
<i>Waste Separation Facilities</i>		-	20 524	20 524	-	-	5 131	5 131	100,0%	20 524
Community Assets		943	823	823	-	-	206	206	100,0%	823
Community Facilities		943	823	823	-	-	206	206	100,0%	823
<i>Halls</i>		943	823	823	-	-	206	206	100,0%	823
Computer Equipment		1 368	1 424	1 424	-	-	356	356	100,0%	1 424
Computer Equipment		1 368	1 424	1 424	-	-	356	356	100,0%	1 424
Furniture and Office Equipment		199	250	250	-	-	62	62	100,0%	250
Furniture and Office Equipment		199	250	250	-	-	62	62	100,0%	250
Machinery and Equipment		370	353	353	-	-	88	88	100,0%	353
Machinery and Equipment		370	353	353	-	-	88	88	100,0%	353
Transport Assets		5 061	4 848	4 848	-	-	1 212	1 212	100,0%	4 848
Transport Assets		5 061	4 848	4 848	-	-	1 212	1 212	100,0%	4 848
Total Depreciation	1	7 940	75 930	75 930	-	-	18 983	18 983	100,0%	75 930



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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14 CONCLUSION

MFMA Circular 124: Condition 6.9 reporting progress:

The municipal council and senior management team has not instituted processes to monitor and enforce accountability for the implementation of the municipality's Budget Funding Plan:

i. The mitigating factors associated with the implementation of the municipality's Budget Funding Plan:

- The municipality did not budget for overtimes for during the original 2024/25 budget, however the budget was added for overtime on the adjustment budget to cater for the qualifying employees only.
- The revenue enhancement team has been established to develop strategies to improve revenue, the revenue enhancement strategy was approved on the 20th of November 2024, it now has to be implemented and quarterly reports have to be sent to Council for monitoring.

ii. Any risk(s) associated with the implementation of the municipality's Budget Funding Plan

- The municipality may be placed under administration.
- The Equitable share may be withheld.



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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15 ANNEXURE A (PARENT C & ENTITY F-SCHEDULES)

15.1 Parent municipality's financial performance

FS194 Maluti-a-Phofung - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter										
Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1 022 163	1 034 343	1 034 343	9 035	403 820	258 586	145 234	56%	1 034 343
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1 022 163	1 034 343	1 034 343	9 035	403 820	258 586	145 234	56%	1 034 343
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		27 422	34 324	34 324	424	2 391	8 581	(6 190)	-72%	34 324
Community and social services		13 292	5 658	5 658	165	1 641	1 415	226	16%	5 658
Sport and recreation		13 086	16 362	16 362	101	184	4 091	(3 907)	-96%	16 362
Public safety		383	462	462	38	252	115	136	118%	462
Housing		662	11 842	11 842	120	315	2 960	(2 646)	-89%	11 842
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		31 615	64 443	64 443	85	1 522	16 111	(14 589)	-91%	64 443
Planning and development		978	8 256	8 256	85	498	2 064	(1 566)	-76%	8 256
Road transport		30 637	56 187	56 187	-	1 023	14 047	(13 023)	-93%	56 187
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 153 460	1 295 069	1 295 069	81 039	173 592	323 767	(150 176)	-46%	1 295 069
Energy sources		695 361	823 845	823 845	64 567	96 770	205 961	(109 191)	-53%	823 845
Water management		215 958	238 348	238 348	7 141	42 255	59 587	(17 332)	-29%	238 348
Waste water management		157 031	157 216	157 216	4 760	17 740	39 304	(21 564)	-55%	157 216
Waste management		85 110	75 660	75 660	4 571	16 827	18 915	(2 088)	-11%	75 660
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	2 234 660	2 428 179	2 428 179	90 583	581 324	607 045	(25 721)	-4%	2 428 179
Expenditure - Functional										
<i>Governance and administration</i>		528 476	608 953	608 953	64 014	121 255	152 238	(30 983)	-20%	608 953
Executive and council		74 188	76 801	76 801	5 340	15 485	19 200	(3 715)	-19%	76 801
Finance and administration		446 225	523 042	523 042	58 053	104 015	130 760	(26 746)	-20%	523 042
Internal audit		8 064	9 111	9 111	621	1 755	2 278	(523)	-23%	9 111
<i>Community and public safety</i>		585 178	181 120	181 120	16 733	42 249	45 280	(3 031)	-7%	181 120
Community and social services		20 667	24 023	24 023	1 446	4 588	6 006	(1 418)	-24%	24 023
Sport and recreation		469 350	54 437	54 437	4 344	12 319	13 609	(1 290)	-9%	54 437
Public safety		90 742	91 491	91 491	10 593	24 287	22 873	1 414	6%	91 491
Housing		4 418	11 169	11 169	350	1 055	2 792	(1 738)	-62%	11 169
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		44 797	89 706	89 706	3 415	10 546	22 427	(11 880)	-53%	89 706
Planning and development		23 665	39 196	39 196	2 356	6 668	9 799	(3 131)	-32%	39 196
Road transport		21 132	50 510	50 510	1 059	3 878	12 627	(8 749)	-69%	50 510
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 711 288	1 483 391	1 483 391	16 813	386 601	370 848	15 753	4%	1 483 391
Energy sources		1 569 405	1 259 188	1 259 188	6 168	360 221	314 797	45 424	14%	1 259 188
Water management		19 505	60 710	60 710	2 070	2 188	15 178	(12 989)	-86%	60 710
Waste water management		9 470	12 921	12 921	843	812	3 230	(2 418)	-75%	12 921
Waste management		112 908	150 572	150 572	7 731	23 379	37 643	(14 264)	-38%	150 572
<i>Other</i>		3 009	4 263	4 263	316	947	1 066	(119)	-11%	4 263
Total Expenditure - Functional	3	2 872 748	2 367 434	2 367 434	101 290	561 598	591 859	(30 260)	-5%	2 367 434
Surplus/ (Deficit) for the year		(638 089)	60 745	60 745	(10 707)	19 726	15 186	4 540	0,298936	60 745



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

FS194 Maluti-a-Phofung - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 01 - Legislative Authority	1	-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		282	1 560	1 560	-	-	390	(390)	-100,0%	1 560
Vote 04 - Financial Services		1 021 881	1 032 783	1 032 783	9 035	403 820	258 196	145 624	56,4%	1 032 783
Vote 05 - Municipal Infrastructure		488 735	527 411	527 411	16 472	77 845	131 853	(54 008)	-41,0%	527 411
Vote 06 - Community Services		12 632	4 792	4 792	119	1 467	1 198	269	22,5%	4 792
Vote 07 - Public Safety & Transport		383	462	462	38	252	115	136	117,9%	462
Vote 08 - Sports, Arts, Parks, Culture		13 086	16 362	16 362	101	184	4 091	(3 907)	-95,5%	16 362
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		16	5 863	5 863	22	232	1 466	(1 233)	-84,2%	5 863
Vote 10 - Hunan Settlements		1 321	12 708	12 708	166	488	3 177	(2 689)	-84,6%	12 708
Vote 11 - ldp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		962	2 394	2 394	63	266	598	(332)	-55,5%	2 394
Vote 13 - Electricity Department		695 361	823 845	823 845	64 567	96 770	205 961	(109 191)	-53,0%	823 845
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2 234 660	2 428 179	2 428 179	90 583	581 324	607 045	(25 721)	-4,2%	2 428 179
Expenditure by Vote										
Vote 01 - Legislative Authority	1	65 145	67 317	67 317	4 438	12 792	16 829	(4 037)	-24,0%	67 317
Vote 02 - Office Of The Municipal Manager		22 148	24 646	24 646	1 981	5 834	6 162	(327)	-5,3%	24 646
Vote 03 - Corporate Services		57 384	77 313	77 313	7 010	18 835	19 328	(493)	-2,6%	77 313
Vote 04 - Financial Services		280 258	313 768	313 768	41 317	55 422	78 442	(23 020)	-29,3%	313 768
Vote 05 - Municipal Infrastructure		163 542	276 817	276 817	11 744	30 379	69 204	(38 825)	-56,1%	276 817
Vote 06 - Community Services		20 843	23 603	23 603	1 462	4 636	5 901	(1 265)	-21,4%	23 603
Vote 07 - Public Safety & Transport		186 641	184 056	184 056	19 666	51 967	46 014	5 953	12,9%	184 056
Vote 08 - Sports, Arts, Parks, Culture		469 350	54 437	54 437	4 344	12 319	13 609	(1 290)	-9,5%	54 437
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		11 692	16 591	16 591	1 302	3 496	4 148	(652)	-15,7%	16 591
Vote 10 - Hunan Settlements		12 061	44 933	44 933	546	1 747	11 233	(9 487)	-84,5%	44 933
Vote 11 - ldp, Pms Department		3 713	4 078	4 078	337	1 000	1 019	(19)	-1,9%	4 078
Vote 12 - Spatial Development, Planning & Traditional Affairs		11 269	22 791	22 791	1 033	3 119	5 698	(2 579)	-45,3%	22 791
Vote 13 - Electricity Department		1 568 703	1 257 084	1 257 084	6 112	360 052	314 271	45 781	14,6%	1 257 084
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2 872 748	2 367 434	2 367 434	101 290	561 598	591 859	(30 260)	-5,1%	2 367 434
Surplus/ (Deficit) for the year	2	(638 089)	60 745	60 745	(10 707)	19 726	15 186	4 540	29,9%	60 745



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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FS194 Maluti-a-Phofung - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		287 671	739 063	739 063	64 566	88 948	184 766	(95 818)	-52%	739 063
Service charges - Water		81 910	95 159	95 159	7 141	25 385	23 790	1 596	7%	95 159
Service charges - Waste Water Management		48 889	51 422	51 422	4 760	13 889	12 855	1 034	8%	51 422
Service charges - Waste management		48 662	51 184	51 184	4 571	13 722	12 796	926	7%	51 184
Sale of Goods and Rendering of Services		2 688	6 584	6 584	198	798	1 646	(848)	-51%	6 584
Agency services										
Interest										
Interest earned from Receivables		107 556	125 181	125 181	(26)	17 376	31 295	(13 919)	-44%	125 181
Interest from Current and Non Current Assets		20 948	12 605	12 605	458	4 500	3 151	1 349	43%	12 605
Dividends										
Rent on Land			1 000	1 000			250	(250)	-100%	1 000
Rental from Fixed Assets		1 857	3 992	3 992	150	351	998	(647)	-65%	3 992
Licence and permits										
Special rating levies										
Operational Revenue		1 087	11 772	11 772	122	333	2 943	(2 610)	-89%	11 772
Non-Exchange Revenue										
Property rates		107 972	110 363	110 363	8 594	26 226	27 591	(1 365)	-5%	110 363
Surcharges and Taxes										
Fines, penalties and forfeits		207	2 396	2 396	51	441	599	(159)	-26%	2 396
Licence and permits			1 663	1 663			416	(416)	-100%	1 663
Transfers and subsidies - Operational		852 793	882 846	882 846		366 381	220 712	145 670	66%	882 846
Interest		426 385	41 693	41 693		6 821	10 423	(3 602)	-35%	41 693
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		8	7	7			2	(2)	-100%	7
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		1 988 634	2 136 929	2 136 929	90 583	565 171	534 232	30 939	6%	2 136 929
Expenditure By Type										
Employee related costs		504 773	546 277	546 277	45 200	136 367	136 569	(202)	0%	546 277
Remuneration of councillors		37 151	36 529	36 529	2 670	8 040	9 132	(1 093)	-12%	36 529
Bulk purchases - electricity		1 068 512	1 114 944	1 114 944	375	320 672	278 736	41 936	15%	1 114 944
Inventory consumed		27 036	52 842	52 842	4 406	6 518	13 210	(6 692)	-51%	52 842
Debt impairment		423 323	13 280	13 280			3 320	(3 320)	-100%	13 280
Depreciation and amortisation		7 940	75 930	75 930			18 983	(18 983)	-100%	75 930
Interest		426 974	51 500	51 500	0	23 052	12 875	10 177	79%	51 500
Contracted services		136 293	173 462	173 462	10 621	26 302	43 365	(17 063)	-39%	173 462
Transfers and subsidies		177 250	198 043	198 043	31 336	31 336	49 511	(18 175)	-37%	198 043
Irrecoverable debts written off		1 180	23 120	23 120	387	609	5 780	(5 171)	-89%	23 120
Operational costs		68 990	81 507	81 507	6 294	8 701	20 377	(11 675)	-57%	81 507
Losses on Disposal of Assets		(6 676)								
Other Losses		2								
Total Expenditure		2 872 748	2 367 434	2 367 434	101 290	561 598	591 859	(30 260)	-5%	2 367 434
Surplus/(Deficit)		(884 115)	(230 505)	(230 505)	(10 707)	3 573	(57 626)	61 199	(0)	(230 505)
Transfers and subsidies - capital (monetary allocations)										
		246 026	291 250	291 250		16 153	72 812	(56 659)	(0)	291 250
Transfers and subsidies - capital (in-kind)										
Surplus/(Deficit) after capital transfers & contributions		(638 089)	60 745	60 745	(10 707)	19 726	15 186	4 540	0	60 745
Income Tax										
Surplus/(Deficit) after income tax		(638 089)	60 745	60 745	(10 707)	19 726	15 186	4 540	0	60 745
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(638 089)	60 745	60 745	(10 707)	19 726	15 186	4 540	0	60 745
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		(638 089)	60 745	60 745	(10 707)	19 726	15 186	4 540	0	60 745



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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FS194 Maluti-a-Phofung - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q1 First Quarter

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	500	500	-	-	125	(125)	-100%	500
Vote 03 - Corporate Services		5 012	2 500	2 500	-	221	625	(404)	-65%	2 500
Vote 04 - Financial Services		193	1 000	1 000	-	181	250	(69)	-28%	1 000
Vote 05 - Municipal Infrastructure		98 981	234 850	234 850	5 964	15 446	58 713	(43 266)	-74%	234 850
Vote 06 - Community Services		(346 922)	4 061	4 061	382	745	1 015	(270)	-27%	4 061
Vote 07 - Public Safety & Transport		11 428	11 000	11 000	-	-	2 750	(2 750)	-100%	11 000
Vote 08 - Sports, Arts, Parks, Culture		10 323	13 212	13 212	916	1 488	3 303	(1 815)	-55%	13 212
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	-
Vote 10 - Hunan Settlements		-	100	100	-	-	25	(25)	-100%	100
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	4 500	4 500	-	-	1 125	(1 125)	-100%	4 500
Vote 13 - Electricity Department		983	44 958	44 958	3 088	6 967	11 240	(4 273)	-38%	44 958
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Total Capital Expenditure		(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Capital Expenditure - Functional Classification										
Governance and administration		5 204	5 000	5 000	-	402	1 250	(848)	-68%	5 000
Executive and council		-	500	500	-	-	125	(125)	-100%	500
Finance and administration		5 204	4 500	4 500	-	402	1 125	(723)	-64%	4 500
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(325 171)	27 373	27 373	1 297	2 233	6 843	(4 610)	-67%	27 373
Community and social services		(346 922)	4 061	4 061	382	745	1 015	(270)	-27%	4 061
Sport and recreation		10 323	13 212	13 212	916	1 488	3 303	(1 815)	-55%	13 212
Public safety		11 428	10 000	10 000	-	-	2 500	(2 500)	-100%	10 000
Housing		-	100	100	-	-	25	(25)	-100%	100
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		20 466	60 418	60 418	1 273	2 413	15 104	(12 691)	-84%	60 418
Planning and development		-	4 500	4 500	-	-	1 125	(1 125)	-100%	4 500
Road transport		20 466	55 918	55 918	1 273	2 413	13 979	(11 566)	-83%	55 918
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		79 497	223 890	223 890	7 779	20 000	55 973	(35 973)	-64%	223 890
Energy sources		983	44 958	44 958	3 088	6 967	11 240	(4 273)	-38%	44 958
Water management		18 395	93 518	93 518	3 715	11 404	23 379	(11 976)	-51%	93 518
Waste water management		46 757	84 915	84 915	975	1 629	21 229	(19 600)	-92%	84 915
Waste management		13 363	500	500	-	-	125	(125)	-100%	500
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681
Funded by:										
National Government		(178 901)	286 417	286 417	10 350	24 396	71 604	(47 208)	-66%	286 417
Provincial Government		(56 370)	-	-	-	-	-	-	-	-
Transfers recognised - capital		(235 271)	286 417	286 417	10 350	24 396	71 604	(47 208)	-66%	286 417
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		15 269	30 264	30 264	-	652	7 566	(6 913)	-91%	30 264
Total Capital Funding		(220 002)	316 681	316 681	10 350	25 049	79 170	(54 122)	-68%	316 681



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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15.2 Municipal Entity's financial performance

- The MFMA s87(11) quarterly report, which provides a full reports of the financial status of the Entity was not received by the time this report was completed. The information used was from the F-Schedule and the monthly journal uploaded on the Parent database.
- The operating revenue year to date by the end of the 1st quarter amounted to R51.1 million and the expenditure year to date amounted to R44.2 million.

MAP WATER FINANCIAL PERFORMANCE - 1s Quarter 2025							
Description R'000	Original Budget	Jul-25	Aug-25	Sep-25	1st Quarter	YearTD Actual	%
INCOME	(270,936)	-	(33,865)	(17,303)	(51,168)	(51,168)	19%
Interest from Current and Non Current Assets	(159)	-	-	-	-	-	0%
Sale of Goods and Rendering of Services	(159)	-	-	-	-	-	0%
Intercompany/Parent-Subsid Transactions	(186,916)	-	(31,153)	(15,576)	(46,729)	(46,729)	25%
Intercompany Transaction- Sewer Levy	(40,478)	-	(857)	(568)	(1,425)	(1,425)	4%
Intercompany Transaction- Water Levy	(43,224)	-	(1,855)	(1,159)	(3,014)	(3,014)	7%
EXPENDITURE	270,936	-	29,811	14,422	44,234	44,234	16%
Employee related costs	176,278	-	29,554	14,198	43,752	43,752	25%
Contracted services	29,978	-	-	21	21	21	0%
Operational costs	48,083	-	257	203	460	460	1%
Inventory consumed	16,436	-	-	1	1	1	0%
Interest	162	-	-	-	-	-	0%
SURPLUS/-DEFICIT	(0)	-	(4,053)	(2,881)	(6,934)	(6,934)	



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

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Maluti Water (Pty) Ltd - Table F1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2023/24	Current Year 2024/25							
	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	-	-	-	-	-	-	-		-
Service charges	-	-	-	-	-	-	-		-
Investment revenue	1	159	159	-	-	40	(0)	-100%	159
Transfers recognised - operational	-	-	-	-	-	-	-		-
Other own revenue	-	159	159	-	-	40	(0)	-100%	159
Total Revenue (excluding capital transfers and contributions)	1	318	318	-	-	80	(80)	(0)	318
Employee costs	160 592	176 278	176 278	14 198	43 752	44 069	(317)	(0)	176 278
Remuneration of Board Members	-	-	-	-	-	-	-		-
Depreciation and asset impairment	-	-	-	-	-	-	-		-
Interest	-	162	162	-	-	40	(40)	(0)	162
Inventory consumed and bulk purchases	226	16 436	16 436	1	1	4 109	(4 108)	(0)	16 436
Transfers and grants	-	-	-	-	-	-	-		-
Other expenditure	1 131	78 061	78 061	223	481	19 515	(19 035)	(0)	78 061
Total Expenditure	161 949	270 936	270 936	14 422	44 234	67 734	(23 500)	(0)	270 936
Surplus/(Deficit)	(161 949)	(270 618)	(270 618)	(14 422)	(44 234)	(67 654)	23 421	(0)	(270 618)
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-		-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(161 949)	(270 618)	(270 618)	(14 422)	(44 234)	(67 654)	23 421	(0)	(270 618)
Income Tax	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(161 949)	(270 618)	(270 618)	(14 422)	(44 234)	(67 654)	23 421	(0)	(270 618)
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-		-
Transfers recognised - capital	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	-	-	-	-	-	-	-		-
Total sources of capital funds	-	-	-	-	-	-	-		-
Financial position									
Total current assets	774 464	-	-		51 845				-
Total non current assets	8 499	-	-		-				-
Total current liabilities	841 181	(177 278)	(177 278)		136 297				(177 278)
Total non current liabilities	320	-	-		-				-
Community wealth/Equity	(147 359)	-	-		-				-
Cash flows									
Net cash from (used) operating	-	-	-	60 707	136 951	-	136 951	#DIV/0!	-
Net cash from (used) investing	-	-	-	-	-	-	-		-
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the year end	21 708	-	-	60 707	136 950	-	136 950	#DIV/0!	(2)
Debtors & creditors analysis	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-



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Maluti Water (Pty) Ltd - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2023/24	Current Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue	1									
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water								-		
Service charges - Waste Water Management								-		
Service charges - Waste Management								-		
Sale of Goods and Rendering of Services		-	159	159	-	-	40	(40)	-100,0%	159
Agency services								-		
Interest								-		
Interest earned from Receivables								-		
Interest earned from Current and Non Current Assets		1	159	159	-	-	40	(40)	-100,0%	159
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets								-		
Licence and permits								-		
Special rating levies								-		
Operational Revenue								-		
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes								-		
Fines, penalties and forfeits								-		
Licences or permits								-		
Transfer and subsidies - Operational		-	-	-	-	-	-	-		-
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		-	-	-	-	-	-	-		-
Other Gains								-		
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		1	318	318	-	-	80	(80)	-100,0%	318
Expenditure By Type										
Employee related costs		160 592	176 278	176 278	14 198	43 752	44 069	(317)	-0,7%	176 278
Remuneration of board members								-		
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		226	16 436	16 436	1	1	4 109	(4 108)	-100,0%	16 436
Debt impairment								-		
Depreciation and asset impairment	2							-		
Interest		-	162	162	-	-	40	(40)	-100,0%	162
Contracted services		222	29 978	29 978	21	21	7 494	(7 474)	-99,7%	29 978
Transfers and subsidies								-		
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		909	48 083	48 083	203	460	12 021	(11 561)	-96,2%	48 083
Losses on disposal of Assets		-	-	-	-	-	-	-		-
Other Losses								-		
Total Expenditure	3	161 949	270 936	270 936	14 422	44 234	67 734	(23 500)	-34,7%	270 936
Surplus/(Deficit)		(161 949)	(270 618)	(270 618)	(14 422)	(44 234)	(67 654)	23 421	-34,6%	(270 618)
Transfers and subsidies - capital (monetary allocations)								-		
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) before taxation		(161 949)	(270 618)	(270 618)	(14 422)	(44 234)	(67 654)	23 421	-34,6%	(270 618)
Income Tax								-		
Surplus/(Deficit) for the year		(161 949)	(270 618)	(270 618)	(14 422)	(44 234)	(67 654)	#NAME?		(270 618)
References										
1. Revenue includes sales of: (insert description)										
2. Bulk purchases - electricity										
2. Bulk purchases - water										
3. Expenditure includes repairs & maintenance of:										



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16 COMPLIANCE WITH THE CONDITIONS FOR MUNICIPAL DEBT RELIEF

16.1 Annexure B - MFMA Budget Circular 128 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly			Notes/Comments
	National Treasury 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	Jul25		
National Financial Year	2025/26		
Demarcation Code of Municipality being assessed	FS194		
District	Thabo Mofutsanyana		
Demarcation Description	Maluti-a-Phofung		
<p>I,....., 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:</p>			
Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list			
6.3+ Condition 6.12	Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise means the account for a single month's consumption):</small>		
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)? <i>Note - refer condition 6.12.2</i>	Yes	Special Master has been appointed to deal with the debt owed by the Municipality to the Department of Water Affairs. They are paid 11% of the Equitable share.
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)? <i>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.</i>	Yes	The Municipality has paid through its LPU's, SPU's and prepaid from own source - Eskom has started billing all conventional meters in September 2024, however the Municipality has only received transactions until April 2025. We have not received the billing reports for May, June and July 2025 for preparation of journals. the Municipality has sent a letter to Eskom requesting the outstanding reports on the 11 July 2025 and no response has been received
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	The bulk invoice has been uploaded into the GO-Muni platform
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?	No	The Journals were not received by the time month end processes were performed
		Select	



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6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)			
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	The 2025-2026 budget is unfunded due to low revenue collection, high bulk electricity purchases, budgeting for depreciation and debt impairment.
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?	No	The 2025-2026 budget is unfunded with an operating deficit of R432 million indicated on Table A4 without including the map water transfers.
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?	No	
<p><i>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 property 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".</i></p>			
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?	No	The monthly calculations are not done on the system. Which affects the budget projections.
<p><i>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".</i></p>		Yes	
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	This was approved by Council on the 21st of May 2024
<p><i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>		Na	
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)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	Yes	
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	Our cash flow does not reflect a true reflection of the bank movements so that affected budgeting
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	The 2025-2026 Final tariff tool was uploaded on the 18 June 2025



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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:	Yes	
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	The billing report (BM030) is attached The proof of emails of accounts is attached
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?	No	
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.	No	
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.		All registered indigents are on prepaid and they purchase as per their use if they exceed the FBE of 50KHW
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.	Yes	
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?		The % collection Increase from 61% in June 2025 to 76% in July 2025. The billing vs collection report is calculated based on June Schedule C4 and July Schedule SC9 which includes payments in advance, prepaid collection & Journals. The Journals for May, June and July were not received by the time month end processes have been performed
	<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	Select	
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 :	Select	
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;	Yes	It is not because of Eskom supplied areas but due to low collection and service delivery challenges
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)?	Yes	Our current water meters do not allow us to restrict water
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	There are continuous engagements between Eskom and the Municipality through the DAA implementation
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	Eskom is currently ensuring that every property in Kestel, Harrismith & Qwaqwa is metered through the DAA implementation, the Municipality has also applied for the smart metering grant from NT, we are still awaiting feedback of the application
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	There is a provision for revenue enhancement programs
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?	No	



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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 <input type="button" value="v"/>
The GVR recon is a quarterly report			
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes <input type="button" value="v"/>
The progress for July is attached			
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za ?	Yes <input type="button" value="v"/>
The GVR recon is a quarterly report and the fourth quarter was uploaded on GoMuni			
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 FRP <input type="button" value="v"/> Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes
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?	Select <input type="button" value="v"/>
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?	Select <input type="button" value="v"/>
<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>			
33	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	Select <input type="button" value="v"/>
34	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	
35	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Select <input type="button" value="v"/>
36	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	
<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			
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?	Select <input type="button" value="v"/>



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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?	<input type="text"/>
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?	<input type="text" value="Yes"/> The Municipality is paying Eskom through LPU's and transferring the prepaid collection to Eskom as required by the DAA. Special Master has been appointed to deal with the debt owed by the Municipality to the Department of Water Affairs. They are paid 11% of the Equitable share
		<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>	<input type="text" value="Select"/>
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.	
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with MSCOA.</i>	
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	
		<i>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.</i>	

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) / Municipal Manager, the written procurator of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.

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



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Annexure A2 - Monthly			Notes/Comments
<div style="display: flex; align-items: center;"> <div> <p>National Treasury</p> <p>Municipal Debt Relief</p> <p>MFMA Circular No. 124</p> <p>Municipal Finance Management Act No. 56 of 2003</p> </div> </div>			
<div style="border: 1px solid black; padding: 2px; background-color: #ffffcc;"> Free State Provincial Treasury </div>			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period		Aug25	
National Financial Year		2024/25	
Demarcation Code of Municipality being assessed		FS194	
District	Thabo Mofutsanyana		
Demarcation Description	Maluti-a-Phofung		
<p>I, ADV MM Mofokeng, hereby certify that the Maluti A Phofung Municipality 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:</p>			
Municipal Debt Relief Conditions (Monthly reporting)			
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):	Choose from drop down list	
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	Yes	
5	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 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?	No	
6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	Select	
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?	No	
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? <i>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 property 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".</i>	Yes	
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? <i>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".</i>	Yes	
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	



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		<i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>		
12	5.4.2	- 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	5.4.2	- 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	The 2025-2026 Final tariff tool was uploaded on the 18 June 2025
	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	The billing report (BM030) is attached The proof of emails of accounts is attached and Notice
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	Auditing and disconnections are done, and the disconnection invoices are issued (poe's attached)
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.	Yes	All registered indigents are on prepaid and they purchase as per their use if they exceed the FBE of 50KWH. The challenge is on water. The Municipality doesn't have resources to do the restrictions
	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	The % collection decrease from 76% in July 2025 to 55% in August 2025. The billing vs collection report is calculated based on July Schedule C4 and August Schedule SC9 which includes payments in advance, prepaid collection & Journals. The Journals for May, June, July and August were not received by the time month end processes have been performed.
	6.7.2	<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i> - 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:	Yes	
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;	Yes	It is not because of Eskom supplied areas but due to low collection and service delivery challenges
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)?	Yes	Our current water meters do not allow us to restrict water
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	There are continuous engagements between Eskom and the Municipality through the DAA implementation
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	Eskom is currently ensuring that every property in Kestel, Harrismith & Qwaqwa is metered through the DAA implementation, the Municipality has also applied for the smart metering grant from NT, we are still awaiting feedback of the application
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	There is a provision for revenue enhancement programs
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	



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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	Yes		The GVR recon is a quarterly report
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.	Yes		The progress for August is attached
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://uploadportal.treasury.gov.za/ ?			The GVR recon is a quarterly report and the fourth quarter was uploaded on Go-muni
6.9		Monitor and report on implementation –		Yes	
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?	Yes		
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 time error and must refer to 6.9.1.	Yes		
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?	Yes		
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://uploadportal.treasury.gov.za/ ?			
		<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>			
6.10		Provincial Treasury Note - Provincial Treasury certification of municipal compliance –in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:		Select	
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?	Select		
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://uploadportal.treasury.gov.za/ ?	Select		
		<i>Note: in the case of a non-delegated municipality the National Treasury issues the compliance certificate.</i>			
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?	Select		
		<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?			
		<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124 condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>			
6.12		For the duration of the Municipal Debt Relief (to ensure proper management of resources):		Select	
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?			The Municipality is paying Eskom through LPIUs and transferring the prepaid collection to Eskom as required by the DAA. Special Master has been appointed to deal with the debt owed by the Municipality to the Department of Water Affairs. They are paid 11% of the Equitable share



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		<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>	Select <input type="button" value="v"/>	
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.	Select <input type="button" value="v"/>	
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	Select <input type="button" value="v"/>	
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?		
<p><i>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.</i></p>				
PT: HOD/ NT/ MM Name: _____				
Signature of HOD/ NT/ MM: _____				
Date: _____				



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Annexure A2 - Monthly		Notes/Comments											
National Treasury 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	<input type="text" value="Sept 25"/>												
National Financial Year	<input type="text" value="20 2506"/>												
Demarcation Code of Municipality being assessed	<input type="text" value="F1194"/>												
District	Thabo Mofutsanyana												
Demarcation Description	Maluti-a-Phofung												
<p>ADV Mmofokeng, 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:</p>													
Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list													
6.3+ Condition 6.12	Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise means the account for a single month's consumption)</small>												
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)? <small>Note - refer condition 6.12.2</small>												
6.12.2	- Has the municipality submitted the supporting evidence to 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://goplms.watboard.org.za/ ?												
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?												
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)? <small>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) up to the date of NT approval of the application.</small>												
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://goplms.dportal.tre.co.za/ ?												
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?												
<div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">Yes</td> <td style="width: 5%; text-align: center;">No</td> </tr> <tr> <td style="width: 5%; text-align: center;">Yes</td> <td style="width: 5%; text-align: center;">No</td> </tr> <tr> <td style="width: 5%; text-align: center;">Yes</td> <td style="width: 5%; text-align: center;">No</td> </tr> <tr> <td style="width: 5%; text-align: center;">Yes</td> <td style="width: 5%; text-align: center;">No</td> </tr> <tr> <td style="width: 5%; text-align: center;">Yes</td> <td style="width: 5%; text-align: center;">No</td> </tr> <tr> <td style="width: 5%; text-align: center;">Yes</td> <td style="width: 5%; text-align: center;">No</td> </tr> </table> </div> <div style="width: 55%; font-size: small;"> <p style="color: red;">Special Master has been appointed to deal with the debt owed by the Municipality to the Department of Water Affairs. They are paid 1% of the Equitable share.</p> </div> </div>		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Yes	No												
Yes	No												
Yes	No												
Yes	No												
Yes	No												
Yes	No												



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5.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)		Best	
7	5.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - https://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	No	The 2025-2026 budget is unfunded due to low revenue collection, high bulk electricity purchases, budgeting for depreciation and debt impairment.
8	5.4.1 - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	No	The 2025-2026 budget is unfunded with an operating deficit of R-432million indicated on Table A4 without including the map water intercompany
9	5.4.1 - 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? <i>Note – For example, if the municipality during the preceding 12 months only managed to collect 40 per cent of its revenue (take projections), the provision for debt impairment of going with the historic collection trend should also be 40 per cent of the 2023/24 MTREF revenue projection (take project 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 revenues, the Provincial Treasury must respond to this item as "No".</i>	Yes	
10	5.4.1 - 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? <i>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 its asset register, the Provincial Treasury must respond to this item as "No".</i>	Yes	The monthly calculations are not done on the system. Which affects the budget projections.
11	5.4.2 - 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)? <i>Note – If the municipality has an FRP a separate budget funding plan is not necessary. However, the PT /NT must assess whether the existing FRP incorporates /will give effect to a funded MTREF. If not, the FRP requires strengthening</i>	Yes	
12	5.4.2 - 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)? <i>Note – only if the municipality does not have a FRP may "N/A" be selected from the dropdown list.</i>	No	
13	5.4.2 - 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 Flow) 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	5.5 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	The 2025-2026 Final tariff tool was uploaded on the 18 June 2025
15	5.6.1 - 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	The billing report (EM030) is attached The proof of emails of accounts is attached and Notice
16	5.6.2 - 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	Auditing and disconnections are done, and the disconnection invoices are issued (see attached)
17	5.6.3 - 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 water.	Yes	
18	5.6.4 - If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s71 statement must include as part of the narratives the indigent information in the consolidated MT report.</i>	Yes	All registered indigents are on prepaid and they purchase as per their use if they exceed the FBE of 50KWh. The challenge is on water. The Municipality doesn't have resources to do the restrictions



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6.6	Supporting 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 6.6.		
6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
1.0	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 m6COA data strings uploaded via the GoMuni Upload Portal?	Yes	The % collection increased from 55% in August 2025 to 186% in September 2025. The billing vs collection report is calculated based on August Schedule C4 and September Schedule SC9 which includes payments in advance, prepaid collection & Journals.
	Note - although the norm and standard for collection (MFMA Circular No. 73) 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:		
2.0	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;	Yes	The billing report (BM030) is attached The proof of emails of accounts is attached and Notice
2.1	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)?	Yes	Auditing and disconnections are done, and the disconnection invoices are issued (see attached)
2.2	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 reasons for this failure?	Yes	
2.3	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	All registered indigents are on prepaid and they purchase as per their use if they exceed the FBE of 50KHW. The challenge is on water. The Municipality doesn't have resources to do the restrictions
2.4	6.7.4 - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTRF with a smart pre-paid meter?	Yes	
2.5	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 –		
2.6	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	Yes	
2.7	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	Yes	
2.8	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://uploadportal.treasury.gov.za/	Yes	



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6.9		Monitoring report on implementation –	
29	6.9.1	<p>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?</p>	Yes
30	6.9.2	<p>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?</p>	Yes
31	6.9.3	<p>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?</p>	Yes
32	6.9.4	<p>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://upload.portal.treasury.gov.za/?</p> <p><i>Note – a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress reports are submitted to both the Provincial Executive and MFRS.</i></p>	Yes
<p>Provincial Treasury Note – Provincial Treasury compliance / 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:</p>			
33	6.10.1	<p>has the relevant Provincial Treasury (delegated) / National Treasury (non delegated) monthly monitored the municipality's compliance in terms of these conditions?</p>	Select
34	6.10.2	<p>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 4.11 to 4.15 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://upload.portal.treasury.gov.za/?</p> <p><i>Note – a Provincial Treasury may not be considered to be in compliance if it does not comply with the conditions for provincial treasuries.</i></p>	Select
35	6.10.3	<p>has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.11 to 4.16 of MFMA Circular no. 124) within one month of the non-compliance occurring?</p>	Select
<p><i>Note – if the PT failed to address its failure, such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.11.</i></p>			
36	6.11	<p>Limitation on municipality borrowing powers – has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?</p>	Select
<p><i>Note – there is a prohibition on municipal borrowing for their immediate municipal financial year from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. It is confirmed that MFR Circular No. 124 condition 6.11 (Limitation on municipal borrowing powers) will only be enforced in relation to new long term loans entered into after the effective date of debt relief approved or envisaged in MFMA section 46. Short term borrowings, including making use of overdrafts for in-year liquidity purposes are not considered within the ambit of the condition.</i></p>			
<p>6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):</p>			
37	6.12.1	<p>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?</p>	Select
38	6.12.2	<p>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?</p>	Yes
<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFR 124.</i></p>			
39	6.13	<p>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.</p>	Select
40	6.13	<p>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?</p> <p><i>Note – to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with MSCOA.</i></p>	Select
41	6.14	<p>NERSA License – has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	Select
<p><i>Note: By applying for Municipal Debt Relief as envisaged in paragraph 3 of MFR 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 make the municipality's license in terms of section 17 of the Electricity Regulation Act, 2008 (Act no. 4 of 2008). Any such application may be processed by the relevant process for appointing an external mediator as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement of aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2008. In terms of the conditions of government's debt relief support to Eskom, Eskom will also 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.</i></p>			

The Municipality is paying Eskom through LFDs and transferring the prepaid collection to Eskom as required by the OAA. Special Master has been appointed to deal with the debt owed by the Municipality to the Department of Water Affairs. They are paid 11% of the Equitable share



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16.2 Municipal Debt Relief Performance across the period of debt relief participation

The below table outcome is based on the municipality’s self-assessment on Eskom debt relief compliance from July 2024 – June 2025. The latest compliance certificate from Free State Provincial Treasury received was for the month of March and indicated the score of 80%.

National Treasury			Province																																										
Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003			FS <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Code</th> <th>District</th> <th>Code Description</th> </tr> <tr> <td style="text-align: center;">FS194</td> <td style="text-align: center;">Thabo Mofutsanyana</td> <td style="text-align: center;">Maluti-a-Phofung</td> </tr> </table>		Code	District	Code Description	FS194	Thabo Mofutsanyana	Maluti-a-Phofung																																			
Code	District	Code Description																																											
FS194	Thabo Mofutsanyana	Maluti-a-Phofung																																											
Monthly Performance Report																																													
Municipal Details			Part A					Part B					Part C				Part D					Part C					Maximization of Revenue Base		Part E												Scoring and Rating				
			Eskom And Bulk water current account					Compliance with a funded MTREF					FRPBFP & Tariff Assessment				Electricity and water as collection tools					Quarterly collection of property rates and services charges							Oversight																
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	Maluti-a-Phof	FS194	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	NA								No	Yes	76%	Moderate compliance
26.August25	Maluti-a-Phof	FS194	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									Yes		76%	Moderate compliance
27.September25	Maluti-a-Phof	FS194	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									Yes		80%	Above Moderate
28.October25	Maluti-a-Phof	FS194																																										0%	Not completed
29.November25	Maluti-a-Phof	FS194																																										0%	Not completed
30.December25	Maluti-a-Phof	FS194																																										0%	Not completed
31.January26	Maluti-a-Phof	FS194																																										0%	Not completed
32.February26	Maluti-a-Phof	FS194																																										0%	Not completed
33.March26	Maluti-a-Phof	FS194																																										0%	Not completed
34.April26	Maluti-a-Phof	FS194																																										0%	Not completed
35.May26	Maluti-a-Phof	FS194																																										0%	Not completed
36.June26	Maluti-a-Phof	FS194																																										0%	Not completed
37.July26	Maluti-a-Phof	FS194																																										0%	Not completed
38.August26	Maluti-a-Phof	FS194																																										0%	Not completed
39.September26	Maluti-a-Phof	FS194																																										0%	Not completed
40.October26	Maluti-a-Phof	FS194																																										0%	Not completed
41.November26	Maluti-a-Phof	FS194																																										0%	Not completed
			<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; margin: 0;">Comments/Motivation</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>HOD Name: _____</p> <p>Signature of HOD: _____</p> <p>Date: _____ 26/07/2024</p> </div>																																										
<p>Note - If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procurement of the HOD must be attached as an Annexure to this Certificate of Compliance.</p>																																													



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16.3 Annexure C- Monthly - Restriction of Free Basic Services to Indigent Households



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

Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))
Instruction - complete only with information of the current households registered as indigent with the municipality (Do NOT include the information of all households unless explicitly stated otherwise)

Description	Ref	As Per Debt Relief Application		2025/2026 - Monthly Monitoring															
		Current Year - 2025/2026	2025/2026 - Monthly Monitoring	Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																		
Water: (Include All Indigent households also in Eskom supplied areas)																			
Indigent HHs with piped water inside dwelling																			
Indigent HHs with piped water inside yard (but not in dwelling)																			
Indigent HHs using public tap (at least min.service level)	2																		
Indigent HHs with other water supply (at least min.service level)																			
Total no. of Indigent HHs receiving Minimum Service Level and Above sub-total	4		18 755 498																
Indigent HHs using public tap (< min.service level)	3																		
Indigent HHs with other water supply (< min.service level)	4																		
Indigent HHs with No water supply																			
Total no. of Indigent HHs receiving - Below Minimum Service Level sub-total	5		18 755 498																
Total number of registered indigent households	5																		
Status of Water meters:																			
Number of Indigent HHs with prepaid Water																			
Number of Indigent HHs with conventional metered Water						2 260	2 381	2 544											
Number of Indigent HHs NOT metered currently - Water						7 836	9 790	13 656											
Number of Indigent HHs with NO Water supply - No metering																			
Total number of registered indigent households	10					10 096	12 171	16 200											
Status of unlimited supply of Water:																			
Number of Indigent HHs with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																			
Number of Indigent HHs NOT metered currently receiving unlimited supply - Water						7 836	9 790	13 656											
Total number of registered indigent households receiving unlimited supply - Water						7 836	9 790	13 656											
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HHs billed for consumption above the 6 kilolitres	11					7 836	9 790	13 656											
Energy: (Include All Indigent households also in Eskom supplied areas)																			
Indigent HHs with Electricity (at least min.service level)																			
Indigent HHs with Electricity - prepaid (min.service level)																			
Total no. of Indigent HHs receiving Minimum Service Level and Above sub-total						10 096	12 171	16 200											
Indigent HHs with Electricity (< min.service level)																			
Indigent HHs with Electricity - prepaid (< min. service level)																			
Indigent HHs with other energy sources																			
Total no. of Indigent HHs receiving - Below Minimum Service Level sub-total	5					10 096	12 171	16 200											
Total number of registered indigent households	5					10 096	12 171	16 200											
Status of Electricity meters:																			
Number of Indigent HHs with prepaid Electricity																			
Number of Indigent HHs with conventional metered Electricity						10 096	12 171	16 200											
Number of Indigent HHs NOT metered currently - Electricity																			
Number of indigent HHs with other energy sources - No metering																			
Total number of registered indigent households	12					10 096	12 171	16 200											
Status of unlimited supply of Electricity:																			
Number of Indigent HHs with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month																			
Number of Indigent HHs NOT metered currently receiving unlimited supply - Electricity																			
Total number of registered indigent households receiving unlimited supply - Electricity																			
Of the Total Number of registered indigent households receiving unlimited supply of electricity - State the Number of HHs billed for consumption above the 50 kwh	13																		
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)	7																		
Water (6 kilolitres per household per month)						10 096	12 171	16 200											
Electricity/other energy (50kwh per household per month)						10 096	12 171	16 200											
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																			
Water (6 kilolitres per household per month)						171 195	180 361	192 708											
Electricity/other energy (50kwh per household per month)						249 730	263 101	281 112											
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																			
Water (6 kilolitres per household per month)																			
Electricity/other energy (50kwh per household per month)						865 878	1 081 735	1 508 988											
Total cost of FBS Water and Electricity provided to ALL Households	8					1 286 803	1 525 256	1 982 808											
Highest level of free service provided per household (ALL Households)																			
Property rates (R v plus threshold)																			
Water (kilolitres per household per month)						6	6	6											
Sanitation (kilolitres per household per month)																			
Sanitation (Rand per household per month)						222	222	222											
Electricity (kwh per household per month)						50	50	50											
Refuse (average litres per week)						141	141	141											
Revenue cost of subsidised services provided for ALL Households (R'000)	9																		
Residential Category: Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)																		
PSI Category: Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)																		
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA)																			
Water (in excess of 6 kilolitres per indigent household per month)	15																		
Sanitation (in excess of free sanitation service to indigent households)	16																		
Electricity/other energy (in excess of 50 kwh per indigent household per month)																			
Refuse (in excess of one removal a week for indigent households)																			
Municipal Housing - rental rebates																			
Housing - top structure subsidies																			
Other	6																		
Total revenue cost of subsidised services provided																			

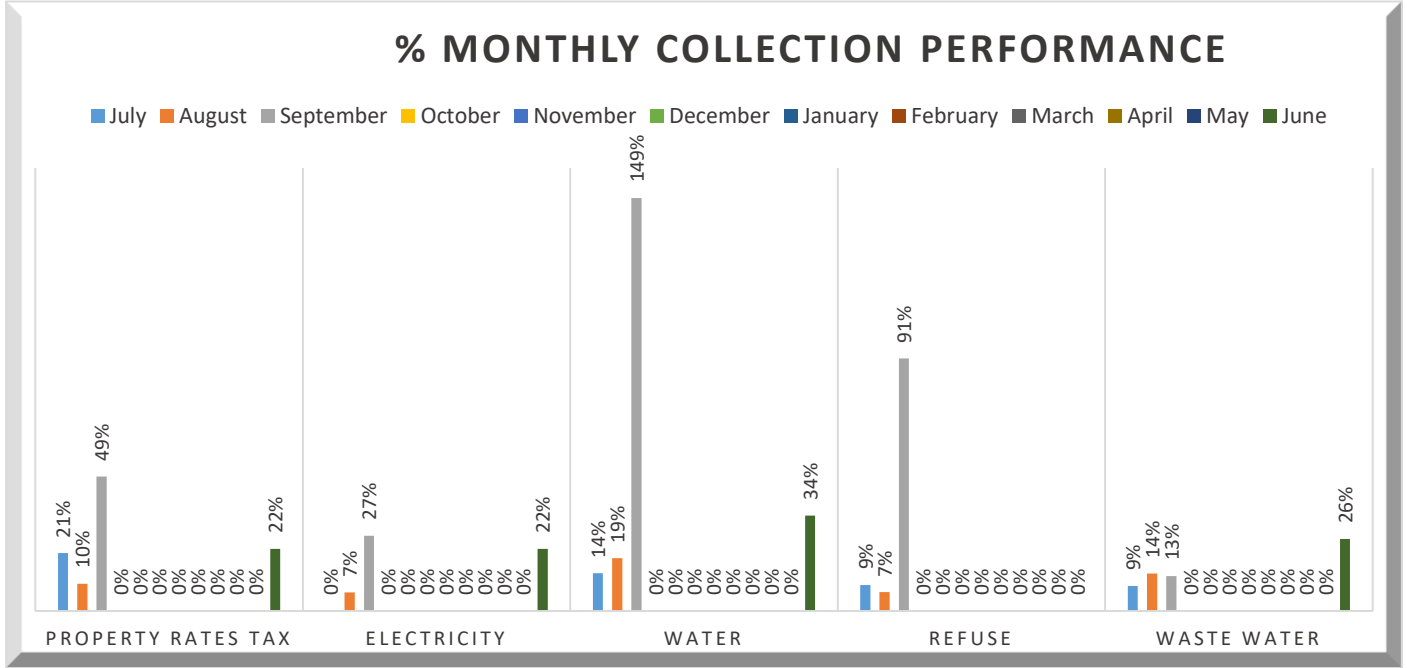


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16.4 Annexure D - MFMA Circular 124 – Condition 6.3 and Condition 6.12 and MFMA Budget Circular 128

16.4.1 Monthly / Quarterly collection per ward



National Treasury		Municipal Details				
Municipal Debt Relief		Free State				
MFMA Circular No. 124		Code	District	Municipality	Period Monitored	No. Of Wards
Municipal Finance Management Act No. 56 of 2003		FS194		Maluti-a-Phofung	June	31

Collection Rate Assessment																			
Aggregate Collection	Summary - Quarter 1				Summary - Quarter 2				Summary - Quarter 3				Summary - Quarter 4						
	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection
1. Collection for whole demarcation	133 674 746	33 602 184	100 072 561	25%	25%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	16 785 051	3 761 536	13 023 515	22%	22%
2. Collection excl Eskom supplied areas	89 660 384	12 976 972	76 673 412	14%	14%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	16 785 051	3 761 536	13 023 515	22%	22%
3. Collection: Property Rates	27 826 901	17 704 551	10 122 350	64%	64%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	2 364 380	815 275	1 549 105	34%	34%
4. Total average collection: Electricity (Municipal supplied areas)	11 741 167	8 473 429	3 267 738	72%	72%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	896 862	(896 862)	#DIV/0!	#DIV/0!
5. Total average collection: Water	24 571 069	3 236 905	21 334 163	13%	13%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	4 561 410	1 186 404	3 375 006	26%	26%
6. Total average collection: Wastewater	15 424 654	1 519 440	13 905 214	10%	10%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	2 128 354	401 645	1 726 709	19%	19%
7. Total average collection: Refuse	15 468 440	1 527 666	13 940 774	10%	10%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	1 296 531	224 689	1 071 832	17%	17%
8. Total average collection: Interest	38 642 516	1 140 193	37 502 322	3%	0%	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	6 434 377	236 453	6 197 924	4%	4%



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16.5 Annexure A2 - Provincial Treasury debt relief compliance certificate MFMA Circular 124

This is the Provincial Treasury debt relief compliance certificate and a report issued to the municipality from July 2025 - August 2025 debt relief compliance of the municipality.

Enquiries: Mr. SD Mokhele
Email: Mokheles@treasury.fs.gov.za
Reference: Revenue & Debt Management



Ms. Ogalaletseng Gaarekwe
Acting Deputy Director-General
Intergovernmental Relations
National Treasury
40 Church Square
PRETORIA
0001

Adv M. Mofokeng
Municipal Manager
Maluti a phofung Municipality
PO Box 805
WITSIESHOEK
9780

Dear Ms. Gaarekwe and Adv. M. Mofokeng

MUNICIPAL DEBT RELIEF COMPLIANCE CERTIFICATE FOR THE PERIOD OF JULY 2025 - FS 194: MALUTI A PHOFUNG LOCAL MUNICIPALITY.

1. The above-mentioned subject has references.
2. In accordance with Municipal Debt Relief Circular No. 124, the Provincial Treasury is required to confirm and certify, within 20 working days of the end of each month, the adherence of each delegated municipality with the condition 6.1 to 6.14 of Debt Relief as part of the Provincial Treasury's (FT) report to the National Treasury (NT).
3. If a delegated municipality did not meet any conditions during a specific month, the Provincial Treasury's certificate of compliance must include a report detailing the non-compliance and the progressive support measures instituted by both the Provincial Treasury and the municipality to enhance adherence to the conditions(s).

Condition 6.1: - Municipality Non-Compliance: The municipality's debt relief performance has shown no improvement in the compliance rate; in fact, it declined from 68% in June 2025 to 66% in July 2025. This downward trend highlights a concerning lack of progress and suggests that the current measures in place may not be effective in driving improved compliance outcomes. Key areas that requires attention are:

- Paying Eskom bulk in full and submitting evidence as required.
- The municipality must comply with a funded budget MTREF requirement.
- Strengthen the strategy of collection using Electricity and Water.
- Uploading documents on Go-muni Portal



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Table 1: July 2025 Monthly performance report.

Municipal Details	July 2025												Status and Rating			
	Revenue			Expenditure			Balance			Performance			Actual	Target		
Maluti-a-Phofung	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Condition 6.3: Maintaining the Eskom bulk current account – The municipality has not yet submitted or uploaded proof of payment for July 2025 to the Go-Muni portal. This remains a critical compliance issue that requires urgent attention. The municipality has also written a letter to DAA formally expressing the dissatisfaction regarding no submission of reports as per the Distribution Agency Agreement between Maluti a Phofung and Eskom.

Condition 6.4 - A funded MTREF: The municipality has tabled an unfunded budget for the 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF). This is a serious non-compliance issue in terms of the Municipal Finance Management Act (MFMA), as it undermines the municipality’s ability to sustainably deliver services and maintain fiscal discipline. The municipality has not yet submitted the funding plan and upload it on the Go-Muni.

Condition 6.5 - Cost reflective tariffs: As part of the municipal budget process, it is a mandatory requirement for the municipality to assess whether the tariffs implemented are cost reflective, in line with the principles of financial sustainability and accountability outlined in the MFMA.

The municipality has submitted and uploaded the cost reflective assessment tool for both the tabled and adopted 2025/26 budget to the Go-Muni Portal.

Condition 6.6 - The municipality is not compliant with the conditions regarding the use of electricity and water as collection tools.

The municipality is expected to submit the reports to the Provincial Treasury as promised during the plenary meeting held on 29 July 2025.

Condition 6.7 - Maintain a minimum average quarterly collection of property rates and services charges. Information could not be provided by the municipality



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due to late closing of the system; however, the municipality promised to provide the collection rate at later stage.

Condition 6.8 - Municipality's Completeness of the revenue base: The municipality has submitted a progress report detailing the steps taken to address the identified variances. The report is still to be uploaded to the National Treasury's Go Muni portal.

Condition 6.9 - Monitor and Report on compliance with MFMA section 71 reporting. The municipality has not yet uploaded a fully compliant report.

MFMA 571 Statement component		Compliance (Yes / No)
1.	<i>The Budget Performance Overview (paragraph 4) of the MFMA 571 statement</i> explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	No
2.	<i>The conclusion (paragraph 14) of the MFMA 571 statement</i> explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	No
3.	<i>Annexure B of the MFMA 571 statement included the following debt relief reporting components-</i>	
3.1.1	The municipality's MFMA Circular 124 self-assessment	No
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	No
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	No
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	No
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	No
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D) .	No
3.5.1	The indigent management information	No
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	No
3.6.1	The summary of the municipality's property rates reconciliation was undertaken in the National Treasury format.	No
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	No
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	No
3.7.2	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	No



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3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA 571 mSCOA data strings upload.	No
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and / or Mayoral Committee meeting	No

Condition 6.10: Provincial Treasury certification of municipal compliance



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Annexure A2 - Monthly

National Treasury
Municipal Debt Relief
MFMA Circular No. 125
Municipal Finance Management Act No. 56 of 2003

Free State Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period: -

National Financial Year:

Demarcation Code of Municipality being assessed:

District:

Demarcation Description:

I, the Provincial Treasury, hereby certify that the provincial treasury reviewed the compliance against the conditions of Municipal Debt Relief as set out in MFMA Circular No. 125 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)

Condition No.	Condition Description	Response
4.1.1 Maintaining the Eskom and bulk water current accounts		
4.1.1.1	- 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 section 4.1.1.2</i>	Does not have function
4.1.1.2	- 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 Centre within 1 day of making any such payment (in PDF format) via the SufuSoft Upload Portal https://sufusoft.co.za/portal ?	Does not have function
4.1.1.3	- 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 rECON data string and the section 41(2) MFMA statement of the Water Board and/or Water Trading Centre?	Does not have function
4.1.1.4	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?	Yes
4.1.1.5	- Has the municipality paid any amount of account debt which remains unpaid the total value charges for the billing period also not paid any amount that due to the in force of a payment arrangement of "own account" (interest-free and/or reduced amount repayment) as to the date of the approval of the municipality?	Yes
4.1.1.6	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payments to the National Treasury and Eskom within 5 days of making any such payment (in PDF format) via the SufuSoft Upload Portal https://sufusoft.co.za/portal ?	Yes
4.1.1.7	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the rECON data string and the section 41(2) MFMA statement of Eskom?	Yes
4.2 Comply with a valid MTRF		
4.2.1	- Is the municipality's MTRF funded and aligned to the Nation's Treasury's Budget Funding Guidelines: http://treasury.gov.za/publications/Reports/Budgeting/2025/BFGG2025.pdf ?	No
4.2.1.1	- Has the municipality budgeted for any spending surplus on the A1 Schedule (Table A1 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	No
4.2.1.2	- Has the municipality made adequate provision for debt (including) financing the actual collection of revenue and property rates during the 12 months immediately preceding the ending of the budget on the A1 Schedule (Table A1 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes
4.2.1.3	- Has the municipality made adequate provision for depreciation and total impairment (including all) in respect of non-current assets on the A1 Schedule (Table A1 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes
4.2.2	- If the municipality's MTRF is not funded, has it failed and adopted a viable Budget Funding Plan as part of the MTRF Budget (refer to 5.2 of MFMA Budget Circular no. 125, 2025 section 40(4))?	No
4.2.3	- If the municipality's MTRF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a viable Budget Funding Plan (will the FRP give effect to a viable MTRF over the period of the FRP) - aligning with the principles of a budget funding plan as included in Item 5.2 of MFMA Budget Circular no. 125, 2025 (December 2024)? <i>Note: refer to the municipality's FRP and have available for the assessment the following:</i>	No
4.2.4	- Does the municipality's annual and monthly cash flow projections included on the A1 Schedule (Table A1 - Budgeted Cash Flow and Supporting Table A1.10 - Budgeted Monthly Cash Flow) of the Municipal Budget and Reporting Regulations align with and give effect to the municipality's Budget Funding Plan strategy for the FRP strategy and related financial trends (for example higher water rates, lower water consumption, etc.)?	No
4.3	Cash collection (ARs) - (including arrears) has the municipality included in completed 2025 FRP (refer MFMA Circular no. 125 and Item 5.2 of MFMA Budget Circular no. 125) as part of the municipality's annual budget and adopted MTRF submissions with effect from the ending of the 2025/26 MTRF?	Yes
4.4 Debtors and water and electricity tariffs for the municipality with effect from the ending of the current financial year, shall not be lower than budget revised prices for:		
4.4.1	- The municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all period payments received are allocated to the following water or electricity funds, in proper ratio, thereafter to water, wastewater, refuse removal and landfill levies?	No
4.4.2	- The municipality's electricity standing orders and/or bank the purchasing of pre-paid electricity of any electricity consumers/property owners within the budget already submitted as an budget submission with the municipality?	Yes
4.4.3	- The municipality is providing water for firefighting the supply of water of any firefighting consumer/property owner within the budget already submitted as an budget submission with the municipality? Note: In terms of this condition the municipality must undertake such firefighting/retention of water supply that will be municipal employment for water consumers' supply of water water.	Yes
4.4.4	- If the firefighting consumer/property owner is registered as an budget consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national bulk free electricity and water limits of 50 kilowatt hours and 100 litres water, respectively? Note: The municipality's monthly MFMA 5.2 statement must include as part of the submission the original submission as the required at point.	Yes



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Supporting evidence – The National Treasury and/or provincial Treasury's national website contains the municipality's relevant MFMA related budget queries and by-laws demonstrating compliance with paragraph 6.3		
6.3 Maintain a minimum average quarterly collection of property rates and service charges –		
6.3.1	- Has the municipality achieved a minimum of 85 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 eDCDA data strings uploaded via the GoMand Upload Portal?	No
<i>Note – collection system must be in place by 31st March 2023, 2024 and 2025 per the MFMA s.71 and the eDCDA data strings must be uploaded via the GoMand Upload Portal.</i>		
6.3.2	- If the response to 6.3.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.3.1, has the municipality demonstrated to the satisfaction of National Treasury the following:	
6.3.2.1	* the underperformance directly relates to E-tower supplied areas unless the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding E-tower supplied areas) equals the required quarterly average collection set-out in paragraph 6.3.1;	No
6.3.2.2	* the municipality for technical engineering reasons is unable to physically restrict water supply to the E-tower supplied area(s)?	Yes
6.3.2.3	* the municipality before 01 February 2026 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the E-tower supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reasons(s) for the failure?	Yes
6.3.3	- 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?	No
6.3.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect from 2023/24 MTRMF with a smart pre-paid meter?	No
6.3.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tables and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.3.3 and 6.3.4?	Yes
6.4 Municipality's Compliance of the revenue form –		
6.4.1	- 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 valuer?	No
6.4.1	- If the response to 6.4.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note – monthly progress against the action plan to address variances to be reported as part of the municipality's debt-related compliance reporting in the MFMA s.71 statement</i>	No
6.4.2	- For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.4.1 to the National Treasury quarterly (refer MFMA Circular no. 93, 98, 107 and 108) to the upload portal on https://uploadportal.treasury.gov.za/	Yes
6.5 Monitor and report on implementation –		
6.5.1	- 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 budgeted budget and Budget Funding Plan where relevant?	No
6.5.2	- If progress is slow in terms of paragraph 6.5.1, is the active intervention evident from the narrative supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the eDCDA data string? <i>Note – condition 6.5.2 has a lagging error and must refer to 6.5.1.</i>	No
6.5.3	- Municipalities with financial recovery plans (FRP) – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
6.5.4	- 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) simultaneously via the GoMand Upload Portal https://uploadportal.treasury.gov.za/	No FRP



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<p><i>Note: A municipality with a DTI financing benefit from the Municipal Debt Relief programme (the DTI program) must also submit to both the Provincial Treasury and the National Treasury.</i></p>			
<p>6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance - In terms of section 5 and 74 of the MFMA, with effect from 31 April 2023, a delegated municipality may not benefit from Municipal Debt Relief unless:</p>			
37	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	<input type="text" value="Yes"/>
38	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 timously uploaded the compliance certificate via the GoMuni Upload Portal https://go.muni.gov.za ? <i>Note - in the case of a non-delegated municipality, the National Treasury is to issue the compliance certificate.</i>	<input type="text" value="Yes"/>
39	6.10.3	- has the Provincial Treasury failed to certify 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?	<input type="text" value="No"/>
<p><i>Note: Only DTI financing activities in public and private sectors will be considered with compliance by the municipality in terms of paragraph 4.1.2.</i></p>			
40	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?	<input type="text" value="No"/>
<p><i>Note - Even in a situation an insured borrowing by three alternative municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. At no time the MFMA Circular No. 124, section 6.11, paragraph on municipality borrowing powers will only be applied in relation to new borrowing from being allowed and after the effective date of debt relief approved as envisaged in MFMA section 56. Short-term borrowing, including issuing one of its municipal financial budgeting purposes is not considered within the ambit of this condition.</i></p>			
<p>6.12 For the duration of the Municipal Debt Relief, the ensure proper management of resources:</p>			
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?	<input type="text" value="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?	<input type="text" value="Yes"/>
<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to account for the municipality from 2024/25.</i></p>			
39	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 aligning to its MFMA s.71 statement collected revenue. Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debit existing as on 31 March 2023) as per any written instruction of the National Treasury Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - in include accounting for any related benefits (e.g. interest expensures, etc.) and alignment with s.100A.</i>	<input type="text" value="Yes"/> <input type="text" value="Yes"/>
40	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	<input type="text" value="Yes"/>
<p><i>Note: In applying the Municipal Debt Relief to an out-letting with 3 of MFMA Circular no. 124, the intent of a municipality that during the duration of the Municipal Debt Relief programme (i.e. in terms with any condition of the ADRG, section 5) apply to s.100A to ensure the municipality's income in terms of section 77 of the Electricity Regulation Act, 2008 (Act no. 4 of 2008). Any such application must be provided by the relevant province for approval on national treasuries as envisaged in section 6 of the Municipal Systems Act, 2001. Including the necessary service delivery agreement starting with the Electricity Regulator Act, 2008 and Electricity Regulator Act, 2008. In terms of the conditions of the license's terms required by Eskom, it should be noted that in order to avoid contractual debt collection policies should adhere to the municipality's license that are the subject of municipal debt relief.</i></p>			

The Provincial Treasury's assessment and compliance certificate indicates that Maluti a Phofung Municipality, has regressed on its compliance in the month of July 2025 due to non-payment of current account, non-submission of section 71 report and related documents to the Go Muni Portal.



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Condition 6.11: Limitations on municipal borrowing powers: Maluti Local Municipality has complied with this condition since its debt relief participation and the National Treasury debt relief approval effective date.

Condition 6.12: Proper management of resources and condition 6.13 Accounting treatment: The municipality must ensure that it complies with Condition 6.12.2 to pay Eskom account first and secondly its bulk water account before it applied the revenue in the sub-account for any purpose.

Condition 6.14: Nersa license - The municipality must ensure that during the duration of the Municipal Debt Relief program, it complies with all the conditions of the Relief to avoid revoking of the municipality's Electricity license in terms of section 18 of the Electricity Regulation Act, 2006

4. The Provincial Treasury's assessment and compliance certificate confirmed that Maluti Municipality continues to not fully comply with all the MFMA Circular 124 conditions and was elaborated on above.
5. It is expected that within five (5) working days of receiving this communiqué from Provincial Treasury, the municipality must ensure that all non-compliance matters are addressed and the outstanding documents are sent to the following e-mails:(National Treasury) at revenuemanagement@treasury.gov.za as well as (Provincial Treasury) to Mr. S. D. Mokhele at mokheles@treasury.fs.gov.za.
6. I trust that you will find this in order.

Regards,

.....
Mr. PE. LEBONE

Acting Head: Free State Provincial Treasury

Date: 28/08/2025

CC: HOD: FSCOGTA
PDO: SALGA – Free State
MFMA Coordinator: Provincial Treasury
CFO: Maluti Local Municipality
TA: Ms. P Mphafudi



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Enquiries: Mr. SD Mokhele
Email: Mokheles@treasury.fs.gov.za
Reference: Revenue & Debt Management



Ms. Ogalaletseng Gaarekwe
Deputy Director-General
Intergovernmental Relations
National Treasury
40 Church Square
PRETORIA
0001

Adv M. Mofokeng
Municipal Manager
Maluti a phofung Municipality
PO Box 805
WITSIESHOEK
9780

Dear Ms. Gaarekwe and Adv. M. Mofokeng

MUNICIPAL DEBT RELIEF COMPLIANCE CERTIFICATE FOR THE PERIOD OF AUGUST 2025 - FS 194: MALUTI A PHOFUNG LOCAL MUNICIPALITY.

1. The above-mentioned subject has references.
2. In accordance with Municipal Debt Relief Circular No. 124, the Provincial Treasury is required to confirm and certify, within 20 working days of the end of each month, the adherence of each delegated municipality with the condition 6.1 to 6.14 of Debt Relief as part of the Provincial Treasury's (PT) report to the National Treasury (NT).
3. If a delegated municipality did not meet any conditions during a specific month, the Provincial Treasury's certificate of compliance must include a report detailing the non-compliance and the progressive support measures instituted by both the Provincial Treasury and the municipality to enhance adherence to the conditions(s).

Condition 6.1: - Municipality Non-Compliance: The municipality's debt relief performance has shown no improvement in the compliance rate; in fact, it declined from 66% in July 2025 to 46% in August 2025. This downward trend highlights a concerning lack of progress and suggests that the current measures in place may not be effective in driving improved compliance outcomes. Key areas that require attention are:

- Paying Eskom bulk in full and submitting evidence as required.
- The municipality must comply with a funded budget MTREF requirement.
- Strengthen the strategy of collection using Electricity and Water.
- Uploading documents on Go-muni Portal



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Condition 6.7 - Maintain a minimum average quarterly collection of property rates and services charges. information could not be provided by the municipality due to the late closing of the system; however, the municipality promised to provide the collection rate at later stage.

Condition 6.8 - Municipality's Completeness of the revenue base: The municipality has submitted a progress report detailing the steps taken to address the identified variances. The fourth quarter report is still not uploaded to the National Treasury's Go Muni portal.

Condition 6.9 - Monitor and Report on compliance with MFMA section 71 reporting. The municipality has not yet uploaded a fully compliant report.

MFMA S71 Statement component		Compliance (Yes / No)
1.	<i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i> explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges, and corrective actions.	No
2.	<i>The conclusion (paragraph 14) of the MFMA S71 statement</i> explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and/or Funded Budget.	No
3.	<i>Annexure B of the MFMA S71 statement included the following debt relief reporting components-</i>	
3.1.1	The municipality's MFMA Circular 124 self-assessment	No
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	No
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	No
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	No
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	No
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D) .	No
3.5.1	The indigent management information	No
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	No
3.6.1	The summary of the municipality's property rates reconciliation was undertaken in the National Treasury format.	No
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	No
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	No
3.7.2	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	No
3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	No
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and / or Mayoral Committee meeting	No



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Condition 6.10: Provincial Treasury certification of municipal compliance

Annexure A2 - Monthly

National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003		
Free State Provincial Treasury		
Certificate of Compliance: Municipal Debt Relief Conditions for Application		
Period National Financial Year Demarcation Code of Municipality being assessed District Demarcation Description	<div style="display: flex; justify-content: space-between;"> <div> Aug'25 2025/26 FS194 </div> <div style="text-align: center;"> Thabo Mofutsanyana Maluti-a-Phofung </div> </div>	
I, Mr. P. Lebone, 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		
6.3 + Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption)		
6.3.2	- 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	Does not have function
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 GoKuni Upload Portal https://uploadportal.treasury.gov.za/ ?	Does not have function
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?	Does not have function
6.3.1	- Has the municipality paid its Eskom bulk water 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 account)	No
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 GoKuni Upload Portal https://uploadportal.treasury.gov.za/ ?	No
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 GoKuni Upload Portal https://uploadportal.treasury.gov.za/ ?	No
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?	No
6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2025/26 Tabled MTREF
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	No
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
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? <i>Note – For example, if the municipality during the preceding 12 months only managed to collect 80 per cent of its revenue (after property rates), the provision for debt impairment aligning with the budget collection target should also be 80 per cent of the 2023/24 MTREF revenue projections plus impact rates. If the municipality reported the debt impairment to "None", 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 the response "No".</i>	Yes
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? <i>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 the response "No".</i>	Yes
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)?	No
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)? <i>Note – only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/A
6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 – Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget- and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.)?	No
6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 9B 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:	

Office of the Head of the Department
 Free State Provincial Treasury
 ERF 29495, Bloemfontein, 9300
 Tsebo Building, 1st Floor, Cnr Fichardt and Zastron Streets, CBD, Bloemfontein

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6.9 Electricity and water as collection, with effect from the tabling of the 2023/24 MTEF, demonstrated, through its bylaws and budget related actions that:		
6.9.1	- the municipality issues a consolidated monthly bill to all consumers/property owners. In terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
6.9.2	- the municipality disconnects electricity services and/or block already registered as an indigent consumer with the municipality?	No
6.9.3	- 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.	No
6.9.4	- 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
6.10 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?		
6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
6.10.2	- has the Head of the 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 4.1.3 to 4.1.5 of MFMA Circular no. 124) and immediately uploaded the compliance certificate via the GoMuni Upload Portal https://uploadportal.treasury.gov.za/ ? Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.	Yes
6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
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?		
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?	No
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? Note: this is relevant to the specific commitments and amounts to be made in the Annexure of 2 since upon the municipality's request to extend the municipal debt relief.	No
6.13 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? Note - to include accounting for any related benefit (e.g. Interest suppression, etc.) and alignment with MSCOA.		
6.14	- NERSA license - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes

Office of the Head of the Department
Free State Provincial Treasury
RF 29495, Bloemfontein, 9300
Tsebo Building, 1st Floor, Cnr Fichardt and Zastron Streets, CBD, Bloemfontein

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The Provincial Treasury's assessment and the corresponding compliance certificate indicate that Maluti-a-Phofung Municipality has regressed in its compliance for the month of August 2025. This regression is primarily attributed to the non-payment of the current Eskom account and the non-submission of the Section 71 report along with other related documents to the GoMuni Portal.

The key areas of non-compliance include:

- Non-payment of the current Eskom bulk electricity account in full;
- Failure to submit the Section 71 financial report as per prescribed format;
- Omission of supporting financial documentation required for upload to the GoMuni Portal, collection per ward per service, indigent information, disconnection and restriction list; and
- Fourth General Valuation Reconciliation.

This decline in compliance poses a risk to the municipality's standing under the Municipal Debt Relief Programme. The municipality is therefore urged to urgently address these gaps to avoid further negative implications, including potential penalties or suspension of benefits under the programme.

Condition 6.11: Limitations on municipal borrowing powers: Maluti Local Municipality has complied with this condition since its debt relief participation and the National Treasury debt relief approval effective date.

Condition 6.12: Proper management of resources and condition 6.13 Accounting treatment: The municipality must ensure that it complies with Condition 6.12.2 to pay Eskom account first and secondly its bulk water account before it applied the revenue in the sub-account for any purpose.

Condition 6.14: Nersa license - The municipality must ensure full compliance with all conditions of the Municipal Debt Relief Programme throughout its duration. Continued adherence is essential to retain the benefits of the programme and to uphold regulatory requirements.

Failure to meet these conditions may result in serious consequences, including the revocation of the municipality's electricity distribution license in terms of Section 18 of the Electricity Regulation Act, 2006. It is therefore imperative that the municipality prioritizes all compliance obligations to avoid regulatory action and to maintain uninterrupted service delivery to its residents.



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4. The Provincial Treasury's assessment and compliance certificate confirmed that Maluti-a-Phofung Municipality continues to fall short of full compliance with the conditions outlined in MFMA Circular No. 124, as detailed in the sections above. This ongoing non-compliance remains a concern and may impact the municipality's standing within the Municipal Debt Relief Programme, should corrective actions not be implemented promptly.
5. It is expected that within five (5) working days of receiving this communiqué from Provincial Treasury, the municipality must ensure that all non-compliance matters are addressed and the outstanding documents are sent to the following e-mails: (National Treasury) at revenuemanagement@treasury.gov.za as well as (Provincial Treasury) to Mr. S. D. Mokhele at mokheles@treasury.fs.gov.za.
6. I trust that you will find this in order.

Regards,

Mr. PE. LEBONE

Acting Head: Free State Provincial Treasury

Date: 25.07.2025

CC: HOD: FSCOGTA
PDO: SALGA – Free State
MFMA Coordinator: Provincial Treasury
CFO: Maluti Local Municipality
TA: Ms. P Mphafudi



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16.6 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

16.6.1 Property Rates Reconciliation

Property Rates Reconciliation	
Province	FS
District	Thabo Mofokeng District
Type	LM
Municipal Name	Maluti-A-Phofung
GV Period	01/07/2024 - 30/09/2024
Financial Year	
Reconciliation Period	Quarter 1
Reconciliation Overview	

High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	29500	29809	-309	4,837,985,438.00	4,801,569,753.00	36,415,685.00
Industrial	296	487	-191	318,471,000.00	303,240,000.00	15,231,000.00
Business and Commercial	363	321	72	952,483,288.00	957,701,982.00	-5,218,694.00
Agricultural	1345	1299	106	3,327,714,880.45	3,174,088,753.00	153,626,127.45
Mining	0	0	0	-	-	-
State Owned for Public Purpose	498	481	17	1,748,383,204.01	1,503,188,385.00	245,194,819.01
PSI	9	0	9	1,725,000.00	-	1,725,000.00
POD	1	141	-140	520,000.00	50,012,000.00	-49,492,000.00
Mult Use	0	0	0	-	-	-
Vacant	741	714	27	140,553,500.00	75,348,000.00	65,205,500.00
POW	40	0	40	15,580,000.00	-	15,580,000.00
Municipal	10065	10424	-471	1,317,588,428.00	1,007,313,028.00	310,275,400.00
Other	21	0	21	28,225,425.00	-	28,225,425.00
	37745	37079	666	11,807,928,846.18	12,013,275,024.00	-205,346,177.82

Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	1,945,151	1,825,037	120,114	5,835,454.19	5,475,011.26	360,442.93
Industrial	862,520	1,088,692	-226,172	2,587,570.88	3,266,074.74	-678,503.86
Business and Commercial	1,707,670	1,704,643	3,027	5,323,013.17	5,383,823.47	-60,810.30
Agricultural	295,874	294,959	915	887,821.54	872,877.08	14,944.46
Mining	-	-	-	-	-	-
State Owned for Public Purpose	4,483,878	3,833,125	650,753	13,502,628.52	11,499,378.26	2,003,250.26
PSI	303	-	303	807.25	-	807.25
POD	-	-	-	-	-	-
Mult Use	-	-	-	-	-	-
Vacant	478,707	394,281	84,426	1,436,121.68	894,781.28	541,340.40
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R8,019,315.14	R8,110,707.48	(91,392.34)	26,457,945.43	27,288,123.47	-830,177.04



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16.6.2 General Valuation Roll progress valuation variance

THE FOLLOWING STAND NUMBER WERE NOT CREATED ON THE FINANCIAL SYSTEM.THE WERE OMITTED FROM THE FINANCIAL BUT WERE ON THE GVR.								
ADJUSTED LPI CODE	ID PROPERTY	TYPE	RD	SUBURB NAME AND EXTENSION	ERF NO	PTN NO	REGISTERED OWNER	MARKET VALUE
F0150000000192600045	39940	FARM	HARRISMITH RD	WITZIESHOEK 1926 HARRISMITH RD	1926	45	FREE STATE PROVINCIAL GOVERNMENT	R4,400,000.00
F01500050000040100000	SVR 1	ERF	MAKWANE	MAKWANE	401	0	MALUTI A PHOFUNG LOCAL MUNICIPALITY	R2,500,000.00
F01500000000000500000	70165	FARM	HARRISMITH RD	HARRISMITH RD	5		NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R1,575,000.00
F01500000000000700000	70214	FARM	HARRISMITH RD	HARRISMITH RD	7		MULLER HENDRIK PETER-TRUSTEES	R630,000.00
F0150000000001300000	70199	FARM	HARRISMITH RD	HARRISMITH RD	13		RENSBURG MARTHA ELIZABETH JANSE VAN	R500,000.00
F0150000000001500000	39579	FARM	HARRISMITH RD	KINDROCHART 15 HARRISMITH RD	15		SAMBER TRADING NO 56 PTY LTD	R4,172,839.00
F0150000000004900000	39909	FARM	HARRISMITH RD	GIDSKE 49 HARRISMITH RD	49		SMITH CHARMAINE CHRISTEL	R255,000.00
F01500000000005100000	70219	FARM	HARRISMITH RD	HARRISMITH RD	51		ESKOM HOLDINGS LTD	R1,550,500.00
F01500000000005200000	39529	FARM	HARRISMITH RD	KOMEET 52 HARRISMITH RD	52		EDWIN CLAASSEN TRUST	R322,390.00
F01500000000005800000	40031	FARM	HARRISMITH RD	GROOTGELUK 58 HARRISMITH RD	58		FRANCOIS BOSCH FAMILIE TRUST	R4,374,204.00
F01500000000009000000	70216	FARM	HARRISMITH RD	HARRISMITH RD	90		BIBBEY FAMILIE TRUST	R340,000.00
F01500000000048700000	41035	FARM	HARRISMITH RD	BOSCH KLOOF 487 HARRISMITH RD	487		PROVINCIAL GOVERNMENT OF THE FREE STATE	R4,822,254.00
F01500000000230800000	70051	FARM	HARRISMITH RD	HARRISMITH RD	2308		NATIONAL GOVERNMENT OF R S A	R4,250,000.00
F00100000000093200014	70487	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	932	14	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R2,259,000.00
F00100000000093300007	70488	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	933	7	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R4,050,000.00
F00100000000171900000	40232	FARM	BETHLEHEM RD	WELVERDIEND 1719 BETHLEHEM RD	1719		REPUBLIEK VAN SUID-AFRIKA	R5,516,474.00
F00100000000192600046	70490	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	46	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R4,041,500.00
F00100000000192600048	70491	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	48	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R1,393,000.00
F00100000000192600061	70499	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	61	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R5,050,000.00
F00100000000192600064	70500	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	64	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R4,050,000.00
F00100000000192600094	70492	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	94	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R3,950,000.00
F00100000000192600096	70501	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	96	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R4,050,000.00
F00100000000192600102	70498	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	102	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R6,050,000.00
F00100000000192600118	70493	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	118	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R3,102,500.00
F00100000000192600119	70494	FARM	BETHLEHEM RD	KAMP 923 BETHLEHEM RD	1926	119	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	R2,594,000.00



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LPI	Erf	REGISTERED OWNERS	PROPERTY CATEGORY	STREET ADDRESS	MARKET VALUE
F0150000000013100002	131	JACOBS GERTRUDE SANDRA	MUNICIPAL PROPERTIES	DRIEFONTEIN 125 HARRISMITH RD	7 364,50
F0150000000013100023	131	DU PLOOY FAMILIE TRUST	MUNICIPAL PROPERTIES	DORPS GRONDEN VAN HARRISMITH 131 HARRISMITH RD	1 029 382,00
F0150000000013100024	131	STRATHERICK BELEGGINGS PTY LTD	MUNICIPAL PROPERTIES	DORPS GRONDEN VAN HARRISMITH 131 HARRISMITH RD	410 455,00
F0150000000013100026	131	SPILSBURY FARMING PTY LTD	MUNICIPAL PROPERTIES	DORPS GRONDEN VAN HARRISMITH 131 HARRISMITH RD	606 876,00
F0150000000013100028	131	TJABANE KHAUHELO	MUNICIPAL PROPERTIES	DORPS GRONDEN VAN HARRISMITH 131 HARRISMITH RD	704 623,00
F0150000000013100029	131	SWANEPOEL HESTER MAGRIETA	MUNICIPAL PROPERTIES	DORPS GRONDEN VAN HARRISMITH 131 HARRISMITH RD	929 163,00
F0150000000013100035	131	MOTJALE FARMING CC	MUNICIPAL PROPERTIES	DORPS GRONDEN VAN HARRISMITH 131 HARRISMITH RD	652 917,00
F0150000000019000015	190	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	MUNICIPAL PROPERTIES	WELTEVREDEN NO.190 PTN15	8 240,00
F0150000000046500000	465	RENSBURG HUGO JACOBSZ JANSE VAN; RENSBURG MARTHA ELIZABETH JANSE VAN	MUNICIPAL PROPERTIES	BROEDERS KRAAL 465 HARRISMITH RD	551 874,00
F0150000000046900000	469	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	MUNICIPAL PROPERTIES	469/0 FARMS AREA P000	1 453 021,00
F0150000000047000000	470	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	MUNICIPAL PROPERTIES	GREENWOOD 470 HARRISMITH RD	2 114 899,00
F0150000000047300000	473	JACOBZ PIETER ALBERTYN	MUNICIPAL PROPERTIES	GROOTFONTEIN 926 BETHLEHEM RD	10 929 021,00
F01500000000104300002	1043	ZEILINGA ABRAHAM DIRK	MUNICIPAL PROPERTIES	WELVAART NO.1043 PTN2	257 603,00
F01500000000104300003	1043	METHODIST CHURCH OF SOUTHERN AFRICA	MUNICIPAL PROPERTIES	WELVAART NO.1043 PTN3	189 108,00
F01500000000181300000	1813	DOUBLE K FARMS PTY LTD	MUNICIPAL PROPERTIES	DORPSGRONDE VAN HARRISMITH 1813 HARRISMITH RD	2 822 200,00
F01500000000181300006	1813	LEACH GEOFFREY GLEN	MUNICIPAL PROPERTIES	DORPSGRONDE VAN HARRISMITH 1813 HARRISMITH RD	565 779,00
F01500000000190300071	1903	BESTERSVLEI TRUST	MUNICIPAL PROPERTIES	FARM 1903 HARRISMITH RD	921 644,00
F01500000000190300132	1903	MOTAHANE MATSHONA AMOS; NTSHINGILA MODIEHI LINAH	MUNICIPAL PROPERTIES	FARM 1903 HARRISMITH RD	806 387,00
F01500000000190700000	1907	SHELL SUID-AFRIKA PTY LTD	MUNICIPAL PROPERTIES	BALMORAL 1907 HARRISMITH RD	222 686,00
F01500000000194400000	1944	SUID-AFRIKAANSE NASIONALE PADAGENTS KAP LTD	MUNICIPAL PROPERTIES	1944	552 183,00
F01500020000244300008	2443	GAMBO NOKUTHULA AUDREY; MBHELE BUSISWE JOICE B-E	MUNICIPAL PROPERTIES	STOCKBRIDGE 619 HARRISMITH RD	500 000,00




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16.7 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources)

16.7.1 Eskom Bulk current account invoice(s) due and payable during the 1st quarter 2025 and proof of payment made.




ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4740101608

MALUTI-A-PHOFUNG LOCAL MUNICIPALITY
PO BOX 43
HARRISMITH
9880

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

CONTACT CENTRE: (0860) 037566Shareca
FAX NO: 0862 437 566
E-MAIL: FreeState@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



CUSTOMER SELF SERVICE WEBSITE
<https://csonline.co.za>

NORTH WESTERN REGION
PRIVATE BAG X18 Westville 3830

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 66070067318

YOUR ACCOUNT NO	9729385856
SECURITY HELD	3247448.54
BILLING DATE	2025-07-31
TAX INVOICE NO	972975741602
ACCOUNT MONTH	JULY 2025
CURRENT DUE DATE	2025-08-30
VAT REG NO	4000846545

E-MAIL: diakanyok@map.fs.gov.za

TAX INVOICE

ACCOUNT TRANSACTION SUMMARY			
ADMINISTRATION CHARGE	R	8,991.07	
TRANSMISSION NETWORK CAPACITY	R	1,529,459.75	
DIST. NETWORK CAPACITY CHARGE	R	4,697,770.21	
DX EXCESS NETWORK CAPACITY CHA	R	7,571,913.27	
NETWORK DEMAND CHARGE	R	3,132,173.77	
ANCILLARY SERVICE (ALL)	R	233,037.12	
ENERGY CHARGE (PEAK)	R	57,630,525.72	8,644,017.00
ENERGY CHARGE (OFF)	R	25,161,016.95	22,838,292.00
ENERGY CHARGE (STD)	R	36,820,651.77	21,784,378.00
ELECTRIFICATION AND RURAL SUBS (ALL)	R	3,274,947.40	
REACTIVE ENERGY	R	0.00	
GENERATOR CAPACITY CHARGE	R	950,040.84	
LEGACY CHARGE (ALL)	R	10,606,920.97	
SERVICE CHARGE	R	214,688.88	
URBAN LOW VOLTAGE SUBSIDY	R	47,737.12	
NETWORK DEMAND CHARGE (C/KWH) (ALL)	R	17,081.23	
SERVICE CHARGE	R	4,543.68	
TOTAL CHARGES FOR BILLING PERIOD	R	151,901,499.75	
ACCOUNT SUMMARY FOR JULY 2025			
BALANCE BROUGHT FORWARD	R	5,372,593,918.67	(Due Date 2025-08-01)
PAYMENT(S) RECEIVED	R	-54,309,913.91	(Summary - See attachment for details)
PAYMENT ADJUSTMENT(S)	R	420,390.47	
TOTAL CHARGES FOR BILLING PERIOD	R	151,901,499.75	
ADJUSTMENTS	R	8,650,554.94	(Summary - See attachment for details)
VAT RAISED ON ITEMS AT 15%	R	20,626,344.14	


ACCOUNT NO / REFERENCE NO
9729385856

NAME
MALUTI-A-PHOFUNG LOCAL MUNICIP


FAX NUMBER
0587183777

7100 10 0010

27215700197293858569



>>>>>> 97 2972 9385 8562



PayIT

easypay

CURRENT		TOTAL DUE	R	9,499,882,794.06
197,731,777.43		ARREARS		
>90 DAYS	61-90 DAYS	31-90 DAYS	18-30 DAYS	
8,851,104,789.18	121,621,768.58	128,621,219.23	200,803,239.64	

Total outstanding debt must be settled immediately, subject to disconnection without further notice

PAGE RUN NO	EE 341
BILL GROUP	
BILL PAGE	1 OF 17

PAYMENT ARRANGEMENT

INSTALMENT	0.00
ARREARS (Due Immediately)	9,302,151,016.63
DUE DATE (For Current Amount)	2025-08-30
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



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Local Municipality • Mmasepala wa seLhahae • Plaaslike Munisipaliteit



NORTH WESTERN REGION
PRIVATE BAG 319 Vredefort 2600



ESKOM HOLDINGS SOC LTD REG NO 200291562709
VAT REG NO 4746101506

CONTACT CENTRE: (0800) 037560/24000
FAX NO: 0862 437 565
E-MAIL: FreeState@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

MALUTI-A-PHOFGUNG LOCAL MUNICIPALITY
PO BOX 43
HARRISSMITH
98 80

YOUR ACCOUNT NO	9729385856
SECURITY HELD	324744154
BILLING DATE	2025-09-03
TAX INVOICE NO	97293858081
ACCOUNT MONTH	AUGUST 2025
CURRENT DUE DATE	2025-09-03
VAT REG NO	4000840343

CUSTOMER SELF SERVICE WEBSITE
<https://eskomline.co.za>

NORTH WESTERN REGION
PRIVATE BAG 319 Vredefort 2600

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 213426
BANK ACC NO: 88070067316

TAX INVOICE

E-MAIL: dlabazayob@map.f.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	4,068.59	
TRANSMISSION NETWORK CAPACITY	R	1,480,145.58	
DIST. NETWORK CAPACITY CHARGE	R	4,852,103.32	
DK EXCESS NETWORK CAPACITY CHG	R	2,423,844.01	
NETWORK DEMAND CHARGE	R	2,785,870.01	
ANCILLARY SERVICE (ALL)	R	220,752.00	
GENERATOR CAPACITY CHARGE	R	1,073,540.71	
LEGACY CHARGE (ALL)	R	12,450,800.15	
ENERGY CHARGE (OFF)	22,343,200.00	R	24,875,474.33
ENERGY CHARGE (PEAK)	10,824,817.00	R	71,036,891.53
ENERGY CHARGE (STD)	22,640,797.00	R	38,375,207.04
SERVICE CHARGE	R	240,484.04	
ELECTRIFICATION AND RURAL SUBS (ALL)	R	2,000,508.59	
URBAN LOW VOLTAGE SUBSIDY	R	47,759.40	
SERVICE CHARGE	R	0.01	
REBILLED ADJUSTMENTS (Summary - See attachment for details)	R	127,853.64	

TOTAL CHARGES FOR BILLING PERIOD R 189,790,194.41

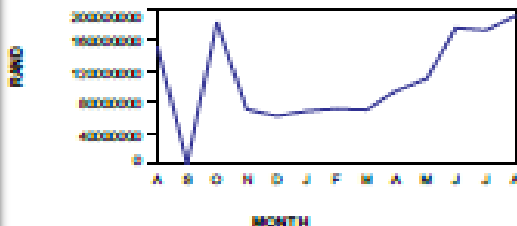
ACCOUNT SUMMARY FOR AUGUST 2025

BALANCE BROUGHT FORWARD (Due Date: 2025-06-30)	R	9,499,082,794.00
PAYMENT(S) RECEIVED (Summary - See attachment for details)	R	-32,740,042.00
PAYMENT ADJUSTMENT(S)	R	10,968,851.73
TOTAL CHARGES FOR BILLING PERIOD	R	189,790,194.41
ADJUSTMENTS (Summary - See attachment for details)	R	5,421,820.51
VAT RAISED ON ITEMS AT 15%	R	22,212,781.54

CURRENT	TOTAL DUE	R	9,678,548,247.46
225,376,471.46	ARREARS		

>90 DAYS	61-90 DAYS	31-60 DAYS	1-30 DAYS
9,654,489,957.02	200,803,239.54	197,878,379.34	0.00

Total outstanding debt must be settled immediately, subject to disconnection without further notice



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BILL GROUP	
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ACCOUNT NO / REFERENCE NO	9729385856
NAME	MALUTI-A-PHOFGUNG LOCAL
FAX NUMBER	0862162777
QR Code	7100 10 0010

2729385856

9729385856

9729385856

PayIT

easypay

TOTAL AMOUNT DUE
9,678,548,247.46

PAYMENT ARRANGEMENT

INSTALMENT	0.00
ARREARS (Due Immediately)	9,678,548,247.46
DUE DATE (For Current Account)	2025-09-03
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit



ESKOM HOLDINGS SOC LTD REG NO 2002/01882759
VAT REG NO 474101928

MALUTI-A-PHOFUNG LOCAL MUNICIPALITY
PO BOX 43
HARRISMITH
98 80

NORTH WESTERN REGION
PRIVATE BAG 3118 Wessels 3600

CONTACT CENTRE: (0850) 017966/Starica
FAX NO: 0852 437 566
E-MAIL: FreeState@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



CUSTOMER SELF SERVICE WEBSITE
<http://esonline.co.za>

NORTH WESTERN REGION
PRIVATE BAG 3118 Wessels 3600

DIRECT DEPOSIT DETAIL

BANK: First National Bank
BRANCH CODE: 232624
BANK ACC NO: 68070067316

YOUR ACCOUNT NO	9729385858
SECURITY FIELD	3247448.54
BILLING DATE	2025-10-01
TAX INVOICE NO	972938496798
ACCOUNT MONTH	SEPTEMBER 2025
CURRENT DUE DATE	2025-10-31
VAT REG NO	4000846547

TAX INVOICE

E-MAIL: dikanyolo@map.f.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	4,268.26	
TRANSMISSION NETWORK CAPACITY	R	1,466,146.58	
DIST. NETWORK CAPACITY CHARGE	R	4,832,103.95	
DX EXCESS NETWORK CAPACITY CHA	R	6,361,827.53	
NETWORK DEMAND CHARGE	R	3,582,840.68	
ANCILLARY SERVICE (ALL)	R	179,756.34	
GENERATOR CAPACITY CHARGE	R	1,075,540.71	
LEGACY CHARGE (ALL)	R	10,136,460.53	
ENERGY CHARGE (STD)	18,087,546.00	R	38,529,877.92
ENERGY CHARGE (PEAK)	7,979,726.00	R	25,437,763.36
ENERGY CHARGE (OFF)	19,365,596.00	R	31,837,136.13
SERVICE CHARGE	R	340,464.04	
ELECTRIFICATION AND RURAL SUBS (ALL)	R	2,280,704.22	
URBAN LOW VOLTAGE SUBSIDY	R	47,759.40	
SERVICE CHARGE	R	0.01	

TOTAL CHARGES FOR BILLING PERIOD R 104,808,870.98

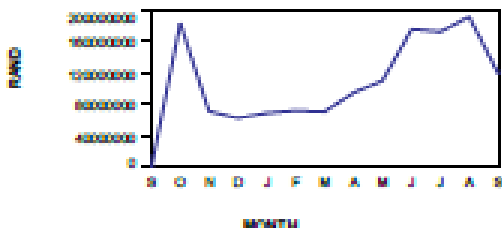
ACCOUNT SUMMARY FOR SEPTEMBER 2025

BALANCE BROUGHT FORWARD	(Due Date 2025-10-03)	R	9,879,548,247.49
PAYMENT(S) RECEIVED	(Summary - See attachment for details)	R	-37,461,424.31
PAYMENT ADJUSTMENT(S)	Cash 2025-09-10	R	5,361.12
PAYMENT ADJUSTMENT(S)	Cash 2025-09-02	R	3,500.00
TOTAL CHARGES FOR BILLING PERIOD		R	104,808,870.98
ADJUSTMENTS	(Summary - See attachment for details)	R	8,400,860.19
VAT RAISED ON ITEMS AT 15%		R	12,773,832.67

CURRENT		
141,891,393.14	TOTAL DUE	R 9,768,094,845.41

ARREARS			
-90 DAYS	-61-90 DAYS	-31-60 DAYS	-1-30 DAYS
9,202,888,401.47	193,878,579.34	0.00	225,376,471.46

Total outstanding debt must be settled immediately, subject to disconnection without further notice



PAGE RUN NO	EE 1
BILL GROUP	
BILL PAGE	1 OF 16

ACCOUNT NO / REFERENCE NO

9729385858
NAME
MALUTI-A-PHOFUNG LOCAL
FAX NUMBER
7100 10 0010

2720 8700 9729385858 9



>>>>>>> 9807 6972 9385 8548



TOTAL AMOUNT DUE

9,768,094,845.41

PAYMENT ARRANGEMENT

INSTALMENT	
ARREARS	(Due Immediately) 0.00
DUE DATE	(Per Contract Amount) 9,826,140,432.27
AMOUNT PAID	2025-10-31

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit



NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2025/07/18
Time Actioned	: 13:36:55
Trace ID	: HL1SBTWN

Payer Details

Payment From	: Maluti-a-phofung Municipality
Cur/Amount	: 10,000,000.00

Payee Details

Recipient/Account No	: .. 067316
Name	: ESKOM
Bank	: FNB/RMB
Branch Code	: 250655
Reference	: 9729385856

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit



NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2025/08/15
Time Actioned	: 14:34:58
Trace ID	: RN9JYJ1N

Payer Details

Payment From	: Maluti-a-phofung Municipality
Cur/Amount	: 10,000,000.00

Payee Details

Recipient/Account No	: . . 067316
Name	: ESKOM
Bank	: FNB/RMB
Branch Code	: 250655
Reference	: 9729385856

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

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MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit



NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned : 2025/09/15
Time Actioned : 15:23:15
Trace ID : S4QR9M5N

Payer Details

Payment From : Mmasepala wa seLehale Municipality
Cut/Amount : 9,700,000.00

Payee Details

Recipient/Account No : ... 087318
Name : ESKOM
Bank : FNB/RMB
Branch Code : 250555
Reference : 9729385856

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

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MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

16.7.2 Reconciliation statement for bulk electricity aligning to the mSCOA data strings upload.

The total differences between the Eskom statement and the financial system was R1.713 million by the end of 1st quarter 2025.

Description R'000	Sep-25					Total
	Current	30 Days	31-60 Days	61-90 Days	90 Days +	
ESKOM Bulk purchases - <i>as per invoice</i>	141 951	225 376	–	197 879	9 202 888	9 768 095
ESKOM Bulk purchases - <i>on the financial system</i>	–	201 693	195 571	–	7 654 952	8 052 216
<i>DIFFERENCES</i>	<i>(141 951)</i>	<i>(23 684)</i>	<i>195 571</i>	<i>(197 879)</i>	<i>(1 547 936)</i>	<i>(1 715 879)</i>

16.7.3 Bulk water current account invoice(s) and municipality water reconciliation statement aligning to the mSCOA data string upload for the period.

The DWS statement received to date is for August 2025, indicated a total closing balance of R505.1 million. The statement for the month of September was not received by the time this report was completed. The total difference between the DWS statement and the financial system was R4.8 million. The municipality paid R10 million towards the bulk water account in August 2025.

Description R'000	Sep-25					Total
	CURRENT	30 + DAYS +	60 +DAYS	90 + DAYS	120 + DAYS	
DWA- account 100114509	–	–	–	–	428,471	428,471
DWA- account 101616561	–	–	–	–	112	112
DWA- account 101616571	–	–	–	–	204	204
DWA- account 100003490	321	135	239	372	60,413	61,481
DWA- account 100737976	–	–	–	–	14,918	14,918
DWA- account 100075580	0	–	–	–	0	0
Total as per statement as at August 2025	321	135	239	372	504,118	505,186
DWS- on the financial system	–	–	–	–	500,336	500,336
<i>Differences</i>	<i>(321)</i>	<i>(135)</i>	<i>(239)</i>	<i>(372)</i>	<i>(3,782)</i>	<i>(4,849)</i>



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit



NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned : 2025/08/21
Time Actioned : 15:56:58
Trace ID : YWWCL81N

Payer Details

Payment From : Maluti-a-phofung Municipality
Curi/Amount : 10,000,000.00

Payee Details

Recipient/Account No : . . 697285
Name : DEPARTMENT OF WATER
Bank : ABDA BANK LIMITED
Branch Code : 632005
Reference : 100114509

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

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MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

17 CRITERIA FOR THE RELEASE OF THE EQUITABLE SHARE

17.1 Annexure A of the MFMA Circular 123: Equitable share verification checklist

Equitable Share Verification Checklist		
CRITERIA	QUARTERLY REQUIREMENTS	Quarter 1 (July – September) 2025/2026
Bulk Supplier Payments		
Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made?	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.	1. The municipality paid R29 000000 (million) to Eskom, the report on payments made by Large Power Users which are directly billed by Eskom was not received. 2. The municipality made a payment of R10 million in August 2025 to the DWS.
<u>If current account in arrears, are payment agreements in place?</u>	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.	1. The DAA between MAP and ESKOM was uploaded on goMuni but was rejected. The municipality currently has to pay over all the revenue received from electricity to ESKOM. 2. 11% of the Equitable Share trench to be paid over to DWS as per memorandum of Agreement between MAP and Special Master.
Staff benefit Deductions		
Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions?	Proof of payment for each category, for each month of the quarter uploaded to on GoMuni Upload portal.	Yes
Reconciliation of Valuation Roll		
Has the valuation role been reconciled to the financial system?	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.	Yes

Status of Schedule of Revenue Documents Submissions									
Demarcation Description	Demarc Code	Financial Year	Description	First Possible Upload Date	Due Date	Date of Last Submission	Status of Schedule	Late On Time	Status of Document Approval
Maluti-a-Phofur	FS194	2026	Bulk Suppliers (water and electricity) proof of payment-M01	2025/08/01	2025/09/14	2025/08/06	Submitted/Successful	On Time	Approved
Maluti-a-Phofur	FS194	2026	Bulk Suppliers (water and electricity) proof of payment-M02	2025/08/31	2025/10/14	2025/09/11	Submitted/Successful	On Time	Approved
Maluti-a-Phofur	FS194	2026	Bulk Suppliers (water and electricity) proof of payment-M03	2025/10/01	2025/11/14	2025/10/10	Submitted/Successful	On Time	Awaiting Approval
Maluti-a-Phofur	FS194	2026	Bulk Suppliers - repayment plans	2025/08/14	-	2025/08/22	Submitted/Successful	On Time	Awaiting Approval
Maluti-a-Phofur	FS194	2026	Municipality Valuation Roll Reconciliation-Q1	2025/10/01	2025/10/30	2025/10/14	Submitted/Successful	On Time	Awaiting Approval
Maluti-a-Phofur	FS194	2026	Proof of payment to 3rd party (Staff benefits and SARS)-M01	2025/08/01	2025/09/14	2025/08/05	Submitted/Successful	On Time	Approved
Maluti-a-Phofur	FS194	2026	Proof of payment to 3rd party (Staff benefits and SARS)-M02	2025/08/31	2025/10/14	2025/09/08	Submitted/Successful	On Time	Approved
Maluti-a-Phofur	FS194	2026	Proof of payment to 3rd party (Staff benefits and SARS)-M03	2025/10/01	2025/11/14	-	Outstanding		



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

18 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I Mofokeng Mathews of Maluti - A - Phofung Municipality, hereby certify that -

(mark as appropriate)

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state affairs of the municipality
- mid-year budget and performance assessment

for the 1ST QUARTER (JULY - SEPTEMBER) 2025 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name: M. M. Mofokeng

Municipal Manager of: MALUTI - A - PHOFUNG MUNICIPALITY (FS194)

Signature: M. M.

Date: 15/10/2025



MFMA SECTION 52(D): IN-YEAR BUDGET STATEMENT FOR THE 1ST QUARTER (JULY – SEPTEMBER) 2025

Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

19 RECOMMENDATIONS

It is recommended

- That the MFMA section 52(d) report for the 1st quarter (July - September) 2025 be noted.
- That the summary of the budget funding plan pillars be noted as summarised under 4.5.
- That the municipal debt relief compliance status based on the self-assessment from July - September 2025 be noted as provided under 16.1 and 16.2 of the report.
- That the municipal debt relief compliance assessment for July - August 2025 from the Free State Provincial Treasury be noted as provided under 16.5 of the report.
- The equitable share release requirements as per Annexure A of the MFMA circular 123 and status of submission as provided under 17.1 be noted.
- That the municipal council and senior management team closely monitor and enforce accountability for the implementation of the activities on the budget funding plan, the debt relief requirements and the revenue enhancement strategy.

SUBMITTED BY:

.....
CIlr. M. MELATO
THE EXECUTIVE MAYOR

.....
DATE