

**MFMA SECTION 72  
MID-YEAR BUDGET AND  
PERFORMANCE ASSESSMENT  
REPORT BY THE EXECUTIVE  
MAYOR FOR SUBMISSION TO  
COUNCIL**



**(JULY – DECEMBER) 2025**



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa seLathae • 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		
<b>Share of associate /Intercompany/Parent subsidiary transactions</b> - refers to the revenue received by the Entity from the Parent which includes the Equitable Share, Water and Sewer revenue.			



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### PART 1 IN-YEAR REPORT MID-YEAR ASSESSMENT (JULY-DECEMBER) 2025

#### 1 PURPOSE

The purpose of this report is to provide a budget statement of the municipality for the first half of the financial year 2025/26.

#### 2 BUSINESS PLAN

IDP and Budget process plan

#### 3 STRATEGIC OBJECTIVE

**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.

#### 4 DELEGATED AUTHORITY

Delegated authority vests with the Council.

#### 5 LEGAL REQUIREMENTS

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

**2.1.1. MFMA No. 56 of 2003 - Section 72 states that:**

- 1) The accounting officer of a municipality must by 25 January of each year –
  - a) assess the performance of the municipality during the first half of the financial year, taking into account:
    - i) the monthly statement referred to in section 71 for the first half of the financial year,



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- ii) the municipality's service delivery performance during the first half of the financial year, and service delivery targets and performance indicators set in the service delivery and budget implementation plan;
    - iii) the past year's annual report, and progress on resolving problems identified in the annual report; and the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in
    - iv) terms of section 88 from any such entities; and
  - b) submit a report such assessment to-
    - i) the mayor of the municipality;
    - ii) the National Treasury; and
    - iii) the relevant Provincial Treasury.
- 2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.
- 3) The accounting officer must, as part of the review-
  - a) make recommendations as to whether an adjustment budget is necessary; and
  - b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

### 2.1.2. MFMA No. 56 of 2003 – Section 54 states that:

- 1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must— (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.

### 2.1.3. 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.



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### 2.1.4. 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.

### 2.1.5. 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 2023/24 and/ or 2024/25 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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### 6 BACKGROUND AND DISCUSSION

The mid-year budget and performance assessment report must be submitted to the Executive Mayor and Treasury by the 25<sup>th</sup> January and to Council by the 31<sup>st</sup> January 2025 in order to comply with the reporting timeline section 72 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 deficit is likely to increase from the original R230 million to cater for the non-cash items and the interests charge by Eskom and DWS.

**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 20<sup>th</sup> of November 2024.
- Investments made to different banks in order to yield interests.

### 7 FINANCIAL IMPLICATIONS

**The following provides the budget financial performance by the end of the mid-term ending 31 December 2025.**

#### **Consolidated financial performance**

- The year to date consolidated total revenue was R1.181 million and the consolidated total expenditure was R1.2 million as indicated under table C4.

#### **Parent financial performance**

- The total revenue for the month was R1 million and the total operating expenditure was R1.2 million.

#### **MAP Water (Entity) financial performance**

- The year to date total revenue was R105.2 million and the total operating expenditure was R86.5 million.

#### **Debtors balance**

- The total debt book was R3.1 billion, as indicated under supporting table SC3.

#### **Creditors balance**

- The total Parent municipality outstanding creditors was R10.5 billion, as indicated under supporting table SC4.



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### 8 EXECUTIVE SUMMARY

#### 8.1 Table 1: Consolidated Monthly Budget Statement Summary

Maluti-a-Phofung(FS194) - Mid-year budget performance for the 1st half of the financial year 2025/26											
Description R'000	2024/2025	Budget year 2025/26									
	Pre-audited Outcome	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Mid-year Actual	% YTD vs Budget	Proposed Adjusted Budget
<b>Operating Revenue</b>											
Property rates	107 972	110 363	8 540	9 093	8 594	9 218	13 711	9 608	58 762	53%	117 525
Service charges	525 007	936 828	17 905	43 001	81 038	52 274	36 313	49 447	279 979	30%	556 508
Investment revenue	21 184	12 764	-	4 042	458	2 846	799	228	8 373	66%	16 747
Transfers and subsidies - Operational	852 793	882 846	366 046	335	-	255	65	283 519	650 220	74%	882 846
Other own revenue	543 801	194 447	12 577	13 049	494	13 394	25 460	13 295	78 270	40%	156 539
<b>Total Revenue</b>	<b>2 050 757</b>	<b>2 137 247</b>	<b>405 068</b>	<b>69 520</b>	<b>90 583</b>	<b>77 987</b>	<b>76 349</b>	<b>356 097</b>	<b>1 075 604</b>	<b>50%</b>	<b>1 730 165</b>
Share of surplus/ (deficit) of associate (MAP Water Entity intercompany transactions)	202 535	270 618		33 865	17 303	17 980	18 871	17 189	105 207	39%	270 618
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>2 253 292</b>	<b>2 407 865</b>	<b>405 068</b>	<b>103 385</b>	<b>107 886</b>	<b>95 967</b>	<b>95 220</b>	<b>373 286</b>	<b>1 180 812</b>	<b>49%</b>	<b>2 000 783</b>
<b>Operating Expenditure</b>											
Employee costs	684 242	722 554	46 406	74 315	59 398	61 125	68 469	64 226	373 939	52%	747 877
Remuneration of Councillors	37 151	36 529	2 699	2 670	2 670	2 670	2 672	2 670	16 053	44%	32 106
Depreciation and amortisation	71 783	75 930	-	-	-	-	-	-	-	0%	100 000
Interest	96 268	51 662	23 043	9	0	21 420	18	-	44 490	86%	314 381
Inventory consumed and bulk purchases	1 095 533	1 184 221	151 226	171 183	4 782	199 722	94 116	85 346	706 375	60%	1 172 220
Transfers and subsidies	190 671	198 043	-	-	31 336	15 576	15 576	-	62 489	32%	198 043
Other expenditure	628 574	369 430	7 947	10 621	17 526	14 767	23 455	11 339	85 655	23%	421 310
<b>Total Operating Expenditure</b>	<b>2 804 223</b>	<b>2 638 370</b>	<b>231 320</b>	<b>258 799</b>	<b>115 712</b>	<b>315 281</b>	<b>204 306</b>	<b>163 581</b>	<b>1 289 000</b>	<b>49%</b>	<b>2 985 937</b>
<b>Operating Surplus/(deficit)</b>	<b>(550 931)</b>	<b>(230 505)</b>	<b>173 748</b>	<b>(155 414)</b>	<b>(7 826)</b>	<b>(219 315)</b>	<b>(109 086)</b>	<b>209 705</b>	<b>(108 189)</b>		<b>(985 154)</b>
Transfers and subsidies - capital (monetary allocations)	246 026	291 250	-	16 153	-	8 351	4 555	-	29 059	10%	291 250
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(304 904)</b>	<b>60 745</b>	<b>173 748</b>	<b>(139 261)</b>	<b>(7 826)</b>	<b>(210 964)</b>	<b>(104 531)</b>	<b>209 705</b>	<b>(79 130)</b>		<b>(693 904)</b>
<b>Total Capital expenditure</b>	<b>5 861</b>	<b>316 681</b>	<b>2 247</b>	<b>12 452</b>	<b>10 350</b>	<b>11 498</b>	<b>56 568</b>	<b>14 121</b>	<b>107 236</b>	<b>34%</b>	<b>316 681</b>
Capital transfers recognised	-	286 417	1 997	12 050	10 350	9 673	56 538	11 360	101 967	36%	286 417
Internally generated funds	5 861	30 264	250	402	-	1 825	30	2 761	5 269	17%	30 264
<b>Surplus/(deficit) for the year</b>	<b>(310 765)</b>	<b>(255 935)</b>	<b>171 501</b>	<b>(151 713)</b>	<b>(18 176)</b>	<b>(222 462)</b>	<b>(161 099)</b>	<b>195 584</b>	<b>(186 365)</b>		<b>(1 010 585)</b>



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The mid-year consolidated total operating revenue actual amounted to R1.1 million which was 49% of the original budget. The 50% target could not be reached due to outstanding report from Eskom for the billing and collection for the month of December 2025.

The consolidated operating expenditure by the end of the mid-term was R1.2 billion which was 49% of the budget. Non-cash transactions, which are debt impairment and depreciation are not calculated and recorded monthly as required, which contributes to the variances. The interest charged by Eskom amounting to R112.7 million has not been captured due to insufficient budget. The budget must be adjusted up.

The total year to date capital expenditure was R107.2 million which was 34% of the budget. 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. There are projects still at the procurement phase and R34.2 million of the MIG transactions could not be captured due to insufficient budget.

### 8.2 Table 2: Trading services – monthly revenue performance

The table below indicates that the service charges billing performance as per C4-Schedule compared to budget was 40% below the target by the end of December 2025.

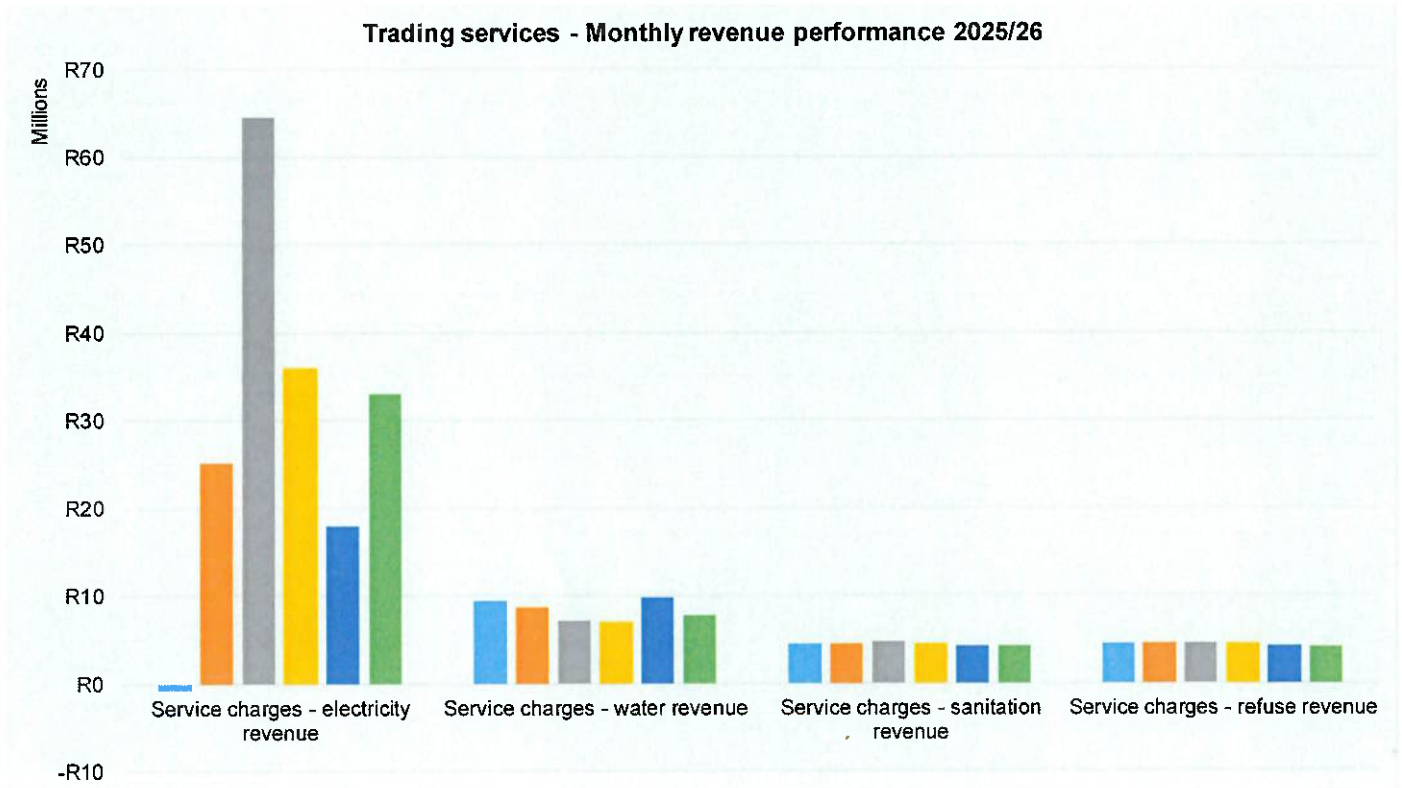
Description R'000	2024/25 Pre- Audited Outcome	Mid-year financial performance Budget year 2025/26										
		Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>												
Service charges - electricity revenue	345 545	739 063	(737)	25 119	64 566	36 016	17 937	33 096	175 997	369 532	(193 535)	-52%
Service charges - water revenue	81 910	95 159	9 515	8 730	7 141	7 120	9 792	7 735	50 032	47 580	2 452	5%
Service charges - sanitation revenue	48 889	51 422	4 562	4 568	4 760	4 582	4 294	4 368	27 133	25 711	1 422	6%
Service charges - refuse revenue	48 662	51 184	4 566	4 585	4 571	4 556	4 291	4 248	26 817	25 592	1 225	5%
<b>Total</b>	<b>525 007</b>	<b>936 828</b>	<b>17 905</b>	<b>43 001</b>	<b>81 038</b>	<b>52 274</b>	<b>36 313</b>	<b>49 447</b>	<b>279 979</b>	<b>468 414</b>	<b>(188 435)</b>	<b>-40%</b>



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### 8.3 Chart 1: Trading services monthly performance





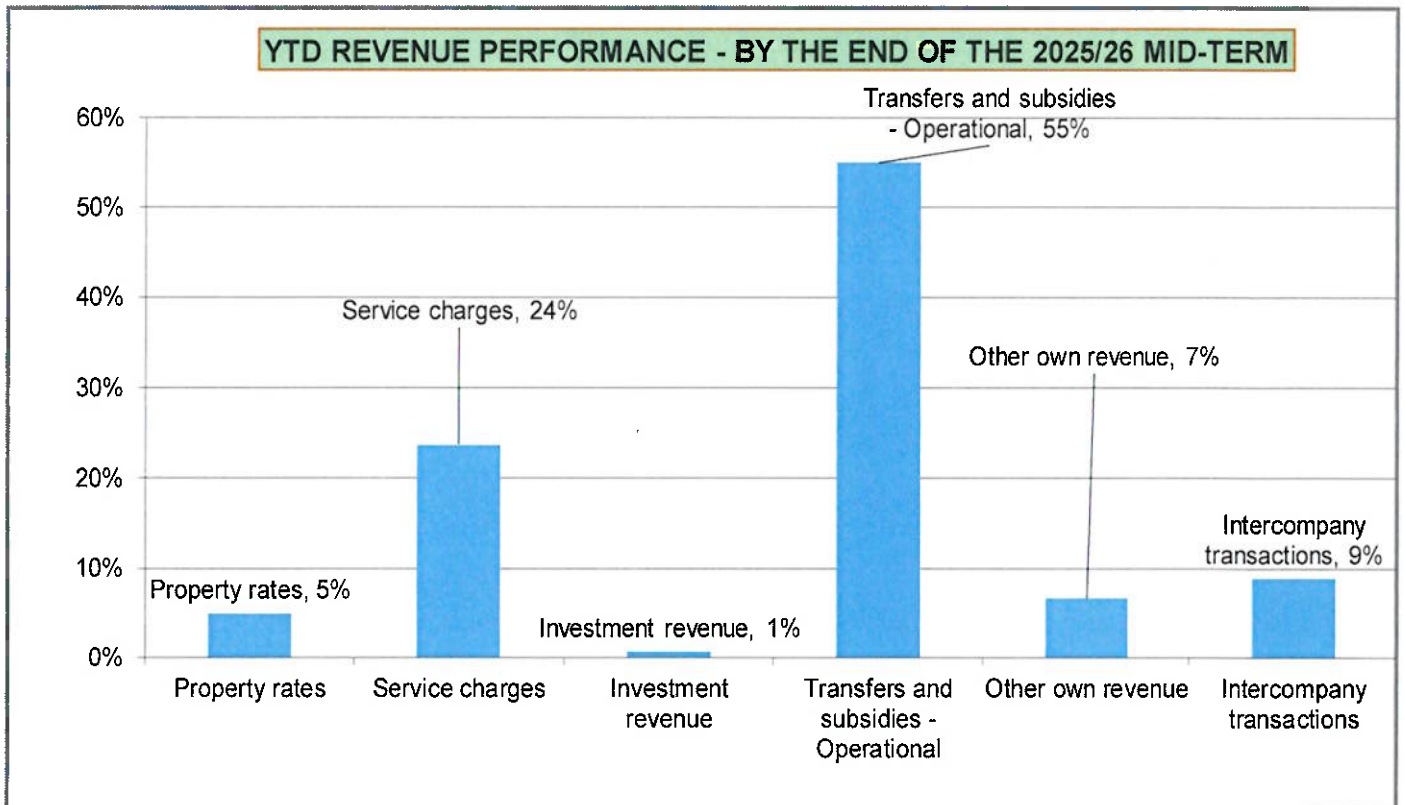
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### 8.4 Chart 2: Revenue by source: Year to date actual as a percentage of total year to revenue

The transfers and subsidies contributed 55% of the total revenue and the services charges was 24% of the total revenue for the mid-year ending 31 December 2025.

<b>Year to date performance by the end of 2025/26 Mid-term</b>		
<b>Description R'000</b>	<b>Amount</b>	<b>%</b>
Property rates	58 762	5%
Service charges	279 979	24%
Investment revenue	8 373	1%
Transfers and subsidies - Operational	650 220	55%
Other own revenue	78 270	7%
Intercompany transactions	105 207	9%
<b>Total Revenue</b>	<b>1 180 812</b>	<b>100%</b>





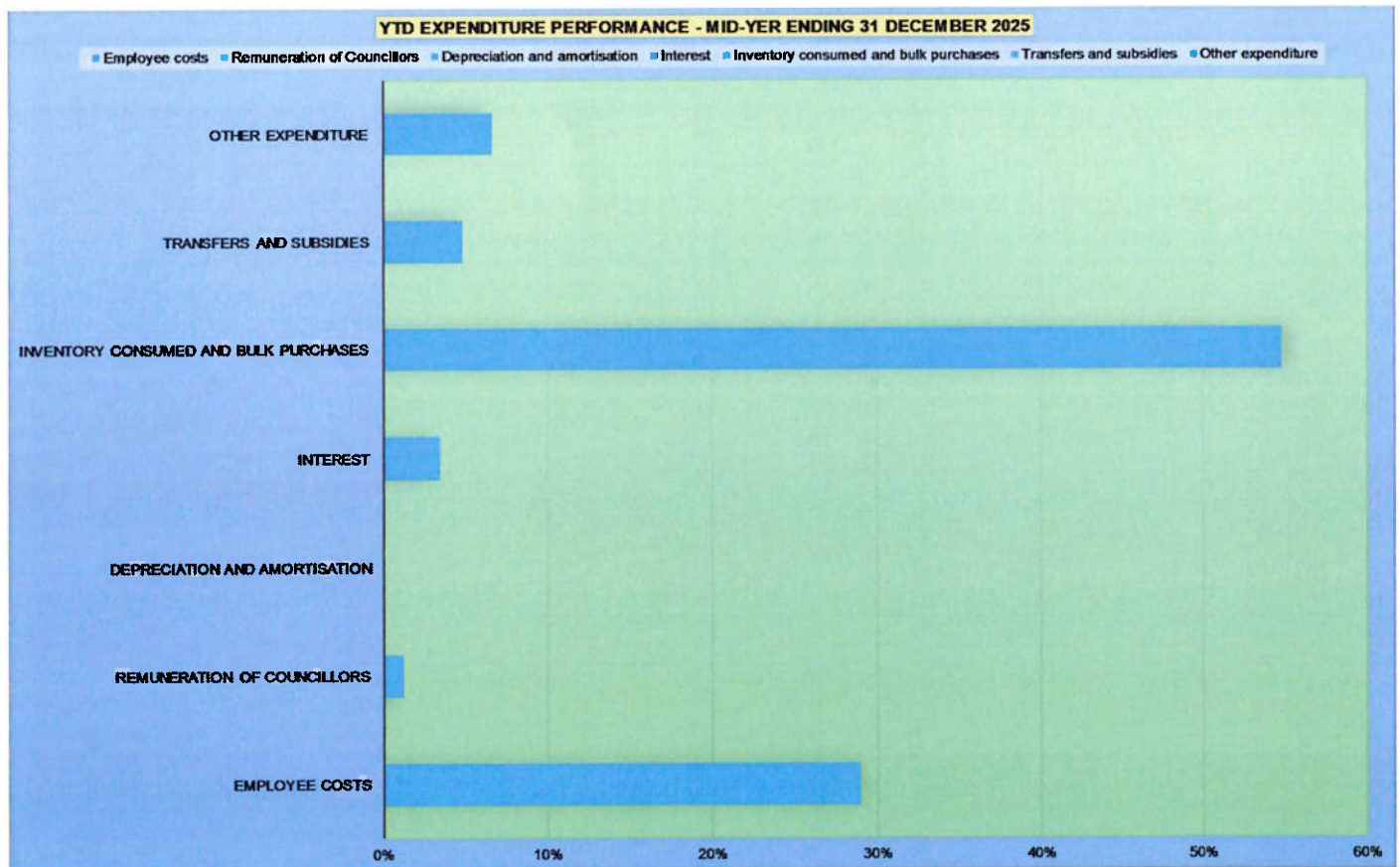
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### 8.5 Chart 3: Expenditure by type: Year to date actual as a percentage of total year to date expenditure

The chart shows that to date **55%** of the total year to date expenditure was from inventory consumed and bulk purchases. The year to date employee costs was at **29%** of the total expenditure.

<b>Year to date performance by the end of the 2025/26 Mid-term</b>		
Description R'000	Amount	%
Employee costs	373 939	<b>29%</b>
Remuneration of Councillors	16 053	<b>1%</b>
Depreciation and amortisation	–	<b>0%</b>
Interest	44 490	<b>3%</b>
Inventory consumed and bulk purchases	706 375	<b>55%</b>
Transfers and subsidies	62 489	<b>5%</b>
Other expenditure	85 655	<b>7%</b>
<b>Total Expenditure</b>	<b>1 289 000</b>	<b>100%</b>





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### 9 BUDGET PERFORMANCE OVERVIEW

#### 9.1 Operating Revenue by Source

**9.1.1 Table 3: Consolidated Table C4 financial performance and material variance explanations on revenue sources**

Description	2024/25	Budget year 2025-2026										
	Pre-Audited Outcome	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	YearTD actual	YearTD budget	YTD variance	
<b>R thousands (R'000)</b>												
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	345 545	739 063	(737)	25 119	64 566	36 016	17 937	33 096	175 997	369 532	(193 535)	-52%
Service charges - Water	81 910	95 159	9 515	8 730	7 141	7 120	9 792	7 735	50 032	47 580	2 452	5%
Service charges - Waste Water Management	48 889	51 422	4 562	4 568	4 760	4 582	4 294	4 368	27 133	25 711	1 422	6%
Service charges - Waste management	48 662	51 184	4 566	4 585	4 571	4 556	4 291	4 248	26 817	25 592	1 225	5%
Sale of Goods and Rendering of Services	2 688	6 743	324	276	198	185	229	253	1 465	3 371	(1 906)	-57%
Interest earned from Receivables	107 556	125 181	8 492	8 911	(26)	9 159	18 023	8 936	53 495	62 591	(9 096)	-15%
Interest from Current and Non Current Assets	21 184	12 764	-	4 042	458	2 846	799	228	8 373	6 382	1 992	31%
Rent on Land	-	1 000	-	-	-	-	-	-	-	500	(500)	-100%
Rental from Fixed Assets	1 857	3 992	112	89	150	92	78	356	876	1 996	(1 120)	-56%
Operational Revenue	1 087	11 772	105	107	122	422	87	92	933	5 886	(4 953)	-84%
<b>Non-Exchange Revenue</b>												
Property rates	107 972	110 363	8 540	9 093	8 594	9 218	13 711	9 608	58 762	55 181	3 581	6%
Fines, penalties and forfeits	207	2 396	147	243	51	70	9	163	683	1 198	(515)	-43%
Licence and permits	-	1 663	-	-	-	-	-	-	-	831	(831)	0%
Transfers and subsidies - Operational	852 793	882 846	366 046	335	-	255	65	283 519	650 220	441 423	208 797	47%
Interest	426 385	41 693	3 398	3 423	-	3 467	7 034	3 489	20 811	20 847	(36)	0%
Other Gains	4 021	7	-	-	-	-	-	6	6	4	3	74%
<b>Total</b>	<b>2 050 757</b>	<b>2 137 247</b>	<b>405 068</b>	<b>69 520</b>	<b>90 583</b>	<b>77 987</b>	<b>76 349</b>	<b>356 097</b>	<b>1 075 605</b>	<b>1 068 624</b>	<b>6 981</b>	<b>1%</b>
Intercompany/Parent subsidiary transactions	202 535	270 618	-	33 865	17 303	17 980	18 871	17 189	105 207	135 309	(30 102)	-22%
<b>Total Revenue</b>	<b>2 253 292</b>	<b>2 407 865</b>	<b>405 068</b>	<b>103 385</b>	<b>107 886</b>	<b>95 967</b>	<b>95 220</b>	<b>373 286</b>	<b>1 180 812</b>	<b>1 203 933</b>	<b>(23 121)</b>	<b>-2%</b>

**9.1.1.1. Electricity revenue** year to date amounted to R175.9 million which was 52% less than the target of R369.5 million. The Eskom billing and collection report for December 2025 was not received by the time the month was closed.

**Remedial action/s** – The Eskom transactions will be included in the following reporting month.



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**9.1.1.2. Water revenue** year to date actual was R50 million which was 5% more than the budget of R47.5 million. The provision of access to water has improved although consumers are still billed with estimates.

**Remedial action/s** – adjust the budget up during the adjustment budget. Actual meter readings should be collected.

**9.1.1.3. Waste water management revenue** year to date outcome was R1.4 million (6%) more than the R25.7 million target.

**Remedial action/s** – adjust the budget up during the adjustment budget.

**9.1.1.4. Waste management revenue** year to date was R26.8 million which was 5% above the target of R25.5 million.

**Remedial action/s** – adjust the budget up during the adjustment budget.

**9.1.1.5. Sale of goods and services** year to date of R1.4 million was 57% less than the target of R3.3 million.

**Remedial action/s** – adjust the budget down during the adjustment budget.

**9.1.1.6. Interest earned receivables (debtors)** year to date outcome of R53.4 million was R9 million (15%) below the year to date target of R62.5 million.

**Remedial action/s:**

- a. adjust the budget down during the adjustment budget.
- b. revenue enhancement roadshows must be held to encourage consumers to pay the municipal account and various communication platforms must be used

**9.1.1.7. Interest from current and non-current assets** year to date of R8.3 million was 31% more than the target of R6.3 million.

**Remedial action/s** – adjust the budget up during the adjustment budget.

**9.1.1.8. Rental from fixed assets** year to date actual was 56% below the target of R1.9 million. This depends on consumer needs.

**Remedial action/s** - adjust the budget down during the adjustment budget.



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**9.1.1.9. Operational revenue** year to date was R933 thousands which was 84% less than the target of R5.8 million.

**Remedial action/s** – department must implement activities on the revenue enhancement strategy in order to improve revenue.

**9.1.1.10. Property rates** year to date outcome of R58.7 million was 6% more than the target of R55.1 million. The reconciliation between valuation roll and the financial system is performed quarterly and variances addressed monthly

**Remedial action/s** - adjust the budget up during the adjustment budget.

**9.1.1.11. Fines** year to date amounted to R683 thousands and the year to date budget of R1.1 million was more than the year to date actual by R515 thousands (43%).

**Remedial action/s** – implement activities on the revenue enhancement strategy and issue fines on non-compliant businesses in order to improve revenue.

**9.1.1.1. Transfers and subsidies** total year to date amounted to R650.2 million which was 47% more than the year to date target of R441.4 million. The total equitable share of R283.519 million received in December was R9.318 million less than the allocation of R292.837 million from the grants payment schedule. National Treasury deducted the funds even though the municipality responded to the letter received the letter on the 12<sup>th</sup> November 2025 stating that the 2024/25 unspent grants amounted to R9.3 million related to FMG, WSIG and EPWP.

**Remedial action/s** – Engage the National Treasury regarding the unspent funds.

**9.1.1.12. Interest (property rates)** the year to date outcomes of R20.8 million was on target.

**Remedial action/s** – not required.

**9.1.1.13. 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 R105.2 million or 22% below the target.

**Remedial action/s** - adjust the budget down during the adjustment budget.



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**9.1.2 Table 4: Breakdown of revenue from sale of goods and services and operational revenue**

SALES OF GOODS AND RENDERING OF SERVICES & OPERATIONAL REVENUE BREAKDOWN								
Description R'000	Mid-year performance 2025/26 financial year							Mid-year Outcome
	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	
<b>Sales Of Goods And Rendering Of Services</b>								
Advertisements	1 000	–	2	–	–	22	–	23
Camping Fees	1	–	–	–	–	–	–	–
Cemetery & Burial	1 425	154	118	116	115	88	153	744
Escort Fees	6	2	1	4	3	1	2	13
Entrance Fees	30	7	2	–	1	6	5	21
Fire Services	30	–	–	–	–	–	–	–
Call Out Fees	61	5	4	1	4	18	38	70
Sundry Income	108	2	11	1	1	35	9	58
Housing/Boarding Services: Private	742	–	–	–	0	–	–	0
Management Fees	42	8	2	1	5	10	8	34
Parking Fees	61	6	5	3	4	4	–	21
Photocopies & Faxes	1	–	–	–	–	–	–	–
Plan & Dev: Applicat Fees For Land Usage	100	0	5	1	8	0	0	14
Plan & Dev: Building Plan Approval	758	121	70	62	74	31	18	376
Plan & Dev: Building Plan Clause Levy	50	–	–	–	–	–	–	–
Plan & Dev: Clearance Certificates	106	16	47	2	(38)	5	5	37
Plan & Dev: Encroachment Fees	100	–	0	0	–	–	–	1
Containers 12months	25	–	–	–	–	–	–	–
Identification Of Pegs	50	–	–	–	–	–	–	–
Special Consent Application	100	3	1	–	–	0	–	4
Sub Division Application	150	–	–	–	3	–	–	3
Plan & Dev: Town Planning & Servitudes	50	–	1	1	0	–	1	3
Sale Of: Agric Prod - Asset < Cap Thresh	1 461	–	–	–	–	–	–	–
Sale Of: Publication - Maps	11	–	–	–	–	–	–	–
Sale Of: Publication - Prints	0	–	–	–	–	–	–	–
Sale Of: Publication - Tender Documents	193	0	5	4	2	4	11	26
Sale Of: Valuation Rolls	84	1	2	2	2	4	3	16
<b>Sub Total:Sales &amp; Rendering Of Services</b>	<b>6 743</b>	<b>324</b>	<b>276</b>	<b>198</b>	<b>185</b>	<b>229</b>	<b>253</b>	<b>1 465</b>
<b>Operational Revenue</b>								
Staff Recoveries	151	7	7	–	7	9	–	30
Req Info - Municipal Infor & Statistics	61	1	1	2	1	4	3	12
Sale Of Property	10 000	97	98	120	111	74	89	589
Skills Development Levy Refund	1 560	–	–	–	302	–	–	302
<b>Sub Total : Operational Revenue</b>	<b>11 772</b>	<b>105</b>	<b>107</b>	<b>122</b>	<b>422</b>	<b>87</b>	<b>92</b>	<b>933</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mma:epoko wa selehoe • Phofung Municipality

### 9.2 Operating Expenditure by type

#### 9.2.1 Table 5: Consolidated Table C4 financial performance and material variance explanations on expenditure by type

FS194 Maluti-a-Phofung - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment												
Description R thousands (R'000)	2024/25	Budget year 2025-2026										
	Pre-Audited Outcome	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	YearTD actual	YearTD budget	YTD variance	
<b>Expenditure by type</b>												
Employee related costs	684 242	722 554	46 406	74 315	59 398	61 125	68 469	64 226	373 939	361 277	12 662	4%
Remuneration of councillors	37 151	36 529	2 699	2 670	2 670	2 670	2 672	2 670	16 053	18 265	(2 212)	-12%
Bulk purchases - electricity	1 068 419	1 114 944	150 024	170 272	375	199 583	92 679	75 444	688 378	557 472	130 907	23%
Inventory consumed	27 113	69 277	1 201	911	4 407	139	1 436	9 902	17 997	34 639	(16 642)	-48%
Debt impairment	436 120	13 280	-	-	-	-	-	-	-	6 640	(6 640)	0%
Depreciation and amortisation	71 783	75 930	-	-	-	-	-	-	-	37 965	(37 965)	0%
Interest	96 268	51 662	23 043	9	0	21 420	18	-	44 490	25 831	18 659	72%
Contracted services	145 454	203 440	7 253	8 428	10 642	2 472	15 244	9 853	53 894	101 720	(47 826)	-47%
Transfers and subsidies	190 671	198 043	-	-	31 336	15 576	15 576	-	62 489	99 022	(36 533)	-37%
Irrecoverable debts written off	1 180	23 120	57	165	387	282	59	71	1 022	11 560	(10 538)	0%
Operational costs	64 549	129 590	637	2 028	6 496	12 013	8 151	1 412	30 738	64 795	(34 057)	-53%
Losses on Disposal of Assets	(6 676)	-	-	-	-	-	-	-	-	-	-	
Other Losses	(12 052)	-	-	-	-	-	-	2	2	-	2	#DIV/0!
<b>Total</b>	<b>2 804 223</b>	<b>2 638 370</b>	<b>231 320</b>	<b>258 799</b>	<b>115 712</b>	<b>315 281</b>	<b>204 306</b>	<b>163 581</b>	<b>1 289 000</b>	<b>1 319 185</b>	<b>(30 185)</b>	<b>-2%</b>

**9.2.1.1. Employee related costs** - to date amounted to R373.9 million which was also R12.6 million more than the year to date budget of R361.2 million. This includes the year to date movements of overtime as indicated under Table 17 (excluding shifts).

**Remedial action/s** – adjust the budget accordingly. Departments should avoid incurring overtime costs.

**9.2.1.2. Remuneration of councillors'** year to date of R16 million was 12% less than the target of R18.2 million.

**Remedial action/s** – monitor performance and adjust the budget accordingly.



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**9.2.1.3. Bulk purchases electricity** – the Eskom charge for September was captured in the month of October. The year to date actual of R688.3 million was R130.9 million more than the year to date budget of R557.4 million.

**Remedial action/s** – adjust the budget accordingly during the adjustment budget.

**9.2.1.4. Inventory consumed** – majority of the costs came from the DWS charges and fuel and oil charges. The year to date outcome was 48% below the target.

**Remedial action/s** –

- a. Departments to adhere to procurement plans to ensure they do not overspend or underspend.
- b. Internal controls be strengthened to monitor the use of petrol and diesel
- c. Monitor performance and adjust the budget accordingly.

**9.2.1.5. Debt impairment and Depreciation** have no movement to date. The monthly calculations are not performed as required.

**Remedial action/s** –

- a. Calculation should be performed and recorded monthly on the system to assist with correct budget estimates.
- b. Convert to an mSCOA compliant system.

**9.2.1.6. Interest** year to date amounted to R44.9 million. The municipality was charged the interest due to failure to maintain the Eskom current account. The total amount of R112.7 million could not be captured on the financial system due to insufficient budget.

**Remedial action/s**

- a. Improve service delivery and collection to be able to maintain the Eskom current account.
- b. Eskom should assist with collection as part of the partnership through the DAA
- c. Adjust the budget up so that the outstanding transactions can be captured on the system.



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**9.2.1.7. Contracted services** year to date budget of R101.7 million. The MAP Water payments made by the Parent on behalf of the Entity are not recorded on the financial system by the Entity. The municipality does not have the assets maintenance plan which should be used to guide the budget and expenditure projections.

### **Remedial action/s**

- a. The Entity must conduct their own SCM processes and record the transactions on the system.
- b. The asset maintenance plan must be developed to assist with accurate budgeting.

**9.2.1.1. Transfers and subsidies** which includes MAP Water subsidy and own funding EPWP amounted to R62.4 million by the end of 2<sup>nd</sup> quarter which was 37% less than the year to date budget of R99 million. The Entity transactions for September were recorded on the wrong vote and the invoices for December were not yet received by the time the month was closed.

### **Remedial action/s –**

- a. Correct the September error and record the December transactions when invoices are received.
- b. Interface the EPWP transactions from Payday to e-Venus financial system.

**9.2.1.2. Irrecoverable debts written off** year to date amounted to date R1 million.

**Remedial action/s –** revenue enhancement roadshows must be held to encourage consumers to pay their municipal accounts.

**9.2.1.3. Operational costs** year to date was at R30.7 million which was 53% below the target of R64.7 million. This category includes amongst others; protective clothing, water and sewerage levies to the entity, advertisements, audit fees).

### **Remedial action/s**

- a. Departments to adhere to procurement plans to ensure they do not overspend or underspent.
- b. Monitor performance and adjust the budget accordingly.



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**9.2.2 Table 6: Breakdown of contracted services**

CONTRACTED SERVICES BREAKDOWN								
Description R'000	Mid-year performance 2025/26 financial year							
	Original budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Mid-year Actual
<b><u>Outsource Services</u></b>								
Os: Burial Services	530	–	12	–	12	–	3	27
Os: B&A Communications	217	–	–	–	–	–	–	–
Os: B&A Human Resources	318	–	–	–	–	–	–	–
Os: B&A Occupational Health & Safety	210	–	–	–	–	–	14	14
Os: B&A Project Management	13 177	–	–	–	–	–	–	–
Os: B&A Research & Advisory	3 470	–	–	–	–	–	530	530
Os: Clearing & Grass Cutting Services	56	–	–	–	–	–	–	–
R & M - Grounds & Open Spaces	2 000	–	–	–	–	–	–	–
Os: Fire Services	53	–	–	–	–	–	–	–
Os: Professional Staff	50	–	–	–	–	14	–	14
Os: Printing Services	1 590	–	–	–	–	–	–	–
Os: Security Services	45 000	5 276	5 276	5 276	–	10 551	5 587	31 965
Os: Traffic Fines Management	2 500	–	–	–	–	–	–	–
<b>Sub Total : Outsource Services</b>	<b>69 172</b>	<b>5 276</b>	<b>5 288</b>	<b>5 276</b>	<b>12</b>	<b>10 565</b>	<b>6 133</b>	<b>32 548</b>
<b><u>Consultants And Professional Services</u></b>								
C&Ps: B&A Accountants & Auditors	250	–	–	–	–	–	–	–
C&Ps: B&A Audit Committee	930	–	–	54	–	45	59	158
C&Ps: B&A Business & Fin Management	7 284	204	82	1 828	–	170	–	2 284
Indigent Register	1 100	–	–	–	–	–	–	–
Reading Of Meters	3 167	–	–	–	–	–	–	–
Service Contracts	1 236	–	–	–	–	–	–	–
Vat Review	2 000	610	–	366	–	62	101	1 140
C&Ps: B&A Organisational	134	–	–	–	–	–	–	–
C&Ps: B&A Project Management	4 833	–	–	20	10	3	–	33
C&Ps: B&A Valuer & Assessors	300	–	–	–	–	–	–	–
C&Ps: B&A System Support	890	–	–	–	–	–	–	–
C&Ps: I&P Engineering Civil	2 000	–	–	–	–	–	–	–
C&Ps: I&P Town Planner	3 000	125	–	–	–	–	–	125
Rural Formalisation	1 500	–	–	–	–	–	–	–
Urban Renewal	1 000	–	–	–	–	–	–	–
C&Ps: Lab Serv Water	847	–	–	–	–	–	–	–
C&Ps: Legal Cost Advice & Litigation	7 120	–	2 372	2 106	8	262	212	4 959
<b>Sub Total : Consultant And Prof Services</b>	<b>37 591</b>	<b>940</b>	<b>2 453</b>	<b>4 374</b>	<b>18</b>	<b>542</b>	<b>372</b>	<b>8 700</b>



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Local Municipality • Mankweng w a leFihlela • Phasike Muni pa fele

CONTRACTED SERVICES BREAKDOWN								
Description R'000	Mid-year performance 2025/26 financial year							
	Original budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Mid-year Outcome
<b>Contractors</b>								
Contr: Audio-Visual Services	90	-	-	-	-	-	-	-
Contr: Catering Services	675	-	24	20	26	-	23	93
R & M - Network Reticulation	6 360	-	145	-	1 507	-	-	1 652
R & M - Substations	5 000	-	-	-	-	-	-	-
R & M - Transformers	3 000	-	-	-	-	-	-	-
R & M - Street Lights	1 000	-	-	-	-	-	-	-
R & M - Traffic Lights	1 000	-	-	-	-	-	-	-
Contr: Employee Wellness	210	-	-	-	-	-	-	-
Contr: Event Promoters	90	-	-	-	-	-	-	-
Contr: Maint Of Buildings & Facilities	2 000	-	-	-	-	-	-	-
R & M - Buildings	25 400	28	29	-	-	-	-	56
Contr: Maintenance Of Equipment	1 262	-	-	-	-	171	-	171
R & M - Computer Equipment	344	-	-	-	-	-	-	-
R & M - Motors & Pumps	200	-	-	-	-	-	-	-
Contr: Maintenance Of Unspecified Assets	14 600	-	-	-	-	-	-	-
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 & Tsiamé 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
R & M - Quality Monitoring	706	-	-	-	-	-	-	-
R & M - Resurfacing Of Roads	5 000	-	-	-	-	1 828	1 873	3 700
R & M - Sheq Plus Sheq Incentive	2 144	-	-	-	-	-	-	-
R & M - Streets & Stormwater	1 000	-	-	-	-	-	-	-
R & M - Vehicle Licenses	1 130	-	-	-	-	-	-	-
R & M - Vehicles	5 706	1 010	-	952	4	1 677	1 010	4 652
R&M - Motors & Pumps Makw & Moeding Wwtw	222	-	-	-	-	-	-	-
Contr: Medical Services	210	-	-	-	-	-	-	-
Contr: Prepaid Electricity Vendors	3 500	-	489	-	907	462	443	2 301
<b>Sub Total : Contractors</b>	<b>96 677</b>	<b>1 038</b>	<b>687</b>	<b>993</b>	<b>2 443</b>	<b>4 137</b>	<b>3 348</b>	<b>12 646</b>
<b>Sub Total : Contracted Services</b>	<b>203 440</b>	<b>7 253</b>	<b>8 428</b>	<b>10 642</b>	<b>2 472</b>	<b>15 244</b>	<b>9 853</b>	<b>53 894</b>



**MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE  
ASSESSMENT REPORT (JULY – DECEMBER) 2025**

Local Municipality • Mmasepala wa setšhaba • Plaaslike Munisipaliteit

**9.2.3 Table 7. Summary of YTD Bulk Electricity expenditure and outstanding Eskom debt**

The total outstanding balance for Eskom amounted to R9.6 billion by the end of December 2025.

<b>ESKOM BULK INVOICE CHARGES AND PAYMENTS DURING THE FINANCIAL YEAR 2025/26</b>							
<b>R'000</b>							
<b>Months</b>	<b>Opening balance</b>	<b>Payments</b>	<b>Payment Adjustments</b>	<b>Total charges for billing period</b>	<b>Adjustments</b>	<b>VAT</b>	<b>Closing balance</b>
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
Oct-25	9 768 095	(36 367)	3 571	97 701	27 973	13 204	9 874 178
Nov-25	9 874 178	(62 430)	1 700	90 869	25 013	11 795	9 941 125
Dec-25	9 941 125	(13 157)	4 571	75 444	(346 482)	11 317	9 672 818
<b>TOTAL</b>		<b>(236 493)</b>	<b>21 261</b>	<b>690 504</b>	<b>(267 977)</b>	<b>92 929</b>	

**9.2.4 Table 8. Summary of YTD Bulk Water expenditure and outstanding DWS debt**

The statement for October to December have not been received. The Municipality paid R10 million to DWS in December 2025.

<b>DWS BULK INVOICE CHARGES AND PAYMENTS FROM JULY 2025 TO DATE</b>						
<b>R'000</b>						
<b>Months</b>	<b>Opening balance</b>	<b>Payments</b>	<b>Payment Adjustments</b>	<b>Interests</b>	<b>Total charges</b>	<b>Closing balance</b>
May-25	524 610	(10 000)	–	–	431	515 042
Jun-25	515 042	–	–	–	299	515 341
Jul-25	515 341	–	–	–	195	515 535
Aug-25	515 535	(10 000)	–	–	381	505 916
Sep-25	505 916	–	–	1 456	470	507 842
Oct-25	507 842	–	–	–	–	507 842
Nov-25	507 842	–	–	–	–	507 842
Dec-25	507 842	(10 000)	–	–	–	497 842
<b>TOTAL</b>		<b>(30 000)</b>	<b>–</b>	<b>1 456</b>	<b>1 775</b>	



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

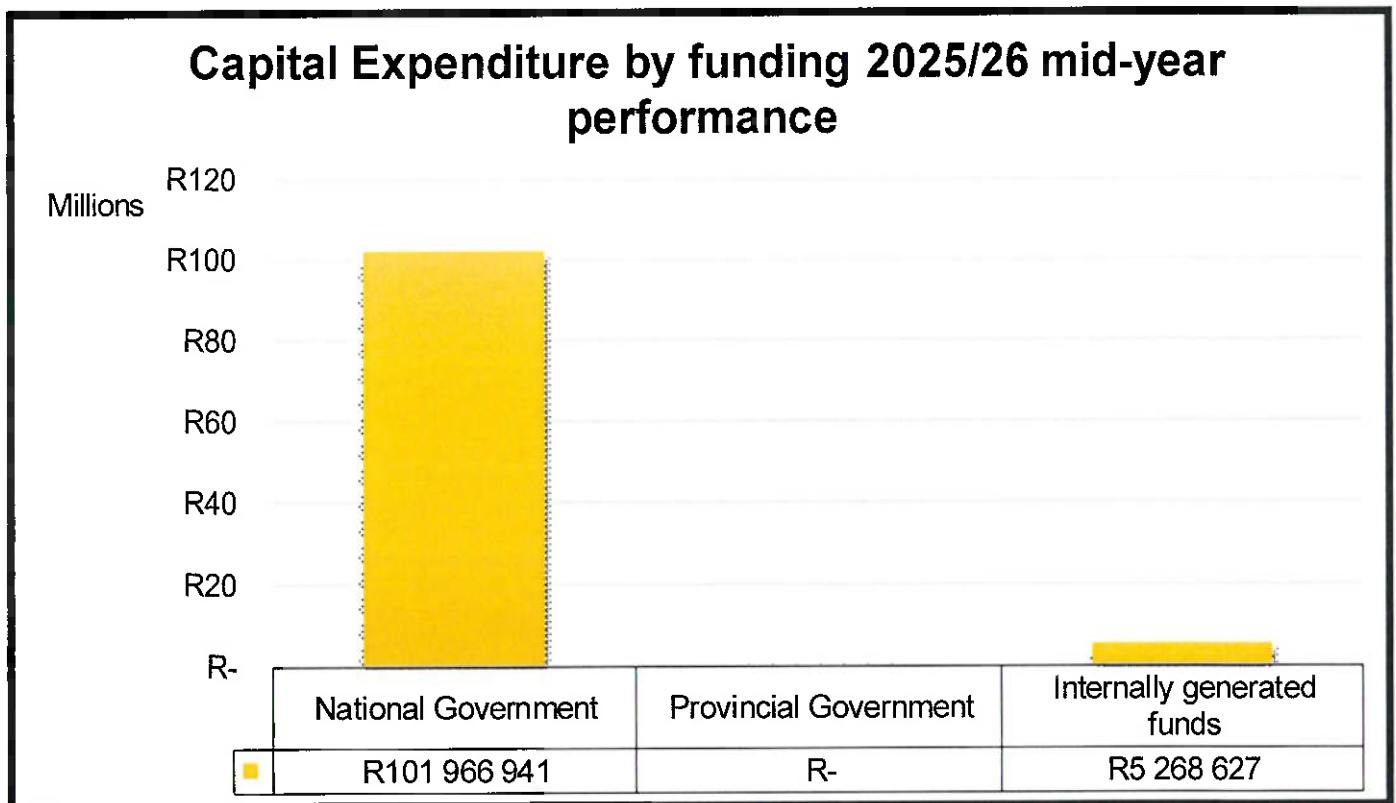
Local Municipality • Mmolepolo wa sechaba • Phokiso Municipality

### 9.3 Capital expenditure

#### 9.3.1 Table 9: High level summary: Capital Expenditure

Description R'000	Capital expenditure by funding source 2025/26							
	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	YearTD actual
National Government	286 417	1 997	12 050	10 350	9 673	56 538	11 360	101 967
Provincial Government	-	-	-	-	-	-	-	-
Internally generated funds	30 264	250	402	-	1 825	30	2 761	5 269
<b>Total</b>	<b>316 681</b>	<b>2 247</b>	<b>12 452</b>	<b>10 350</b>	<b>11 498</b>	<b>56 568</b>	<b>14 121</b>	<b>107 236</b>

#### 9.3.2 Chart 4: Total Capital expenditure





## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepa e-Phongolo • Pongolake Municipality

### 9.4 Cash Flow

#### 9.4.1 Table 10: Bank Transactions Summary Report

The below table indicates main bank account movements from July to December 2025. The closing balance on the main account was R18.8 million.

<b>Main bank account movements and closing balance by the end of December 2025</b>						
Description R'000	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
<b>Opening balance as per bank statement</b>	<b>8 644</b>	<b>31 009</b>	<b>5 616</b>	<b>42 901</b>	<b>8 013</b>	<b>2 195</b>
<b>INCOME</b>						
Interest on credit balance	426	48	49	64	34	104
Equitable Share	366 046	–	–	–	–	283 519
Other Grants received	40 709	3 782	3 888	17 000	17 861	79 622
Direct deposits	9 342	12 105	46 025	20 359	17 153	20 514
Cashier deposits	1 607	6 432	1 278	1 674	1 056	1 065
Transfer from Pre-paid acc	10 000	10 000	9 700	8 900	9 000	8 000
Transfer from Standardbank acc	61 653	–	–	–	–	–
Transfer from First National Bank	–	90 000	79 000	42 000	106 000	49 000
Sundry credit on bank statement	33	1	6	10 650	15	6
<b>TOTAL INCOME</b>	<b>489 815</b>	<b>122 367</b>	<b>139 946</b>	<b>100 647</b>	<b>151 119</b>	<b>441 830</b>
<b>EXPENDITURE</b>						
Ele payments- Creditors	(24 627)	(68 670)	(28 818)	(45 915)	(74 379)	(131 264)
Ele -Netto Salaries & 3rd parties	(64 655)	(63 798)	(63 420)	(74 090)	(69 613)	(68 107)
Ele- Project salaries	(61)	(61)	(61)	(6 529)	(3 509)	(3 275)
Eskom	(10 052)	(15 181)	(10 289)	(8 933)	(9 382)	(12 448)
Bank charges	(74)	(48)	(73)	(69)	(54)	(92)
Debit order	–	–	–	–	–	–
Debit transfer to Standard bank acc	–	–	–	–	–	(210 000)
Debit transfer to First National Bank	(367 981)	–	–	–	–	–
<b>TOTAL EXPENDITURE</b>	<b>(467 450)</b>	<b>(147 760)</b>	<b>(102 661)</b>	<b>(135 535)</b>	<b>(156 937)</b>	<b>(425 187)</b>
<b>CLOSING BALANCE</b>	<b>31 009</b>	<b>5 616</b>	<b>42 901</b>	<b>8 013</b>	<b>2 195</b>	<b>18 838</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmaqepala wa sechaba • Plaaslike Munisipaliteit

### 9.5 Budget Funding Plan progress

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.

#### 9.5.1 Table 11: Pillar 1 - Positive Cash flow

The total closing balance by the end of the mid-year was R258.8 million (which includes main account and investments accounts).

Closing balances for all accounts from July- December 2025						
NAME OF ACCOUNT R'000	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
<b><u>BANK ACCOUNTS</u></b>						
FNB Maluti Main Acc	31 009	5 616	42 901	8 013	2 195	18 838
FNB Pre-paid Acc	4 882	4 882	4 355	4 604	3 892	5 306
<b>TOTAL</b>	<b>35 891</b>	<b>10 499</b>	<b>47 256</b>	<b>12 617</b>	<b>6 087</b>	<b>24 144</b>
<b><u>FNB CALL ACCOUNTS</u></b>						
FNB Call Acc	82	169	182	195	196	282
<b>TOTAL</b>	<b>82</b>	<b>169</b>	<b>182</b>	<b>195</b>	<b>196</b>	<b>282</b>
<b><u>INVESTMENTS ACCOUNTS</u></b>						
Standard Bank Investment	1 099	1 106	1 106	1 106	1 128	211 142
ABSA Call Acc- Investment	14 728	14 822	14 912	15 007	15 098	15 190
Nedbank Investment	721	726	730	734	739	743
First National Bank Investment	368 188	280 098	202 489	161 561	56 230	7 313
<b>TOTAL</b>	<b>384 737</b>	<b>296 752</b>	<b>219 238</b>	<b>178 408</b>	<b>73 194</b>	<b>234 388</b>
<b>TOTAL BANK BALANCES</b>	<b>420 710</b>	<b>307 420</b>	<b>266 676</b>	<b>191 220</b>	<b>79 477</b>	<b>258 814</b>



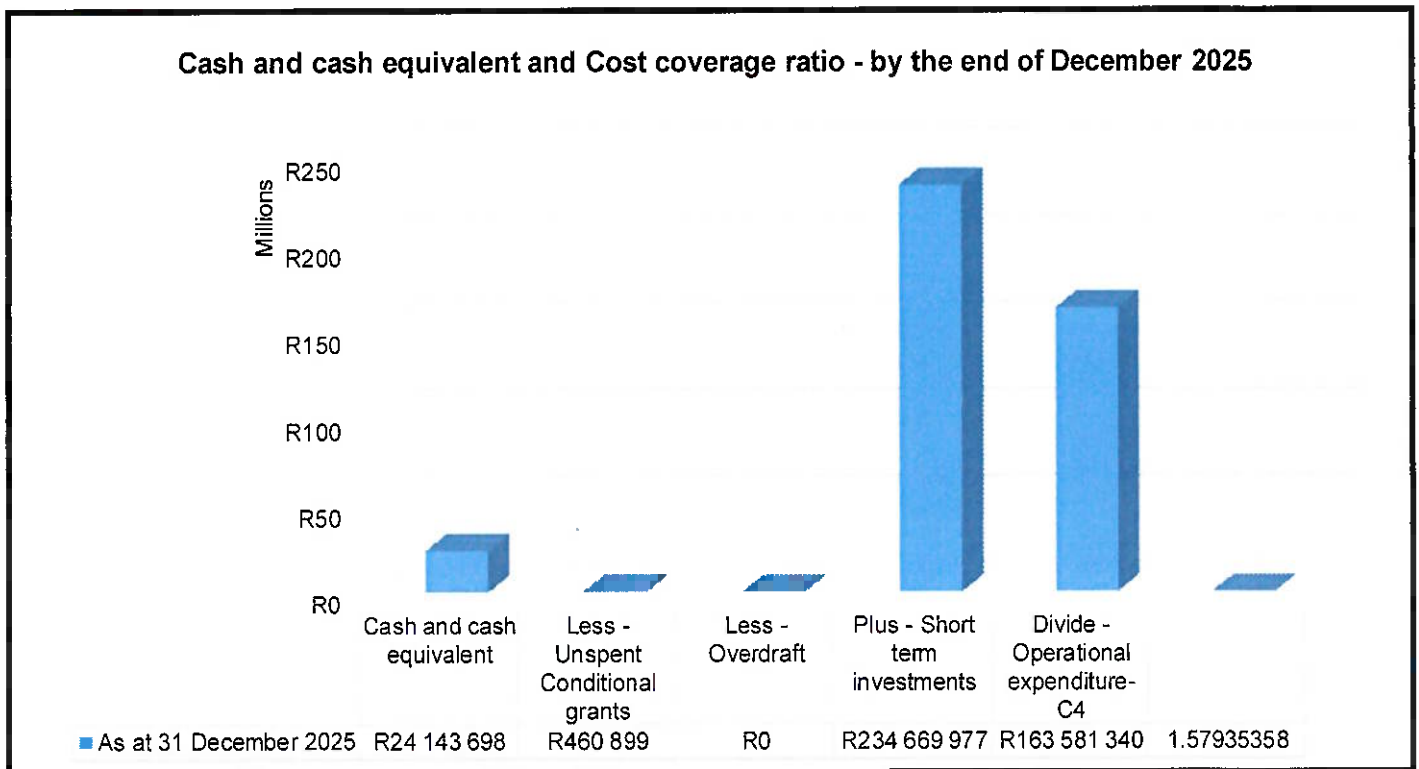
## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mma. ephile wa seLehae • Plaatske Munisipaliteit

### 9.5.2 Cash Coverage

The cash coverage ratio by the end of December 2025 was 1.5 which indicated that the cash available could cover 1 month of fixed operational costs. The municipality is highly dependent on grants and the equitable share.

#### 9.5.1 Chart 5: Cash & cash equivalents and Cost coverage ratio



### 9.5.2 Collection Rate

The collection rate by the end of December as per C-Schedule Table C4 and Table C7 was at 97%. There is still a challenge with regards to the payment of accounts by consumers.

### 9.5.3 Trade Payables

The creditors balance amounted to R10.5 billion, including the Eskom debt of R9.672 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 September 2025 is R507 million). The statements from October – December are still outstanding.



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Amasepatu waseLembe • Padiike Municipality

### 9.5.4 Table 12: Non-core expenditures

The year to date budget by the end of the 2nd quarter 2025 was R52 million and the year to date outcomes was R58.4 million resulting into a year to date overspending of R6.4 million.

Reduction in non-core expenditure 2025/26										
Description R'000	Original Budget	Mid-Year Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Mid-Year Outcome	Mid-Year Savings (Overspent)
Use of consultants	37 591	18 796	940	2 453	4 374	18	542	372	8 700	10 096
Travelling expenses	5 205	2 602	68	55	97	148	122	39	529	2 073
Reduction in Employee costs	55 536	27 768	5 771	9 573	7 712	8 250	7 639	9 227	48 171	(20 403)
Sponsorships, events and catering	1 155	578	–	24	20	26	–	23	93	485
Communications (adverts, telephone)	4 670	2 335	–	257	244	–	240	258	999	1 336
<b>Total</b>	<b>104 157</b>	<b>52 078</b>	<b>6 779</b>	<b>12 363</b>	<b>12 447</b>	<b>8 441</b>	<b>8 544</b>	<b>9 919</b>	<b>58 492</b>	<b>(6 413)</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Ammaepala wa sechaba • Plaaslike Munisipaliteit

### 10 IN-YEAR BUDGET STATEMENT TABLES

#### 10.1 Table C2 Consolidated financial performance (functional classification)

FS194 Maluti-a-Phofung - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year

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
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		1 022 399	1 034 661	1 034 661	297 019	738 778	517 330	221 448	43%	1 034 661
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1 022 399	1 034 661	1 034 661	297 019	738 778	517 330	221 448	43%	1 034 661
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		27 422	34 324	34 324	729	5 287	17 162	(11 875)	-69%	34 324
Community and social services		13 292	5 658	5 658	186	2 549	2 829	(280)	-10%	5 658
Sport and recreation		13 086	16 362	16 362	328	1 661	8 181	(6 520)	-80%	16 362
Public safety		383	462	462	125	487	231	257	111%	462
Housing		662	11 842	11 842	89	589	5 921	(5 332)	-90%	11 842
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		31 615	64 443	64 443	105	3 269	32 222	(28 952)	-90%	64 443
Planning and development		978	8 256	8 256	105	781	4 128	(3 347)	-81%	8 256
Road transport		30 637	56 187	56 187	-	2 488	28 093	(25 606)	-91%	56 187
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1 215 348	1 295 069	1 295 069	58 244	357 329	647 535	(290 205)	-45%	1 295 069
Energy sources		753 236	823 845	823 845	34 724	191 179	411 923	(220 743)	-54%	823 845
Water management		215 958	238 348	238 348	11 749	92 127	119 174	(27 047)	-23%	238 348
Waste water management		157 031	157 216	157 216	5 948	37 562	78 608	(41 046)	-52%	157 216
Waste management		89 123	75 660	75 660	5 823	36 461	37 830	(1 369)	-4%	75 660
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>2 296 783</b>	<b>2 428 497</b>	<b>2 428 497</b>	<b>356 097</b>	<b>1 104 663</b>	<b>1 214 249</b>	<b>(109 585)</b>	<b>-9%</b>	<b>2 428 497</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		673 740	713 906	713 906	34 482	280 293	356 953	(76 660)	-21%	713 906
Executive and council		89 115	101 573	101 573	8 146	40 692	50 787	(10 095)	-20%	101 573
Finance and administration		576 516	603 222	603 222	25 635	235 808	301 611	(65 803)	-22%	603 222
Internal audit		8 109	9 111	9 111	700	3 793	4 555	(762)	-17%	9 111
<b>Community and public safety</b>		235 901	181 120	181 120	14 102	83 549	90 560	(7 011)	-8%	181 120
Community and social services		24 044	24 023	24 023	1 512	9 315	12 012	(2 696)	-22%	24 023
Sport and recreation		109 399	54 437	54 437	4 240	24 241	27 219	(2 977)	-11%	54 437
Public safety		91 276	91 491	91 491	7 972	47 718	45 746	1 973	4%	91 491
Housing		11 182	11 169	11 169	379	2 274	5 584	(3 311)	-59%	11 169
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		83 968	89 706	89 706	5 889	25 949	44 853	(18 904)	-42%	89 706
Planning and development		23 617	39 196	39 196	2 151	14 374	19 598	(5 224)	-27%	39 196
Road transport		60 351	50 510	50 510	3 738	11 575	25 255	(13 679)	-54%	50 510
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1 807 601	1 649 374	1 649 374	108 779	897 204	824 667	72 517	9%	1 649 374
Energy sources		1 197 223	1 259 188	1 259 188	80 976	769 679	629 594	140 085	22%	1 259 188
Water management		158 840	146 057	146 057	14 122	46 386	73 028	(26 642)	-36%	146 057
Waste water management		272 836	93 557	93 557	4 433	29 159	46 778	(17 620)	-38%	93 557
Waste management		178 701	150 572	150 572	9 248	51 979	75 286	(23 307)	-31%	150 572
<b>Other</b>		3 012	4 263	4 263	330	2 005	2 132	(126)	-6%	4 263
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>2 804 223</b>	<b>2 638 370</b>	<b>2 638 370</b>	<b>163 581</b>	<b>1 289 000</b>	<b>1 319 185</b>	<b>(30 185)</b>	<b>-2%</b>	<b>2 638 370</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(507 439)</b>	<b>(209 873)</b>	<b>(209 873)</b>	<b>192 516</b>	<b>(184 337)</b>	<b>(104 936)</b>	<b>(79 401)</b>	<b>0.7566541</b>	<b>(209 873)</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa seLoholohole • Pulotho Municipality

### 10.2 Table C3 Consolidated financial performance by municipal vote.

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

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		282	1 560	1 560	-	302	780	(478)	-61.2%	1 560
Vote 04 - Financial Services		1 224 651	1 303 719	1 303 719	314 208	843 683	651 859	191 824	29.4%	1 303 719
Vote 05 - Municipal Infrastructure		492 748	527 411	527 411	23 520	168 638	263 705	(95 068)	-36.1%	527 411
Vote 06 - Community Services		12 632	4 792	4 792	153	2 240	2 396	(155)	-6.5%	4 792
Vote 07 - Public Safety & Transport		383	462	462	125	487	231	257	111.1%	462
Vote 08 - Sports, Arts, Parks, Culture		13 086	16 362	16 362	328	1 661	8 181	(6 520)	-79.7%	16 362
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		16	5 863	5 863	86	358	2 931	(2 573)	-87.8%	5 863
Vote 10 - Human Settlements		1 321	12 708	12 708	122	898	6 354	(5 456)	-85.9%	12 708
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		962	2 394	2 394	19	423	1 197	(774)	-64.6%	2 394
Vote 13 - Electricity Department		753 236	823 845	823 845	34 724	191 179	411 923	(220 743)	-53.6%	823 845
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2 499 318</b>	<b>2 699 115</b>	<b>2 699 115</b>	<b>373 286</b>	<b>1 209 871</b>	<b>1 349 558</b>	<b>(139 687)</b>	<b>-10.4%</b>	<b>2 699 115</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Legislative Authority		65 709	67 317	67 317	6 218	27 702	33 659	(5 956)	-17.7%	67 317
Vote 02 - Office Of The Municipal Manager		22 154	24 646	24 646	1 922	12 032	12 323	(291)	-2.4%	24 646
Vote 03 - Corporate Services		94 969	129 100	129 100	6 580	45 953	64 550	(18 597)	-28.8%	129 100
Vote 04 - Financial Services		377 205	354 893	354 893	9 410	131 652	177 446	(45 794)	-25.8%	354 893
Vote 05 - Municipal Infrastructure		573 335	276 817	276 817	21 748	81 963	138 408	(56 445)	-40.8%	276 817
Vote 06 - Community Services		12 165	23 603	23 603	1 528	9 411	11 802	(2 390)	-20.3%	23 603
Vote 07 - Public Safety & Transport		187 602	184 056	184 056	17 276	103 458	92 028	11 430	12.4%	184 056
Vote 08 - Sports, Arts, Parks, Culture		109 399	54 437	54 437	4 240	24 241	27 219	(2 977)	-10.9%	54 437
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		11 704	16 591	16 591	1 075	8 045	8 296	(250)	-3.0%	16 591
Vote 10 - Human Settlements		18 829	44 933	44 933	588	3 704	22 467	(18 763)	-83.5%	44 933
Vote 11 - Idp, Pms Department		3 664	4 078	4 078	403	2 104	2 039	65	3.2%	4 078
Vote 12 - Spatial Development, Planning & Traditional Affairs		11 261	22 791	22 791	1 003	6 230	11 395	(5 165)	-45.3%	22 791
Vote 13 - Electricity Department		1 196 521	1 257 084	1 257 084	80 919	768 525	628 542	139 983	22.3%	1 257 084
Vote 14 - Maluti Water		119 704	178 023	178 023	10 672	63 978	89 012	(25 034)	-28.1%	178 023
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>2 804 223</b>	<b>2 638 370</b>	<b>2 638 370</b>	<b>163 581</b>	<b>1 289 000</b>	<b>1 319 185</b>	<b>(30 185)</b>	<b>-2.3%</b>	<b>2 638 370</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(304 904)</b>	<b>60 745</b>	<b>60 745</b>	<b>209 705</b>	<b>(79 130)</b>	<b>30 373</b>	<b>(109 502)</b>	<b>-360.5%</b>	<b>60 745</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Amasepo • Wis seLenze • Fikholike Municipality

### 10.3 Table C4 Consolidated financial performance by revenue source and expenditure by type

FS194 Maluti-a-Phofung - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		345 545	739 063	739 063	33 096	175 997	369 532	(193 535)	-52%	739 063
Service charges - Water		81 910	95 159	95 159	7 735	50 032	47 580	2 452	5%	95 159
Service charges - Waste Water Management		48 889	51 422	51 422	4 368	27 133	25 711	1 422	6%	51 422
Service charges - Waste management		48 662	51 184	51 184	4 248	26 817	25 592	1 225	5%	51 184
Sale of Goods and Rendering of Services		2 688	6 743	6 743	253	1 465	3 371	(1 906)	-57%	6 743
Agency services										
Interest										
Interest earned from Receivables		107 556	125 181	125 181	8 936	53 495	62 591	(9 096)	-15%	125 181
Interest from Current and Non Current Assets		21 184	12 764	12 764	228	8 373	6 382	1 992	31%	12 764
Dividends										
Rent on Land			1 000	1 000			500	(500)	-100%	1 000
Rental from Fixed Assets		1 857	3 992	3 992	356	876	1 996	(1 120)	-56%	3 992
Licence and permits										
Special rating levies										
Operational Revenue		1 087	11 772	11 772	92	933	5 886	(4 953)	-84%	11 772
<b>Non-Exchange Revenue</b>										
Property rates		107 972	110 363	110 363	9 608	58 762	55 181	3 581	6%	110 363
Surcharges and Taxes										
Fines, penalties and forfeits		207	2 396	2 396	163	683	1 198	(515)	-43%	2 396
Licence and permits			1 663	1 663			831	(831)	-100%	1 663
Transfers and subsidies - Operational		852 793	882 846	882 846	283 519	650 220	441 423	208 797	47%	882 846
Interest		426 385	41 693	41 693	3 489	20 811	20 847	(36)	0%	41 693
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		4 021	7	7	6	6	4	3	74%	7
<b>Discontinued Operations</b>										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2 050 757</b>	<b>2 137 247</b>	<b>2 137 247</b>	<b>356 097</b>	<b>1 075 605</b>	<b>1 068 624</b>	<b>6 981</b>	<b>1%</b>	<b>2 137 247</b>
<b>Expenditure By Type</b>										
Employee related costs		684 242	722 554	722 554	64 226	373 939	361 277	12 661	4%	722 554
Remuneration of councillors		37 151	36 529	36 529	2 670	16 053	18 265	(2 212)	-12%	36 529
Bulk purchases - electricity		1 068 419	1 114 944	1 114 944	75 444	688 378	557 472	130 907	23%	1 114 944
Inventory consumed		27 113	69 277	69 277	9 902	17 997	34 639	(16 642)	-48%	69 277
Debt impairment		436 120	13 280	13 280			6 640	(6 640)	-100%	13 280
Depreciation and amortisation		71 783	75 930	75 930			37 965	(37 965)	-100%	75 930
Interest		96 268	51 662	51 662		44 490	25 831	18 659	72%	51 662
Contracted services		145 454	203 440	203 440	9 853	53 894	101 720	(47 826)	-47%	203 440
Transfers and subsidies		190 671	198 043	198 043		62 489	99 022	(36 533)	-37%	198 043
Irrecoverable debts written off		1 180	23 120	23 120	71	1 022	11 560	(10 538)	-91%	23 120
Operational costs		64 549	129 590	129 590	1 412	30 738	64 795	(34 058)	-53%	129 590
Losses on Disposal of Assets		(6 676)								
Other Losses		(12 052)			2	2		2	#DIV/0!	
<b>Total Expenditure</b>		<b>2 804 223</b>	<b>2 638 370</b>	<b>2 638 370</b>	<b>163 581</b>	<b>1 289 000</b>	<b>1 319 185</b>	<b>(30 185)</b>	<b>-2%</b>	<b>2 638 370</b>
<b>Surplus/(Deficit)</b>		<b>(753 465)</b>	<b>(501 123)</b>	<b>(501 123)</b>	<b>192 516</b>	<b>(213 396)</b>	<b>(250 561)</b>	<b>37 166</b>	<b>(0)</b>	<b>(501 123)</b>
Transfers and subsidies - capital (monetary allocations)		246 026	291 250	291 250		29 059	145 625	(116 566)	(0)	291 250
Transfers and subsidies - capital (in-kind)										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(507 439)</b>	<b>(209 873)</b>	<b>(209 873)</b>	<b>192 516</b>	<b>(184 337)</b>	<b>(104 936)</b>	<b>(79 401)</b>	<b>0</b>	<b>(209 873)</b>
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		<b>(507 439)</b>	<b>(209 873)</b>	<b>(209 873)</b>	<b>192 516</b>	<b>(184 337)</b>	<b>(104 936)</b>	<b>(79 401)</b>	<b>0</b>	<b>(209 873)</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(507 439)</b>	<b>(209 873)</b>	<b>(209 873)</b>	<b>192 516</b>	<b>(184 337)</b>	<b>(104 936)</b>	<b>(79 401)</b>	<b>0</b>	<b>(209 873)</b>
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions		202 535	270 618	270 618	17 189	105 207	135 309	(30 102)	(0)	270 618
<b>Surplus/ (Deficit) for the year</b>		<b>(304 904)</b>	<b>60 745</b>	<b>60 745</b>	<b>209 705</b>	<b>(79 130)</b>	<b>30 373</b>	<b>(109 502)</b>	<b>(0)</b>	<b>60 745</b>



# MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmidsipala wa sethebe • Plaaslike Munisipaliteit

## 10.4 Table C5 Consolidated capital expenditure

FS194 Maluti-a-Phofung - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Mid-Year Assessment)

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	500	500	-	250	(250)	-100%	500	
Vote 03 - Corporate Services		26	2 500	2 500	-	252	(998)	-80%	2 500	
Vote 04 - Financial Services		193	1 000	1 000	244	434	(56)	-13%	1 000	
Vote 05 - Municipal Infrastructure		1 237	234 850	234 850	9 141	77 383	(40 042)	-34%	234 850	
Vote 06 - Community Services		-	4 061	4 061	-	1 760	(2 301)	-13%	4 061	
Vote 07 - Public Safety & Transport		4 405	11 000	11 000	-	5 500	(5 500)	-100%	11 000	
Vote 08 - Sports, Arts, Parks, Culture		-	13 212	13 212	-	8 818	6 606	2 012	30%	13 212
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	
Vote 10 - Human Settlements		-	100	100	-	50	(50)	-100%	100	
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	4 500	4 500	-	2 250	(2 250)	-100%	4 500	
Vote 13 - Electricity Department		-	44 958	44 958	4 736	18 789	(3 690)	-16%	44 958	
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	
<b>Total Capital single-year expenditure</b>	4	5 861	316 681	316 681	14 121	107 236	(51 105)	-32%	316 681	
<b>Total Capital Expenditure</b>		5 861	316 681	316 681	14 121	107 236	(51 105)	-32%	316 681	
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		219	5 000	5 000	244	685	2 500	(1 815)	-73%	5 000
Executive and council		-	500	500	-	-	250	(250)	-100%	500
Finance and administration		219	4 500	4 500	244	685	2 250	(1 565)	-70%	4 500
Internal audit		-	-	-	-	-	-	-	-	
<b>Community and public safety</b>		4 405	27 373	27 373	-	10 378	13 686	(3 308)	-24%	27 373
Community and social services		-	4 061	4 061	-	1 760	2 030	(270)	-13%	4 061
Sport and recreation		-	13 212	13 212	-	8 818	6 606	2 012	30%	13 212
Public safety		4 405	10 000	10 000	-	5 000	(5 000)	-100%	10 000	
Housing		-	100	100	-	50	(50)	-100%	100	
Health		-	-	-	-	-	-	-	-	
<b>Economic and environmental services</b>		1 237	60 418	60 418	362	11 630	30 209	(18 579)	-62%	60 418
Planning and development		-	4 500	4 500	-	-	2 250	(2 250)	-100%	4 500
Road transport		1 237	55 918	55 918	362	11 630	27 959	(16 329)	-58%	55 918
Environmental protection		-	-	-	-	-	-	-	-	
<b>Trading services</b>		-	223 890	223 890	13 515	84 542	111 945	(27 403)	-24%	223 890
Energy sources		-	44 958	44 958	4 736	18 789	22 479	(3 690)	-16%	44 958
Water management		-	93 518	93 518	5 228	34 225	46 759	(12 534)	-27%	93 518
Waste water management		-	84 915	84 915	3 552	31 528	42 457	(10 929)	-26%	84 915
Waste management		-	500	500	-	-	250	(250)	-100%	500
<b>Other</b>		-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional Classification</b>	3	5 861	316 681	316 681	14 121	107 236	158 340	(51 105)	-32%	316 681
<b>Funded by:</b>										
National Government		-	286 417	286 417	11 360	101 967	143 209	(41 242)	-29%	286 417
Provincial Government		-	-	-	-	-	-	-	-	
District Municipality		-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		-	-	-	-	-	-	-	-	
<b>Transfers recognised - capital</b>		-	286 417	286 417	11 360	101 967	143 209	(41 242)	-29%	286 417
<b>Borrowing</b>	6									
Internally generated funds		5 861	30 264	30 264	2 761	5 269	15 132	(9 863)	-65%	30 264
<b>Total Capital Funding</b>		5 861	316 681	316 681	14 121	107 236	158 340	(51 105)	-32%	316 681



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa seLhohle • Plaatske Munisipaliteit

### 10.5 Table C6 Financial Position

The recording of transactions on the financial position and cash is still not accurate and journals should be performed where errors occurred. The financial system vendors (BCX and Payday) should also be engaged.

**FS194 Maluti-a-Phofung - Table C6 Consolidated Monthly Budget Statement - Financial Position - Mid-**

Description	Ref	Budget Year 2025/26				
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		(527 285)	1 565 339	1 565 339	279 067	1 565 339
Trade and other receivables from exchange transactions		1 173 597	738 083	738 083	1 412 823	738 083
Receivables from non-exchange transactions		84 890	329 362	329 362	130 451	329 362
Current portion of non-current receivables		144	–	–	125 937	–
Inventory		5 395	1 134	1 134	5 619	1 134
VAT		1 841 785	1 640 585	1 640 585	1 977 814	1 640 585
Other current assets		(1 162)	(1 071)	(1 071)	(1 652)	(1 071)
<b>Total current assets</b>		<b>2 577 364</b>	<b>4 273 433</b>	<b>4 273 433</b>	<b>3 930 059</b>	<b>4 273 433</b>
<b>Non current assets</b>						
Investments						
Investment property		47 163	803 255	803 255	47 163	803 255
Property, plant and equipment		3 543 065	1 412 104	1 412 104	3 650 300	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)	–	–	(144)	–
Other non-current assets						
<b>Total non current assets</b>		<b>3 590 084</b>	<b>2 215 359</b>	<b>2 215 359</b>	<b>3 697 320</b>	<b>2 215 359</b>
<b>TOTAL ASSETS</b>		<b>6 167 448</b>	<b>6 488 793</b>	<b>6 488 793</b>	<b>7 627 379</b>	<b>6 488 793</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(15 019)	(15 019)	–	(15 019)
Consumer deposits		26 379	25 901	25 901	27 357	25 901
Trade and other payables from exchange transactions		15 360 713	7 067 046	7 067 046	15 525 857	7 067 046
Trade and other payables from non-exchange transactions		13 685	–	–	154 069	–
Provision		272 393	(320 442)	(320 442)	272 673	(320 442)
VAT		1 016 372	722 201	722 201	1 041 154	722 201
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>16 689 542</b>	<b>7 479 687</b>	<b>7 479 687</b>	<b>17 021 109</b>	<b>7 479 687</b>
<b>Non current liabilities</b>						
Financial liabilities		320	–	–	320	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
<b>Total non current liabilities</b>		<b>320</b>	<b>–</b>	<b>–</b>	<b>320</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>		<b>16 689 862</b>	<b>7 479 687</b>	<b>7 479 687</b>	<b>17 021 429</b>	<b>7 479 687</b>
<b>NET ASSETS</b>	2	<b>(10 522 414)</b>	<b>(990 895)</b>	<b>(990 895)</b>	<b>(9 394 050)</b>	<b>(990 895)</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		(9 890 232)	(1 070 138)	(1 070 138)	(9 101 986)	(1 070 138)
Reserves and funds		(212 934)	–	–	(212 934)	–
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>(10 103 166)</b>	<b>(1 070 138)</b>	<b>(1 070 138)</b>	<b>(9 314 920)</b>	<b>(1 070 138)</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmabopane wa Jele • Plaaslike Munisipaliteit

### 10.6 Table C7 Cash Flow statement

The recording of transactions on the financial position and cash is still not accurate and journals should be performed where errors occurred. The financial system vendors (BCX and Payday) should also be engaged.

**FS194 Maluti-a-Phofung - Table C7 Consolidated Monthly Budget Statement - Cash Flow - Mid-Year Assessment**

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
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	91 512	91 512	3 385	52 832	45 756	7 076	15%	91 512
Service charges		-	740 715	740 715	59 649	254 704	370 358	(115 653)	-31%	740 715
Other revenue		-	(197 652)	(197 652)	(48 375)	(189 198)	(98 826)	(90 372)	91%	(197 652)
Transfers and Subsidies - Operational		-	882 846	882 846	283 519	653 347	441 423	211 924	48%	882 846
Transfers and Subsidies - Capital		-	291 250	291 250	85 048	166 316	145 625	20 691	14%	291 250
Interest		-	10 979	10 979	424	5 840	5 490	350	6%	10 979
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		-	(982 302)	(982 302)	(65 359)	(584 458)	(491 151)	93 307	-19%	(982 302)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	837 349	837 349	318 290	359 384	418 675	59 291	14%	837 349
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	10 000	10 000	89	589	5 000	(4 411)	-88%	10 000
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		-	(316 681)	(316 681)	(16 239)	(121 116)	(158 340)	(37 224)	24%	(316 681)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	(306 681)	(306 681)	(16 150)	(120 527)	(153 340)	(32 813)	21%	(306 681)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	31	31	37	606	16	590	3793%	31
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	31	31	37	606	16	(590)	-3793%	31
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	530 700	530 700	302 178	239 463	265 350			530 700
Cash/cash equivalents at beginning:		35 918	41 833	41 833	22 279	84 994	41 833			84 994
Cash/cash equivalents at month/year end:		35 918	572 533	572 533	324 456	324 456	307 183			615 693



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasipala wa selemo • Plaasike Munisipaliteit

### PART 2 - SUPPORTING DOCUMENTATION

#### 11 DEBTOR AGE ANALYSIS

##### 11.1 Table 13: Supporting Table SC3: Aged Debtors

- The total debt book amounted to R3.1 billion.
- The table indicates that the largest debt is from the Water source with a total of R902.1 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 R1.9 billion.

FS194 Maluti-a-Phofung - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year assessment 2025

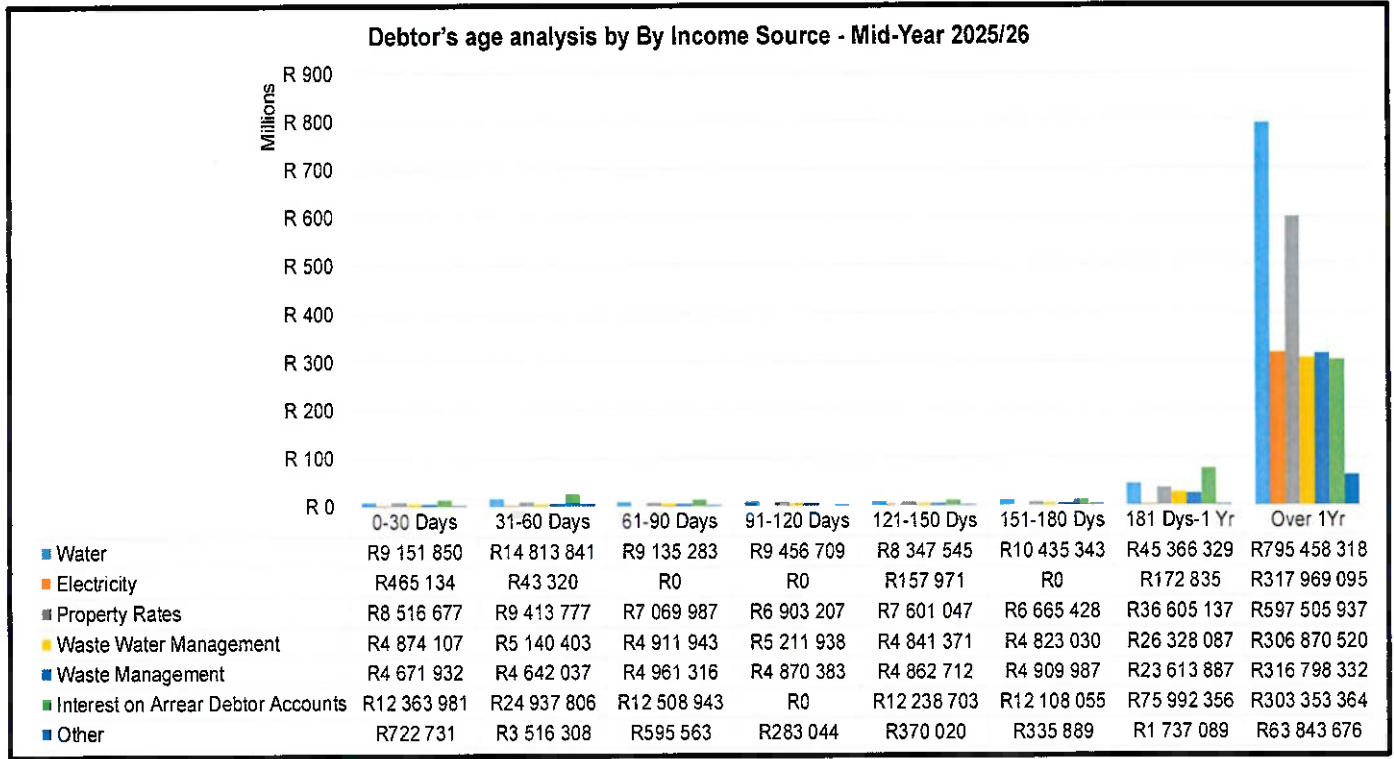
Description	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis By Income Source</b>										
Water	1200	9 152	14 814	9 135	9 457	8 348	10 435	45 366	795 458	902 165
Electricity	1300	465	43	-	-	158	-	173	317 969	318 808
Property Rates	1400	8 517	9 414	7 070	6 903	7 601	6 665	36 605	597 506	680 281
Waste Water Management	1500	4 874	5 140	4 912	5 212	4 841	4 823	26 328	306 871	363 001
Waste Management	1600	4 672	4 642	4 961	4 870	4 863	4 910	23 614	316 798	369 331
Interest on Arrear Debtor Accounts	1810	12 364	24 938	12 509	-	12 239	12 108	75 992	303 353	453 503
Other	1900	723	3 516	596	283	370	336	1 737	63 844	71 404
<b>Total By Income Source</b>	<b>2000</b>	<b>40 766</b>	<b>62 507</b>	<b>39 183</b>	<b>26 725</b>	<b>38 419</b>	<b>39 278</b>	<b>209 816</b>	<b>2 701 799</b>	<b>3 158 494</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2200	7 085	10 669	6 196	6 041	6 482	7 638	31 314	450 356	525 782
Commercial	2300	9 184	14 699	7 306	3 897	7 083	6 775	41 392	577 865	668 201
Households	2400	24 300	33 901	25 542	16 740	24 710	24 730	136 242	1 643 649	1 929 812
Other	2500	197	3 238	139	47	145	135	868	29 930	34 699
<b>Total By Customer Group</b>	<b>2600</b>	<b>40 766</b>	<b>62 507</b>	<b>39 183</b>	<b>26 725</b>	<b>38 419</b>	<b>39 278</b>	<b>209 816</b>	<b>2 701 799</b>	<b>3 158 494</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa Setereae • Piballike Muna-pa-fell

### 11.2 Chart 6.1: Debtor's age analysis by Income Source

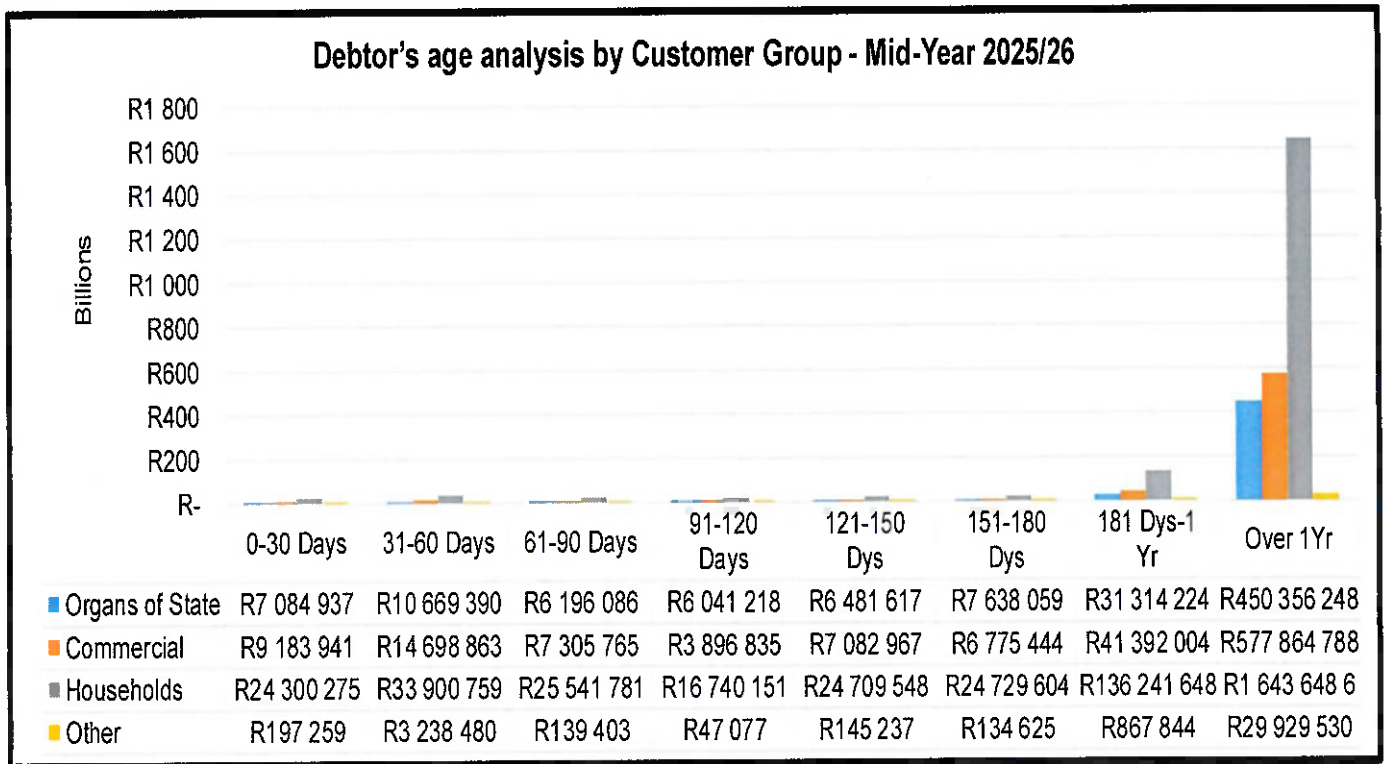




## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mma:epola wa se:ehae • Phofolike Muna palatle

### 11.3 Chart 6.2: Debtor's age analysis by Customer Group



### 11.4 Table 14: Monthly collection rate

- The collection rate by the end of the mid-term was at **97%**.

BILLING AND COLLECTION FROM JULY 2025 - DECEMBER 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%	4 565	14 130	308%	52 094	97 122	186%
Oct-25	8 594	4 702	55%	64 566	37 829	59%	7 141	3 749	53%	4 760	1 179	25%	4 571	1 412	31%	89 632	48 871	55%
Nov-25	9 218	3 270	35%	36 016	18 783	52%	7 120	6 633	93%	4 582	3 450	75%	4 556	2 264	50%	61 492	34 400	56%
Dec-25	13 711	3 385	25%	17 937	55 655	310%	9 792	2 138	22%	4 294	1 050	24%	4 291	806	19%	50 024	63 034	126%
<b>TOTAL</b>	<b>58 154</b>	<b>52 832</b>	<b>91%</b>	<b>158 410</b>	<b>202 527</b>	<b>128%</b>	<b>49 088</b>	<b>23 818</b>	<b>49%</b>	<b>26 583</b>	<b>8 288</b>	<b>31%</b>	<b>26 422</b>	<b>20 072</b>	<b>76%</b>	<b>318 656</b>	<b>307 537</b>	<b>97%</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Ammasipho • Iwazi LeLizwe • Pilsdike Munisipaliteit

### 12 CREDITORS ANALYSIS

#### 12.1 Table 15: Supporting Table SC4: Aged Creditors

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 R8.482 billion. This balance should be corrected to balance with the Eskom statement balance of R9.672 billion. The total debt for the DWS amounts to R507 million as per statement received up to September 2025, however the total on the financial system is R500.3 million. The total creditors amounted to R10.523 billion by the end of the mid-year 2025.

FS194 Maluti-a-Phofung - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year assessment 2025/26

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	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	437 748	–	150 007	–	–	–	–	9 085 063	9 672 818
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	21 006	20 659	–	–	–	–	–	308 256	349 922
<b>Total By Customer Type</b>	<b>1000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10 523 119</b>

The total differences between the Eskom statement and the financial system was R1.189 million by the end of 2nd quarter 2025.

Description R'000	Dec-25					Total
	Current	30 Days	31-60 Days	61-90 Days	90 Days +	
ESKOM Bulk purchases - <i>as per invoice</i>	296 002	141 746	–	150 007	9 085 063	9 672 818
ESKOM Bulk purchases - <i>on the financial system</i>	–	86 761	102 664	110 905	8 182 518	8 482 848
<b>DIFFERENCES</b>	<b>(296 002)</b>	<b>(54 986)</b>	<b>102 664</b>	<b>(39 102)</b>	<b>(902 544)</b>	<b>(1 189 971)</b>



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Local Municipality • Amasepo • A 2 iNLeno • Pizalike Munisipalit

The statement for October to December have not been received. The difference between the amount on the system and the balance is R2.4 million.

<b>DWS BULK PURCHASES STATEMENT VS FINANCIAL SYSTEM</b>						
Description R'000	Current	30 Days	31-60 Days	61- 90 Days	90 Days +	Total
DWA- account 100114509	–	–	–	–	418 471	418 471
DWA- account 101616561	37	42	–	21	307	406
DWA- account 101616571	67	77	–	39	561	744
DWA- account 100003490	1 822	456	–	239	60 785	63 302
DWA- account 100737976	–	–	–	–	14 918	14 918
DWA- account 100075580	0	–	–	–	0	0
<b>Total as per September statements (Less the December payment of R10 million)</b>	<b>1 926</b>	<b>576</b>	<b>–</b>	<b>299</b>	<b>495 042</b>	<b>497 842</b>
<b>DWS- on the financial system HR191 December 2025</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>500 336</b>	<b>500 336</b>
<b>Differences</b>	<b>(1 926)</b>	<b>(576)</b>	<b>–</b>	<b>(299)</b>	<b>5 294</b>	<b>2 494</b>

### 13 INVESTMENTS PORTFOLIO ANALYSIS

#### 13.1 Table 16: Supporting Table SC5: Investment portfolio

The investment closing balance amounted to R237.8 million (excluding the main and electricity prepaid accounts).

FS194 Maluti-a-Phofung - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Mid-Year assessment 2025/26

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
<b>Municipality</b>							
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	41	3	(1)	239	282
Standard Bank 348526407	Months	Investment	–	–	–	–	–
FNB 62756806661	Months	Investment	5	5 327	(366 000)	367 981	7 313
ABSA 9358605812	Months	Investment	14 633	557	–	–	15 190
Nedbank 7881162791	Months	Investment	717	26	–	–	743
Standard Bank 480823938	Months	Investment	61 099	1 696	(61 653)	210 000	211 142
<b>TOTAL INVESTMENTS AND INTEREST</b>			<b>79 698</b>	<b>7 609</b>	<b>(427 654)</b>	<b>578 220</b>	<b>237 873</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmosepa o wa Jelehse • Plaaslike Munisipaliteit

### 14 ALLOCATIONS AND GRANTS RECEIVED

The total grants received to date amounted to R819.6 million. The total equitable share of R283.519 million received in December was R9.318 million less than the allocation of R292.837 million from the grants payment schedule. National Treasury deducted the funds even though the municipality responded to the letter received the letter on the 12<sup>th</sup> November 2025 stating that the 2024/25 unspent grants amounted to R9.3 million related to FMG, WSIG and EPWP.

#### 14.1 Table 17: Total grants received to date

Description R'000	Total grants transferred to the municipality by the end of the mid-year 2025/26								
	Original budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Mid-Year Actual	Balance
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
Equitable Share	876 719	366 046	-	-	-	-	283 519	649 565	227 154
Expanded Public Works Programme Integrated Grant	3 127	-	782	-	-	-	-	782	2 345
Local Government Financial Management Grant	3 000	-	3 000	-	-	-	-	3 000	-
<b>Total Operating Transfers and Grants</b>	<b>882 846</b>	<b>366 046</b>	<b>3 782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283 519</b>	<b>653 347</b>	<b>229 499</b>
<b>Capital Transfers and Grants</b>									
Integrated National Electrification Programme Grant	39 958	17 981	-	-	-	7 992	-	25 973	13 985
Municipal Infrastructure Grant	199 464	-	-	11 124	-	9 869	79 622	100 615	98 849
Neighbourhood Development Partnership Grant	100	-	-	-	-	-	-	-	100
Water Services Infrastructure Grant	51 728	22 728	-	-	17 000	-	-	39 728	12 000
<b>Total Capital Transfers and Grants</b>	<b>291 250</b>	<b>40 709</b>	<b>-</b>	<b>11 124</b>	<b>17 000</b>	<b>17 861</b>	<b>79 622</b>	<b>166 316</b>	<b>124 934</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>1 174 096</b>	<b>406 755</b>	<b>3 782</b>	<b>11 124</b>	<b>17 000</b>	<b>17 861</b>	<b>363 141</b>	<b>819 663</b>	<b>354 433</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mma.npato wa tshepo • Phoshe Muna postef

### 14.2 Table 18: Summary of expenditure per grant

The total year to date by the end of the 2nd quarter amounted to R120.1 million (VAT incl).

Description R thousands	Summary of expenditure per grants 2025/26 financial year								
	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Mid-Year Actual	Balance
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>									
Expanded Public Works Programme Integrated Grant	3 127	-	-	183	-	-	-	183	2 944
Local Government Financial Management Grant	3 000	285	50	71	50	245	1 992	2 694	306
Municipal Infrastructure Grant (PMU)	4 833	-	-	20	14	4	-	37	4 796
<b>Total Operating Transfers and Grants</b>	<b>10 960</b>	<b>285</b>	<b>50</b>	<b>274</b>	<b>64</b>	<b>249</b>	<b>1 992</b>	<b>2 914</b>	<b>8 046</b>
<b>Capital Transfers and Grants</b>									
Integrated National Electrification Programme Grant	39 958	1 545	2 916	3 552	-	6 060	2 552	16 624	23 334
Municipal Infrastructure Grant	194 631	752	2 918	6 166	7 933	49 581	9 017	76 367	118 264
Neighbourhood Development Partnership Grant	100	-	-	-	-	-	-	-	100
Water Services Infrastructure Grant	51 728	-	8 024	2 184	3 191	9 377	1 495	24 271	27 457
<b>Total Capital Transfers and Grants</b>	<b>286 417</b>	<b>2 296</b>	<b>13 857</b>	<b>11 902</b>	<b>11 124</b>	<b>65 019</b>	<b>13 064</b>	<b>117 262</b>	<b>169 155</b>
<b>TOTAL EXPENDITURE OF TRANSFERS &amp; GRANTS</b>	<b>297 377</b>	<b>2 581</b>	<b>13 907</b>	<b>12 177</b>	<b>11 187</b>	<b>65 267</b>	<b>15 056</b>	<b>120 176</b>	<b>177 201</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa setshaba • Phokisike Municipality

### 15 COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

#### 15.1 Table 21: Supporting Table SC8: Councillor and staff benefits

The total year to date employee costs for the Parent municipality including councillors amounted to R304.2 million.

**FS194 Maluti-a-Phofung - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment**

Summary of Employee and Councillor remuneration	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		29 415	29 095	29 095	67	4 640	14 548	(9 908)	-68%	29 095
Pension and UIF Contributions		134	146	146	12	81	73	8	11%	146
Medical Aid Contributions		35	62	62	3	23	31	(8)	-25%	62
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		3 545	3 781	3 781	274	1 638	1 891	(253)	-13%	3 781
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		4 023	3 444	3 444	2 314	9 671	1 722	7 949	462%	3 444
<b>Sub Total - Councillors</b>		<b>37 151</b>	<b>36 529</b>	<b>36 529</b>	<b>2 670</b>	<b>16 053</b>	<b>18 265</b>	<b>(2 212)</b>	<b>-12%</b>	<b>36 529</b>
<b>% increase</b>	4		<b>-1.7%</b>	<b>-1.7%</b>						<b>-1.7%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		7 489	10 320	10 320	356	2 779	5 160	(2 382)	-46%	10 320
Pension and UIF Contributions		202	272	272	1	21	136	(114)	-84%	272
Medical Aid Contributions		48	63	63	-	5	32	(27)	-85%	63
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 196	1 608	1 608	86	554	804	(250)	-31%	1 608
Cellphone Allowance		87	125	125	5	28	63	(35)	-56%	125
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>9 021</b>	<b>12 389</b>	<b>12 389</b>	<b>447</b>	<b>3 386</b>	<b>6 195</b>	<b>(2 808)</b>	<b>-45%</b>	<b>12 389</b>
<b>% increase</b>	4		<b>37.3%</b>	<b>37.3%</b>						<b>37.3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		326 387	347 848	347 848	29 647	171 161	173 924	(2 763)	-2%	347 848
Pension and UIF Contributions		57 510	60 956	60 956	4 999	30 187	30 478	(291)	-1%	60 956
Medical Aid Contributions		28 729	30 557	30 557	2 320	13 966	15 279	(1 313)	-9%	30 557
Overtime		46 603	45 329	45 329	7 155	35 866	22 664	13 201	58%	45 329
Performance Bonus		25 410	26 964	26 964	2 232	17 164	13 482	3 682	27%	26 964
Motor Vehicle Allowance		13 104	14 372	14 372	1 192	6 992	7 186	(194)	-3%	14 372
Cellphone Allowance		1 039	1 140	1 140	100	719	570	149	26%	1 140
Housing Allowances		1 676	1 826	1 826	185	1 024	913	111	12%	1 826
Other benefits and allowances		1 358	1 720	1 720	249	1 582	860	722	84%	1 720
Payments in lieu of leave		6 144	404	404	130	1 972	202	1 770	876%	404
Long service awards		5 551	-	-	982	2 358	-	2 358	#DIV/0!	-
Post-retirement benefit obligations		(304)	1 120	1 120	(13)	59	560	(501)	-90%	1 120
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1 422	1 651	1 651	385	1 806	825	981	119%	1 651
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>514 629</b>	<b>533 887</b>	<b>533 887</b>	<b>49 562</b>	<b>284 855</b>	<b>266 944</b>	<b>17 911</b>	<b>7%</b>	<b>533 887</b>
<b>% increase</b>	4		<b>3.7%</b>	<b>3.7%</b>						<b>3.7%</b>
<b>Total Parent Municipality</b>		<b>560 801</b>	<b>582 806</b>	<b>582 806</b>	<b>52 679</b>	<b>304 294</b>	<b>291 403</b>	<b>12 891</b>	<b>4%</b>	<b>582 806</b>



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- The total year to date employee costs for the Entity amounted to R85.6 million.
- The total consolidated year to date total employee costs amounted R389.9 million (including councillors).

**FS194 Maluti-a-Phofung - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment**

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
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		–	4 579	4 579	–	–	2 290	(2 290)	-100%	4 579
Pension and UIF Contributions		–	938	938	–	–	469	(469)	-100%	938
Medical Aid Contributions		–	301	301	–	–	150	(150)	-100%	301
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	763	763	–	–	382	(382)	-100%	763
Cellphone Allowance		–	–	–	–	–	–	–	–	–
Housing Allowances		–	251	251	–	–	126	(126)	-100%	251
Other benefits and allowances		2	382	382	0	1	191	(190)	-99%	382
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	248	248	–	–	124	(124)	-100%	248
In kind benefits		–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Entities</b>		2	7 462	7 462	0	1	3 731	(3 730)	-100%	7 462
<b>% increase</b>	4		329358.5%	329358.5%						329358.5%
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		74 320	86 090	86 090	6 294	38 575	43 045	(4 470)	-10%	86 090
Pension and UIF Contributions		8 595	14 604	14 604	703	4 375	7 302	(2 926)	-40%	14 604
Medical Aid Contributions		9 246	9 683	9 683	792	4 880	4 842	39	1%	9 683
Overtime		23 851	10 207	10 207	2 072	12 306	5 104	7 202	141%	10 207
Performance Bonus		5 633	11 897	11 897	348	2 794	5 948	(3 154)	-53%	11 897
Motor Vehicle Allowance		14 375	14 637	14 637	1 195	7 428	7 318	109	1%	14 637
Cellphone Allowance		–	–	–	–	–	–	–	–	–
Housing Allowances		2 177	3 858	3 858	181	1 098	1 929	(831)	-43%	3 858
Other benefits and allowances		12 886	10 853	10 853	1 123	6 932	5 426	1 506	28%	10 853
Payments in lieu of leave		274	–	–	292	692	–	692	#DIV/0!	–
Long service awards		66	1 230	1 230	–	–	615	(615)	-100%	1 230
Post-retirement benefit obligations		–	500	500	–	–	250	(250)	-100%	500
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		9 166	5 258	5 258	1 218	6 616	2 629	3 987	152%	5 258
In kind benefits		–	–	–	–	–	–	–	–	–
<b>Sub Total - Other Staff of Entities</b>		160 590	168 816	168 816	14 218	85 696	84 408	1 288	2%	168 816
<b>% increase</b>	4		5.1%	5.1%						5.1%
<b>Total Municipal Entities</b>		160 592	176 278	176 278	14 218	85 697	88 139	(2 441)	-3%	176 278
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		721 393	759 084	759 084	66 897	389 991	379 542	10 449	3%	759 084
<b>% increase</b>	4		5.2%	5.2%						5.2%
<b>TOTAL MANAGERS AND STAFF</b>		684 242	722 554	722 554	64 226	373 939	361 277	12 661	4%	722 554



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Local Municipality • Mmasepala wa seLehale • Plaatslike Munisipaliteit

### 15.2 Table 22: Current YTD Overtime expenditure excl Night-shift allowance

The DIV/0! indicates that the expenditure was incurred on items with no budget allocation. The year to date targeted percentage is 50%, any expenditure beyond that 50% has a risk of unauthorised expenditure. Municipal infrastructure, Community Services, LED & Tourism and Electricity have exceeded the budget allocation. MAP Water incurred the overtime costs, however there was no budget allocated.

Overtime expenditure excl Night-shift allowance 2025/26										
Departments R'000	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	% Quarterly vs Budget	Year to date	% YTD vs Budget
Vote 01 - Legislative Authority	-	-	-	-	12	13	-	0%	25	0%
Vote 02 - Office of MM	-	-	-	-	-	-	-	0%	-	0%
Vote 03 - Corporate Services	189	11	33	-	-	97	31	23%	172	91%
Vote 04 - Financial Services	600	70	29	-	15	116	(13)	17%	217	36%
Vote 05 - Municipal Infrastructure	2 402	1 008	712	673	584	707	1 870	100%	5 554	231%
Vote 06 - Community Services	15	35	40	27	27	38	49	683%	215	1439%
Vote 07 - Public Safety & Transport	1 000	92	103	100	126	85	109	30%	616	62%
Vote 08 - Sports, Arts, Parks, Culture	530	5	30	-	3	13	278	7%	329	62%
Vote 09 - LED & Tourism	100	46	-	38	33	-	-	84%	117	117%
Vote 10 - Human Settlements	100	-	-	-	-	-	-	0%	-	0%
Vote 11 - IDP & PMS	-	-	-	-	-	-	-	0%	-	0%
Vote 12 - SPLUM	50	1	-	-	-	8	29	2%	38	76%
Vote 13 - Electricity Department	6 376	1 499	1 636	1 764	1 731	1 801	1 961	77%	10 392	163%
Vote 14 - Maluti Water	-	-	2 029	1 102	934	838	1 000	#DIV/0!	5 903	#DIV/0!
<b>Total</b>	<b>11 362</b>	<b>2 768</b>	<b>4 610</b>	<b>3 704</b>	<b>3 466</b>	<b>3 717</b>	<b>5 314</b>	<b>98%</b>	<b>23 578</b>	<b>208%</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa ntlence • Phokisiwe Municipality

### 16 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 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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		282	1 560	1 560	-	302	780	(478)	-61.2%	1 560
Vote 04 - Financial Services		1 224 651	1 303 719	1 303 719	314 208	843 683	651 859	191 824	29.4%	1 303 719
Vote 05 - Municipal Infrastructure		492 748	527 411	527 411	23 520	168 638	263 705	(95 068)	-36.1%	527 411
Vote 06 - Community Services		12 632	4 792	4 792	153	2 240	2 396	(155)	-6.5%	4 792
Vote 07 - Public Safety & Transport		383	462	462	125	487	231	257	111.1%	462
Vote 08 - Sports, Arts, Parks, Culture		13 086	16 362	16 362	328	1 661	8 181	(6 520)	-79.7%	16 362
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		16	5 863	5 863	86	358	2 931	(2 573)	-87.8%	5 863
Vote 10 - Human Settlements		1 321	12 708	12 708	122	898	6 354	(5 456)	-85.9%	12 708
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		962	2 394	2 394	19	423	1 197	(774)	-64.6%	2 394
Vote 13 - Electricity Department		753 236	823 845	823 845	34 724	191 179	411 923	(220 743)	-53.6%	823 845
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2 499 318</b>	<b>2 699 115</b>	<b>2 699 115</b>	<b>373 286</b>	<b>1 209 871</b>	<b>1 349 558</b>	<b>(139 687)</b>	<b>-10.4%</b>	<b>2 699 115</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Legislative Authority		65 709	67 317	67 317	6 218	27 702	33 659	(5 956)	-17.7%	67 317
Vote 02 - Office Of The Municipal Manager		22 154	24 646	24 646	1 922	12 032	12 323	(291)	-2.4%	24 646
Vote 03 - Corporate Services		94 969	129 100	129 100	6 580	45 953	64 550	(18 597)	-28.8%	129 100
Vote 04 - Financial Services		377 205	354 893	354 893	9 410	131 652	177 446	(45 794)	-25.8%	354 893
Vote 05 - Municipal Infrastructure		573 335	276 817	276 817	21 748	81 963	138 408	(56 445)	-40.8%	276 817
Vote 06 - Community Services		12 165	23 603	23 603	1 528	9 411	11 802	(2 390)	-20.3%	23 603
Vote 07 - Public Safety & Transport		187 602	184 056	184 056	17 276	103 458	92 028	11 430	12.4%	184 056
Vote 08 - Sports, Arts, Parks, Culture		109 399	54 437	54 437	4 240	24 241	27 219	(2 977)	-10.9%	54 437
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		11 704	16 591	16 591	1 075	8 045	8 296	(250)	-3.0%	16 591
Vote 10 - Human Settlements		18 829	44 933	44 933	588	3 704	22 467	(18 763)	-83.5%	44 933
Vote 11 - Idp, Pms Department		3 664	4 078	4 078	403	2 104	2 039	65	3.2%	4 078
Vote 12 - Spatial Development, Planning & Traditional Affairs		11 261	22 791	22 791	1 003	6 230	11 395	(5 165)	-45.3%	22 791
Vote 13 - Electricity Department		1 196 521	1 257 084	1 257 084	80 919	768 525	628 542	139 983	22.3%	1 257 084
Vote 14 - Maluti Water		119 704	178 023	178 023	10 672	63 978	89 012	(25 034)	-28.1%	178 023
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>2 804 223</b>	<b>2 638 370</b>	<b>2 638 370</b>	<b>163 581</b>	<b>1 289 000</b>	<b>1 319 185</b>	<b>(30 185)</b>	<b>-2.3%</b>	<b>2 638 370</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(304 904)</b>	<b>60 745</b>	<b>60 745</b>	<b>209 705</b>	<b>(79 130)</b>	<b>30 373</b>	<b>(109 502)</b>	<b>-360.5%</b>	<b>60 745</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Ammasipala wa Lefu • Plaaslike Munisipaliteit

### 17 CAPITAL PROGRAMME PERFORMANCE

#### 17.1 Table 23: Detailed capital expenditure report

The year to date capital expenditure from conditional grants amounted to R101.9 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	October Actual	November Actual	December Actual	YTD Actual	%
<b>ROADS PROJECTS</b>		<b>51 354</b>	<b>-</b>	<b>890</b>	<b>1 273</b>	<b>2 758</b>	<b>6 097</b>	<b>362</b>	<b>11 380</b>	<b>22%</b>
Makwane Paved Roads Phase 1	MIG	17 390	-	601	1 273	2 621	1 615	362	6 471	37%
Qholosing Paved Roads - Phase 1	MIG	12 721	-	289	-	137	791	-	1 218	10%
Intabazwe resurfacing of road	MIG	10 298	-	-	-	-	-	-	-	0%
Fika Patso 3km paved road	MIG	10 946	-	-	-	-	3 691	-	3 691	34%
<b>WATER PROJECTS</b>		<b>41 790</b>	<b>-</b>	<b>711</b>	<b>1 816</b>	<b>301</b>	<b>6 363</b>	<b>3 928</b>	<b>13 120</b>	<b>31%</b>
Ha Sethunya Wat Retic 500 Phase 2	MIG	14 671	-	-	-	301	6 021	-	6 322	43%
Thaba Bosiu Water Pipeline	MIG	3 218	-	711	1 816	-	342	-	2 869	89%
Upgrading Of Water Pump Stations	MIG	14 891	-	-	-	-	-	-	-	0%
Water Pump Station - MIG R&M	MIG	9 011	-	-	-	-	-	3 928	3 928	44%
<b>SEWERAGE PROJECTS</b>		<b>84 915</b>	<b>654</b>	<b>-</b>	<b>975</b>	<b>910</b>	<b>25 438</b>	<b>3 552</b>	<b>31 528</b>	<b>37%</b>
Namahadi: Construction Sewer Network	MIG	8 315	-	-	975	41	181	-	1 197	14%
Sewer Pump Station - MIG R&M	MIG	9 000	654	-	-	-	799	3 552	5 004	56%
Upgrade Bluegun Bosch Sewer	MIG	16 469	-	-	-	869	7 561	-	8 429	51%
Tshiame Upgrade Of Sewer System	MIG	26 206	-	-	-	-	6 660	-	6 660	25%
Qwaqwa: Constr 3500 Vip Toilets-Ph13c	MIG	24 925	-	-	-	-	10 238	-	10 238	41%
<b>WASTE WATER PROJECTS</b>		<b>51 728</b>	<b>-</b>	<b>6 977</b>	<b>1 899</b>	<b>2 775</b>	<b>8 154</b>	<b>1 300</b>	<b>21 105</b>	<b>41%</b>
Water Distribution Network P1	WSIG	34 544	-	-	-	-	4 741	1 300	6 041	17%
Makholokweng Bulk And Sewer Network	WSIG	15 000	-	6 977	-	2 775	3 413	-	13 165	88%
Tiholong Ext 4	WSIG	2 184	-	-	1 899	-	-	-	1 899	87%
<b>COMMUNITY FACILITY PROJECTS</b>		<b>3 361</b>	<b>-</b>	<b>364</b>	<b>382</b>	<b>469</b>	<b>546</b>	<b>-</b>	<b>1 760</b>	<b>52%</b>
Phuthaditjhaba: Upgrading Of Town Hall	MIG	3 361	-	364	382	469	546	-	1 760	52%
<b>SPORTS AND RECREATIONAL FACILITIES</b>		<b>13 212</b>	<b>-</b>	<b>572</b>	<b>916</b>	<b>2 460</b>	<b>4 670</b>	<b>-</b>	<b>8 618</b>	<b>65%</b>
New swimmingpool platberg stadium	MIG	7 474	-	572	916	2 460	1 729	-	5 678	76%
Refurb charles mopedi stadium ph 2	MIG	5 738	-	-	-	-	2 941	-	2 941	51%
<b>ELECTRICITY PROJECTS</b>		<b>39 958</b>	<b>1 343</b>	<b>2 535</b>	<b>3 088</b>	<b>-</b>	<b>5 270</b>	<b>2 219</b>	<b>14 456</b>	<b>36%</b>
Upgrading of E-ross Substation- Phase 1	INEPG	39 958	1 343	2 535	3 088	-	5 270	2 219	14 456	36%
<b>OTHER</b>		<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
Neighbourhood Development Partnership Grant	NDPG	100	-	-	-	-	-	-	-	0%
<b>TOTAL ASSETS FUNDED BY NATIONAL GRANTS</b>		<b>286 417</b>	<b>1 997</b>	<b>12 050</b>	<b>10 350</b>	<b>9 673</b>	<b>56 538</b>	<b>11 360</b>	<b>101 967</b>	<b>36%</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala • 1 September • Phalane Municipality

The MIG expenditure amounting to R34.2 million which could not be captured on the financial system due to insufficient and no budget allocation are indicated below.

MIG EXPENDITURE NOT CAPTURED ON THE FINANCIAL SYSTEM DUE TO INSUFFICIENT/NO BUDGET				
TYPE	DESCRIPTION R'000	AVAILABLE BUDGET	EXPENDITURE	UNAUTHORISED EXPENDITURE
MIG -WATER PROJECT	THABA BOSIU CONSTRUCTION OF 16KM WATER PIPELINE	349	3 689	(3 340)
MIG- SPORTS PROJECTS	UPGRADE OF PLATBERG STADIUM PHASE 1	-	173	(173)
MIG -WATER PROJECT	NALEDI RE ROUTE BULK WATERSUPP 830M 70MM	-	233	(233)
MIG -SEWERAGE PROJECT	QWA QWA: CONSTR 5000 VIP TOILETS PH 13B	-	1 581	(1 581)
MIG -SEWERAGE PROJECT	QWAQWA: CONSTR 3500 VIP TOILETS-PH13C	14 687	28 035	(13 348)
MIG - ELECTRICITY PROJECT	MAP:HIGH MAST LIGHTS IN 4 TOWNS PH 2	-	543	(543)
		<b>15 036</b>	<b>34 253</b>	<b>(19 218)</b>

The year to date total capital assets from own funds amounted to R4.6 million.

CAPITAL BUDGET FROM OWN SOURCE 2025/2026						
Description R'000	Original Budget	1st Quarter	2nd Quarter	YearTD outcome	% YTD vs Budget	Balance
<b>PARENT MUNICIPALITY</b>						
Clocking Systems (Machinery)	500	-	-	-	0%	500
Machinery & Equipment	500	-	30	30	6%	470
Computer & Equipment	2 000	221	-	221	11%	1 779
Furniture & Fittings	1 000	181	253	434	43%	566
Compact Roller (Road Equipment)	564	-	-	-	0%	564
Yellow Fleet (Plant & Machinery)	4 000	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	-	4 333	4 333	87%	667
<b>TOTAL CAPITAL EXPENDITURE FUNDED FROM OWN SOURCE</b>	<b>30 264</b>	<b>652</b>	<b>4 616</b>	<b>5 269</b>	<b>17%</b>	<b>24 995</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa Lesotho • Plaatske Munisipaliteit

### 18 OTHER SUPPORTING DOCUMENTS

**FS194 Maluti-a-Phofung - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - Mid-Year Assessment**

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
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	13 347	26 390	26 390	2 247	2 247	26 390	24 143	91.5%	1%
August	825	26 390	26 390	12 452	12 452	52 780	40 328	76.4%	4%
September	10 780	26 390	26 390	10 350	10 350	79 170	68 820	86.9%	3%
October	9 427	26 390	26 390	11 488	11 498	105 560	94 062	89.1%	4%
November	60 366	26 390	26 390	56 568	56 568	131 960	75 382	57.1%	18%
December	2 940	26 390	26 390	14 121	14 121	158 340	144 220	91.1%	4%
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	6 423	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%	-
<b>Total Capital expenditure</b>	<b>218 524</b>	<b>316 681</b>	<b>316 681</b>	<b>107 236</b>					

**FS194 Maluti-a-Phofung - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Mid-Year Assessment**

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
<b>R thousands</b>										
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	9 011	9 011	3 928	3 928	4 505	577	12.8%	9 011
Water Supply Infrastructure		-	9 011	9 011	3 928	3 928	4 505	577	12.8%	9 011
Distribution		-	9 011	9 011	3 928	3 928	4 505	577	12.8%	9 011
Distribution Points		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	5 500	5 500	-	30	2 750	2 720	98.9%	5 500
Machinery and Equipment		-	5 500	5 500	-	30	2 750	2 720	98.9%	5 500
<b>Total Capital Expenditure on renewal</b>	<b>1</b>	<b>-</b>	<b>14 511</b>	<b>14 511</b>	<b>3 928</b>	<b>3 958</b>	<b>7 255</b>	<b>3 297</b>	<b>45.4%</b>	<b>14 511</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmolepolo • eThekweni • Phashe Municipality

### FS194 Maluti-a-Phofung - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - Mid-Year Assessment

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
<b>R thousands</b>										
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	1	–	265 934	265 934	9 949	91 994	132 967	40 973	30.8%	265 934
Roads Infrastructure		–	51 354	51 354	362	11 380	25 677	14 297	55.7%	51 354
<i>Roads</i>		–	10 946	10 946	–	3 691	5 473	1 782	32.6%	10 946
<i>Road Structures</i>		–	40 408	40 408	362	7 689	20 204	12 515	61.9%	40 408
Electrical Infrastructure		–	44 958	44 958	4 736	18 789	22 479	3 690	16.4%	44 958
<i>HV Substations</i>		–	44 958	44 958	4 736	18 789	22 479	3 690	16.4%	44 958
Water Supply Infrastructure		–	82 323	82 323	1 300	28 397	41 162	12 764	31.0%	82 323
<i>Pump Stations</i>		–	14 891	14 891	–	–	7 445	7 445	100.0%	14 891
<i>Bulk Mains</i>		–	49 544	49 544	1 300	19 206	24 772	5 566	22.5%	49 544
<i>Distribution</i>		–	17 889	17 889	–	9 191	8 944	(247)	-2.8%	17 889
Sanitation Infrastructure		–	87 299	87 299	3 552	33 428	43 649	10 222	23.4%	87 299
<i>Pump Station</i>		–	9 000	9 000	3 552	5 004	4 500	(504)	-11.2%	9 000
<i>Reticulation</i>		–	26 968	26 968	–	11 526	13 484	1 958	14.5%	26 968
<i>Outfall Sewers</i>		–	26 206	26 206	–	6 660	13 103	6 443	49.2%	26 206
<i>Toilet Facilities</i>		–	25 125	25 125	–	10 238	12 562	2 325	18.5%	25 125
<b>Community Assets</b>		–	16 673	16 673	–	10 378	8 336	(2 042)	-24.5%	16 673
Community Facilities		–	3 461	3 461	–	1 760	1 730	(30)	-1.7%	3 461
<i>Halls</i>		–	3 361	3 361	–	1 760	1 680	(80)	-4.7%	3 361
<i>Taxi Ranks/Bus Terminals</i>		–	100	100	–	–	50	50	100.0%	100
Sport and Recreation Facilities		–	13 212	13 212	–	8 618	6 606	(2 012)	-30.5%	13 212
<i>Indoor Facilities</i>		–	7 474	7 474	–	5 678	3 737	(1 941)	-51.9%	7 474
<i>Outdoor Facilities</i>		–	5 738	5 738	–	2 941	2 869	(72)	-2.5%	5 738
<b>Computer Equipment</b>		26	2 000	2 000	–	221	1 000	779	77.9%	2 000
Computer Equipment		26	2 000	2 000	–	221	1 000	779	77.9%	2 000
<b>Furniture and Office Equipment</b>		193	1 000	1 000	244	434	500	66	13.3%	1 000
Furniture and Office Equipment		193	1 000	1 000	244	434	500	66	13.3%	1 000
<b>Machinery and Equipment</b>		1 237	6 564	6 564	–	250	3 282	3 032	92.4%	6 564
Machinery and Equipment		1 237	6 564	6 564	–	250	3 282	3 032	92.4%	6 564
<b>Transport Assets</b>		4 405	10 000	10 000	–	–	5 000	5 000	100.0%	10 000
Transport Assets		4 405	10 000	10 000	–	–	5 000	5 000	100.0%	10 000
<b>Total Capital Expenditure on new assets</b>	1	5 861	302 170	302 170	10 193	103 277	151 085	47 808	31.6%	302 170



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mma. epolo A. J. Leroge • Fikolike Municipality

### FS194 Maluti-a-Phofung - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Mid-Year Assessment

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
<b>R thousands</b>	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		25 923	54 515	54 515	1 873	6 581	27 258	20 677	75.9%	54 515
Roads Infrastructure		4 000	10 000	10 000	1 873	4 422	5 000	578	11.6%	10 000
Roads		4 000	10 000	10 000	1 873	4 422	5 000	578	11.6%	10 000
Storm water Infrastructure		-	1 000	1 000	-	-	500	500	100.0%	1 000
Drainage Collection		-	1 000	1 000	-	-	500	500	100.0%	1 000
Electrical Infrastructure		20 992	28 360	28 360	-	2 137	14 180	12 043	84.9%	28 360
MV Substations		3 028	5 000	5 000	-	-	2 500	2 500	100.0%	5 000
MV Networks		9 264	12 000	12 000	-	485	6 000	5 515	91.9%	12 000
LV Networks		8 699	11 360	11 360	-	1 652	5 680	4 028	70.9%	11 360
Water Supply Infrastructure		-	1 632	1 632	-	-	816	816	100.0%	1 632
Reservoirs		-	376	376	-	-	188	188	100.0%	376
Pump Stations		-	470	470	-	-	235	235	100.0%	470
Water Treatment Works		-	786	786	-	-	393	393	100.0%	786
Sanitation Infrastructure		222	4 023	4 023	-	21	2 011	1 991	99.0%	4 023
Pump Station		-	1 500	1 500	-	-	750	750	100.0%	1 500
Reticulation		222	1 982	1 982	-	21	991	970	97.9%	1 982
Waste Water Treatment Works		-	540	540	-	-	270	270	100.0%	540
Solid Waste Infrastructure		710	9 500	9 500	-	-	4 750	4 750	100.0%	9 500
Landfill Sites		710	6 500	6 500	-	-	3 250	3 250	100.0%	6 500
Waste Transfer Stations		-	3 000	3 000	-	-	1 500	1 500	100.0%	3 000
<b>Community Assets</b>		-	400	400	-	-	200	200	100.0%	400
Community Facilities		-	400	400	-	-	200	200	100.0%	400
Cemeteries/Crematoria		-	400	400	-	-	200	200	100.0%	400
<b>Other assets</b>		1 329	29 500	29 500	-	184	14 750	14 566	98.8%	29 500
Operational Buildings		1 329	29 500	29 500	-	184	14 750	14 566	98.8%	29 500
Municipal Offices		1 329	29 500	29 500	-	184	14 750	14 566	98.8%	29 500
<b>Computer Equipment</b>		20	1 022	1 022	2	79	511	432	84.6%	1 022
Computer Equipment		20	1 022	1 022	2	79	511	432	84.6%	1 022
<b>Furniture and Office Equipment</b>		-	363	363	-	-	181	181	100.0%	363
Furniture and Office Equipment		-	363	363	-	-	181	181	100.0%	363
<b>Machinery and Equipment</b>		6 495	26 293	26 293	1 012	4 782	13 147	8 364	63.6%	26 293
Machinery and Equipment		6 495	26 293	26 293	1 012	4 782	13 147	8 364	63.6%	26 293
<b>Total Repairs and Maintenance Expenditure</b>	1	33 766	112 093	112 093	2 886	11 626	56 047	44 421	79.3%	112 093



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmantsiwa wa eLanga • Plaasike Munisipaliteit

### 19 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:

1. 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.
2. The revenue enhancement team has been established to develop strategies to improve revenue, the revenue enhancement strategy was approved on the 20<sup>th</sup> 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 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmampulo wa lefelo • Phofung Municipality

### 20 ANNEXURE A (PARENT C & ENTITY F-SCHEDULES)

#### 20.1 Parent municipality's financial performance

**FS194 Maluti-a-Phofung - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment**

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
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		1 022 398	1 034 343	1 034 343	297 019	738 778	517 171	221 607	43%	1 034 343
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1 022 398	1 034 343	1 034 343	297 019	738 778	517 171	221 607	43%	1 034 343
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		27 422	34 324	34 324	729	5 287	17 162	(11 875)	-69%	34 324
Community and social services		13 292	5 658	5 658	186	2 549	2 829	(280)	-10%	5 658
Sport and recreation		13 086	16 362	16 362	328	1 661	8 181	(6 520)	-80%	16 362
Public safety		383	462	462	125	487	231	257	111%	462
Housing		662	11 842	11 842	89	589	5 921	(5 332)	-90%	11 842
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		31 615	64 443	64 443	105	3 269	32 222	(28 952)	-90%	64 443
Planning and development		978	8 256	8 256	105	781	4 128	(3 347)	-81%	8 256
Road transport		30 637	56 187	56 187	-	2 488	28 093	(25 606)	-91%	56 187
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		1 215 348	1 295 069	1 295 069	58 244	357 329	647 535	(290 205)	-45%	1 295 069
Energy sources		753 236	823 845	823 845	34 724	191 179	411 923	(220 743)	-54%	823 845
Water management		215 958	238 348	238 348	11 749	92 127	119 174	(27 047)	-23%	238 348
Waste water management		157 031	157 216	157 216	5 946	37 562	78 608	(41 046)	-52%	157 216
Waste management		89 123	75 660	75 660	5 823	36 461	37 830	(1 369)	-4%	75 660
<i><b>Other</b></i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>2 296 783</b>	<b>2 428 179</b>	<b>2 428 179</b>	<b>356 097</b>	<b>1 104 663</b>	<b>1 214 090</b>	<b>(109 426)</b>	<b>-9%</b>	<b>2 428 179</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		621 766	608 953	608 953	29 974	251 923	304 476	(52 553)	-17%	608 953
Executive and council		74 706	76 801	76 801	6 995	32 947	38 400	(5 453)	-14%	76 801
Finance and administration		538 950	523 042	523 042	22 279	215 182	261 521	(46 338)	-18%	523 042
Internal audit		8 109	9 111	9 111	700	3 793	4 555	(762)	-17%	9 111
<i><b>Community and public safety</b></i>		235 901	181 120	181 120	14 102	83 549	90 560	(7 011)	-8%	181 120
Community and social services		24 044	24 023	24 023	1 512	9 315	12 012	(2 696)	-22%	24 023
Sport and recreation		109 399	54 437	54 437	4 240	24 241	27 219	(2 977)	-11%	54 437
Public safety		91 276	91 491	91 491	7 972	47 718	45 746	1 973	4%	91 491
Housing		11 182	11 169	11 169	379	2 274	5 584	(3 311)	-59%	11 169
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		83 968	89 706	89 706	5 889	25 949	44 853	(18 904)	-42%	89 706
Planning and development		23 617	39 196	39 196	2 151	14 374	19 598	(5 224)	-27%	39 196
Road transport		60 351	50 510	50 510	3 738	11 575	25 255	(13 679)	-54%	50 510
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		1 697 627	1 483 391	1 483 391	98 946	839 009	741 696	97 313	13%	1 483 391
Energy sources		1 197 223	1 259 188	1 259 188	80 976	769 679	629 594	140 085	22%	1 259 188
Water management		97 495	60 710	60 710	8 737	13 603	30 355	(16 752)	-55%	60 710
Waste water management		224 207	12 921	12 921	(15)	3 748	6 460	(2 713)	-42%	12 921
Waste management		178 701	150 572	150 572	9 248	51 979	75 286	(23 307)	-31%	150 572
<i><b>Other</b></i>		3 012	4 263	4 263	330	2 005	2 132	(126)	-6%	4 263
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>2 642 273</b>	<b>2 367 434</b>	<b>2 367 434</b>	<b>149 240</b>	<b>1 202 436</b>	<b>1 183 717</b>	<b>18 719</b>	<b>2%</b>	<b>2 367 434</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(345 491)</b>	<b>60 745</b>	<b>60 745</b>	<b>206 858</b>	<b>(97 773)</b>	<b>30 372</b>	<b>(128 145)</b>	<b>-4,219115</b>	<b>60 745</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmolepedi wa Setefo • Plaaslike Munisipaliteit

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

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		282	1 560	1 560	-	302	780	(478)	-61.2%	1 560
Vote 04 - Financial Services		1 022 116	1 032 783	1 032 783	297 019	738 476	516 391	222 084	43.0%	1 032 783
Vote 05 - Municipal Infrastructure		492 748	527 411	527 411	23 520	168 638	263 705	(95 068)	-36.1%	527 411
Vote 06 - Community Services		12 632	4 792	4 792	153	2 240	2 396	(155)	-6.5%	4 792
Vote 07 - Public Safety & Transport		383	462	462	125	487	231	257	111.1%	462
Vote 08 - Sports, Arts, Parks, Culture		13 086	16 362	16 362	328	1 661	8 181	(6 520)	-79.7%	16 362
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		16	5 863	5 863	86	358	2 931	(2 573)	-87.8%	5 863
Vote 10 - Hunan Settlements		1 321	12 708	12 708	122	898	6 354	(5 456)	-85.9%	12 708
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatal Development, Planning & Traditional Affairs		962	2 394	2 394	19	423	1 197	(774)	-64.6%	2 394
Vote 13 - Electricity Department		753 236	823 845	823 845	34 724	191 179	411 923	(220 743)	-53.6%	823 845
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2 296 783</b>	<b>2 428 179</b>	<b>2 428 179</b>	<b>356 097</b>	<b>1 104 663</b>	<b>1 214 090</b>	<b>(109 426)</b>	<b>-9.0%</b>	<b>2 428 179</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Legislative Authority		65 709	67 317	67 317	6 218	27 702	33 659	(5 956)	-17.7%	67 317
Vote 02 - Office Of The Municipal Manager		22 154	24 646	24 646	1 922	12 032	12 323	(291)	-2.4%	24 646
Vote 03 - Corporate Services		72 207	77 313	77 313	4 760	34 060	38 656	(4 597)	-11.9%	77 313
Vote 04 - Financial Services		357 723	313 768	313 768	7 561	120 960	156 884	(35 924)	-22.9%	313 768
Vote 05 - Municipal Infrastructure		573 335	276 817	276 817	21 748	81 963	138 408	(56 445)	-40.8%	276 817
Vote 06 - Community Services		12 165	23 603	23 603	1 528	9 411	11 802	(2 390)	-20.3%	23 603
Vote 07 - Public Safety & Transport		187 602	184 056	184 056	17 276	103 458	92 028	11 430	12.4%	184 056
Vote 08 - Sports, Arts, Parks, Culture		109 399	54 437	54 437	4 240	24 241	27 219	(2 977)	-10.9%	54 437
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		11 704	16 591	16 591	1 075	8 045	8 296	(250)	-3.0%	16 591
Vote 10 - Hunan Settlements		18 829	44 933	44 933	588	3 704	22 467	(18 763)	-83.5%	44 933
Vote 11 - Idp, Pms Department		3 664	4 078	4 078	403	2 104	2 039	65	3.2%	4 078
Vote 12 - Spatal Development, Planning & Traditional Affairs		11 261	22 791	22 791	1 003	6 230	11 395	(5 165)	-45.3%	22 791
Vote 13 - Electricity Department		1 196 521	1 257 084	1 257 084	80 919	768 525	628 542	139 983	22.3%	1 257 084
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>2 642 273</b>	<b>2 367 434</b>	<b>2 367 434</b>	<b>149 240</b>	<b>1 202 436</b>	<b>1 183 717</b>	<b>18 719</b>	<b>1.6%</b>	<b>2 367 434</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(345 491)</b>	<b>60 745</b>	<b>60 745</b>	<b>206 858</b>	<b>(97 773)</b>	<b>30 372</b>	<b>(128 145)</b>	<b>-421.9%</b>	<b>60 745</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa setlhopa • Floulikke Munisipaliteit

**FS194 Maluti-a-Phofung - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment**

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		345 545	739 063	739 063	33 096	175 997	369 532	(193 535)	-52%	739 063
Service charges - Water		81 910	95 159	95 159	7 735	50 032	47 580	2 452	5%	95 159
Service charges - Waste Water Management		48 889	51 422	51 422	4 368	27 133	25 711	1 422	6%	51 422
Service charges - Waste management		48 662	51 184	51 184	4 248	26 817	25 592	1 225	5%	51 184
Sale of Goods and Rendering of Services		2 688	6 584	6 584	253	1 465	3 292	(1 827)	-55%	6 584
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		107 556	125 181	125 181	8 936	53 495	62 591	(9 096)	-15%	125 181
Interest from Current and Non Current Assets		21 183	12 605	12 605	228	8 373	6 302	2 071	33%	12 605
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	1 000	1 000	-	-	500	(500)	-100%	1 000
Rental from Fixed Assets		1 857	3 992	3 992	356	876	1 996	(1 120)	-56%	3 992
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		1 087	11 772	11 772	92	933	5 866	(4 953)	-84%	11 772
<b>Non-Exchange Revenue</b>										
Property rates		107 972	110 363	110 363	9 608	58 762	55 181	3 581	6%	110 363
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		207	2 396	2 396	163	683	1 198	(515)	-43%	2 396
Licence and permits		-	1 663	1 663	-	-	831	(831)	-100%	1 663
Transfers and subsidies - Operational		852 793	882 846	882 846	283 519	650 220	441 423	208 797	47%	882 846
Interest		426 385	41 693	41 693	3 489	20 811	20 847	(36)	0%	41 693
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		4 021	7	7	6	6	4	3	74%	7
<b>Discontinued Operations</b>										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2 050 757</b>	<b>2 136 929</b>	<b>2 136 929</b>	<b>356 097</b>	<b>1 075 605</b>	<b>1 068 465</b>	<b>7 140</b>	<b>1%</b>	<b>2 136 929</b>
<b>Expenditure By Type</b>										
Employee related costs		523 649	546 277	546 277	50 008	288 241	273 138	15 103	6%	546 277
Remuneration of councillors		37 151	36 529	36 529	2 670	16 053	18 265	(2 212)	-12%	36 529
Bulk purchases - electricity		1 068 419	1 114 944	1 114 944	75 444	688 378	557 472	130 907	23%	1 114 944
Inventory consumed		26 887	52 842	52 842	9 902	17 982	26 421	(8 439)	-32%	52 842
Debt impairment		436 120	13 280	13 280	-	-	6 640	(6 640)	-100%	13 280
Depreciation and amortisation		71 783	75 930	75 930	-	-	37 965	(37 965)	-100%	75 930
Interest		96 268	51 500	51 500	-	44 490	25 750	18 740	73%	51 500
Contracted services		145 232	173 462	173 462	9 853	53 865	86 731	(32 866)	-38%	173 462
Transfers and subsidies		190 671	198 043	198 043	-	82 489	99 022	(36 533)	-37%	198 043
Irrecoverable debts written off		1 180	23 120	23 120	71	1 022	11 560	(10 538)	-91%	23 120
Operational costs		63 640	81 507	81 507	1 289	29 914	40 754	(10 840)	-27%	81 507
Losses on Disposal of Assets		(6 676)	-	-	-	-	-	-	-	-
Other Losses		(12 052)	-	-	2	2	-	2	#DIV/0!	-
<b>Total Expenditure</b>		<b>2 642 273</b>	<b>2 367 434</b>	<b>2 367 434</b>	<b>149 240</b>	<b>1 202 436</b>	<b>1 183 717</b>	<b>18 719</b>	<b>2%</b>	<b>2 367 434</b>
<b>Surplus/(Deficit)</b>										
Surplus/(Deficit)		(591 517)	(230 505)	(230 505)	206 858	(126 831)	(115 252)	(11 579)	0	(230 505)
Transfers and subsidies - capital (monetary allocations)		246 026	291 250	291 250	-	29 059	145 625	(116 566)	(0)	291 250
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(345 491)</b>	<b>60 745</b>	<b>60 745</b>	<b>206 858</b>	<b>(97 773)</b>	<b>30 372</b>	<b>(128 145)</b>	<b>(0)</b>	<b>60 745</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(345 491)</b>	<b>60 745</b>	<b>60 745</b>	<b>206 858</b>	<b>(97 773)</b>	<b>30 372</b>	<b>(128 145)</b>	<b>(0)</b>	<b>60 745</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(345 491)</b>	<b>60 745</b>	<b>60 745</b>	<b>206 858</b>	<b>(97 773)</b>	<b>30 372</b>	<b>(128 145)</b>	<b>(0)</b>	<b>60 745</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(345 491)</b>	<b>60 745</b>	<b>60 745</b>	<b>206 858</b>	<b>(97 773)</b>	<b>30 372</b>	<b>(128 145)</b>	<b>(0)</b>	<b>60 745</b>



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasep 2.1 A 15017.06 • Phofung Municipality

**FS194 Maluti-a-Phofung - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment**

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 04 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Infrastructure		-	-	-	-	-	-	-	-	-
Vote 06 - Community Services		-	-	-	-	-	-	-	-	-
Vote 07 - Public Safety & Transport		-	-	-	-	-	-	-	-	-
Vote 08 - Sports, Arts, Parks, Culture		-	-	-	-	-	-	-	-	-
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 02 - Office Of The Municipal Manager		-	500	500	-	-	250	(250)	-100%	500
Vote 03 - Corporate Services		26	2 500	2 500	-	252	1 250	(998)	-80%	2 500
Vote 04 - Financial Services		193	1 000	1 000	244	434	500	(66)	-13%	1 000
Vote 05 - Municipal Infrastructure		1 237	234 850	234 850	9 141	77 383	117 425	(40 042)	-34%	234 850
Vote 06 - Community Services		-	4 061	4 061	-	1 760	2 030	(270)	-13%	4 061
Vote 07 - Public Safety & Transport		4 405	11 000	11 000	-	-	5 500	(5 500)	-100%	11 000
Vote 08 - Sports, Arts, Parks, Culture		-	13 212	13 212	-	8 618	6 606	2 012	30%	13 212
Vote 09 - Led, Tourism, Smmes, Rural & Agriculture		-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	100	100	-	-	50	(50)	-100%	100
Vote 11 - Idp, Pms Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional Affairs		-	4 500	4 500	-	-	2 250	(2 250)	-100%	4 500
Vote 13 - Electricity Department		-	44 958	44 958	4 736	18 789	22 479	(3 690)	-16%	44 958
Vote 14 - Maluti Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	5 861	316 681	316 681	14 121	107 236	158 340	(51 105)	-32%	316 681
<b>Total Capital Expenditure</b>		5 861	316 681	316 681	14 121	107 236	158 340	(51 105)	-32%	316 681
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		219	5 000	5 000	244	685	2 500	(1 815)	-73%	5 000
Executive and council		-	500	500	-	-	250	(250)	-100%	500
Finance and administration		219	4 500	4 500	244	685	2 250	(1 565)	-70%	4 500
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		4 405	27 373	27 373	-	10 378	13 686	(3 308)	-24%	27 373
Community and social services		-	4 061	4 061	-	1 760	2 030	(270)	-13%	4 061
Sport and recreation		-	13 212	13 212	-	8 618	6 606	2 012	30%	13 212
Public safety		4 405	10 000	10 000	-	-	5 000	(5 000)	-100%	10 000
Housing		-	100	100	-	-	50	(50)	-100%	100
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		1 237	60 418	60 418	362	11 630	30 209	(18 579)	-62%	60 418
Planning and development		-	4 500	4 500	-	-	2 250	(2 250)	-100%	4 500
Road transport		1 237	55 918	55 918	362	11 630	27 959	(16 329)	-58%	55 918
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	223 890	223 890	13 515	84 542	111 945	(27 403)	-24%	223 890
Energy sources		-	44 958	44 958	4 736	18 789	22 479	(3 690)	-16%	44 958
Water management		-	93 518	93 518	5 228	34 225	46 759	(12 534)	-27%	93 518
Waste water management		-	84 915	84 915	3 552	31 528	42 457	(10 929)	-26%	84 915
Waste management		-	500	500	-	-	250	(250)	-100%	500
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	5 861	316 681	316 681	14 121	107 236	158 340	(51 105)	-32%	316 681
<b>Funded by:</b>										
National Government		-	286 417	286 417	11 360	101 967	143 209	(41 242)	-29%	286 417
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatns,		-	-	-	-	-	-	-	-	-
Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	286 417	286 417	11 360	101 967	143 209	(41 242)	-29%	286 417
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		5 861	30 264	30 264	2 761	5 269	15 132	(9 863)	-65%	30 264
<b>Total Capital Funding</b>		5 861	316 681	316 681	14 121	107 236	158 340	(51 105)	-32%	316 681



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa sekeleho • Phokiso Municipality

### 20.2 Municipal Entity's financial performance

- The mid-year income was at 39% and total expenditure at 32% of the budget.

MAP WATER FINANCIAL PERFORMANCE - MID-YEAR 2025/26									
Description R'000	Original Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	M04 Oct Actual	M05 Nov Actual	M06 Dec Actual	Mid-Year Actual	%
<b>INCOME</b>	<b>(270 936)</b>	<b>-</b>	<b>(33 865)</b>	<b>(17 303)</b>	<b>(17 980)</b>	<b>(18 871)</b>	<b>(17 189)</b>	<b>(105 207)</b>	<b>39%</b>
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)	(15 576)	(15 576)	(15 576)	(93 458)	50%
Intercompany Transaction- Sewer Levy	(40 478)	-	(857)	(568)	(717)	(1 969)	(707)	(4 818)	12%
Intercompany Transaction- Water Levy	(43 224)	-	(1 855)	(1 159)	(1 686)	(1 325)	(906)	(6 931)	16%
<b>EXPENDITURE</b>	<b>270 936</b>	<b>-</b>	<b>29 811</b>	<b>14 422</b>	<b>14 246</b>	<b>13 743</b>	<b>14 342</b>	<b>86 565</b>	<b>32%</b>
Employee related costs	176 278	-	29 554	14 198	14 103	13 625	14 218	85 697	49%
Contracted services	29 978	-	-	21	8	-	-	29	0%
Operational costs	48 083	-	257	203	122	118	124	824	2%
Inventory consumed	16 436	-	-	1	14	-	-	15	0%
Interest	162	-	-	-	-	-	-	-	0%
<b>SURPLUS/-DEFICIT</b>	<b>(0)</b>	<b>-</b>	<b>(4 053)</b>	<b>(2 881)</b>	<b>(3 733)</b>	<b>(5 128)</b>	<b>(2 847)</b>	<b>(18 643)</b>	



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepa Local Municipality • Ficksburg Municipality

**FS194 Maluti-a-Phofung - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - Mid-Year Assessment**

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
<b>R thousands</b>										
<b>Revenue By Municipal Entity</b>										
<i>Entity Name</i>										
Maluti Water (Pty) Ltd		202 535	270 936	270 936	17 189	105 207	135 468	(30 261)	-22%	270 936
<b>Total Operating Revenue</b>										
	1	202 535	270 936	270 936	17 189	105 207	135 468	(30 261)	-22%	270 936
<b>Expenditure By Municipal Entity</b>										
<i>Entity Name</i>										
Maluti Water (Pty) Ltd		161 949	270 936	270 936	14 342	86 565	135 468	(48 903)	-36%	270 936
<b>Total Operating Expenditure</b>										
	2	161 949	270 936	270 936	14 342	86 565	135 468	(48 903)	-36%	270 936
<b>Surplus/ (Deficit) for the yr/period</b>										
		40 586	0	0	2 847	18 643	0	(79 164)	#####	0
<b>Capital Expenditure By Municipal Entity</b>										
<i>Entity Name</i>										
Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>										
	3	-	-	-	-	-	-	-	-	-







Local Municipality • Administrative Office - Central • Pasig • Quezon City, Philippines

# MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

## 21.3 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 f))

**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)

Ref	Description	Current Year - 2025/2026		2025/2026 - Monthly Monitoring														
		As Per Debt Relief Application	Full Year Forecast	AM1	AM2	AM3	AM4	AM5	AM6	AM7	AM8	AM9	AM10	AM11	AM12			
1	<b>Indigent Household service targets</b>																	
	<b>Water (Include All Indigent households also in Estom supplied areas)</b>																	
	Indigent HH's with paid water made dwelling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indigent HH's with paid water inside yard but not in dwelling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indigent HH's using public tap (at least min. service level)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indigent HH's with other water supply (at least min. service level)	23 620 894	18 755 498	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>	23 620 894	18 755 498	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indigent HH's using public tap (< min. service level)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indigent HH's with other water supply (< min. service level)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indigent HH's with No water supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>	23 620 894	18 755 498	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total number of registered indigent households</b>	-	-	2 260	2 381	2 544	2 940	2 940	3 027	3 450	-	-	-	-	-	-	-	-
	<b>Status of Water meters :</b>																	
	Number of Indigent HH's with prepaid Water	-	-	7 835	9 790	13 655	16 010	16 010	16 010	19 550	-	-	-	-	-	-	-	-
	Number of Indigent HH's with conventional metered Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Number of Indigent HH's NOT metered currently - Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Number of Indigent HH's with NO Water supply - No metering	-	-	18 096	12 171	16 200	18 950	18 950	21 045	23 100	-	-	-	-	-	-	-	-
10	<b>Total number of registered indigent households</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



# MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

## 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)

Ref	Description	As Per Debt Relief Application		Current Year - 2025/2026		2025/2026 - Monthly Monitoring												
		Baseline	Full Year Forecast	Adopted Budget	Adjusted Budget	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12	
	Status of unlimited supply of Water:																	
	Number of indigent HH's with conventional meters 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 HH's NOT metered currently receiving unlimited supply - Water					7 836	9 750	13 656	16 010	18 018	19 950							
	Total number of registered indigent households receiving unlimited supply - Water					7 836	9 750	13 656	16 010	18 018	19 950							
11	Of the Total Number of registered indigent households receiving unlimited supply - See the Number of HH's billed for consumption above the 6 kilolitres					7 836	9 750	13 656	16 010	18 018	19 950							
	Energy: (Include All Indigent households also in Eskom supplied areas)																	
	Indigent HH's with Electricity (at least min. service level)																	
	Indigent HH's with Electricity - prepaid (min. service level)																	
	Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total					10 096	12 171	16 200	18 950	21 045	23 100							
	Indigent HH's with Electricity (< min. service level)																	
	Indigent HH's with Electricity - prepaid (< min. service level)																	
	Indigent HH's with other energy sources																	
5	Total no. of indigent HH's receiving - Below Minimum Service Level sub-total					10 096	12 171	16 200	18 950	21 045	23 100							
	Total number of registered indigent households																	
	Status of Electricity meters:																	
	Number of indigent HH's with prepaid Electricity																	
	Number of indigent HH's with conventional meters Electricity																	
	Number of indigent HH's NOT metered currently - Electricity																	
	Number of indigent HH's with other energy sources - No metering																	
12	Total number of registered indigent households					10 096	12 171	16 200	18 950	21 045	23 100							



# MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Winkonkopsiwa sekhahle • Ruziziwe Muziwozizile

## 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)

Ref	Description	As Per Debt Relief Application		2025/2026 - Monthly Monitoring												
		Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
13	Status of unlimited supply of Electricity:															
	Number of indigent m/s 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 m/s NOT metered currently receiving unlimited supply - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total number of registered indigent households receiving unlimited supply - Electricity															
	Water (5 kilolitre per household per month)	10 096	12 171	16 200	18 950	21 045	23 100									
	Electricity/other energy (50kwh per household per month)	10 096	12 171	16 200	18 950	21 045	23 100									
8	Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)															
	Water (5 kilolitre per household per month)	171 195	180 961	192 708	222 705	229 295	225 099									
	Electricity/other energy (50kwh per household per month)	349 730	263 401	281 112	324 870	334 434	348 075									
8	Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)															
	Water (5 kilolitre per household per month)	865 878	1 081 795	1 500 988	1 769 105	1 990 989	2 483 250									
	Electricity/other energy (50kwh per household per month)	1 268 803	1 525 256	1 962 808	2 316 600	2 534 768	3 056 424									



# MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Matieland • 2025/2026 • Performance Assessment Report

## 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).**

Ref	Description	Current Year - 2025/2026		2025/2026 - Monthly Monitoring													
		As Per Debt Relief Application	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12		
		Adopted Budget	Adjusted Budget														
	<b>Highest level of free service provided per household (ALL Households)</b>																
	Property rates (R value R=50-90)			6	6	6	6	6	6	6	6	6	6	6	6	6	6
	Water (cubic metres per household per month)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sanitation (cubic metres per household per month)			222	222	222	222	222	222	222	222	222	222	222	222	222	222
	Sanitation (Rand per household per month)			50	50	50	50	50	50	50	50	50	50	50	50	50	50
	Electricity (kWh per household per month)			141	141	141	141	141	141	141	141	141	141	141	141	141	141
	Refuse (average litres per week)																
9	Revenue cost of subsidised services provided for ALL Households (R'000)																
14(a)	<b>Residential Category</b> Property rates (tariff adjustment)   impermissible values per section 17 of NIPRA)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
14(c)	<b>PSI Category</b> Property rates (tariff adjustment)   impermissible values per section 17 of NIPRA)			15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
	Additional Subsidies Property rates exemptions, reductions and rebates in excess of section 17 of NIPRA)			95 000	95 000	95 000	95 000	95 000	95 000	95 000	95 000	95 000	95 000	95 000	95 000	95 000	95 000
15	Water (in excess of 6 kilolitres per indigent household per month)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Sanitation (in excess of free sanitation service to indigent households)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Electricity (in excess of 50 kWh per indigent household per month)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Refuse (in excess of one removal a week for indigent households)			-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Municipal housing - rental rebates Housing - top structure subsidies Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total revenue cost of subsidised services provided</b>			110 000	110 000	110 000	110 000	110 000	110 000	110 000	110 000	110 000	110 000	110 000	110 000	110 000	110 000





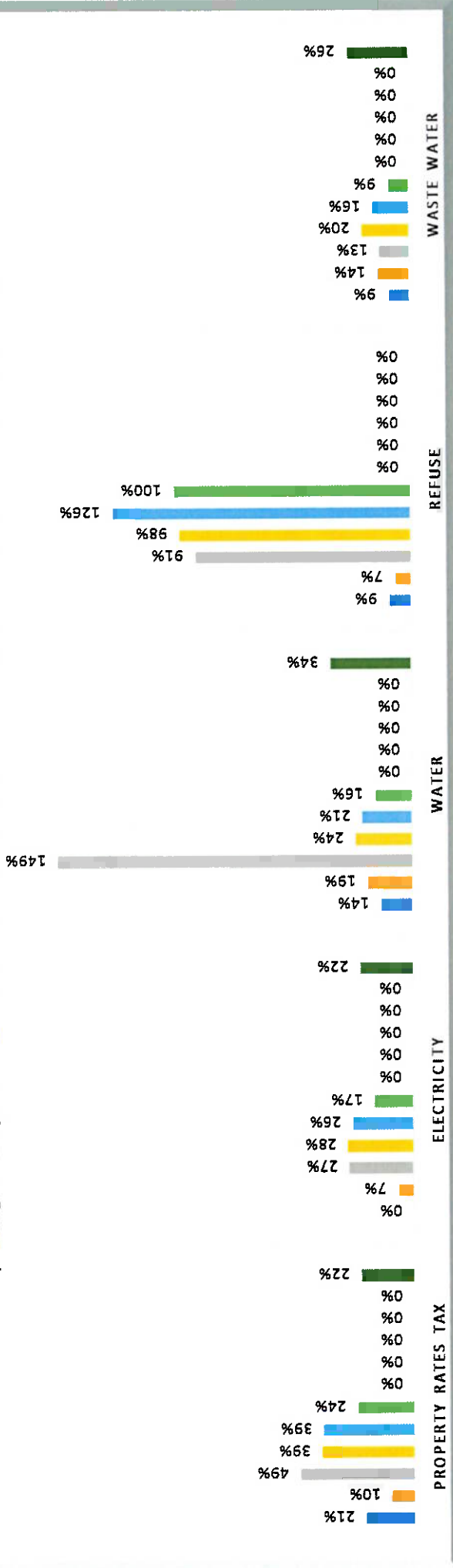
**MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025**

Local Municipality • Municipal Council • Philadelphia Municipal Light

**21.4.1 Monthly / Quarterly collection per ward**

**% MONTHLY COLLECTION PERFORMANCE**

■ July ■ August ■ September ■ October ■ November ■ December ■ January ■ February ■ March ■ April ■ May ■ June



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

**21.1.1 Property Rates Reconciliation**

The quarter 2 valuation reconciliation report was not received by the time report was completed. The report will be attached as an Annexure if it is received by the time of upload on goMuni and submission to Council.



**MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE  
ASSESSMENT REPORT (JULY – DECEMBER) 2025**

Local Municipality • Amathole • A - Phofung • Phofung Municipality

**22 MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

I M. M. Motswagole Motswagole Motswagole 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 month of **July- December 2025** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name: M. M. Motswagole

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

Signature: M. M.

Date: 14/01/2026



## MFMA SECTION 72: MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY – DECEMBER) 2025

Local Municipality • Mmasepala wa Lefatše • Plaaslike Munisipaliteit

### 23 RECOMMENDATIONS

It is recommended:

- That the MFMA section 72 - mid-year budget and performance assessment report for the first six months (July – December) 2025 be noted.
- That the summary of the budget funding plan pillars be noted.
- That the municipal debt relief compliance status based on the self-assessment from July- November 2025 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.
- That Council approves that the budget for 2025/26 financial year be adjusted in February to re-allocate the budget from votes with low movements to those with high expenditure or revenue patterns in line with Section 28(2)a of the MFMA.
- The 2024/25 unspent grants letter from National Treasury and the municipality's response be noted, as attached on Annexure A.

**SUBMITTED BY:**

.....  
**Cllr. M. MELATO**  
**THE EXECUTIVE MAYOR**

22/01/2026

.....  
**DATE**

# **ANNEXURE A**



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**CONFIDENTIAL**

Private Bag XI15, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5111

@Treasury\_RSA | National Treasury RSA | National Treasury RSA | @treasuryrsa | [www.treasury.gov.za](http://www.treasury.gov.za)

Adv MM Mofokeng  
The Municipal Manager  
Maluti-a-Phofung Municipality  
Private Bag X805  
**WITSIESHOEK**  
9870

Dear Mr Mofokeng

#### **REPAYMENT OF UNSPENT CONDITIONAL GRANTS FOR THE 2024/25 FINANCIAL YEAR**

The National Treasury has finalised the unspent conditional grant process for the 2024/25 financial year and has determined the unspent amount to be repaid to the National Revenue Fund (NRF).

National Treasury utilised your 2025 pre-audited Annual Financial Statements (AFS) to update the unspent conditional grants dataset and to determine the amount to be surrendered to the National Revenue Fund against the 2024/25 conditional grant allocations. Please note that in the absence of the AFS, National Treasury used the MFMA Section 71 report for the fourth quarter of 2024/25 to determine the amount to be surrendered to the NRF.

In the case of your municipality, National Treasury concluded that an amount of R9.3 million remains unspent and should be repaid to the NRF. The unspent amount is in respect of the Local Government Financial Management Grant (FMG) (R2.3 million), the Water Services Infrastructure Grant (WSIG) (R7 million) and the Expanded Public Works Programme Integrated Grant (EPWP) (R31 thousand). The unspent funds were determined using the 2024/25 fourth quarter Section 71 report.

Kindly ensure that the unspent amount stipulated above should be paid into the following bank account on or before **19 November 2025**:

<b>Account holder</b>	<b>National Treasury</b>
<b>Bank</b>	<b>ABSA</b>
<b>Branch code</b>	<b>632005</b>
<b>Account No.</b>	<b>405 236 8632</b>
<b>Reference</b>	<b>Municipal demarcation code and name (E.g. EC144 Gariep)</b>

The proof of payment must be e-mailed to Ms. Drienkie Scholtz at [Drienkie.Scholtz@treasury.gov.za](mailto:Drienkie.Scholtz@treasury.gov.za) and Mr Sello Mashaba at [Sello.Mashaba@treasury.gov.za](mailto:Sello.Mashaba@treasury.gov.za).





**MASEPALA WA SELEHAE – LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT**  
Tel: 058 718 6616 Fax: 058 718 1777 e-mail: [mmsoffice@map.fs.gov.za](mailto:mmsoffice@map.fs.gov.za)

## **OFFICE OF THE MUNICIPAL MANAGER**

13 November 2025

**Ogalaletseng Gaarekwe**  
Deputy Director-General: Intergovernmental Relations  
National Treasury  
Private Bag X115  
**PRETORIA**  
0002

e-mail : [Sello.Mashaba@treasury.gov.za](mailto:Sello.Mashaba@treasury.gov.za)  
: [Drienkie.Scholtz@treasury.gov.za](mailto:Drienkie.Scholtz@treasury.gov.za)

CC : Free State - Provincial Treasury  
: [Chetty.Regie@treasury.fs.gov.za](mailto:Chetty.Regie@treasury.fs.gov.za)  
: Office of the Auditor General

Dear Sir/Madam

**RE: REPAYMENT OF UNSPENT CONDITIONAL GRANTS FOR THE 2024/25 FINANCIAL YEAR**

1. The letter dated 12 November 2025 (ref: FS194/6) for the unspent 2024/25 conditional grants is acknowledged.
2. National Treasury indicated that they have utilised the MFMA section 71 for the fourth quarter of 2024/25 to determine the R9.3 million unspent grants amount. However, the Schedule C report and the 4<sup>th</sup> quarter conditional grant verification submitted to National Treasury (goMuni) show 100% spending on all the grants mentioned: Local Government Financial Management Grant (FMG), the Water Services Infrastructure Grant (WSIG) and the Expanded Public Works Programme Integrated Grant (EPWP).



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## OFFICE OF THE MUNICIPAL MANAGER

3. The Schedule C report and the 4<sup>th</sup> quarter conditional grant verification reports indicating the spending on the grants as indicated below were submitted to National Treasury (goMuni portal).

This table reflects the expenditure recognised (VAT inclusive)									
FS194 Maluti-a-Phofung - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June									
Description	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
<b>R thousands</b>									
<b>RECEIPTS:</b>									
Expanded Public Works Programme Integrated Grant	5 848	4 219	2 655	(6 263)	2 655	2 655	-	0.0%	2 655
Local Government Financial Management Grant	3 100	3 000	3 000	2 112	3 050	3 000	50	1.7%	3 000
Water Services Infrastructure Grant	51 683	37 510	47 510	33 512	47 510	47 510	-	0.0%	47 510

This table shows expenditure incurred (exclusive of the VAT)									
FS194 Maluti-a-Phofung - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June									
Description	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
<b>R thousands</b>									
<b>EXPENDITURE</b>									
Expanded Public Works Programme Integrated Grant	5 848	4 247	2 655	(9 137)	2 655	2 655	0	0.0%	2 655
Local Government Financial Management Grant	2 817	3 000	3 000	1 949	2 969	3 000	(31)	-1.0%	3 000
Water Services Infrastructure Grant	44 942	37 510	47 510	-	41 313	47 510	(6 197)	-13.0%	47 510

M. M.



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**OFFICE OF THE MUNICIPAL MANAGER**

4th Quarter Ended 30 June 2025

**CONDITIONAL GRANTS TRANSFERRED FROM NATIONAL DEPARTMENTS AND ACTUAL PAYMENTS MADE BY MUNICIPALITIES:  
FREE STATE: MALUTI-A-PHOFUNG (FS194)**

R thousands	Division of revenue Act No. 24 of 2024	YTD Expenditure		% Changes from 3rd to 4th Q		% Changes for the 4th Q	
		Actual expenditure National Department	Actual expenditure by municipalities	Actual expenditure National Department	Actual expenditure by municipalities	Exp as % of Allocation National Department	Exp as % of Allocation by municipalities
National Treasury (Vote 8)							
Local Government Financial Management Grant	3 000	712	3 050	(100.0%)	431.3%	23.7%	101.7%
Expanded Public Works Programme Integrated Grant (Municipality)	4 219	2 624	2 655	(100.0%)	(156.0%)	98.8%	100.0%
Water Services Infrastructure Grant (Schedule 5B)	37 510	30 510	47 510	-	(57.5%)	64.2%	100.0%

4. Based on the above supporting information provided, the municipality requests National Treasury to re-consider the unspent grants amount of R9.3 million.

Your consideration on the above matter will be appreciated.

.....  
**Adv. MM MOFOKENG  
MUNICIPAL MANAGER**

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**QUARTER 2 – 2025/26**

**PROPERTY RATES RECONCILIATION**

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**Property Rates Reconciliation**

Province	FS
District	Maluti-A-Phofung
Type	LM
Municipal Name	Maluti-A-Phofung
GV Period	01/07/2021- 30/06/2026
Financial Year	2025/2026
Reconciliation Period	Quarter 2

**Reconciliation Overview**

Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	23506	23911	-405	4 637 685 438.00	4 659 831 753.00	- 22 146 315.00
Industrial	296	487	-191	318 471 000.00	383 178 035.00	- 64 707 035.00
Business and Commercial	393	324	69	552 493 268.00	577 771 092.00	- 25 277 824.00
Agricultural	1345	1241	104	3 227 714 680.45	3 179 930 573.00	47 784 107.45
Mining	0	0	0	-	-	-
State Owned for Public Purpose	498	485	13	1748 173 204.61	1520 391 072.00	227 782 132.61
PSI	0	0	0	-	-	-
PBO	1	140	-139	520 000.00	50 432 000.00	- 49 912 000.00
Multi Use	0	0	0	-	-	-
Vacant	741	672	69	140 552 500.00	70 634 000.00	69 918 500.00
POW	40	0	40	15 560 000.00	-	15 560 000.00
Municipal	10896	10419	477	1318 789 429.60	1583 374 086.00	-264 584 656.40
Other	21	0	21	26 235 425.50	-	26 235 425.50
<b>Total</b>	<b>37737</b>	<b>37679</b>	<b>58</b>	<b>11986 194 946.16</b>	<b>12 025 542 611.00</b>	<b>- 39 347 664.84</b>

**Detailed Reconciliation**

Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	1835 247	1854 222	- 18 975	5 505 741.29	5 562 666.03	- 56 924.74
Industrial	862 526	1086 502	- 223 976	2 587 576.88	3 259 506.00	- 671 929.13
Business and Commercial	1767 978	1848 867	- 80 889	5 303 935.37	5 546 602.47	- 242 667.10
Agricultural	295 874	291 494	4 380	887 621.54	874 481.67	13 139.87
Mining	-	-	-	-	-	-
State Owned for Public Purpose	4 457 842	3 876 997	580 844	13 373 525.02	11 630 992.26	1742 532.76
PSI	-	-	-	-	-	-
PBO	-	-	-	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	476 707	271 076	205 631	1 430 121.69	813 228.96	616 892.73
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total</b>	<b>R9 696 173.93</b>	<b>R9 229 159.13</b>	<b>R467 014.80</b>	<b>29 088 521.78</b>	<b>27 687 477.39</b>	<b>1401044.39</b>



December variance progress report

The below properties categories have been rectified on the system:

LPI	Erf	REGISTERED OWNERS	PROPERTY CATEGORY	STREET ADDRESS	MARKET VALUE	Property Category per the FS
F00100000000171900000	1719	REPUBLIEK VAN SUID-AFRIKA	AGRICULTURAL PROPERTIES	WELVERDIEND 1719 BETHLEHEM RD	5 516 474.00	Agricultural
F00100000000067500003	675	BESTER ANDRE	AGRICULTURAL PROPERTIES	DU PLESSIS DAL 105 HARRISMITH RD	105 369.00	Agricultural
The properties categories should be rectified in the next valuation roll as they are correct on the financial system						
F00100050000008600000	86	NATIONAL GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA	BUSINESS PROPERTIES	JAN VAN RIEBEECK ST, KESTELL, 9860, SOUTH AFRICA	510 000.00	Business and Commercial
F00100050000015600000	156	HEERDEN WOUTER MEIRING VAN	BUSINESS PROPERTIES	45 BLIGNAUT STRT	170 000.00	Business and Commercial
F001000000000155100000	1551	PEC TRUST	STATE OWNED PROPERTIES	1551 FARMS AREA P000	1 088 195.00	State Owned for Public Purpose
F001000000000739000001	739	REPUBLIEK VAN SUID-AFRIKA	AGRICULTURAL PROPERTIES	GELUK 35 HARRISMITH RD	1 332 305.00	Agricultural
F001000500000023900000	239	SELOANA MASAMUELE REBECCA; SELOANA MOLAHLEHI JOSEPH	VACANT STANDS	21 Botha	150 000.00	Residential

**DEBT RELIEF SELF ASSESSMENT**



**DECEMBER 2025/26**

Annexure A2 - Monthly



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Dec'25

National Financial Year

2025/26

Demarcation Code of Municipality being assessed

FS194

District

Thabo Mofutsanyana

Demarcation Description

Maluti-a-Phofung

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

Municipal Debt Relief Conditions (Monthly reporting)

6.3 + Maintaining the Eskom and bulk water current account –

*(current account for the purpose of this exercise means the account for a single month's consumption)*

Choose from drop down list

Condition		
6.12.2	- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2.</i>	Yes
6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	Yes
6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
6.3.1	- Has the municipality paid its <b>Eskom bulk current account</b> 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
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 <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	Yes
6.3.3		

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.

Notes/Comments

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 4.1(2) MFMA statement of Eskom?	Yes	
6.4	<b>Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)</b>	Select	
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	No	The 2025-2026 budget is unfunded due to low revenue collection, high bulk electricity purchases, budgeting for depreciation and debt impairment.
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 R432million indicated on Table A4 without including the map water intercompany
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	
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	The monthly calculations are not done on the system. Which affects the budget projections.
6.4.2	- <b>If the municipality's MTREF is not funded</b> , 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 FR / MT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	Yes	
6.4.2	- <b>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</b> , 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	
6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations align with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes	
6.5	<b>Cost reflective tariffs – (excluding metros)</b> has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
6.6	<b>Electricity and water as collection tools –</b> 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?	<input type="checkbox"/>	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?	<input type="checkbox"/>	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? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	<input type="checkbox"/>	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s 71 statement must include as part of the narratives the indigent information in the required MF format</i>	<input type="checkbox"/>	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
19	6.6	<i>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.</i>		
19	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? <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>	<input type="checkbox"/>	The municipality achieved the 80% average collection by the end of the 2nd quarter. The % collection by the end of December was 97%. The billing vs collection report is calculated based on November Schedule C4 and December Schedule SC9 which includes payments in advance, prepaid collection & Journals.
20	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :		
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;	<input type="checkbox"/>	
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 areas)?	<input type="checkbox"/>	
22	6.7.2.3	* the municipality depute UA February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied areas(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?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	
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?	<input type="checkbox"/>	

26	6.8	Municipality's Completeness of the revenue base –			
	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? - 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	The GVR recon is a quarterly report	
	6.8.1	- 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 <a href="https://liguploadportal.treasury.gov.za">https://liguploadportal.treasury.gov.za</a> ? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1</i>	Yes	The progress for December is attached	
	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 <a href="https://liguploadportal.treasury.gov.za">https://liguploadportal.treasury.gov.za</a> ? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1</i>	Yes	The GVR recon is a quarterly report and the fourth quarter was uploaded on GoMuni	
	6.9	Monitor and report on Implementation –			
	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant? - 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		
	6.9.2	- 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? - 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 <a href="https://liguploadportal.treasury.gov.za">https://liguploadportal.treasury.gov.za</a> ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP		
	6.9.3	- 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? - 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 <a href="https://liguploadportal.treasury.gov.za">https://liguploadportal.treasury.gov.za</a> ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP		
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:			
	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		
	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 <a href="https://liguploadportal.treasury.gov.za">https://liguploadportal.treasury.gov.za</a> ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate</i>	Select		
	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>	Select		
	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		

	<p>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.</p>	
6.12	<p><b>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b></p>	
37	<p>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?</p>	<p>Yes</p>
38	<p>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?</p>	<p>Yes</p>
39	<p>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 4.8(3).</p>	
40	<p><b>Supporting evidence:</b> 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> <p><b>Accounting Treatment</b> - 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?</p> <p>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA</p>	<p>Yes</p> <p>Select</p>
41	<p>6.14 'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	<p>Select</p>
	<p>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 signing 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.</p>	

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.

# FSPT DEBT RELIEF ASSESSMENT



NOVEMBER 2025/26

Enquiries: Mr. SD Mokhele  
Email: [Mokheles@treasury.fs.gov.za](mailto:Mokheles@treasury.fs.gov.za)  
Reference: Revenue & Debt Management



treasury  
Department of  
Treasury  
FREE STATE PROVINCE

**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 NOVEMBER 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 decreased from 63% in October to 61% for the month of November 2025. 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 the Go-Muni Portal.

Table 1: November 2025 Monthly performance report.

Municipal Details		Monthly Performance Report																												Scoring and Rating																									
		Part A				Part B				Part C				Part D				Part E				Quarter																																	
		Eskom DAA current account				Compliance with adopted MTREF				MFMA & Fund Assessment				Budgeted water collection tools				Quarterly collection of property rates and services charges				Current and Revenue Base				Q1								Q2								Q3								Q4					
Month	Code	Descr	Code	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	C1	C2	C3	C4	Score	Rating										
01 July 25	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 August 25	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 September 25	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 October 25	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 November 25	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 December 25	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 January 26	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 February 26	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 March 26	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 April 26	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 May 26	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						
01 June 26	Wolke	Phal	0014	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%	Substantial						

**Condition 6.3: Maintaining the Eskom bulk current account** – Since the municipality has been requested to provide a clear explanation of how DAA arrangements are unfolding, specifically regarding the amounts being collected by Eskom and the shortfall that the municipality must cover; to date no response by the municipality. It is very important for the municipality to provide the required information by Provincial Treasury, so that Treasury can intervene in this matter and assist the municipality in this regard.

**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 submitted the funding plan and upload it on the Go-Muni.

**Condition 6.5 - Cost reflective tariffs:** 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 - Electricity and water as collection tools:** The municipality is not compliant with the conditions regarding the use of electricity and water as collection tools.

**Condition 6.7 - Maintain a minimum average quarterly collection of property rates and services charges.** The municipality is continuously failing to issue a consolidated monthly bill to all customers\property owners in terms of which all partial payments received are allocated. The municipality is requested to comply with MFMA Circulars 124, 128, and 130 and follow the order of

priority: firstly, to property rates, thereafter to water, wastewater, refuse removal, and lastly to electricity.

**Condition 6.8 - Municipality's Completeness of the revenue base:** The municipality has since submitted a progress report detailing the steps taken to address the identified variances. According to the municipality, the remaining variances will be cleared by the end of December 2025.

**Condition 6.9 - Monitor and Report on compliance with MFMA section 71 reporting.** The municipality has not uploaded a 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 <a href="#">MFMA Budget Circular 128 (Annexure B)</a>	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 <a href="#">MFMA Budget Circular 128 (Annexure D)</a> .	No
3.5.1	The indigent management information	No
3.5.2	The indigent management information was included in the format of <a href="#">MFMA Budget Circular 128 (Annexure C)</a> .	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

## 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

Nov'25

National Financial Year

2025/26

Demarcation Code of Municipality being assessed

FS194

District

Thabo Mofutsanyana

Demarcation Description

Maluti-a-Phofung

I, **Mr. P. Lathone**, 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 -		
Condition 6.12 - Current amount for the purpose of the current water fee account for a long-term water user (if any)		
6.12.2	- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No
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 <a href="https://gomonportal.treasury.gov.za/">https://gomonportal.treasury.gov.za/</a> ?	No
6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
6.3.1	- Has the municipality paid its <b>Eskom bulk current account</b> 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 NI approval of the application</i>	Yes
6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://gomonportal.treasury.gov.za/">https://gomonportal.treasury.gov.za/</a> ?	Yes
6.3.3		
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 -		2025/26 Tabled MTREF
Choose from drop down list (the MTREF assessed)		
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="https://efms.treasury.gov.za/Conditions/Approv/funding.asp?7">https://efms.treasury.gov.za/Conditions/Approv/funding.asp?7</a>	No
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	No
6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Select
<i>Note - for example, if the municipality during the preceding 12 months only managed to collect 80 per cent of its approved 2023/24 revenue, the provision for debt impairment requires that the budget collection provision should also be 80 per cent of the 2023/24 MTREF revenue provision (and must be 80 per cent of the 2023/24 MTREF revenue provision). If the municipality merely used the debt provision to "balance" the budget and there is no real provision for debt with the actual collection of revenue, the National Treasury must regard this as "No".</i>		
6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes

		<i>Note – If the municipality merely used the appropriate and usual approach to follow the Budget and there is no real alignment between the principles set out with the state of water, sewerage, and electricity services, the National Treasury must respond to this item as "No".</i>	
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 MYREF budget (refer Item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	No
		<i>Note – If the municipality has an FRP, a separate Budget Funding Plan is not necessary. However, the FRP must contain whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	
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)?	No
		<i>Note – Only if the municipality does not have an FRP may "No" be selected from the dropdown list.</i>	
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.)?	No
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies, that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
		<i>Note: in terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity and water limits of 50 Kilo-watt electricity and 6 Kilolitres water, respectively?	Yes
		<i>Note – the municipality's monthly AG&amp;IA s.71 statement must include as part of the narrative the following information as the required NT format.</i>	
	6.6	Supporting evidence – The National Treasury and/or provincial Treasury's related budget assessment confirms the municipality's relevant MTREF, 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
		<i>Note – Although the same standard for collection (80% and 85%) is set, municipalities under the dual role budget will be exempted for the first two years from tabling to this item.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	Yes

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
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
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?	No
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?	No
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
<b>6.8 Municipality's Completeness of the revenue base –</b>		
6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	No
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 MSA's s 71 statement</i>	Yes
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 <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> ?	No
<b>6.9 Monitor and report on implementation –</b>		
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
6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active Intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1</i>	No
6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
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 ( <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> )?	No FRP
<i>Note - municipalities with a funding and/or loan(s) from the Municipal Debt Relief programme of the FRP progress report was submitted to the Provincial Executive (MFRS)</i>		
6.10	Provincial Treasury Note: Provincial Treasury verification of municipal accounts – in terms of sections 5 and 28 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief status.	

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 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 <a href="https://go.muniportal.treasury.gov.za">https://go.muniportal.treasury.gov.za</a> ? <i>Note - in the case of a non-delegated municipality the National Treasury is to issue the compliance certificate</i>	Yes
6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
<i>Note - if the PT failed to address its provincial non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>		
6.11	<b>Limitation on municipality borrowing powers</b> - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No
<i>Note - there is a prohibition on municipal borrowing for their operational municipal financial year from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. All amounts that remain unutilised in terms of section 6.12 (Limitation on municipality borrowing powers) will only be returned in relation to new long term debt entered into after the expiration date of debt relief approval as envisaged in MFMA section 24. Short term borrowing, including making use of overdrafts for current business 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):	
6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes
<i>Note - Only if referred in the specific circumstances and if raised be made to the Minister of Finance upon the municipality's request through the municipality from MFMA Circular.</i>		
	<i>Supporting evidence:</i> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
6.13	<b>Accounting Treatment</b> - 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 suspension, etc.) and alignment with MFMA</i>	Yes
6.14	<b>'NERSA License</b> - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes
<i>Note: In applying for Municipal Debt Relief as set out in paragraph 6.1 of MFMA Circular no. 124, the amount of a municipality that during the duration of the Municipal Debt Relief programme will, in terms with any condition of the Relief, access as apply to MFMA to verify the municipality's financial terms of section 12 of the Financial Management Act, 2003 (Act no. 4 of 2003). Any such application must be provided by the relevant provinces for supporting an external audit as envisaged in Chapter 6 of the Municipal Systems Act, 2002 (municipal revenue service delivery agreement) signing with the Municipal Systems Act, 2002 and Financial Regulation Act, 2006. In terms of the agreement of government's transfer of power to Category A municipalities, the relevant audit control and debt relief conditions must be referred to the municipality's account that are the subject of municipal debt relief.</i>		

**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.

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](mailto:revenuemanagement@treasury.gov.za) as well as (Provincial Treasury) to Mr. S. D. Mokhele at [mokheles@treasury.fs.gov.za](mailto:mokheles@treasury.fs.gov.za).
6. I trust that you will find this in order.

Regards,



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**Mr. PE. LEBONE**

Acting Head: Free State Provincial Treasury

Date: 14. 01. 2026

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