



Section 71 Financial Report 31 December 2024

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PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 DECEMBER 2024
TO: THE HONOURABLE MAYOR
FROM: THE DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY
OFFICE

1. PURPOSE

The purpose of this report is to comply with section 71 of the Municipal Finance Management Act and its regulations that the municipality should report on monthly actual performance of the municipality's budget to the Mayor, National and Provincial Treasury in prescribed format.

2. BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information of financial performance.

According to the Municipal Budget Reporting and Regulations (MBRR), 2009, "the monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act" (MFMA). This report follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule C format)

3. EXECUTIVE SUMMARY

This report is a summary of the main budget issues arising from the implementation of approved and in-year reporting monitoring process. It compares the progress in budget implementation to the projections as at the date of reporting.

3.1. CONSOLIDATED PERFORMANCE TABLE C1

EC124 Amahlathi - Table C1 Monthly Budget Statement Summary - M06 December									
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
R thousands									
Financial Performance									
Property rates	24 169	26 746	–	1 824	11 066	13 373	(2 307)	-17%	26 746
Service charges	57 850	62 935	–	6 220	40 002	31 467	8 535	27%	62 935
Investment revenue	3 456	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	3 456	3 892	–	–	1 449	1 946	(497)	-26%	3 892
Other own revenue	176 511	172 600	–	48 356	119 772	86 300	33 472	39%	–
Total Revenue (excluding capital transfers and contributions)	265 440	266 172	–	56 400	172 288	133 086	39 202	29%	266 172
Employee costs	136 206	141 493	–	590	58 382	70 747	(12 364)	–	141 493
Remuneration of Councillors	13 595	15 031	–	–	5 806	7 515	(1 709)	–	15 031
Depreciation and amortisation	25 940	24 186	–	–	–	12 093	(12 093)	–	24 186
Interest	15 524	3 000	–	0	(964)	1 500	(2 464)	–	3 000
Inventory consumed and bulk purchases	51 988	58 418	–	8	27 984	29 209	(1 225)	–	58 418
Transfers and subsidies	10	–	–	–	–	–	–	–	–
Other expenditure	62 844	66 449	–	689	17 183	33 225	(16 042)	-48%	66 449
Total Expenditure	306 107	308 577	–	1 287	108 392	154 289	(45 897)	-30%	308 577
Surplus/(Deficit)	(40 666)	(42 405)	–	55 113	63 897	(21 202)	85 099	-401%	(42 405)
Transfers and subsidies - capital (monetary allocations)	46 187	59 538	–	6 800	31 788	29 769	2 019	7%	59 538
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	5 520	17 133	–	61 913	95 685	8 566	87 118	1017%	17 133
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	5 520	17 133	–	61 913	95 685	8 566	87 118	1017%	17 133
Capital expenditure & funds sources									
Capital expenditure	47 937	62 148	–	7 989	39 613	31 074	8 539	27%	62 148
Capital transfers recognised	39 152	59 538	–	7 989	39 322	29 769	9 553	32%	59 538
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	8 785	2 610	–	–	291	1 305	(1 014)	-78%	2 610
Total sources of capital funds	47 937	62 148	–	7 989	39 613	31 074	8 539	27%	62 148
Financial position									
Total current assets	128 311	83 733	–	–	179 848				83 733
Total non current assets	437 893	453 285	–	–	477 506				453 285
Total current liabilities	265 272	253 489	–	–	281 309				253 489
Total non current liabilities	45 608	39 813	–	–	45 608				39 813
Community wealth/Equity	255 320	243 716	–	–	330 437				243 716
Cash flows									
Net cash from (used) operating	(53 778)	75 884	–	(12 305)	61 213	52 973	(8 241)	-16%	75 884
Net cash from (used) investing	733 134	(71 240)	–	(7 989)	(39 613)	(35 620)	3 993	-11%	(71 240)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	680 915	(11 058)	–	–	43 952	1 650	(42 301)	-2564%	–
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 968	6 288	10 821	4 922	5 705	5 234	24 498	157 230	223 666
Creditors Age Analysis									
Total Creditors	7 869	2 529	(49)	556	416	611	7 650	144 681	164 264

- The year-to-date operating revenue excluding capital transfer for period ending 31 December 2024 amounts to R172 million, which constitutes 129% of the year-to-date budget and 64% of the Approved Budget.
- The year-to-date operating expenditure for period ending 31 December 2024 amounts to R108 million, which constitutes 70% of the year-to-date budget and 35% of the Approved Budget.
- The year-to-date capital expenditure for period ending 31 December 2024 amount to R39 million, which constitutes 127% of the year-to-date budget and 63% of the Approved Budget.

4. BUDGET PERFORMANCE OVERVIEW

4.1. Operating Revenue by source

The Summary Statement of Financial Performance shown below is prepared on a similar basis of the prescribed budget format, detailing revenue by source type and expenditure per vote.

EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		46 291	49 465	-	5 230	34 117	24 733	9 384	38%	49 465
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 558	13 469	-	990	5 886	6 735	(849)	-13%	13 469
Sale of Goods and Rendering of Services		5 898	6 185	-	752	3 428	3 092	336	11%	6 185
Agency services		1 321	1 918	-	-	42	959	(918)	-96%	1 918
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 704	7 779	-	793	4 500	3 889	610	16%	7 779
Interest from Current and Non Current Assets		3 456	3 892	-	-	1 449	1 946	(497)	-26%	3 892
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		246	366	-	7	75	183	(107)	-59%	366
Licence and permits		2 543	3 066	-	-	9	1 533	(1 524)	-99%	3 066
Operational Revenue		11 903	133	-	-	730	67	664	997%	133
Non-Exchange Revenue		-	-	-	-	-	-	-	-	-
Property rates		24 169	26 746	-	1 824	11 066	13 373	(2 307)	-17%	26 746
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		12	29	-	-	2	14	(12)	-84%	29
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		138 142	145 505	-	46 123	107 048	72 752	34 296	47%	145 505
Interest		7 474	7 620	-	681	3 937	3 810	127	3%	7 620
Fuel Levy		-	-	-	-	-	-	-	-	-
Operafonal Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		4 723	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		265 440	266 172	-	56 400	172 288	133 086	39 202	29%	266 172

Revenue Variance Explanations against Planned Budget

- Electricity reflects a favourable variance of 38%, this is attributable to a steady increase over the last two period in Commercial and industrial billing. This will however be monitored to identify if the estimated electricity was understated.
- Waste management reflects an unfavourable variance of 13%, this is attributed to the accumulation of overstated monthly projections of approximately R140,000. The reason for the overstatement will be identified, underlying assumptions adjusted and the projections adjusted during the adjustments budget.
- Agency Services; Licences and permits; and Fines, penalties and forfeits reflects unfavourable variances of 96%, 99% and 84% for the period, respectively. This is attributed to the Cashier vacancy in the Stutterheim Traffic Services Office, which resulted in a decreased demand for Traffic related services.

- Interest from receivables from non-exchange transactions reflects a favourable variance of 16%, This is attributed to the collection rate being less than projected.
- Rentals of facilities reflects an unfavourable variance of 59% due to low demand on public facilities.
- Operational revenue reflects a favourable variance of 997%, this is attributable to the municipality receiving two insurance refunds amount to R730,115 during the year.
- Property rates reflect an unfavourable variance of 17% due to certain customers requesting to be billed annually at various months during the financial year.

4.2 Operating Expenditure by Type

EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Table 6: Monthly Budget Statement – Financial Performance (Revenue and Expenditure) – 30 December										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		136 206	141 493	–	590	58 382	70 747	(12 364)	-17%	141 493
Remuneration of councillors		13 595	15 031	–	–	5 806	7 515	(1 709)	-23%	15 031
Bulk purchases - electricity		51 809	57 965	–	–	27 891	28 982	(1 091)	-4%	57 965
Inventory consumed		178	453	–	8	92	227	(134)	-59%	453
Debt impairment		–	26 000	–	–	–	13 000	(13 000)	-100%	26 000
Depreciation and amortisation		25 940	24 186	–	–	–	12 093	(12 093)	-100%	24 186
Interest		15 524	3 000	–	0	(964)	1 500	(2 464)	-164%	3 000
Contracted services		14 341	17 491	–	477	10 289	8 795	1 494	17%	17 491
Transfers and subsidies		10	–	–	–	–	–	–	–	–
Irrecoverable debts written off		25 872	–	–	–	–	–	–	–	–
Operational costs		22 177	22 958	–	212	6 894	11 429	(4 535)	-40%	22 958
Losses on Disposal of Assets		454	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–
Total Expenditure		306 107	308 577	–	1 287	108 392	154 289	(45 897)	-30%	308 577

Expenditure Variance Explanations against Planned Budget

- Inventory consumed reflect an unfavourable variance of 59%, this is attributable to cashflow projections being divided equally across the 12 months, rather than indicating that significant expenditure is estimated to occur during quarters 3 and 4.
- Interest on overdue accounts reflect a credit balance and variance of 164%. This is as result of an Eskom interest reversal of R3.4 million during August 2024.
- Depreciation and Debt Impairment reflect a variance of 100% respectively and these will be calculated at year end.
- Contracted services reflect a favourable variance of 16%, this is attributable to the high volume of maintenance undertaken on vehicles and equipment.
- Operational costs reflect an unfavourable variance of 41%. This is due to the implementation of cost containment measures and the management of the municipality's cash flow.

The municipality tabled an unfunded budget for the 2024/25 Financial Year. A Financial Recovery Plan has been approved and is currently implemented. The outcome of the Standardisation court case was received on the 10th of May 2024 and engagements with effected parties have been underway. When implementation, the FRP will be updated and this line item will be indicated as complete. The Eskom account for December 2024 have not been paid as it was not yet due at reporting date. This will be paid prior by the due date of 31 January 2025.

4.3 Table C3 Financial Performance by Vote

The table below reflects the operating revenue and expenditure by vote.

EC124 Amahlathi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive & Council		146 344	150 128	–	46 178	105 311	75 064	30 247	40,3%	150 128
Vote 2 - Finance and Admin		42 642	30 279	–	3 245	20 492	15 140	5 352	35,4%	30 279
Vote 3 - Internal Audit		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		6 121	2 032	–	14	1 884	1 016	868	85,4%	2 032
Vote 5 - Sport & Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		4 959	5 301	–	436	2 608	2 651	(42)	-1,6%	5 301
Vote 7 - Housing		505	118	–	196	231	59	172	293,4%	118
Vote 8 - Planning & Development		46 778	56 611	–	103	13 636	28 306	(14 669)	-51,8%	56 611
Vote 9 - Road Transport		5 232	6 323	–	3	1 300	3 162	(1 862)	-58,9%	6 323
Vote 10 - Energy Sources		46 291	54 325	–	5 230	35 293	27 163	8 131	29,9%	54 325
Vote 11 - Waste Management		12 613	20 247	–	990	5 886	10 124	(4 238)	-41,9%	20 247
Vote 12 - Environmental Protection		144	346	–	5	33	173	(140)	-81,1%	346
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	311 627	325 710	–	56 400	186 674	162 855	23 819	14,6%	325 710
Expenditure by Vote	1									
Vote 1 - Executive & Council		82 009	64 978	–	288	16 373	32 489	(16 117)	-49,6%	64 978
Vote 2 - Finance and Admin		56 531	65 746	–	175	23 614	32 873	(9 259)	-28,2%	65 746
Vote 3 - Internal Audit		2 125	1 612	–	5	1 279	806	473	58,7%	1 612
Vote 4 - Community and Social Services		8 405	8 369	–	79	2 020	4 185	(2 164)	-51,7%	8 369
Vote 5 - Sport & Recreation		2 254	2 249	–	2	916	1 124	(208)	-18,5%	2 249
Vote 6 - Public Safety		4 230	4 043	–	34	1 261	2 022	(761)	-37,6%	4 043
Vote 7 - Housing		199	–	–	–	75	–	75	#DIV/0!	–
Vote 8 - Planning & Development		8 860	9 777	–	–	3 534	4 889	(1 355)	-27,7%	9 777
Vote 9 - Road Transport		67 458	63 055	–	654	23 049	31 527	(8 478)	-26,9%	63 055
Vote 10 - Energy Sources		59 774	65 788	–	6	31 489	32 894	(1 405)	-4,3%	65 788
Vote 11 - Waste Management		13 685	22 709	–	–	4 601	11 355	(6 753)	-59,5%	22 709
Vote 12 - Environmental Protection		576	250	–	45	180	125	55	44,0%	250
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	306 107	308 577	–	1 287	108 392	154 289	(45 897)	-29,7%	308 577
Surplus/ (Deficit) for the year	2	5 520	17 133	–	55 113	78 282	8 566	69 716	813,8%	17 133

4.4 Capital Expenditure by Municipal Vote

The following table provides a summary of the expenditure trends based on planned capital projects and actual spending. The percentage spending on capital projects as at 31 December 2024 amounts to 127% of the year to date capital budget exclusive of vat and 63% of the total capital budget. The table below reflects the capital expenditure performance by function.

EC124 Amahlathi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		91	400	-	-	-	200	(200)	-100%	400
Vote 2 - Finance and Admin		(1 554)	950	-	-	181	475	(294)	-62%	950
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2 154	-	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Planning & Development		15 609	54 678	-	7 989	36 881	27 339	9 542	35%	54 678
Vote 9 - Road Transport		23 575	-	-	-	-	-	-	-	-
Vote 10 - Energy Sources		173	5 560	-	-	1 116	2 780	(1 664)	-60%	5 560
Vote 11 - Waste Management		7 889	560	-	-	1 434	280	1 154	412%	560
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148
Total Capital Expenditure		47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148
Capital Expenditure - Functional Classification										
Governance and administration		(1 462)	1 350	-	-	181	675	(494)	-73%	1 350
Executive and council		91	400	-	-	-	200	(200)	-100%	400
Finance and administration		(1 554)	950	-	-	181	475	(294)	-62%	950
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2 154	-	-	-	-	-	-	-	-
Community and social services		2 154	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		39 183	54 678	-	7 989	36 881	27 339	9 542	35%	54 678
Planning and development		15 609	54 678	-	7 989	36 881	27 339	9 542	35%	54 678
Road transport		23 575	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		8 062	6 120	-	-	2 550	3 060	(510)	-17%	6 120
Energy sources		173	5 560	-	-	1 116	2 780	(1 664)	-60%	5 560
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 889	560	-	-	1 434	280	1 154	412%	560
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148
Funded by:										
National Government		39 152	59 538	-	7 989	37 888	29 769	8 119	27%	59 538
Provincial Government		-	-	-	-	1 434	-	1 434	#DIV/0!	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		39 152	59 538	-	7 989	39 322	29 769	9 553	32%	59 538
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		8 785	2 610	-	-	291	1 305	(1 014)	-78%	2 610
Total Capital Funding		47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148

4.5 Cash Flows

The cash available as at 31 December 2024 amounts to R43 million; this consist of call deposits and cash available in the main account excluding the cash on hand.

EC124 Amahlathi - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(17 259)	22 670	–	1 088	6 491	11 335	(4 845)	-43%	22 670
Service charges		(37 948)	57 411	–	3 162	26 049	28 705	(2 656)	-9%	57 411
Other revenue		21 924	12 987	–	758	4 286	6 493	(2 207)	-34%	12 987
Transfers and Subsidies - Operational		11 476	145 505	–	392	86 915	72 752	14 163	19%	145 505
Transfers and Subsidies - Capital		(39 900)	59 538	–	6 800	31 788	29 769	2 019	7%	59 538
Interest		18 633	13 947	–	321	1 449	6 974	(5 525)	-79%	13 947
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(10 704)	(233 173)	–	(24 827)	(95 765)	(101 556)	(5 791)	6%	(233 173)
Finance charges		–	(3 000)	–	–	–	(1 500)	(1 500)	100%	(3 000)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(53 778)	75 884	–	(12 305)	61 213	52 973	(8 241)	-16%	75 884
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		733 134	(71 240)	–	(7 989)	(39 613)	(35 620)	3 993	-11%	(71 240)
NET CASH FROM/(USED) INVESTING ACTIVITIES		733 134	(71 240)	–	(7 989)	(39 613)	(35 620)	3 993	-11%	(71 240)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		679 356	4 644	–	(20 294)	21 600	17 353			–
Cash/cash equivalents at beginning:		1 559	(15 702)	–	–	22 351	(15 702)			22 351
Cash/cash equivalents at month/year end:		680 915	(11 058)	–	–	43 952	1 650			–

DEBTORS ANALYSIS

The debtors report below provides the total amount owed to the municipality by income source and by debtor type. Total outstanding debt for the month ending 31 December 2024 is R218 million. A R37 million increase from the previous month. The decrease is due to the correction of an error in commercial electricity billing. The biggest contributor being the households that owe R148 million which is an increase of R2 million from previous month (household debt is increasing by approximately R2 million per month which is concerning); followed by government departments owing R40 million which is an increase of R3 million from previous month and business that owe R28 million, which is a

decrease of R41 million. This is largely due to the correction of an error in commercial electricity billing. Household and Government debt is growing significantly on a monthly basis, which is of concern. Household and Government debt have increased by R4 million and R5 million respectively during quarter 2 to date.

EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2024/25											
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	(22)	2 394	1 741	1 790	2 070	1 718	4 693	3 853	18 238	14 125	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	(136)	1 150	6 786	256	966	879	4 998	50 280	65 178	57 378	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	(23)	927	850	860	854	876	4 897	49 766	59 007	57 253	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	6	6	6	6	6	34	456	520	508	-	-
Interest on Arrear Debtor Accounts	1810	-	1 439	1 384	1 374	1 377	1 327	7 666	41 383	55 940	53 117	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(55)	399	14	409	427	414	2 226	11 491	15 324	14 966	-	-
Total By Income Source	2000	(236)	6 316	10 781	4 695	5 700	5 220	24 504	157 227	214 208	197 347	-	-
2023/24 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(5)	2 255	7 719	1 559	2 408	2 089	7 372	16 638	40 035	30 065	-	-
Commercial	2300	(52)	1 322	303	528	618	530	2 655	19 605	25 509	23 936	-	-
Households	2400	(177)	2 697	2 708	2 559	2 625	2 553	14 214	119 969	147 148	141 920	-	-
Other	2500	(1)	43	50	49	49	49	262	1 016	1 517	1 426	-	-
Total By Customer Group	2600	(236)	6 316	10 781	4 695	5 700	5 220	24 504	157 227	214 208	197 347	-	-

5. CREDITORS ANALYSIS

Section 65 of the Municipal Finance management Act requires that municipalities should pay its creditors within 30 days. The municipality strives to pay its creditors within 30 days, however delays are experienced due to cash flow challenges the municipality is faced with. Below is the list of trade creditors as at 31 December 2024.

EC124 Amahlathi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2024/25								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	502	481	475	416	601	3 088	111 357	116 919
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	819	-	9	-	11	3 960	12 983	17 782
Auditor General	0800	-	1 184	301	-	-	-	-	-	1 486
Other	0900	5 674	24	(831)	72	-	-	601	20 341	25 881
Total By Customer Type	1000	5 674	2 529	(49)	556	416	611	7 650	144 681	162 068

6. INVESTMENT PORTFOLIO ANALYSIS

The table below details the Call Deposits made by the Municipality for the period ending 31 December 2024.

Institution	Opening Balance	New Investment	Withdrawals	INTEREST						Total
				July	August	Sept	Oct	Nov	Dec	
FNB 62063171351	14 562 569,07	13 979 000,00	(28 812 582,22)	80 298,33	63 751,49	72 076,82	46 022,59	24 335,14	7 674,26	23 145,48
FNB 62135193770	1 620,85	34 674 177,42	(34 599 351,97)	19 715,91	64 135,80	55 313,70	22 982,72	62 052,67	42 146,15	342 793,25
FNB 61381739619	895 602,61	1 593 115,00	(2 438 000,00)	5 058,32	5 086,88	2 941,62	3 496,22	2 841,42	2 664,92	72 806,99
FNB 74568809858	5 174 751,78		(438 556,23)	37 003,02	38 509,87	36 291,56	31 478,79	32 739,30	31 895,77	4 944 113,86
FNB 62774381942	299 994,50			1 847,23	1 858,60	1 786,84	1 816,18	1 749,11	1 771,75	310 824,21
FNB 62774381009	2 031,22			12,50	12,59	12,10	12,29	11,85	11,99	2 104,54
FNB 62774381413	19360,52	1 160 000,00	(1 143 030,42)	834,28	3 615,85	1 617,36	194,21	296,01	245,87	43 133,68
FNB 62774382445	2392,88			14,73	14,82	14,26	14,48	13,96	14,13	2 479,26
FNB 62774383592	391165,68	114 823 000,00	(115 292 055,68)	162 683,27	6 032,26	6 388,23	10 273,44	6 791,68	74 474,61	188 753,49
FNB 62774382966	974256,48		(963 656,49)	5 619,69	5 641,66	5 423,82	5 512,91	3 214,35	5 309,28	41 321,70
FNB 63127292538		1 201 000,00	(1 200 000,00)					0,73	3 112,59	4 113,32
FNB 63127290730		2 075 000,00	(2 000 000,00)					0,73	4 282,10	79 282,83
FNB 63127288686		1 000,00						0,73	5,74	1 006,47
FNB 76207901903		2 000 000,00							5 115,61	2 005 115,61
FNB 76207925432		4 300 000,00							8 217,12	4 308 217,12
FNB 76207902282		2 000 000,00							5 128,76	2 005 128,76
FNB 76207902167		1 200 000,00							3 077,26	1 203 077,26
STD 548578273-001		9 000 000,00							41 794,52	9 041 794,52
STD 548578273-002		9 000 000,00							42 041,10	9 042 041,10
STD 548578273-003		9 000 000,00							42 164,38	9 042 164,38
NEDBANK '20738		9 000 000,00	(9 120 834,25)	30 757,81	68 106,58	21 969,86				-
ABSA 2081691844		9 000 000,00	(9 188 839,73)	-	102 195,61	71 092,60	15 551,52			-0,00
ABSA 2081691836		9 000 000,00	(9 054 236,71)	-	54 236,71					-0,00
ABSA 2081691828		9 000 000,00	(9 267 100,27)	-	104 123,83	72 433,97	72 500,27	18 042,20		0,00
	22 323 745,59	242 006 292,42	(223 518 243,97)	343 845,09	517 322,55	347 362,74	209 855,62	152 089,88	321 147,91	42 703 417,83

EC124 Amahlathi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FNB 62063171351			Call Deposit	Yes	Fixed		Nil		N/A	14 563	294	(28 813)	13 979	23
FNB 62135193770			Call Deposit	Yes	Fixed		Nil		N/A	2	266	(34 599)	34 674	343
FNB 61381739619			Call Deposit	Yes	Fixed		Nil		N/A	896	22	(2 438)	1 593	73
FNB 74568809858			Fixed Deposit	Yes	Fixed	7.9	Nil		26/09/2025	5 175	208	(439)		4 944
FNB 62774381942			Call Deposit	Yes	Fixed		Nil		N/A	300	11			311
FNB 62774381009			Call Deposit	Yes	Fixed		Nil		N/A	2	0			2
FNB 62774381413			Call Deposit	Yes	Fixed		Nil		N/A	19	7	(1 143)	1 160	43
FNB 62774382445			Call Deposit	Yes	Fixed		Nil		N/A	2	0			2
FNB 62774383592			Call Deposit	Yes	Fixed		Nil		N/A	391	267	(115 292)	114 823	189
FNB 62774382966			Call Deposit	Yes	Fixed		Nil		N/A	974	31	(964)		41
FNB 63127292538			Call Deposit	Yes	Fixed		Nil		N/A		3	(1 200)	1 201	4
FNB 63127290730			Call Deposit	Yes	Fixed		Nil		N/A		4	(2 000)	2 075	79
FNB 63127288686			Call Deposit	Yes	Fixed		Nil		N/A		0		1	1
FNB 76207901903			Call Deposit	Yes	Fixed		Nil		N/A		5		2 000	2 005
FNB 76207925432			Call Deposit	Yes	Fixed		Nil		N/A		8		4 300	4 308
FNB 76207902282			Call Deposit	Yes	Fixed		Nil		N/A		5		2 000	2 005
FNB 76207902167			Call Deposit	Yes	Fixed		Nil		N/A		3		1 200	1 203
STD 548578273-001			Call Deposit	Yes	Fixed		Nil		N/A		42		9 000	9 042
STD 548578273-002			Call Deposit	Yes	Fixed		Nil		N/A		42		9 000	9 042
STD 548578273-003			Call Deposit	Yes	Fixed		Nil		N/A		42		9 000	9 042
NEDBANK '20738			Call Deposit	Yes	Fixed		Nil		N/A		121	(9 121)	9 000	-
ABSA 2081691844			Call Deposit	Yes	Fixed		Nil		N/A		189	(9 189)	9 000	-
ABSA 2081691836			Call Deposit	Yes	Fixed		Nil		N/A		54	(9 054)	9 000	-
ABSA 2081691828			Call Deposit	Yes	Fixed		Nil		N/A		267	(9 267)	9 000	-
Municipality sub-total										22 324		(223 518)	242 006	42 703

7. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

The conditional and unconditional grants allocation gazette for 2024/25 reflected an amount of R205m. An amount of R146 million has been received for period ending 31 December 2024. Transfers and grants receipts per allocation or grant is provided in the table below.

EC124 Amahlathi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		497 622	143 651	–	52 412	116 398	71 826	(693)	-1,0%	143 651
EPWP Incentive	–	5 595	1 211	–	545	848	606	242	40,0%	1 211
Finance Management	–	8 735	2 200	–	–	2 200	1 100	–	–	2 200
Local Government Equitable Share	–	–	138 370	–	46 123	103 777	69 185	–	–	138 370
Metro Informal Settlements Partnership Grant	–	477 996	–	–	–	–	–	–	–	–
Municipal Drought Relief	–	5 296	–	–	5 744	9 573	–	–	–	–
Municipal Infrastructure Grant	–	–	1 870	–	–	–	935	(935)	-100,0%	1 870
								–	–	
								–	–	
								–	–	
Other transfers and grants [insert description]								–	–	
Provincial Government:		–	–	–	–	–	–	–	–	–
	4							–	–	
								–	–	
Other transfers and grants [insert description]								–	–	
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	
								–	–	
Other grant providers:		1 153	–	–	–	286	–	286	#DIV/0!	–
Unspecified_Specify (Replace with the name of the Entity)_Receipts	–	1 153	–	–	–	286	–	286	#DIV/0!	–
								–	–	
Total Operating Transfers and Grants	5	498 775	143 651	–	52 412	116 684	71 826	(406)	-0,6%	143 651
Capital Transfers and Grants										
National Government:		132 217	59 538	–	6 800	31 788	7 624	13 462	176,6%	59 538
Municipal Infrastructure Grant (MIG)	–	132 217	35 533	–	6 800	31 228	17 766	13 462	75,8%	35 533
Energy Efficiency and Demand Side Management Grant	–	–	3 000	–	–	–	(1 500)	–	–	3 000
Integrated National Electrification Programme Grant	–	–	1 860	–	–	560	930	–	–	1 860
Municipal Disaster Relief Grant	–	–	19 145	–	–	–	(9 573)	–	–	19 145
								–	–	
								–	–	
Other capital transfers [insert description]								–	–	
Provincial Government:		(15 225)	1 854	–	–	(1 792)	(927)	(865)	93,3%	1 854
Eastern Cape_Capacity Building and Other_Specify (Add grant description)	–	(15 225)	1 854	–	–	(1 792)	(927)	(865)	93,3%	1 854
								–	–	
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	
								–	–	
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	
								–	–	
Total Capital Transfers and Grants	5	116 992	61 392	–	6 800	29 996	6 697	12 596	188,1%	61 392
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	615 767	205 043	–	59 212	146 680	78 523	12 190	15,5%	205 043

The table below reflects expenditure for the period ending 31 December 2024. The operating grants, excluding equitable share are at R7.4 million and capital grants at R 30.1 million. It is worth noting that the funds for EPWP Grant are already depleted and the municipality is financing the expenditure from internally generated funds.

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		492 045	5 281	-	-	11 833	2 641	9 193	348,1%	5 281
Expanded Public Works Programme Integrated Grant	-	4 718	1 211	-	-	1 211	606	605	100,0%	1 211
Local Government Financial Management Grant	-	8 735	2 200	-	-	268	1 100	(832)	-75,6%	2 200
Metro Informal Settlements Partnership Grant	-	477 996	-	-	-	-	-	-		-
Municipal Disaster Relief Grant	-	596	-	-	-	10 354	-	10 354	#DIV/0!	-
Municipal Infrastructure Grant	-	-	1 870	-	-	-	935	(935)	-100,0%	1 870
Municipal Infrastructure Grant								-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		1 153	-	-	-	1 003	-	1 003	#DIV/0!	-
Unspecified-Specify (Replace with the name of the Entity)-Transfer	-	1 153	-	-	-	1 003	-	1 003	#DIV/0!	-
Unspecified_Specify (Replace with the name of the Entity)_Receipts								-		
Total operating expenditure of Transfers and Grants:		493 198	5 281	-	-	12 836	2 641	10 196	386,1%	5 281
Capital expenditure of Transfers and Grants										
National Government:		122 390	59 538	-	-	8 043	29 769	(21 726)	-73,0%	59 538
Energy Efficiency and Demand Side Management Grant	-	-	3 000	-	-	84	1 500	(1 416)	-94,4%	3 000
Integrated National Electrification Programme Grant	-	-	1 860	-	-	593	930	(337)	-36,3%	1 860
Municipal Disaster Relief Grant	-	-	19 145	-	-	-	9 573	(9 573)	-100,0%	19 145
Municipal Infrastructure Grant	-	122 390	35 533	-	-	7 366	17 766	(10 400)	-58,5%	35 533
								-		
Other capital transfers [insert description]								-		
Provincial Government:		4 800	-	-	-	1 792	-	1 792	#DIV/0!	-
Eastern Cape	-	4 800	-	-	-	1 792	-	1 792	#DIV/0!	-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
								-		
Total capital expenditure of Transfers and Grants		127 190	59 538	-	-	9 835	29 769	(19 934)	-67,0%	59 538
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		620 388	64 819	-	-	22 671	32 410	(9 738)	-30,0%	64 819

8. COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

The expenditure on employee related costs and councillors allowance is detailed in the table below.

EC124 Amahlathi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9 141	10 377	-	-	3 899	5 189	(1 289)	-25%	10 377
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		436	593	-	-	206	296	(90)	-30%	593
Cellphone Allowance		1 481	1 702	-	-	585	851	(266)	-31%	1 702
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 538	2 358	-	-	1 116	1 179	(63)	-5%	2 358
Sub Total - Councillors		13 595	15 031	-	-	5 806	7 515	(1 709)	-23%	15 031
% increase	4		10,6%							10,6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 214	6 423	-	-	1 979	3 212	(1 232)	-38%	6 423
Pension and UIF Contributions		10	12	-	-	4	6	(2)	-40%	12
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		369	585	-	-	95	292	(197)	-67%	585
Cellphone Allowance		78	94	-	-	28	47	(19)	-40%	94
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	-	-	0	0	(0)	-39%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		38	82	-	-	-	41	(41)	-100%	82
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 710	7 197	-	-	2 106	3 598	(1 492)	-41%	7 197
% increase	4		26,0%							26,0%
Other Municipal Staff										
Basic Salaries and Wages		87 036	87 827	-	626	39 605	43 913	(4 309)	-10%	87 827
Pension and UIF Contributions		16 052	16 798	-	-	6 357	8 399	(2 042)	-24%	16 798
Medical Aid Contributions		4 898	6 449	-	-	2 437	3 224	(787)	-24%	6 449
Overtime		1 622	1 386	-	-	577	693	(116)	-17%	1 386
Performance Bonus		6 854	6 815	-	-	3 231	3 408	(177)	-5%	6 815
Motor Vehicle Allowance		5 495	5 484	-	-	2 056	2 742	(686)	-25%	5 484
Cellphone Allowance		1 859	850	-	-	363	425	(62)	-15%	850
Housing Allowances		2 522	2 631	-	-	1 035	1 315	(280)	-21%	2 631
Other benefits and allowances		911	1 042	-	-	297	521	(224)	-43%	1 042
Payments in lieu of leave		1 051	-	-	-	87	-	87	#DIV/0!	-
Long service awards		(698)	966	-	-	-	483	(483)	-100%	966
Post-retirement benefit obligations	2	2 709	2 204	-	-	-	1 102	(1 102)	-100%	2 204
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		186	1 844	-	-	267	922	(655)	-71%	1 844
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		130 496	134 297	-	626	56 312	67 148	(10 836)	-16%	134 297
% increase	4		2,9%							2,9%
Total Parent Municipality		149 801	156 524	-	626	64 224	78 262	(14 038)	-18%	156 524

9. SUMMARY OF STATEMENT OF FINANCIAL POSITION

The financial position reflects the position of Amahlathi Local Municipality having considered the assets; liabilities and equity as at 31 December 2024.

EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		22 827	21 092	–	43 952	21 092
Trade and other receivables from exchange transactions		27 527	20 492	–	47 459	20 492
Receivables from non-exchange transactions		29 522	17 192	–	35 642	17 192
Current portion of non-current receivables		–	–	–	–	–
Inventory		3	74	–	74	74
VAT		47 272	24 882	–	51 443	24 882
Other current assets		1 160	–	–	1 277	–
Total current assets		128 311	83 733	–	179 848	83 733
Non current assets						
Investments		–	–	–	–	–
Investment property		11 679	11 687	–	11 679	11 687
Property, plant and equipment		421 113	434 745	–	460 726	434 745
Biological assets		4 470	6 214	–	4 470	6 214
Living and non-living resources		–	–	–	–	–
Heritage assets		610	610	–	610	610
Intangible assets		20	30	–	20	30
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		437 893	453 285	–	477 506	453 285
TOTAL ASSETS		566 203	537 018	–	657 353	537 018
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		222	228	–	222	228
Consumer deposits		1 737	1 844	–	1 737	1 844
Trade and other payables from exchange transactions		183 801	207 406	–	164 038	207 406
Trade and other payables from non-exchange transactions		15 783	15 500	–	45 113	15 500
Provision		17 036	18 394	–	17 036	18 394
VAT		46 694	10 118	–	53 163	10 118
Other current liabilities		–	–	–	–	–
Total current liabilities		265 272	253 489	–	281 309	253 489
Non current liabilities						
Financial liabilities		–	222	–	–	222
Provision		16 068	7 862	–	16 068	7 862
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		29 540	31 728	–	29 540	31 728
Total non current liabilities		45 608	39 813	–	45 608	39 813
TOTAL LIABILITIES		310 880	293 302	–	326 917	293 302
NET ASSETS	2	255 324	243 716	–	330 437	243 716
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		255 320	243 716	–	330 437	243 716
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	255 320	243 716	–	330 437	243 716

9.1. CURRENT ASSETS

- **Cash** – The cash balance of R1.2 million comprises of the cashbook balance for the main primary bank account as at 31 December 2024.
- **Call Investments Deposits** – Call investment deposits comprises of investments of call deposits made with various financial institutions when there is surplus cash available in the main account. These monies are invested in line with municipal investment policy. The table below details the Cash Balance in the Main Account and Call Deposits made by the Municipality for the period ending 31 December 2024.

Date	Type	Account Description	Balance
31 December 2024	Cash	Main Account	2 261 044.76
31 December 2024	Call Investment Deposit	Disaster Account	23 145.48
31 December 2024	Call Investment Deposit	MIG Account	342 793.25
31 December 2024	Call Investment Deposit	Insurance Account	72 806.99
31 December 2024	Call Investment Deposit	FNB Guarantee	4 944 113.86
31 December 2024	Call Investment Deposit	Retention Account	310 824.21
31 December 2024	Call Investment Deposit	FMG Account	2 104.54
31 December 2024	Call Investment Deposit	INEP Account	43 133.68
31 December 2024	Call Investment Deposit	LGSETA Account	2 479.26
31 December 2024	Call Investment Deposit	Savings and sundry Accounts	9 647 263.07
31 December 2024	Call Investment Deposit	Waste Management	188 753.49
31 December 2024	Call Investment Deposit	Payroll Accounts	27 126 000.00
			42 703 417.83

- The total cash available as at 31 December 2024 indicates a total balance of **R42 703 417.83**.
- **Inventory** – The value of inventory as at 31 December 2024 amounts to R74 thousand.
- **Investment Property; Biological Assets and Intangible Assets** – The depreciation will be calculated during the Second quarter FAR compilation.

9.2. NON-CURRENT ASSETS

- The non-current assets amount to R469 million with the biggest contributor being the Property; Plant and Equipment of the municipality amounting to R452 million.

9.3. CURRENT LIABILITIES

- Section 65 of the Municipal Finance management Act requires that municipalities should pay its creditors within 30 days. The municipality strives to pay its creditors within 30 days, however delays are experienced due to cash flow challenges the

municipality is faced with. Below is the list of trade creditors as at 31 December 2024.

- **Trade and other Payables** – The trade and other payables are currently at R162 million which indicates a R12 million decrease when compared to November 2024.
- **Unspent Grant** – The unspent grants amounts to R17 million as at 31 December 2024.

10. REPAIRS AND MAINTENANCE

The table below reflects expenditure on repairs by asse class. The expenditure on repairs and maintenance is at 31% of annual budget.

EC124 Amahlathi - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December										
Description	Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2024/25 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 454	1 750	–	27	580	875	295	33,7%	1 750
Roads Infrastructure		705	900	–	26	192	450	258	57,3%	900
Roads		705	900	–	26	192	450	258	57,3%	900
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		7	50	–	–	2	25	23	93,9%	50
Drainage Collection		7	50	–	–	2	25	23	93,9%	50
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		742	800	–	2	387	400	13	3,3%	800
Power Plants		46	100	–	–	–	50	50	100,0%	100
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		696	700	–	2	387	350	(37)	-10,5%	700
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	150	–	–	–	75	75	100,0%	150
Community Facilities		–	150	–	–	–	75	75	100,0%	150
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	150	–	–	–	75	75	100,0%	150
Other assets		308	515	–	63	186	258	71	27,7%	515
Operational Buildings		308	515	–	63	186	258	71	27,7%	515
Municipal Offices		307	500	–	63	186	250	64	25,6%	500
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		0	15	–	–	–	8	8	100,0%	15
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	50	–	–	–	25	25	100,0%	50
Machinery and Equipment		–	50	–	–	–	25	25	100,0%	50
Transport Assets		1 955	1 300	–	46	532	650	118	18,2%	1 300
Transport Assets		1 955	1 300	–	46	532	650	118	18,2%	1 300
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	3 717	3 765	–	136	1 298	1 883	585	31,1%	3 765

11. RESOLUTIONS AND RECOMMENDATIONS

It is recommended that that the Mayoral Committee / Mayoral Committee meeting take note of -

1. The monthly section 71 report for period ending 31 December 2024 **BE NOTED AND ACCEPTED.**
2. The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment set-out.
3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of debt relief conditions.
4. The balance of the Eskom bulk account and the municipality's reconciliation of these accounts.

12. CONCLUSION


The municipality continues to take part in the Eskom Debt relief program. The compliance status is 95%. This is largely due to the municipality adopting an unfunded budget.

The collection rate has remained unchanged at 55% during December 2024, with an average of 75% during the second quarter. Since the start of the programme, the municipality has not missed one payment to Eskom.

13. ANNEXURE A: SCHEDULE A

14. ANNEXURE B: Compliance with the Conditions for Municipal Debt Relief

15.1 MFMA Circular 124 – Municipal Compliance Self-Assessment

Annexure A2 - Monthly			
 <div> National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003 </div>			
Eastern Cape Provincial Treasury			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period		Dec'24	
National Financial Year		2024/25	
Demarcation Code of Municipality being assessed		EC124	
District		Amathole	
Demarcation Description		Amahlathi	
I, Carol Coetzee , hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:			
Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list			
6.3 - Maintaining the Eskom and bulk water current account - Condition 6.12 (current account for the purpose of this exercise means the account for a single month's consumption)			
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Does not have function The water service is a competency of the Amathole DM
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://uploadportal.treasury.gov.za/ ?	Does not have function The water service is a competency of the Amathole DM
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Does not have function
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes
5	6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://uploadportal.treasury.gov.za/ ?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
6.4 Compliance with a funded MTREF - (choose from drop down list the MTREF assessed)			
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No The municipality has adopted an unfunded budget for 2024/25 FY.
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget - and Reporting Regulations?	No The municipality has budgeted for an operational deficit due to non-cash items such as depreciation and debt impairment. Unless the municipality is in a position to increase its revenue drastically, this will not change in the short term.
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes The municipality is implementing a voluntary FRP AND Revenue Enhancement strategy. The municipality has established a Revenue Enhancement Committee. It will be looking into all revenue management challenges
<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 realignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>			
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes R26 million for 2024/25 (A4) and R446 million (A9 - asset register). The amounts are reasonable.
<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>			
11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
<i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>			
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	Yes
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher winter Eskom tariffs, lower January collection rates, etc.)?	Yes The projections as per the 2024/25 budget (SA30) indicate that the municipality has applied a straight line method in its cashflow projections. This matter will be reviewed during the 2024/25 Adjustments Budget.
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 Cost reflective electricity tariff was not approved by NERSA. A lower tariff was approved

Notes/Comments

	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? <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>	Does not have function	
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 NT format.</i>	Yes	
	6.6	Supporting evidence - The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	
		<i>Note - although the norm and standard for collection (MFMA Circular No. 72) 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>		
	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	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	6.7.1 = Yes	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes	The municipality has previously approached ESKOM to assist with revenue collection in ESKOM supplied areas. ESKOM has refused to assist the municipality. The matter has been escalated to COGTA for further intervention.
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	The municipality has appointed a service provider to supply with SMART meters for electricity. The installation is done by the municipality. The challenge with the supplied meters was done they stop working when there loadshedding. The issue has been resolved. Today 250 meter have been bought, 175 meter have been installed. The municipality is still procuring for more.
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?	No	While there is NO council approved policy in place, every meter that is being installed is a SMART prepaid meter.
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	The municipality does upload the quarterly valuation recon, however, it is NOT in a prescribed reporting framework.
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes	The municipality does correct the identified variances identified but need to utilize the correct format for the recon.
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za ?	Yes	The municipality does upload the quarterly valuation recon, however, it is NOT in a prescribed reporting framework.
	6.9	Monitor and report on implementation –		
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	The Revenue Enhancement committee (chaired by MM) reports quarterly to standing committees, EXCO and ultimately to Council.
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes	
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	voluntary FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury, Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?	No FRP	voluntary FRP
		<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>		
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No	

		Note: If the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.		
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124, condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long-term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 45. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.		
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account - (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes	The money is not ring-fenced in a sub-account. The municipality however ensures that FBE accounts are paid on time
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes	The money is not ring-fenced in a sub-account. The municipality however ensures that Eskom account is paid within 30 days
		Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).		
39		Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes	Bank statement of the primary account is submitted to Treasury. The municipality does not have a sub account. The municipality however does transfer committed funds to a call account from which commitments such as Eskom is paid within 30 days
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury; Office of the Accountant General issued for Municipal Debt Relief to date? Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with MSCOA.	Yes	
41	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	No	
		Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.		

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

National Treasury		Province	
Municipal Debt Relief		EC	
MFMA Circular No. 124		Code	District
Municipal Finance Management Act No. 56 of 2003		EC124	Amathole
		Code Description	Amahlathi

Monthly Performance Report																																													
Municipal Details			Part A				Part B				Part C				Part D				Part E				Part F																						
			Eskom And Bulk water current account				Compliance with a funded MTREF				FRP/BFP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges				Maximization of Revenue Base				Oversight				Compliance Status														
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status
1.July	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	No	Yes	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	95%	Non Compliance	
2.August	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	No	Yes	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	95%	Non Compliance
3.September	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	No	Yes	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	95%	Non Compliance
4.October	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	No	Yes	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	95%	Non Compliance
5.November	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	No	Yes	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	95%	Non Compliance
6.December	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	No	Yes	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	95%	Non Compliance
7.January	Amahlathi	EC124							No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	No	Yes	N/A	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0%	Non Compliance
8.February	Amahlathi	EC124																																								0%	Non Compliance		
9.March	Amahlathi	EC124																																								0%	Non Compliance		
10.April	Amahlathi	EC124																																								0%	Non Compliance		
11.May	Amahlathi	EC124																																								0%	Non Compliance		
12.June	Amahlathi	EC124																																								0%	Non Compliance		

Comments/Motivation	
HOD Name:	
Signature of HOD:	
Date:	

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

15. MUNICIPAL MANAGERS QUALITY CERTIFICATE

QUALITY CERTIFICATE

I, **Dr. Z Shasha** Municipal Manager of **Amahlathi Municipality**, hereby certify that -

(Mark as appropriate)

☒ the monthly budget statement

☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality

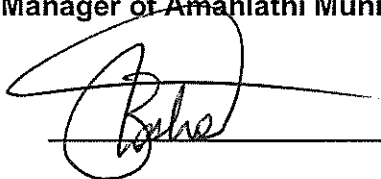
☐ Mid-year budget and performance assessment

for the month of December 2024 of 2024/2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Dr. Z Shasha

Municipal Manager of Amahlathi Municipality (EC124)

Signature



Date: 07 January 2025