



# **MUNICIPAL FINANCE MANAGEMENT ACT**

**56 OF 2003**

## **SECTION 71 FINANCIAL REPORT**

**31 AUGUST 2025**

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**PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 AUGUST 2025**  
**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 for the submission of a monthly budget statement reporting on the monthly actual performance of the municipality's budget to the Executive Mayor or, National and Provincial Treasury containing prescribed financial performance particulars for the relevant reporting month and for the financial year up to the end of the relevant month, as legislated.

**2. BACKGROUND**

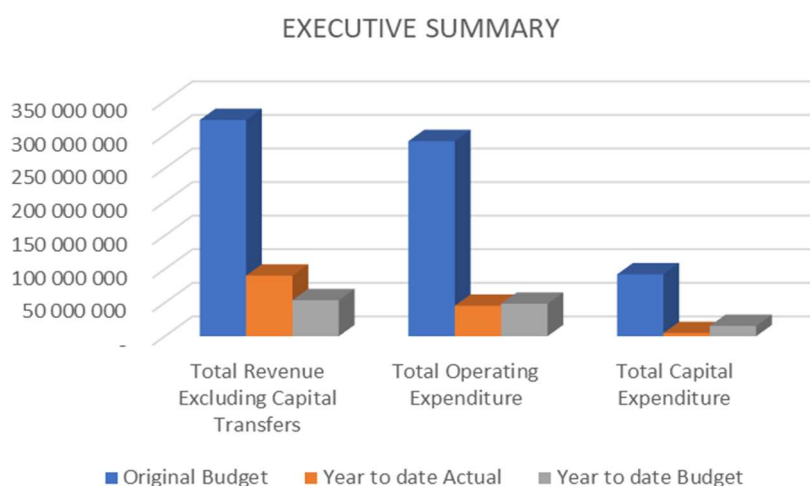
In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality.

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. SUMMARY

The purpose of this report is to present the financial performance of the municipality for the second month of the 2025/26 financial year, as required by Section 71 of the MFMA. This summary highlights the overall budget implementation status and key areas of concern as the municipality closes off the financial year.

	Original Budget	Year to date Actual	Year to date Budget
Total Revenue Excluding Capital Transfers	322 007 776	90 204 158	53 667 966
Total Operating Expenditure	290 496 561	45 353 623	48 416 106
Total Capital Expenditure	92 121 850	4 665 726	15 353 640



**Revenue Performance:** Operating revenue (excluding capital transfers) amounted to R90.2 Million which constitutes 168% of the year-to-date budget and 28% of the Approved Budget.

The main sources of this revenue are as follows: Transfers and Subsidies contribute 69%, Service Charges 19%, Property Rates each contribute 11%, and all other sources collectively make up the remaining 1%.

**Expenditure Performance:** Operating expenditure amounted to R45.3 million, which constitutes 94% of the year-to-date budget and 16% of the Approved Budget.

The main cost drivers behind this expenditure are Employee-Related Costs at 46%, Bulk Purchases at 36%, Operational Costs at 6%, Contracted Services at 6%, and Remuneration of Councilors at 5%. For the first two months of the financial year, the municipality did not recognize

any depreciation or debt impairment, as these will be accounted for at year-end. Additionally, there is low expenditure reported on Inventory Consumed and no expenditure on Other Losses as at yet in the financial year.

**Capital Expenditure:** The Capital expenditure amounted to R4.6 million, which constitutes 30% of the year-to-date budget and 5% of the Approved Budget.

**Cash Flow and Liquidity:** The cash flow statement for the second month indicates that the municipality's operations generated a net cash inflow of R95.5 million by month-end, resulting in a closing cash balance of R97.1 million comprising call deposits and the primary municipal bank account.

**Debtors and Creditors:** The municipality is currently owed R240.1 million in outstanding debt, reflecting an increase of R12.6 million from the previous month's closing balance. Households remain the largest category of debtors, accounting for R162.2 million (R1.4 million increase), followed by government debtors at R47.5 million (R6.8 million increase) and commercial accounts at R28.5 million (R4.3 million increase). The continued growth in consumer debt remains a concern and highlights the need for strengthened credit control measures.

The municipality's outstanding creditors' balance is R145.1 million which reflects R16.6 million increase from the previous month, with Eskom accounting for the largest share at R98.2 million (R8.1 million increase). In the second month of the financial year, the municipality paid R8.2 million to Eskom as part of its commitment under the Debt Relief agreement.

**Grant Funding:** Total receipts from transfers and grants amounted to R74.8 million to date in the second month of the financial year. Grant expenditure excluding equitable share as in this period amounts to R4.3 million; however, this is expected to increase in the coming months in line with planned targets, particularly for capital allocations.

**Debt Relief Compliance:** The municipality remains compliant with the Eskom Debt Relief Programme, consistently settling its monthly Eskom accounts in full. Implementation of the Smart Meter Grant is currently underway. Debt relief compliance for the year has averaged 90%, with required documentation submitted regularly to both the Provincial and National Treasury.

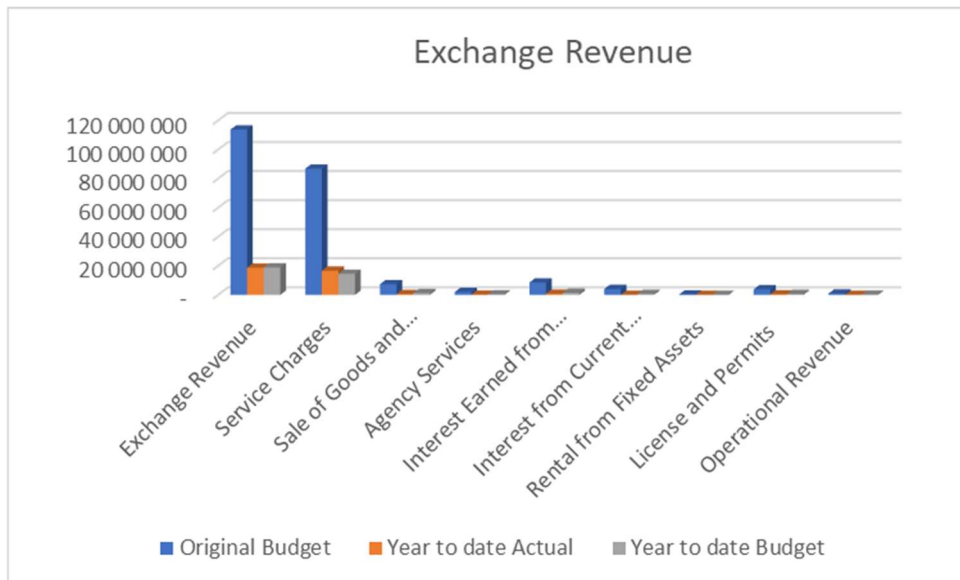
**Overall Surplus:** The municipality reported a surplus of R47.1 million after capital transfers. This is largely influenced by timing differences in expenditure recognition and outstanding month-end journals. Although financial performance reflects an overall surplus and underspending trends, structural challenges persist. These include rising debtor levels, incomplete recognition of non-cash items, and sustainability risks associated with the municipality’s unfunded 2025/26 budget. A Financial Recovery Plan is in place, and its strict and consistent implementation is essential to address these concerns.

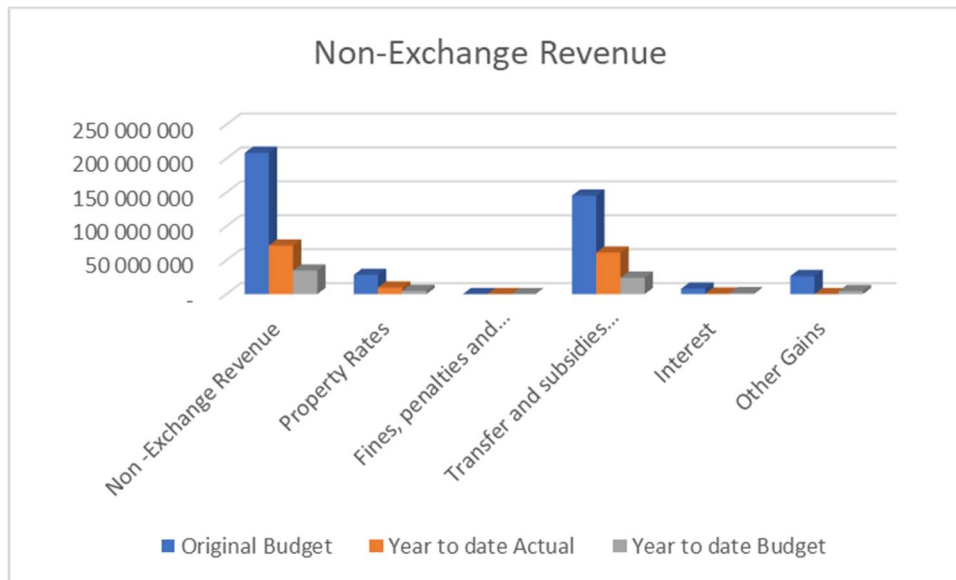
## 4. BUDGET PERFORMANCE OVERVIEW

### 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) - M02 August										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		63 735	72 499	–	1 454	14 636	12 083	2 553	21%	72 499
Service charges - Water		–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–
Service charges - Waste management		11 734	14 362	–	0	2 014	2 394	(379)	-16%	14 362
Sale of Goods and Rendering of Services		6 435	7 363	–	136	625	1 227	(602)	-49%	7 363
Agency services		800	2 005	–	79	182	334	(152)	-46%	2 005
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		9 497	8 566	–	–	829	1 428	(599)	-42%	8 566
Interest from Current and Non Current Assets		3 421	4 063	–	–	–	677	–	–	4 063
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		286	209	–	9	33	35	(2)	-7%	209
Licence and permits		1 549	3 845	–	166	367	641	(274)	-43%	3 845
Special rating levies		–	–	–	–	–	–	–	–	–
Operational Revenue		6 369	891	–	0	0	148	(148)	-100%	891
Non-Exchange Revenue		–	–	–	–	–	–	–	–	–
Property rates		22 003	28 350	–	1	9 687	4 725	4 962	105%	28 350
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		26	18	–	4	7	3	4	–	18
Licence and permits		–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational		146 325	145 328	–	3 845	61 145	24 221	36 923	–	145 328
Interest		7 763	7 955	–	–	681	1 326	(645)	–	7 955
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–
Other Gains		26 686	26 554	–	–	–	4 426	(4 426)	–	26 554
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		306 628	322 008	–	5 694	90 204	53 668	36 536	68%	322 008





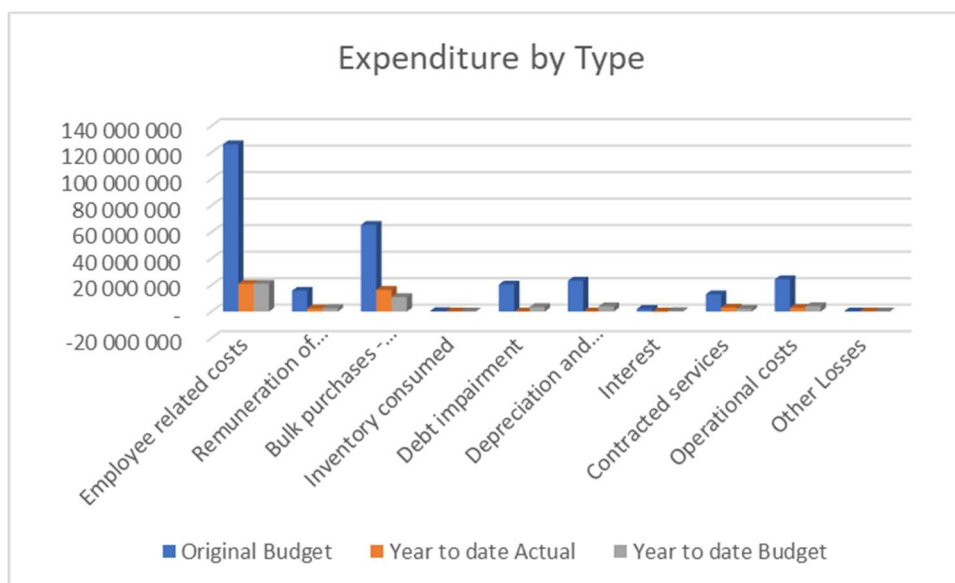
### **Revenue Variance Explanations against Planned Budget**

- Electricity reflects a favorable variance of 21%.
- Waste management reflects a unfavourable variance of 16%. This variance is attributed to the opening of new businesses within the municipality.
- Sale of Goods and Rendering of Services reflects an unfavourable variance of 49%.
- Agency Services and Licenses & Permits show unfavorable variances of 46% and 43%, respectively. These variances are primarily due to a decline in traffic-related revenue. The municipality is actively monitoring this trend and has implemented corrective measures, which are expected to yield improvements in the coming month.
- Interest from receivables from exchange transactions reflects a unfavourable variance of 42%, This is attributed to the collection rate being less than projected.
- Rentals of facilities reflects an unfavourable variance of 7% due to low demand on public facilities.
- Operational revenue reflects an unfavourable variance of 100%.
- Property rates reflect favourable variance of 105% due to certain customers requesting to be billed annually at various months during the financial year.
- Transfers and subsidies – Operational reflect a favourable variance. This is as result of the first tranche of equitable share received. This variance will gradually decrease over the remaining period.



## 4.2 Operating Expenditure by Type

<b>Expenditure By Type</b>									
Employee related costs	127 073	126 195	-	10 560	20 993	21 033	(39)	0%	126 195
Remuneration of councillors	14 006	15 692	-	1 156	2 309	2 615	(307)	-12%	15 692
Bulk purchases - electricity	59 230	65 349	-	7 713	16 392	10 892	5 501		65 349
Inventory consumed	378	324	-	2	2	54	(52)		324
Debt impairment	-	20 385	-	-	-	3 398	(3 398)	-100%	20 385
Depreciation and amortisation	30 705	23 217	-	-	-	3 869	(3 869)	-100%	23 217
Interest	6 485	2 000	-	(237)	(210)	333	(543)	-163%	2 000
Contracted services	16 770	13 003	-	883	3 014	2 167	846	39%	13 003
Transfers and subsidies	-	-	-	-	-	-	-		-
Irrecoverable debts written off	27 359	-	-	-	-	-	-		-
Operational costs	23 209	24 330	-	460	2 854	4 055	(1 201)	-30%	24 330
Losses on Disposal of Assets	1 581	-	-	-	-	-	-		-
Other Losses	(10)	1	-	-	-	0	(0)		1
<b>Total Expenditure</b>	<b>306 786</b>	<b>290 497</b>	<b>-</b>	<b>20 536</b>	<b>45 354</b>	<b>48 416</b>	<b>(3 062)</b>	<b>-6%</b>	<b>290 497</b>



### **Expenditure Variance Explanations against Planned Budget**

- Inventory Consumed shows an unfavourable variance of 96%, primarily due to cash flow projections being evenly distributed over the 12 months, rather than reflecting the timing of significant anticipated expenditure.
- Interest on overdue accounts reflects an favourable variance of 163%, resulting from the municipality's commitment to making full monthly payments to Eskom as per the agreed arrangement.
- Depreciation and Debt Impairment each reflect a 100% favourable variance, as these items will be calculated and recognized at year-end.
- Contracted Services show a unfavourable variance of 39%, mainly due to the increased volume of maintenance work carried out on vehicles and equipment.
- Operational costs reflect an favourable variance of 30%.

The municipality tabled an unfunded budget for the 2025/26 Financial Year. A Financial Recovery Plan has been approved and is currently implemented

4.3 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 August 2025 amounts to R4.6 million which represents 30% of the year to date capital budget exclusive of vat and 5% 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) - M02 August**

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 1 - Executive & Council		-	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-		-
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Community Services		-	-	-	-	-	-	-		-
Vote 5 - Planning and Development		-	-	-	-	-	-	-		-
Vote 6 - Engineering Services		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-		-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury		(8 775)	-	-	-	-	-	-		-
Vote 3 - Corporate Services		3 507	2 800	-	244	244	467	(223)	-48%	2 800
Vote 4 - Community Services		5 600	-	-	-	82	-	82	#DIV/0!	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-		-
Vote 6 - Engineering Services		52 391	89 322	-	3 662	4 340	14 887	(10 547)	-71%	89 322
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	52 722	92 122	-	3 906	4 666	15 354	(10 688)	-70%	92 122
<b>Total Capital Expenditure</b>		52 722	92 122	-	3 906	4 666	15 354	(10 688)	-70%	92 122
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		(5 269)	2 800	-	244	244	467	(223)	-48%	2 800
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		(5 269)	2 800	-	244	244	467	(223)	-48%	2 800
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		1 932	-	-	-	-	-	-		-
Community and social services		1 932	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		47 406	66 382	-	3 662	4 340	11 064	(6 723)	-61%	66 382
Planning and development		6 074	37 737	-	3 662	4 340	6 289	(1 949)	-31%	37 737
Road transport		41 332	28 645	-	-	-	4 774	(4 774)	-100%	28 645
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		8 653	22 940	-	-	82	3 823	(3 742)	-98%	22 940
Energy sources		4 985	22 940	-	-	-	3 823	(3 823)	-100%	22 940
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		3 668	-	-	-	82	-	82	#DIV/0!	-
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	3	52 722	92 122	-	3 906	4 666	15 354	(10 688)	-70%	92 122
<b>Funded by:</b>										
National Government		52 903	74 322	-	3 662	4 340	12 387	(8 047)	-65%	74 322
Provincial Government		3 958	15 000	-	-	82	2 500	(2 418)	-97%	15 000
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		56 861	89 322	-	3 662	4 422	14 887	(10 465)	-70%	89 322
<b>Borrowing</b>	6	-	-	-	-	-	-	-		-
<b>Internally generated funds</b>		(4 139)	2 800	-	244	244	467	(223)	-48%	2 800
<b>Total Capital Funding</b>		52 722	92 122	-	3 906	4 666	15 354	(10 688)	-70%	92 122

## 4.4 Cash Flows

The cash available as at 31 August 2025 amounts to R97.1 million; this consists of call deposits and cash available in the main account excluding the cash on hand.

EC124 Amahlathi - Table C7 Monthly Budget Statement - Cash Flow - M02 August										
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>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		(14 862)	31 710	-	991	2 313	5 285	(2 972)	-56%	31 710
Service charges		(47 247)	76 998	-	1 468	7 277	12 833	(5 556)	-43%	76 998
Other revenue		15 465	14 330	-	395	1 213	2 388	(1 175)	-49%	14 330
Transfers and Subsidies - Operational		57 300	145 328	-	4 473	61 773	24 221	37 552	155%	145 328
Transfers and Subsidies - Capital		(13 659)	89 322	-	7 848	21 507	14 887	6 620	44%	89 322
Interest		20 680	12 629	-	-	1 509	2 105	(596)	-28%	12 629
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(10 704)	(259 511)	-	3 906	4 666	(38 021)	(42 687)	112%	(259 511)
Interest		-	(2 000)	-	-	-	(333)	(333)	100%	(2 000)
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>6 972</b>	<b>108 806</b>	<b>-</b>	<b>19 080</b>	<b>100 259</b>	<b>23 365</b>	<b>(76 894)</b>	<b>-329%</b>	<b>108 806</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		786 348	(91 874)	-	(3 906)	(4 666)	(15 312)	(10 647)	70%	(91 874)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>786 348</b>	<b>(91 874)</b>	<b>-</b>	<b>(3 906)</b>	<b>(4 666)</b>	<b>(15 312)</b>	<b>(10 647)</b>	<b>70%</b>	<b>(91 874)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>793 320</b>	<b>16 932</b>	<b>-</b>	<b>15 175</b>	<b>95 593</b>	<b>8 053</b>			<b>-</b>
Cash/cash equivalents at beginning:		1 559	30 825	-	-	1 559	30 825			1 559
Cash/cash equivalents at month/year end:		794 878	47 757	-	15 175	97 152	38 878			-

## 5. IN-YEAR BUDGET STATEMENT TABLES

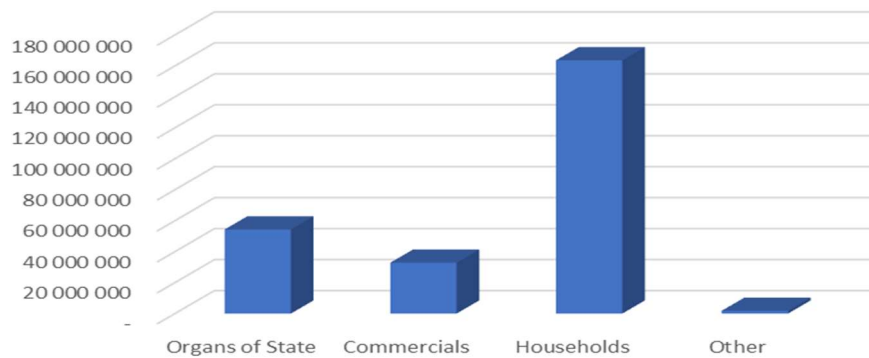
EC124 Amahlathi - Table C1 Monthly Budget Statement Summary - M02 August									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	22 003	28 350	–	1	9 687	4 725	4 962	105%	28 350
Service charges	75 469	86 861	–	1 454	16 650	14 477	2 173	15%	86 861
Investment revenue	3 421	4 063	–	–	–	677	(677)	-100%	4 063
Transfers and subsidies - Operational	146 325	145 328	–	3 845	61 145	24 221	36 923	152%	145 328
Other own revenue	59 410	57 405	–	395	2 722	9 568	(6 845)	-72%	57 405
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>306 628</b>	<b>322 008</b>	<b>–</b>	<b>5 694</b>	<b>90 204</b>	<b>53 668</b>	<b>36 536</b>	<b>68%</b>	<b>322 008</b>
Employee costs	127 073	126 195	–	10 560	20 993	21 033	(39)		126 195
Remuneration of Councillors	14 006	15 692	–	1 156	2 309	2 615	(307)		15 692
Depreciation and amortisation	30 705	23 217	–	–	–	3 869	(3 869)		23 217
Interest	6 485	2 000	–	(237)	(210)	333	(543)		2 000
Inventory consumed and bulk purchases	59 608	65 673	–	7 714	16 394	10 946	5 448		65 673
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	68 910	57 719	–	1 343	5 867	9 620	(3 752)	-39%	57 719
<b>Total Expenditure</b>	<b>306 786</b>	<b>290 497</b>	<b>–</b>	<b>20 536</b>	<b>45 354</b>	<b>48 416</b>	<b>(3 062)</b>	<b>-6%</b>	<b>290 497</b>
<b>Surplus/(Deficit)</b>	<b>(158)</b>	<b>31 511</b>	<b>–</b>	<b>(14 842)</b>	<b>44 851</b>	<b>5 252</b>	<b>39 599</b>	<b>754%</b>	<b>31 511</b>
Transfers and subsidies - capital (monetary allocations)	77 657	89 322	–	2 160	2 348	14 887	###	-84%	89 322
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	###		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>77 499</b>	<b>120 833</b>	<b>–</b>	<b>(12 682)</b>	<b>47 198</b>	<b>20 139</b>	<b>27 059</b>	<b>134%</b>	<b>120 833</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>77 499</b>	<b>120 833</b>	<b>–</b>	<b>(12 682)</b>	<b>47 198</b>	<b>20 139</b>	<b>27 059</b>	<b>134%</b>	<b>120 833</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>52 722</b>	<b>92 122</b>	<b>–</b>	<b>3 906</b>	<b>4 666</b>	<b>15 354</b>	<b>(10 688)</b>	<b>-70%</b>	<b>92 122</b>
Capital transfers recognised	56 861	89 322	–	3 662	4 422	14 887	(10 465)	-70%	89 322
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	(4 139)	2 800	–	244	244	467	(223)	-48%	2 800
<b>Total sources of capital funds</b>	<b>52 722</b>	<b>92 122</b>	<b>–</b>	<b>3 906</b>	<b>4 666</b>	<b>15 354</b>	<b>(10 688)</b>	<b>-70%</b>	<b>92 122</b>
<b>Financial position</b>									
Total current assets	115 428	104 178	–		183 902				104 178
Total non current assets	468 429	600 889	–		473 095				600 889
Total current liabilities	157 366	143 434	–		183 312				143 434
Total non current liabilities	91 736	7 862	–		91 736				7 862
Community wealth/Equity	334 751	553 771	–		381 949				553 771
<b>Cash flows</b>									
Net cash from (used) operating	6 972	108 806	–	19 080	100 259	23 365	(76 894)	-329%	108 806
Net cash from (used) investing	786 348	(91 874)	–	(3 906)	(4 666)	(15 312)	(10 647)	70%	(91 874)
Net cash from (used) financing	–	–	–	–	–	–	–		–
<b>Cash/cash equivalents at the month/year end</b>	<b>794 878</b>	<b>47 757</b>	<b>–</b>	<b>15 175</b>	<b>97 152</b>	<b>38 878</b>	<b>(58 274)</b>	<b>-150%</b>	<b>–</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	(348)	14 990	5 367	5 122	4 966	4 847	38 437	179 324	252 705
<b>Creditors Age Analysis</b>									
Total Creditors	14 298	9 360	9 447	28	837	1 750	2 395	107 070	145 185

## 6. DEBTORS ANALYSIS

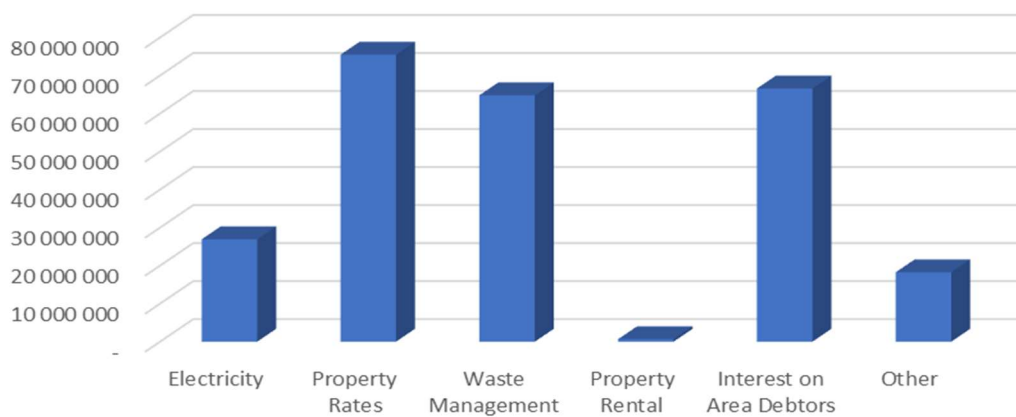
EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2025/26											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
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	(30)	5 652	1 535	1 317	1 235	1 218	8 965	7 041	26 933	19 777	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	(285)	6 146	1 037	963	983	896	11 473	54 258	75 472	68 573	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	(4)	1 160	870	856	842	836	5 658	54 575	64 793	62 766	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	(1)	7	(0)	(0)	-	6	151	496	660	653	-	-	-
Interest on Arrear Debtor Accounts	1810	(0)	1 510	1 531	1 564	1 507	1 498	9 815	49 164	66 588	63 548	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(30)	515	395	422	401	393	2 375	13 789	18 259	17 379	-	-	-
Total By Income Source	2000	(348)	14 990	5 367	5 122	4 966	4 847	38 437	179 324	252 705	232 696	-	-	-
2024/25 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	(1)	7 198	1 775	1 753	1 615	1 672	17 851	22 473	54 337	45 365	-	-	-
Commercial	2300	(84)	4 480	902	736	679	649	3 403	22 118	32 882	27 584	-	-	-
Households	2400	(262)	3 236	2 650	2 591	2 632	2 487	16 878	133 440	163 651	158 028	-	-	-
Other	2500	(1)	76	41	42	40	40	305	1 293	1 834	1 718	-	-	-
Total By Customer Group	2600	(348)	14 990	5 367	5 122	4 966	4 847	38 437	179 324	252 705	232 696	-	-	-

Debt by Customer



Debt by Source

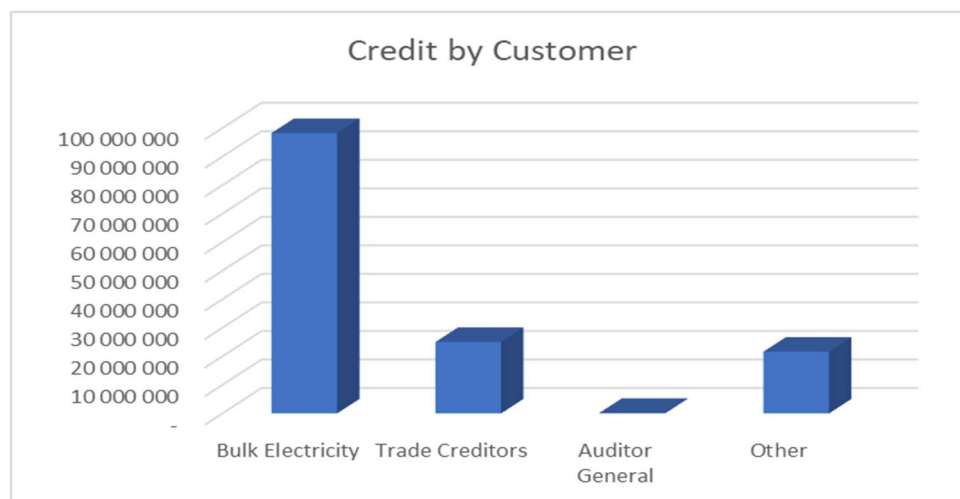


The debtors report below provides the total amount owed to the municipality by income source and by debtor type. Total outstanding debt for the month ending 31 August 2025 is R252.7 million. A R12.6 million increase from the previous month. The biggest contributor being the households that owe R163 million which is an increase of R1 million from previous month; followed by government departments owing R47 million which is an increase of R7 million from previous month and business that owe R32 million, which is a decrease of R4 million. Household and Government debt is growing significantly on a monthly basis, which is of concern.

## 7. 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 August 2025.

EC124 Amahlathi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August										
Description	NT Code	Budget Year 2025/26								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	8 886	9 517	27	-	364	1 750	2 351	75 388	98 285
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	3 123	27	8 677	28	192	-	44	12 962	25 053
Auditor General	0800	175	26	-	-	-	-	-	-	200
Other	0900	2 115	(211)	743	-	281	-	-	18 719	21 647
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	14 298	9 360	9 447	28	837	1 750	2 395	107 070	145 185




Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
SOND001 ( SONDLO & KNOPP ADVERTISING)							<u>11 890,08</u>	11 890,08
3RDPAR02 (3rd Party PENSIONS)							<u>1 888 208,22</u>	1 888 208,22
ALOE0001 (ALOE OFFICE & BUSINESS EQUIPMENT)							<u>44 428,84</u>	44 428,84
ALOE001 (ALOE TRAVEL)				<u>22 677,26</u>		<u>10 104,22</u>	<u>10 956,66</u>	43 738,14
AMAN001 (AMANTILO GENERAL TRADING)							<u>93 600,00</u>	93 600,00
AMAT0002 (AMATHOLE DISTRICT MUNICIPALITY)	<u>10 033 501,20</u>				<u>7 025 095,96</u>			17 058 597,16
AUDI001 (AUDITOR - GENERAL)						<u>25 902,60</u>	<u>174 527,94</u>	200 430,54
BEECON01 (BEECON HOLDINGS (PTY)LTD)					<u>102 655,22</u>			102 655,22
BOAR001 (BOARDMANS HARDWARE)							<u>5 121,60</u>	5 121,60
BOSE0001 (BOSE TYRES)							<u>6 748,83</u>	6 748,83
CAME0001 (CCG SYSTEMS)	<u>192 100,00</u>		<u>6 650,02</u>	<u>5 225,00</u>	<u>2 700,00</u>			206 675,02
EASTLO02 (EAST LONDON INDUSTRIAL DEVELOPMENT ZONE)							<u>6 210,00</u>	6 210,00
EMSSOL01 (EMS SOLUTIONS (PTY) LTD)							<u>57 500,00</u>	57 500,00
EPWPCA01 (EPWP CASUALS)		<u>0,03</u>	<u>0,04</u>			<u>-76 700,00</u>	<u>5 791,50</u>	-70 908,43
ESKOMB01 (ESKOM (BULK ))	<u>77 739 767,94</u>	<u>1 750 188,13</u>	<u>364 401,94</u>		<u>26 760,16</u>	<u>9 517 339,71</u>	<u>8 886 201,19</u>	98 284 659,07
ESKOME01 (ESKOM (ELECTRICITY & LIGHTS ))							<u>169 017,81</u>	169 017,81
ESKOMF01 (ESKOM (FBE ))					<u>11,20</u>	<u>17 211,82</u>	<u>36 725,37</u>	53 948,39
GNLC0001 (GNL CONSULTING SERVICES)							<u>52 200,00</u>	52 200,00
JAMICM01 (JEMIC MOTORS)							<u>47 004,31</u>	47 004,31
KARIEG01 (KARIEGA CONSULTING)							<u>5 117,50</u>	5 117,50
KAYLEE02 (KAYLEE CONSTRUCTION PTY LTD)							<u>22 115,49</u>	22 115,49
CUMAKA01 (KEVIN LEE HOLM)							<u>9 312,50</u>	9 312,50
KEVINL01 (KEVIN LEE HOLM T/A CUMAKALA CHAINSAWS)							<u>1 702,50</u>	1 702,50
LATE0001 (LATERAL UNISON INSURANCE BROKERS (PTY)LTD)							<u>2 500,00</u>	2 500,00
PICK001 (MAGGIES VILLAGE GREEN)							<u>1 825,50</u>	1 825,50
MBUT0001 (MBUTHANDO GENERAL TRADING)							<u>13 000,00</u>	13 000,00
MEDI001 (MEDIA MAESTRO)							<u>10 500,00</u>	10 500,00
METRO01 (METRO COMPUTER SERVICES)							<u>191 127,75</u>	191 127,75
MICROS01 (MICROSOFT IRELAND OPERATIONS LIMITED)	<u>26 378,93</u>							26 378,93
MOBILE01 (MOBILE TELEPHONE NETWORK)					<u>127 169,43</u>	<u>146 722,21</u>		273 891,64
NEWGEN01 (NEW GENERATION ADVERTISING SOLUTIONS)							<u>9 472,80</u>	9 472,80
OOBH001 (OOBHUNGANE OONGELENLEGE TRADING)							<u>9 800,00</u>	9 800,00
OOKH0001 (OOKHWALO TRADING ENTERPRISE)							<u>16 133,44</u>	16 133,44
PROD001 (PRODIBA)							<u>27 097,00</u>	27 097,00
INSI0001 (RADIOF T/A INSIGHT OFFICE FURNITURE)							<u>89 011,15</u>	89 011,15
SABS001 (SABS)					<u>6 217,28</u>		<u>139,06</u>	6 356,34
SALG0001 (SALGA)	<u>2 780 394,20</u>				<u>1 643 110,56</u>			4 423 504,76
SNRE0001 (SNR Electrical CC)	<u>120 784,71</u>							120 784,71
SPECIA01 (SPECIAL INVESTIGATION UNIT)	<u>10 537 432,33</u>							10 537 432,33
SQUA0001 (SQUARE DEAL ENGINEERING)							<u>1 886,00</u>	1 886,00
STUT002 (STUTT MECHANICAL t/a STUTTERHEIM GARAGE)							<u>3 010,70</u>	3 010,70
TITANS01 (TITANSTUTT)							<u>20 560,00</u>	20 560,00
TRUVEL01 (TRUVELO AFRICA ELECTRONICS DIVISION)							<u>13 093,84</u>	13 093,84
UKHO0001 (UKHOPHELO GENERAL TRADING)							<u>14 878,89</u>	14 878,89
VEZIMJ01 (VEZI MJA SECURITY AND CLEANING SERVICES )							<u>24 500,00</u>	24 500,00
VITSHA01 (VITSHA TRADING)					<u>478 915,37</u>			478 915,37
WCADEP01 (WCA (Departmemnt of Labour))	<u>7 526 968,75</u>							7 526 968,75
WESL0001 (Wesley Pretorius & Associates )			<u>184 945,95</u>				<u>71 915,37</u>	256 861,32
WIND0001 (WINDEED)							<u>1 091,05</u>	1 091,05
WCCOUR01 (WYNAND BARENDT BOTHA)							<u>1 410,00</u>	1 410,00
YANDEE01 (YANDE ENGINEERING AND PROJECTS)	<u>507 525,00</u>		<u>280 963,52</u>			<u>-280 963,52</u>		507 525,00
ZKSP001 (Z K S AND NAM GENERAL TRADING)							<u>2 240 891,41</u>	2 240 891,41
ZENITH01 (ZENITH CAR RENTAL)					<u>34 606,25</u>			34 606,25
<b>Totals:</b>								<u>145 184 987,72</u>



## 8. INVESTMENT PORTFOLIO ANALYSIS

The table below details the Call Deposits made by the Municipality for the period ending 31 August 2025.

Investment Schedule for 2025 / 2026							
							
Institution	Investments	Opening Balance	New Investment	Withdrawals	INTEREST		Total
					July	August	
FNB 62774382966	FMG	417 813,89		- 161 980,38	1 801,80	1 312,89	258 948,20
FNB 62063171351	Amahlathi Municipality stutt-ADMI	3 304 716,81		- 1 348 040,72	13 441,80	7 363,50	1 977 481,39
FNB 63127290730	STR Grant	80 111,96		-	425,25	410,41	80 947,62
FNB 62774381009	INEP	2 061,22	2 200 000,00	-	10,94	1 457,13	2 203 529,29
FNB 62774381413	Waste Management grant	18 758,05	12 848 000,00	- 5 000 000,00	99,58	26 948,48	7 893 806,11
FNB 63127288686	Inhouse projects	12 543,55	3 596 456,38	- 1 600 000,00	5 583,10	1 450,85	2 016 033,88
FNB 61381739619	Amahlathi Municipality	1 787 108,47	1 841 090,14	- 2 210 168,03	10 588,72	5 533,61	1 434 152,91
FNB 62774382445	EPWP	2 405,29	27 000,00	-	12,76	56,71	29 474,76
FNB 62135193770	Amahlathi Municipality stutt-ADMI	160 528,12	13 111 000,00	- 4 893 136,22	8 949,32	60 793,82	8 448 135,04
FNB 62774383592	Salaries	766 171,49	57 300 000,00	- 58 000 000,00	99 546,46	112 000,64	277 718,59
FNB 627743381942	Library	301 549,71		- 300 000,00	521,92	10,56	2 082,19
FNB 63127292538	EEDSM Grant	1 053,85			5,60	5,39	1 064,84
FNB 74568809858	Amahlathi municipality	5 142 095,16			33 388,40	34 725,37	5 210 208,93
							-
		11 579 103,68	90 923 546,52	- 73 351 344,97	172 573,85	250 756,47	29 833 583,75

## 9. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

2025/26						
	Grant Allocation	Grants Received	Grants Spent	Grants Unspent	% Spent on Allocation	% Unspent on Allocation
Equitable Share (OG)	137 520 000	57 300 000	-	137 520 000		
Finance Management Grant( OG )	2 200 000	2 200 000	1 425 729	774 271	65%	35%
EPWP Grant ( OG )	1 799 000	450 000	596 084	1 202 916	33%	67%
Integrated National Electrification Program Grant (CG)	17 440 000	7 848 000	-	17 440 000	0%	100%
MIG ( CG )	39 723 000	13 111 000	2 347 636	37 375 364	6%	94%
Municipal Disaster Recovery Grant (CG)	19 145 000	-	-	19 145 000	0%	100%
Eastern Cape Capacity Building (OG)	1 823 000	1 823 000	1 823 000	-	100%	0%
Eastern Cape Infrastructure (OG)	15 000 000	548 379	-	15 000 000	0%	100%
<b>Totals</b>	<b>234 650 000</b>	<b>83 280 379</b>	<b>6 192 449</b>	<b>213 457 551</b>	<b>3%</b>	

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		500 066	5 985	–	2 022	2 022	998	1 024	102,7%	5 985
Expanded Public Works Programme Integrated Grant	–	6 028	1 799	–	596	596	300	296	98,8%	1 799
Local Government Financial Management Grant	–	10 935	2 200	–	1 426	1 426	367	1 059	288,8%	2 200
Metro Informal Settlements Partnership Grant	–	477 996	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant	–	5 107	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant	–	–	1 986	–	–	–	331	(331)	-100,0%	1 986
Municipal Infrastructure Grant								–		
Other transfers and grants [insert description]								–		
Provincial Government:		14 831	1 823	–	1 823	1 823	304	1 519	500,0%	1 823
Eastern Cape	–	14 831	1 823	–	1 823	1 823	304	1 519	500,0%	1 823
								–		
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		1 403	–	–	–	–	–	–		–
Unspecified-Specify (Replace with the name of the Entity)-Transfer	–	1 403	–	–	–	–	–	–		–
Unspecified_Specify (Replace with the name of the Entity)_Receipts								–		
Total operating expenditure of Transfers and Grants:		516 299	7 808	–	3 845	3 845	1 301	2 543	195,4%	7 808
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		164 441	74 322	–	2 160	2 348	12 387	(10 039)	-81,0%	74 322
Integrated National Electrification Programme Grant	–	–	17 440	–	–	–	2 907	(2 907)	-100,0%	17 440
Municipal Disaster Relief Grant	–	11 281	19 145	–	–	–	3 191	(3 191)	-100,0%	19 145
Municipal Infrastructure Grant	–	153 160	37 737	–	2 160	2 348	6 289	(3 942)	-62,7%	37 737
								–		
Other capital transfers [insert description]								–		
Provincial Government:		–	15 000	–	–	–	2 500	(2 500)	-100,0%	15 000
Eastern Cape	–	–	15 000	–	–	–	2 500	(2 500)	-100,0%	15 000
								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
Total capital expenditure of Transfers and Grants		164 441	89 322	–	2 160	2 348	14 887	(12 539)	-84,2%	89 322
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		680 740	97 130	–	6 004	6 192	16 188	(9 996)	-61,7%	97 130

The conditional and unconditional grants allocation budgeted for 2025/26 reflected an amount of R234.6m. An amount of R83.2 million has been received, and R6.1 million reported as expenditure to the period ending 31 August 2025.

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		500 066	5 985	–	2 022	2 022	998	1 024	102,7%	5 985
Expanded Public Works Programme Integrated Grant	–	6 028	1 799	–	596	596	300	296	98,8%	1 799
Local Government Financial Management Grant	–	10 935	2 200	–	1 426	1 426	367	1 059	288,8%	2 200
Metro Informal Settlements Partnership Grant	–	477 996	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant	–	5 107	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant	–	–	1 986	–	–	–	331	(331)	-100,0%	1 986
Municipal Infrastructure Grant	–	–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]	–	–	–	–	–	–	–	–	–	–
Provincial Government:		14 831	1 823	–	1 823	1 823	304	1 519	500,0%	1 823
Eastern Cape	–	14 831	1 823	–	1 823	1 823	304	1 519	500,0%	1 823
Other transfers and grants [insert description]	–	–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]	–	–	–	–	–	–	–	–	–	–
Other grant providers:		1 403	–	–	–	–	–	–	–	–
Unspecified-Specify (Replace with the name of the Entity)-Transfer	–	1 403	–	–	–	–	–	–	–	–
Unspecified_Specify (Replace with the name of the Entity)_Receipts	–	–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		516 299	7 808	–	3 845	3 845	1 301	2 543	195,4%	7 808
Capital expenditure of Transfers and Grants										
National Government:		164 441	74 322	–	2 160	2 348	12 387	(10 039)	-81,0%	74 322
Integrated National Electrification Programme Grant	–	–	17 440	–	–	–	2 907	(2 907)	-100,0%	17 440
Municipal Disaster Relief Grant	–	11 281	19 145	–	–	–	3 191	(3 191)	-100,0%	19 145
Municipal Infrastructure Grant	–	153 160	37 737	–	2 160	2 348	6 289	(3 942)	-62,7%	37 737
Other capital transfers [insert description]	–	–	–	–	–	–	–	–	–	–
Provincial Government:		–	15 000	–	–	–	2 500	(2 500)	-100,0%	15 000
Eastern Cape	–	–	15 000	–	–	–	2 500	(2 500)	-100,0%	15 000
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		164 441	89 322	–	2 160	2 348	14 887	(12 539)	-84,2%	89 322
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		680 740	97 130	–	6 004	6 192	16 188	(9 996)	-61,7%	97 130

## 10. 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 - M02 August										
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										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		9 463	10 834	-	774	1 549	1 806	(257)	-14%	10 834
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		460	619	-	36	88	103	(15)	-15%	619
Cellphone Allowance		1 416	1 777	-	119	237	296	(59)	-20%	1 777
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 666	2 462	-	227	435	410	24	6%	2 462
<b>Sub Total - Councillors</b>		<b>14 006</b>	<b>15 692</b>	<b>-</b>	<b>1 156</b>	<b>2 309</b>	<b>2 615</b>	<b>(307)</b>	<b>-12%</b>	<b>15 692</b>
<b>% increase</b>	4		<b>12,0%</b>							<b>12,0%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4 562	5 980	-	441	810	997	(187)	-19%	5 980
Pension and UIF Contributions		9	9	-	1	2	2	0	6%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		200	431	-	36	51	72	(21)	-29%	431
Cellphone Allowance		67	71	-	8	13	12	2	13%	71
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	-	0	0	0	0	4%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 838</b>	<b>6 493</b>	<b>-</b>	<b>485</b>	<b>876</b>	<b>1 082</b>	<b>(206)</b>	<b>-19%</b>	<b>6 493</b>
<b>% increase</b>	4		<b>34,2%</b>							<b>34,2%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		84 101	79 503	-	6 906	13 694	13 250	443	3%	79 503
Pension and UIF Contributions		14 433	14 621	-	1 219	2 433	2 437	(4)	0%	14 621
Medical Aid Contributions		6 195	6 665	-	457	993	1 111	(117)	-11%	6 665
Overtime		1 397	1 219	-	119	280	203	77	38%	1 219
Performance Bonus		(0)	6 807	-	612	1 197	1 135	62	5%	6 807
Motor Vehicle Allowance		4 533	3 409	-	328	657	568	89	16%	3 409
Cellphone Allowance		851	889	-	70	143	148	(5)	-4%	889
Housing Allowances		2 492	2 661	-	207	411	443	(32)	-7%	2 661
Other benefits and allowances		622	518	-	56	117	86	31	36%	518
Payments in lieu of leave		-	163	-	44	77	27	50	183%	163
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	6 945	2 813	-	-	-	469	(469)	-100%	2 813
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		667	435	-	56	115	72	43	59%	435
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>122 235</b>	<b>119 703</b>	<b>-</b>	<b>10 074</b>	<b>20 118</b>	<b>19 950</b>	<b>167</b>	<b>1%</b>	<b>119 703</b>
<b>% increase</b>	4		<b>-2,1%</b>							<b>-2,1%</b>
<b>Total Parent Municipality</b>		<b>141 079</b>	<b>141 887</b>	<b>-</b>	<b>11 716</b>	<b>23 302</b>	<b>23 648</b>	<b>(346)</b>	<b>-1%</b>	<b>141 887</b>

The municipality allocated a budget of R15.6 million for Councilors and have spent R2.3 million which constitutes 15% for the first month of the financial year.

The municipality allocated a budget of R6.4 million for Senior Managers and spent R876 thousand which constitutes 14% for the first month of the financial year.

The municipality have allocated a budget of R119.7 million for Other Municipal Staff and have spent R20.1 million which constitutes 17% for the first month of the financial year.

# 11. MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

*Refer to bullet no.4*

## 12. CAPITAL PROGRAMME PERFORMANCE

	2025/26		
	Budget	Expenditure	Available
Xholorha Paving Phase 2	15 000 000		15 000 000
Ngamngeni Roads and Stormwater	4 145 000		4 145 000
INEP Projects	17 440 000		17 440 000
Building Plan Offices	8 000 000		8 000 000
Mlungisi Sportfield	5 600 000	2 729 428	2 870 572
STR KKH Roads	5 500 000		5 500 000
Phumlani Community Hall	4 651 162	376 272	4 274 891
Langdraai Community Hall	4 501 288		4 501 288
STR Sutterheim	4 000 000		4 000 000
STR Sutterheim Roads	4 000 000		4 000 000
Nqenge Internal Roads	3 462 969	374 772	3 088 197
Waste Collection Compactor Truck	3 283 196		3 283 196
Izidenge Internal Roads	3 326 149	176 779	3 149 370
Infrastructure plans	1 697 050	255 703	1 441 347
STR KKH	1 500 000		1 500 000
Vehicles	1 100 000		1 100 000
Paving of Xholorha Internal Roads	1 000 000	509 175	490 825
Vehicles Engineering	1 000 000		1 000 000
Keilands Roads	700 000		700 000
Sutterheim - Streets Paving	400 000		400 000
KeiskammahoekTown Paving	400 000		400 000
Furniture and Office Equipment	500 000	77 401	422 599
Cathcart Town Hall Upgrade	400 000		400 000
Amabele Paving	315 036		315 036
Computer Equipment	200 000	166 198	33 802
	<b>92 121 850</b>	<b>4 665 726</b>	<b>87 456 124</b>

### 13. 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 August 2025.

**EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - M02 August**

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		12 563	39 757	–	61 181	39 757
Trade and other receivables from exchange transactions		45 361	22 570	–	71 553	22 570
Receivables from non-exchange transactions		33 201	9 188	–	24 336	9 188
Current portion of non-current receivables		–	–	–	–	–
Inventory		6	24	–	119	24
VAT		11 447	32 639	–	13 886	32 639
Other current assets		12 849	–	–	12 827	–
<b>Total current assets</b>		<b>115 428</b>	<b>104 178</b>	<b>–</b>	<b>183 902</b>	<b>104 178</b>
<b>Non current assets</b>						
Investments		–	–	–	–	–
Investment property		11 678	11 686	–	11 678	11 686
Property, plant and equipment		451 563	582 387	–	456 229	582 387
Biological assets		4 568	6 214	–	4 568	6 214
Living and non-living resources		–	–	–	–	–
Heritage assets		610	610	–	610	610
Intangible assets		9	(9)	–	9	(9)
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>468 429</b>	<b>600 889</b>	<b>–</b>	<b>473 095</b>	<b>600 889</b>
<b>TOTAL ASSETS</b>		<b>583 857</b>	<b>705 067</b>	<b>–</b>	<b>656 997</b>	<b>705 067</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 850	1 844	–	1 850	1 844
Trade and other payables from exchange transactions		135 453	64 065	–	138 933	64 065
Trade and other payables from non-exchange transactions		428	47 000	–	20 216	47 000
Provision		16 456	20 407	–	16 456	20 407
VAT		3 179	10 118	–	5 857	10 118
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>157 366</b>	<b>143 434</b>	<b>–</b>	<b>183 312</b>	<b>143 434</b>
<b>Non current liabilities</b>						
Financial liabilities		–	–	–	–	–
Provision		18 563	7 862	–	18 563	7 862
Long term portion of trade payables		42 094	–	–	42 094	–
Other non-current liabilities		31 078	–	–	31 078	–
<b>Total non current liabilities</b>		<b>91 736</b>	<b>7 862</b>	<b>–</b>	<b>91 736</b>	<b>7 862</b>
<b>TOTAL LIABILITIES</b>		<b>249 102</b>	<b>151 296</b>	<b>–</b>	<b>275 048</b>	<b>151 296</b>
<b>NET ASSETS</b>	<b>2</b>	<b>334 755</b>	<b>553 771</b>	<b>–</b>	<b>381 949</b>	<b>553 771</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		334 751	553 771	–	381 949	553 771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>334 751</b>	<b>553 771</b>	<b>–</b>	<b>381 949</b>	<b>553 771</b>

### a. CURRENT ASSETS

- **Cash** – The cash balance of R61.1 million comprises of the cashbook balance for the main primary bank account as at 31 August 2025.
- **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 August 2025.

Date	Account Description	Type	Total
31 August 2025	FMG	Call Investment Deposit	258 948,20
31 August 2025	Amahlathi Municipality stutt-ADMI	Call Investment Deposit	1 612 905,33
31 August 2025	STR Grant	Call Investment Deposit	80 947,62
31 August 2025	INEP	Call Investment Deposit	2 203 529,29
31 August 2025	Waste Management grant	Call Investment Deposit	7 893 806,11
31 August 2025	Inhouse projects	Call Investment Deposit	2 016 033,88
31 August 2025	Insurance Account	Call Investment Deposit	1 434 152,91
31 August 2025	EPWP	Call Investment Deposit	29 474,76
31 August 2025	Amahlathi Municipality stutt-ADMI	Call Investment Deposit	8 448 135,04
31 August 2025	Salaries	Call Investment Deposit	277 718,59
31 August 2025	Library	Call Investment Deposit	2 082,19
31 August 2025	EEDSM Grant	Call Investment Deposit	1 064,84
31 August 2025	FNB Guarantee	Call Investment Deposit	5 210 208,93
31 August 2025	Main Account	Cash	2 386 283,68
			<b>31 855 291,37</b>

- The total cash available as at 31 August 2025 indicates a total balance of R31.8 million .
- **Inventory** – The value of inventory as at 31 August 2025 amounts to R119 185.
- **Investment Property; Biological Assets and Intangible Assets** – The depreciation will be calculated during the Second quarter FAR compilation.

### b. NON-CURRENT ASSETS

- The non-current assets amount to R473 million with the biggest contributor being the Property; Plant and Equipment of the municipality amounting to R456.2 million.

### c. 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 August 2025.



- **Trade and other Payables** – The trade and other payables are currently at R138.9 million which indicates a R1.1 million decrease when compared to July 2025.
- **Unspent Grant** – The unspent grants amount to R20.2 million as at 31 August 2025.

## 14. OTHER SUPPORTING DOCUMENTS

### REPAIRS AND MAINTENANCE

The table below reflects expenditure on repairs by asset class. The expenditure on repairs and maintenance is at 8% of annual budget.

EC124 Amahlathi - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02 August

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>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 191	1 880	–	104	258	313	55	17,7%	1 880
Roads Infrastructure		359	1 150	–	88	242	192	(50)	-26,2%	1 150
Roads		359	1 150	–	88	242	192	(50)	-26,2%	1 150
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		25	30	–	16	16	5	(11)	-218,4%	30
Drainage Collection		25	30	–	16	16	5	(11)	-218,4%	30
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		807	700	–	–	–	117	117	100,0%	700
Power Plants		–	100	–	–	–	17	17	100,0%	100
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		807	600	–	–	–	100	100	100,0%	600
<b>Community Assets</b>		–	100	–	–	–	17	17	100,0%	100
Community Facilities		–	100	–	–	–	17	17	100,0%	100
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	100	–	–	–	17	17	100,0%	100
<b>Other assets</b>		352	400	–	–	–	67	67	100,0%	400
Operational Buildings		352	400	–	–	–	67	67	100,0%	400
Municipal Offices		344	300	–	–	–	50	50	100,0%	300
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		8	100	–	–	–	17	17	100,0%	100
<b>Machinery and Equipment</b>		33	50	–	27	27	8	(19)	-224,6%	50
Machinery and Equipment		33	50	–	27	27	8	(19)	-224,6%	50
<b>Transport Assets</b>		1 065	545	–	218	308	91	(217)	-239,0%	545
Transport Assets		1 065	545	–	218	308	91	(217)	-239,0%	545
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>2 642</b>	<b>2 975</b>	<b>–</b>	<b>349</b>	<b>593</b>	<b>496</b>	<b>(97)</b>	<b>-19,6%</b>	<b>2 975</b>

## 15. 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 August 2025 **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.

## 16. CONCLUSION

The collection rate for August 2025 stands at 60%. Since the inception of the Debt Relief Programme, the municipality has remained committed and has not missed a single payment to Eskom. Compliance for July 2025 was recorded at 90%, while the self-assessed compliance for August 2025 has improved to 92%. This improvement comes despite challenges related to the municipality operating under an unfunded budget.

17. ANNEXURE A: SCHEDULE A

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

18.1 MFMA Circular 124 – Municipal Compliance Self-Assessment



## Annexure A2 - Monthly

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Eastern Cape Provincial Treasury

### Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Aug'25

National Financial Year

2025/26

Demarcation Code of Municipality being assessed

EC124

District

Amathole

Demarcation Description

Amahlathi

I, Ms Gugu Mashiteng, 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

Condition	6,3 + 6,12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	Yes
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a>	Does not have function
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)? Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.	Yes
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a>	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?	Select
	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	Select
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</a>	No
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?  <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?  <i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	Select
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 assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	
12	6.4.2	<p>- <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)?</p> <p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>	N/a
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	<b>Cost reflective tariffs</b> – (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	<b>Electricity and water as collection tools</b> – has the municipality, with effect from the tabling of the 2023/24 MTREF, <b>demonstrated, through its by-laws and budget related policies</b> 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?	No
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	No
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <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	<b>Supporting evidence</b> : 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	<b>Maintain a minimum average quarterly collection of property rates and services charges –</b>	
19	6.7.1	- Has the municipality achieved a minimum of <b>80 per cent average quarterly collection</b> of property rates and service charges <b>with effect from 01 April 2023</b> and <b>85 per cent average quarterly collection with effect from 01 April 2024</b> during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter
		<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>	
	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, <b>has the municipality demonstrated to the satisfaction of National Treasury the following :</b>	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> 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:	not yet the end of a quarter
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)?	Does not have function
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 <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes

	6,8	<b>Municipality's Completeness of the revenue base –</b>	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <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>	N/a
28	6.8.2	- <b>For the latest ending Quarter</b> -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://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	N/a
	6,9	<b>Monitor and report on implementation –</b>	
29	6.9.1	- <b>MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> 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	- <b>Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	No 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	<b>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:</b>	
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 <b>conditions for provincial treasuries</b> (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://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ? <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 <b>conditions for provincial treasuries</b> (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 failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	
36	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 three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>	
	6,12	<b>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b>	
37	6.12.1	- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) <b>the component of the Local Government Equitable Share (LGES)</b> the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes



		<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>	
39		<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.	Yes
40	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 suppression, etc.) and alignment with mSCOA.</i>	Yes
41	6,14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	No
		<i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>	

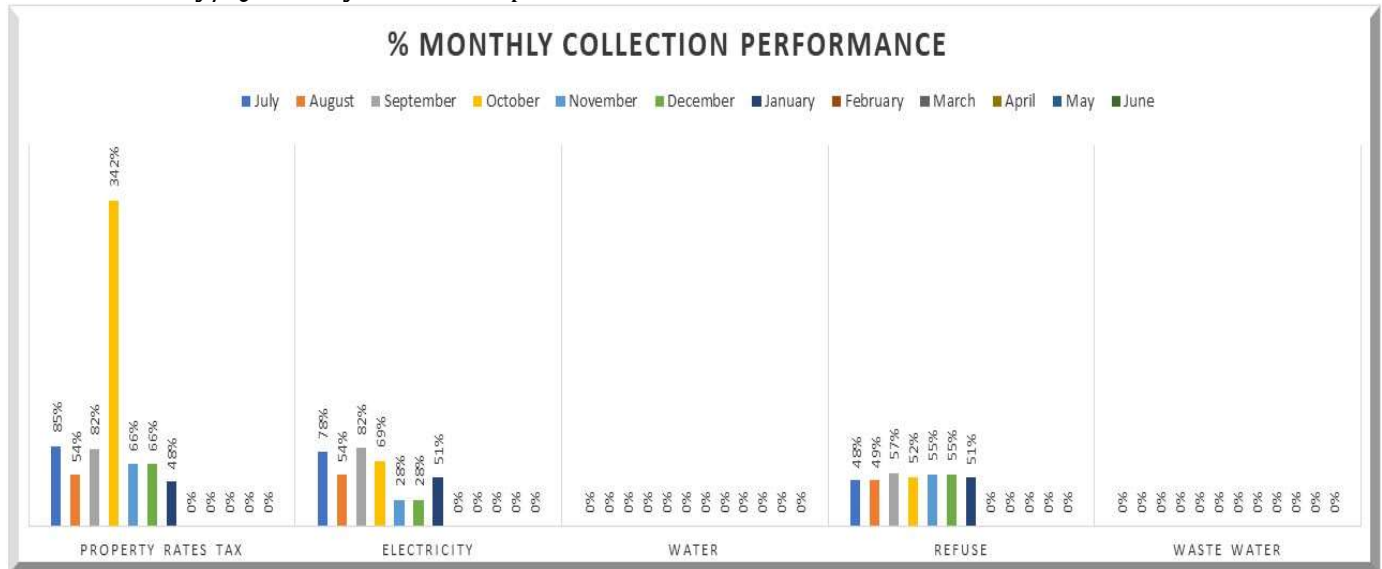
**Note** – If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procurement of the HOD must be attached as an Annexure to this Certificate of Compliance.

[illegible]



## 18.4 Collection Performance

### 18.4.1 Monthly/Quarterly Collection per Ward



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

Municipal Details				
Eastern Cape				
Code	District	Municipality	Period Monitored	No. Of Wards
EC124		Amahlathi		0

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q1	Summary - Quarter 4				Q1
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	26 124 954	18 284 300	7 840 654	70%	70%	27 328 314	20 486 714	6 831 599	75%	75%	8 191 885	4 133 013	4 058 872	50%	50%	-	-	-	#DIV/0!	
2.Collection excl Eskom supplied areas	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
3.Collection: Property Rates	5 308 969	3 888 447	1 421 522	73%	73%	5 308 443	8 408 994	(3 099 551)	158%	158%	1 791 114	851 491	939 623	48%	48%	-	-	-	#DIV/0!	
4.Total average collection: Electricity (Municipal supplied areas)	17 417 799	12 451 534	4 966 265	71%	71%	18 918 432	8 670 759	10 247 673	46%	46%	5 424 450	2 780 985	2 643 465	51%	51%	-	-	-	#DIV/0!	
5.Total average collection: Water	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
6.Total average collection: Wastewater	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
7.Total average collection: Refuse	3 387 185	1 706 549	1 680 636	51%	51%	3 100 439	1 673 217	1 427 222	54%	54%	976 321	500 536	475 785	51%	51%	-	-	-	#DIV/0!	
8.Total average collection: Interest	-	207 769	(207 769)	#DIV/0!	0%	-	1 743 745	(1 743 745)	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	

Province

Eastern Cape

EC124

Average collection rate (MFMA Circular 124 condition 6.7)

NB - Collection rate principle applied ( Cash collection of previous month billing)

## Collection Rate Assessment

Notes

1. Collection for whole demarcation  
2. Collection excl Eastern supplied areas  
3. Collection: **Property Rates**  
4. Total average collection: **Electricity** (Municipal supplied areas)  
5. Total average collection: **Water**  
6. Total average collection: **Wastewater**  
7. Total average collection: **Refuse**  
8. 7. Total average collection: **Interest**

Total Aggregate Collection		Summary - Quarter 1					Q1	Summary - Quarter 2					Q2	7 January - Reporting for December in January			
		Billing	Collection	R - Billing not collected	% Collection			Billing	Collection	R - Billing not collected	% Collection			Billing for December	Collection in January	R - Billing not collected	% Collection
1.Collection for whole demarcation	Summary	26 124 954	18 284 300	7 840 654	70%	70%	27 328 314	20 496 714	6 831 599	75%	75%	8 191 885	4 133 013	4 058 872	50%		
2.Collection excl Eskom supplied areas		-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-		
3.Collection: Property Rates		5 309 969	3 888 447	1 421 522	73%	73%	5 309 443	8 408 994	(3 099 551)	158%	158%	1 791 134	851 491	939 623	48%		
4.Total average collection: Electricity (Municipal supplied areas)		17 417 799	12 451 534	4 966 265	71%	71%	18 918 432	8 670 759	10 247 673	46%	46%	5 424 450	2 780 985	2 643 465	51%		
5.Total average collection: Water		-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!		
6.Total average collection: Wastewater		-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!		
7.Total average collection: Refuse		3 397 185	1 736 549	1 660 636	51%	51%	3 080 439	1 673 317	1 407 222	54%	54%	976 321	508 536	475 785	51%		
8. 7 Total average collection: Interest		-	207 769	(207 769)	#DIV/0!		-	1 743 745	(2 743 745)	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!		
Complete This Section		Quarter 1 Performance Per Ward					Quarter 2 Performance Per Ward					Quarter 3 Performance Per Ward					
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	7 January Billing for June	Collection for June to July	Rand Value of Billing not collected	% Collection	
Property Rates Tax			609 342	365 809	243 533	60%	60%	343 153	137 366	205 787	40%	40%	115 761	33 604	82 158	29%	
Electricity			5 493	4 990	503	91%	91%	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			423 313	97 673	325 640	23%	23%	389 242	151 755	237 488	39%	39%	122 571	38 239	84 333	31%	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	14 497	(14 497)	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Electricity			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Electricity			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			1 035 383	960 349	75 034	93%	93%	939 347	1 599 014	(659 666)	170%	170%	316 884	133 468	183 416	42%	
Electricity			3 819 773	2 158 086	1 661 687	56%	56%	12 579 882	2 222 465	10 357 417	18%	18%	4 733 072	1 329 166	3 403 906	28%	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			993 001	380 463	552 537	41%	41%	521 407	308 568	212 839	59%	59%	164 190	105 633	58 557	64%	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	83 921	(83 921)	#DIV/0!	#DIV/0!	-	293 494	(293 494)	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			12 342	1 770	10 572	14%	14%	123 193	37 465	85 728	30%	30%	41 559	7 826	33 732	19%	
Electricity			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			-	-	-	#DIV/0!	#DIV/0!	306 910	13 981	292 930	5%	5%	96 645	2 143	94 502	2%	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	-	-	#DIV/0!	#DIV/0!	-	6	(6)	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Electricity			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			52 442	9 798	42 644	19%	19%	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Electricity			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			61 660	39 030	22 630	63%	63%	58 027	36 184	21 843	63%	63%	19 575	10 688	8 888	55%	
Electricity			-	18 427	(18 427)	#DIV/0!	#DIV/0!	-	22 672	(22 672)	#DIV/0!	#DIV/0!	-	12 470	0	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			83 439	26 750	56 689	32%	32%	122 483	21 250	101 233	17%	17%	38 570	7 359	31 211	19%	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	452	(452)	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			36 847	54 347	(17 501)	147%	147%	36 898	57 957	(21 059)	157%	157%	12 447	12 209	239	98%	
Electricity			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			16 759	23 683	(6 925)	141%	141%	15 273	20 869	(5 596)	137%	137%	4 809	6 830	0	142%	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	3 258	(3 258)	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			32 520	13 586	18 933	42%	42%	35 870	15 289	20 581	43%	43%	12 101	4 675	7 426	39%	
Electricity			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Electricity			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			72 466	12 728	59 738	18%	18%	901 340	2 252 203	(1 350 955)	617%	617%	123 214	24 574	98 640	20%	
Electricity			-	-	-	#DIV/0!	#DIV/0!	10 656	24 544	(13 888)	230%	230%	1 162	7 447	0	641%	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Interest			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Property Rates Tax			2 932 224	2 274 660	657 564	78%	78%	3 407 706	4 273 116	(865 410)	125%	125%	1 149 573	624 448	525 124	54%	
Electricity			13 992 533	10 270 031	3 722 502	76%	76%	6 327 894	6 401 078	(73 184)	101%	101%	690 216	1 431 902	0	207%	
Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	
Refuse			1 060 620	1 063 164	(2 544)	100%	100%	1 745 123	1 156 795	588 329	66%	66%	549 535	340 333	209 203	62%	
Waste Water			-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	#DIV/0!	-	-	-	#DIV/0!	

## 18.4.2 Monthly – Restriction of Free Basic Services to Indigent Households

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

### Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))

Instruction - complete only with information of the current households registered as indigent with the municipality (Do NOT include the information of all households unless explicitly stated otherwise)

Description	Ref	As Per Debt Relief Application	Current Year 2024/25		2024/2025 - Monthly Reporting													
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12	
<b>Indigent Household service targets</b>	1																	
<u>Water: (Include All Indigent households also in Eskom supplied areas)</u>																		
Indigent HH's with piped water inside dwelling																		
Indigent HH's with piped water inside yard (but not in dwelling)			-															
Indigent HH's using public tap (at least min.service level)	2																	
Indigent HH's with other water supply (at least min.service level)	4																	
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's using public tap (< min.service level)	3																	
Indigent HH's with other water supply (< min.service level)	4																	
Indigent HH's with No water supply																		
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Status of Water meters :</u>																		
Number of Indigent HH's with prepaid Water																		
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Status of unlimited supply of Water :</u>																		
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolres per household per month																		
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households receiving unlimited supply - Water</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																	
<u>Energy: (Include All Indigent households also in Eskom supplied areas)</u>																		
Indigent HH's with Electricity (at least min.service level)																		
Indigent HH's with Electricity - prepaid (min.service level)			3 270			1 591	1 591	1 591	1 591	1 591	1 591	1 591						
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>		-	3 270	-	-	1 591	1 591	1 591	1 591	1 591	1 591	1 591	-	-	-	-	-	-
Indigent HH's with Electricity (< min.service level)																		
Indigent HH's with Electricity - prepaid (< min. service level)																		
Indigent HH's with other energy sources																		
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	5	-	3 270	-	-	1 591	1 591	1 591	1 591	1 591	1 591	1 591	-	-	-	-	-	-
<u>Status of Electricity meters :</u>																		
Number of Indigent HH's with prepaid Electricity			3 270			1 591	1 591	1 591	1 591	1 591	1 591	1 591						
Number of Indigent HH's with conventional metered Electricity																		
Number of Indigent HH's NOT metered currently - Electricity																		
Number of Indigent HH's with other energy sources - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	12	-	3 270	-	-	1 591	1 591	1 591	1 591	1 591	1 591	1 591	-	-	-	-	-	-
<u>Status of unlimited supply of Electricity :</u>																		
Number of Indigent HH'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 HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households receiving unlimited supply - Electricity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																	
<b>Number of ALL Households receiving Free Basic Service (including registered Indigent Households)</b>	7																	
Water (6 kilolitres per household per month)																		
Electricity/other energy (50kwh per household per month)			3 270			1 591	1 591	1 591	1 591	1 591	1 591	1 591						
<b>Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)</b>																		
Water (6 kilolitres per household per month)																		
Electricity/other energy (50kwh per household per month)			180			180	180	180	180	180	180	180						
<b>Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)</b>																		
Water (6 kilolitres per household per month)																		
Electricity/other energy (50kwh per household per month)																		
<b>Total cost of FBS Water and Electricity provided to ALL Households</b>	8	-	180	-	-	180	180	180	180	180	180	180	-	-	-	-	-	-
<b>Highest level of free service provided per household (ALL Households)</b>																		
Property rates (R value threshold)			20 000			20 000	20 000	20 000	20 000	20 000	20 000	20 000						
Water (kilolitres per household per month)																		
Sanitation (kilolitres per household per month)																		
Sanitation (Rand per household per month)																		
Electricity (kwh per household per month)			50			50	50	50	50	50	50	50						
Refuse (average litres per week)			40			40	40	40	40	40	40	40						
<b>Revenue cost of subsidised services provided for ALL Households (R'000)</b>	9																	
Residential Category : Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(a)		1 039			1 039	1 039	1 039	1 039	1 039	1 039	1 039						
PSI Category : Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(b)		346			346	346	346	346	346	346	346						
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA)																		
Water (in excess of 6 kilolitres per indigent household per month)	15																	
Sanitation (in excess of free sanitation service to indigent households)	16																	
Electricity/other energy (in excess of 50 kwh per indigent household per month)																		
Refuse (in excess of one removal a week for indigent households)																		
Municipal Housing - rental rebates																		
Housing - top structure subsidies																		
Other	6																	
<b>Total revenue cost of subsidised services provided</b>		-	1 385	-	-	1 385	1 385	1 385	1 385	1 385	1 385	1 385	-	-	-	-	-	-

## 18.5 Completeness of Revenue Base

GV Reconciliation Summary	
Province	EC
District	Amathole District
Type	LM
Municipal Name	Amahlathi
GV Period	01/07/2020 - 30/06/2025
Financial Year	Select from Drop Down
Reconciliation Period	Quarter 2

### Part A - Reconciliation Summary

Number of Properties				Market Values		
Property Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	8046	7918	128	1 168 317 500	1 127 809 500	40 508 000
Industrial	22	21	1	45 197 500	45 139 000	58 500
Business and Commercial	243	241	2	232 813 755	230 050 755	2 763 000
Agricultural	3009	2935	74	2 530 143 423	2 556 496 115	- 26 352 692
Mining	0	0	0	-	-	-
State Owned for Public Purpose	1048	177	871	749 894 877	282 370 458	467 524 418
PSI	229	227	2	61 696 346	61 667 346	29 000
PBO	139	137	2	101 478 403	101 012 403	466 000
Multi Use	5	5	0	4 744 500	4 744 500	-
Vacant	0	0	0	-	-	-
POW	0	0	0	-	-	-
Municipal	2751	514	2237	357 165 101	111 912 500	245 252 601
Other	0	321	-321	-	-	-
<b>Total</b>	<b>15 492</b>	<b>12 496</b>	<b>2 996</b>	<b>5 251 451 404</b>	<b>4 521 202 577</b>	<b>730 248 827</b>

### Part B - Detailed Reconciliation

Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	823 083	806 614	16 470	823 083	815 684	7 399
Industrial	37 966	31 800	6 166	37 966	37 917	49
Business and Commercial	195 564	191 783	3 781	195 564	193 243	2 321
Agricultural	381 630	370 385	11 244	381 630	385 777	4 147
Mining	-	-	-	-	-	-
State Owned for Public Purpose	629 912	203 204	426 707	629 912	237 552	392 359
PSI	9 069	12 848	3 778	9 069	12 891	3 822
PBO	15 306	15 238	68	15 306	15 236	70
Multi Use	3 985	3 985	-	3 985	3 985	-
Vacant	-	-	-	-	-	-
POW	-	-	-	-	-	-
Municipal	-	46 444	- 46 444	-	35	35
Other	-	-	-	-	79371,74	-79371,74
<b>Total</b>	<b>2 096 515</b>	<b>1 682 302</b>	<b>414 214</b>	<b>2 096 515</b>	<b>1 781 692</b>	<b>314 823</b>

Prepared By

Andisa Mnyakama

Date

Contact Details

Signature

Reviewed By

Date

Contact Details

Signature

#### 18.6 Maintaining the Eskom bulk current account

Eskom accounts are paid prior to the due date. Last payment amounting to R8.3 million was made on 31 August 2025.

The municipality is also keeping up with the Third Party payments.

## 19. 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 August 2025 of 2025/2026 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: 12 September 2025**