



MUNICIPAL FINANCE MANAGEMENT ACT

56 OF 2003

SECTION 71 FINANCIAL REPORT

31 JULY 2025

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PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 JULY 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

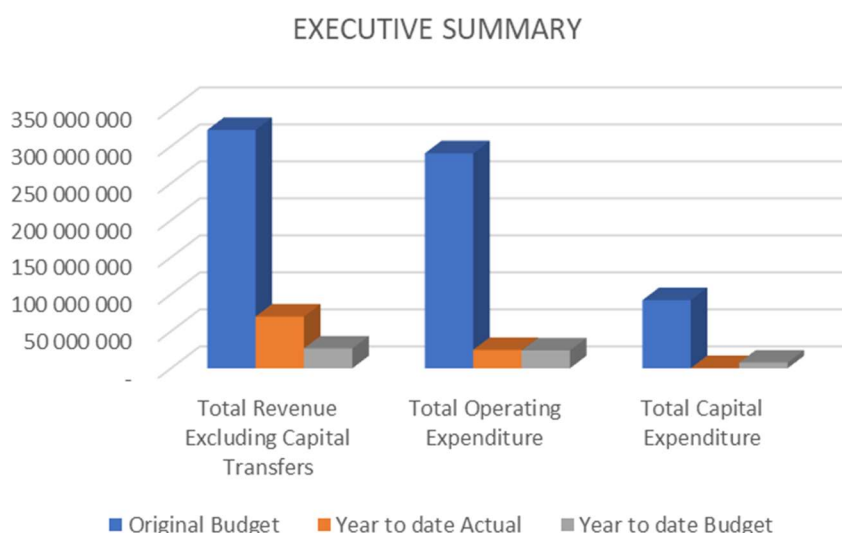
In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of 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 first 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	69 945 685	26 833 983
Total Operating Expenditure	290 496 561	24 884 477	24 208 053
Total Capital Expenditure	92 121 850	245 265	7 676 820



Revenue Performance: Operating revenue (excluding capital transfers) amounted to R69.9 Million which constitutes 261% of the year-to-date budget and 22% of the Approved Budget.

The main sources of this revenue are as follows: Transfers and Subsidies contribute 39%, Fines, Penalties, and Forfeits account for 14%, Service Charges and Property Rates each contribute 11%, Licenses and Permits and Agency Services each provide 5%, Rental from Fixed Assets adds 4%, while all other sources collectively make up the remaining 11%.

Expenditure Performance: Operating expenditure amounted to R24.8 million, which constitutes 103% of the year-to-date budget and 9% of the Approved Budget.

The main cost drivers behind this expenditure are: Employee-Related Costs at 42%, Bulk Purchases at 35%, Operational Costs at 10%, Contracted Services at 9%, and Remuneration of Councilors at 4%. For the first month-end, the municipality did not recognize any depreciation or debt impairment, as these will be accounted for at year-end. Additionally, there was no expenditure reported on Inventory Consumed or Other Losses for the first month of the financial year.

Capital Expenditure: The Capital expenditure amounted to R245 thousand, allocated to the paving of Xholorha Internal Roads. Due to ongoing supply chain processes, additional spending on various projects is expected to be reflected in the following month.

Cash Flow and Liquidity: The cash flow statement for the first month indicates that the municipality's operations generated a net cash inflow of R119.1 million by month-end, resulting in a closing cash balance of R120.7 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 a decrease of R7.4 million from the previous financial year's closing balance. Households remain the largest category of debtors, accounting for R162.2 million, followed by government debtors at R47.5 million and commercial accounts at R28.5 million. 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 R128.5 million, with Eskom accounting for the largest share at R90.1 million. In the first month of the financial year, the municipality paid R8.3 million to Eskom as part of its commitment under the Debt Relief agreement.

Grant Funding: Total receipts from transfers and grants amounted to R13.1 million for the first month of the financial year, primarily related to MIG funding. Grant expenditure during this period was relatively low at R245,265; however, this is expected to increase in the coming months in line with planned targets, particularly for capital allocations.

The municipality also received the first tranche of the Equitable Share, amounting to R57.3 million.

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.

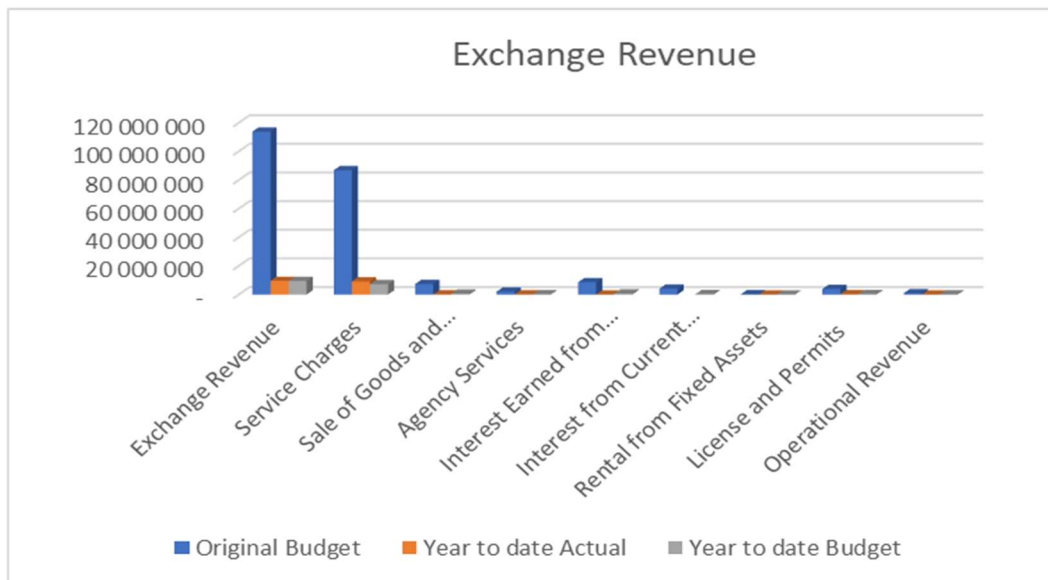
Overall Surplus: The municipality reported a surplus of R45.2 million after capital transfers. This is largely influenced by timing differences in expenditure recognition and outstanding month-end journals. Although financial performance reflects an overall surplus and underspending trends, structural 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.

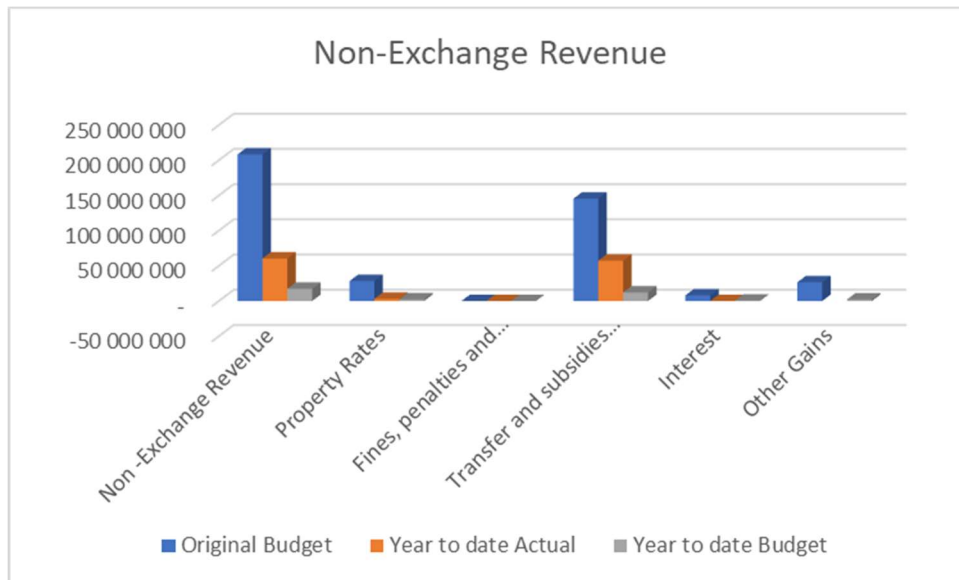
4. BUDGET PERFORMANCE OVERVIEW

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) - M01 July										
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		63 325	72 499	–	7 897	7 897	6 042	1 856	31%	72 499
Service charges - Water		–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–
Service charges - Waste management		11 734	14 362	–	1 293	1 293	1 197	96	8%	14 362
Sale of Goods and Rendering of Services		7 770	7 363	–	35	35	614	(578)	-94%	7 363
Agency services		789	2 005	–	102	102	167	(65)	-39%	2 005
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		9 497	8 566	–	2	2	714	(712)	-100%	8 566
Interest from Current and Non Current Assets		1 560	4 063	–	–	–	339	–	–	4 063
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		321	209	–	8	8	17	(9)	-54%	209
Licence and permits		1 516	3 845	–	201	201	320	(119)	-37%	3 845
Special rating levies		–	–	–	–	–	–	–	–	–
Operational Revenue		5 537	891	–	0	0	74	(74)	-100%	891
Non-Exchange Revenue										
Property rates		22 003	28 350	–	3 107	3 107	2 363	745	32%	28 350
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		26	18	–	2	2	2	1	–	18
Licence and permits		–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational		146 325	145 328	–	57 300	57 300	12 111	45 189	–	145 328
Interest		7 763	7 955	–	(2)	(2)	663	(665)	–	7 955
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–
Other Gains		98	26 554	–	–	–	2 213	(2 213)	–	26 554
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		278 264	322 008	–	69 946	69 946	26 834	43 112	161%	322 008



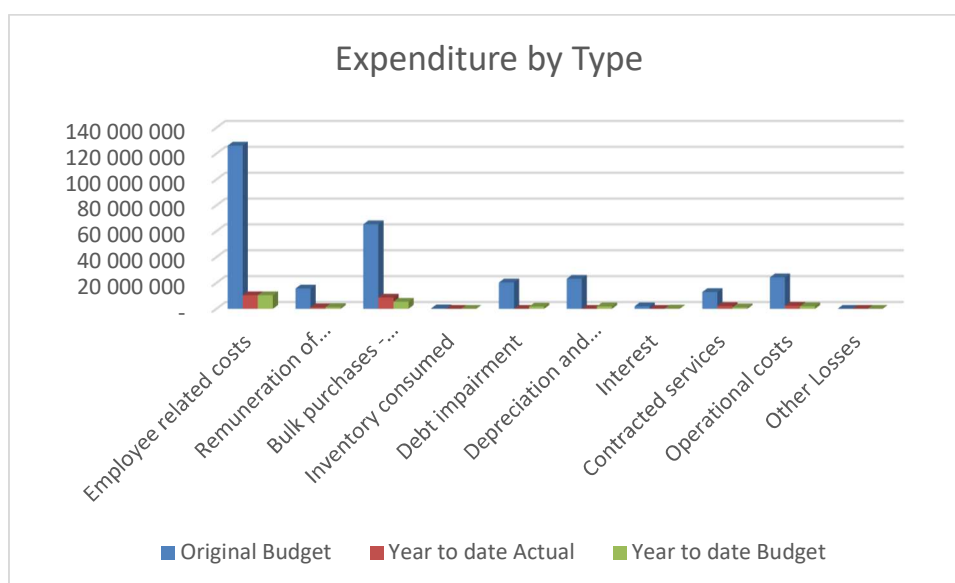


Revenue Variance Explanations against Planned Budget

- Electricity reflects a favorable variance of 31%, primarily due to a R7.4 million decrease in electricity service debtors. Of this amount, 33% is attributed to organs of state, 47% to commercial customers, and 19% to households.
- Waste management reflects a favourable variance of 8%. 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 94
- Agency Services and Licenses & Permits show unfavorable variances of 39% and 37%, 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 favourable variance of 100%, This is attributed to the collection rate being less than projected.
- Rentals of facilities reflects an unfavourable variance of 54% due to low demand on public facilities.
- Operational revenue reflects an unfavourable variance of 100%.
- Property rates reflect favourable variance of 32% 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

Expenditure By Type									
Employee related costs	125 427	126 195	–	10 471	10 471	10 516	(45)	0%	126 195
Remuneration of councillors	14 006	15 692	–	1 153	1 153	1 308	(155)	-12%	15 692
Bulk purchases - electricity	98 619	65 349	–	8 680	8 680	5 446	3 234		65 349
Inventory consumed	378	324	–	–	–	27	(27)		324
Debt impairment	–	20 385	–	–	–	1 699	(1 699)	-100%	20 385
Depreciation and amortisation	28 747	23 217	–	–	–	1 935	(1 935)	-100%	23 217
Interest	2 035	2 000	–	27	27	167	(140)	-84%	2 000
Contracted services	16 669	13 003	–	2 178	2 178	1 084	1 095	101%	13 003
Transfers and subsidies	–	–	–	–	–	–	–		–
Irrecoverable debts written off	23 927	–	–	–	–	–	–		–
Operational costs	16 769	24 330	–	2 376	2 376	2 028	348	17%	24 330
Losses on Disposal of Assets	1 705	–	–	–	–	–	–		–
Other Losses	(10)	1	–	–	–	0	(0)		1
Total Expenditure	328 272	290 497	–	24 884	24 884	24 208	676	3%	290 497



Expenditure Variance Explanations against Planned Budget

- Inventory Consumed shows an unfavourable variance of 100%, 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 unfavourable variance of 84%, 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% variance, as these items will be calculated and recognized at year-end.
- Contracted Services show a favourable variance of 101%, mainly due to the increased volume of maintenance work carried out on vehicles and equipment.
- Operational costs reflect an unfavourable variance of 17%.

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 July 2025 amounts to R245 thousand which represents 3% of the year to date capital budget exclusive of vat and 1% 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) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	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]		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-		-
Vote 2 - Budget and Treasury		(7 741)	-	-	-	-	-	-		-
Vote 3 - Corporate Services		3 507	2 800	-	-	-	233	(233)	-100%	2 800
Vote 4 - Community Services		2 141	-	-	82	82	-	82	#DIV/0!	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-		-
Vote 6 - Engineering Services		66 963	89 322	-	164	164	7 443	(7 280)	-98%	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]		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	64 869	92 122	-	245	245	7 677	(7 432)	-97%	92 122
Total Capital Expenditure		64 869	92 122	-	245	245	7 677	(7 432)	-97%	92 122
Capital Expenditure - Functional Classification										
Governance and administration		(4 235)	2 800	-	-	-	233	(233)	-100%	2 800
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		(4 235)	2 800	-	-	-	233	(233)	-100%	2 800
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		(873)	-	-	-	-	-	-		-
Community and social services		(873)	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		61 969	66 382	-	164	164	5 532	(5 368)	-97%	66 382
Planning and development		43 620	37 737	-	164	164	3 145	(2 981)	-95%	37 737
Road transport		18 349	28 645	-	-	-	2 387	(2 387)	-100%	28 645
Environmental protection		-	-	-	-	-	-	-		-
Trading services		8 008	22 940	-	82	82	1 912	(1 830)	-96%	22 940
Energy sources		4 994	22 940	-	-	-	1 912	(1 912)	-100%	22 940
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		3 014	-	-	82	82	-	82	#DIV/0!	-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	64 869	92 122	-	245	245	7 677	(7 432)	-97%	92 122
Funded by:										
National Government		63 266	74 322	-	164	164	6 193	(6 030)	-97%	74 322
Provincial Government		3 958	15 000	-	82	82	1 250	(1 168)	-93%	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)		-	-	-	-	-	-	-		-
Transfers recognised - capital		67 224	89 322	-	245	245	7 443	(7 198)	-97%	89 322
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		(2 355)	2 800	-	-	-	233	(233)	-100%	2 800
Total Capital Funding		64 869	92 122	-	245	245	7 677	(7 432)	-97%	92 122

4.4 Cash Flows

The cash available as at 31 July 2025 amounts to R120.7 million; this consist of call deposits and cash available in the main account excluding the cash on hand.

EC124 Amahlathi - Table C7 Monthly Budget Statement - Cash Flow - M01 July										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(14 877)	31 710	–	1 333	1 333	2 642	(1 309)	-50%	31 710
Service charges		(47 241)	76 998	–	5 802	5 802	6 416	(615)	-10%	76 998
Other revenue		15 959	14 330	–	349	349	1 194	(845)	-71%	14 330
Transfers and Subsidies - Operational		339 974	145 328	–	392	101 364	12 111	89 253	737%	145 328
Transfers and Subsidies - Capital		(39 900)	89 322	–	–	10 342	7 443	2 899	39%	89 322
Interest		18 819	12 629	–	(1)	(1)	1 052	(1 053)	-100%	12 629
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(10 704)	(259 511)	–	245	245	(19 011)	(19 256)	101%	(259 511)
Interest		–	(2 000)	–	–	–	(167)	(167)	100%	(2 000)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		262 032	108 806	–	8 121	119 435	11 683	(107 752)	-922%	108 806
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		798 431	(91 874)	–	(245)	(245)	(7 656)	(7 411)	97%	(91 874)
NET CASH FROM/(USED) INVESTING ACTIVITIES		798 431	(91 874)	–	(245)	(245)	(7 656)	(7 411)	97%	(91 874)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		1 060 462	16 932	–	7 876	119 189	4 026			–
Cash/cash equivalents at beginning:		1 559	30 825	–	–	1 559	30 825			1 559
Cash/cash equivalents at month/year end:		1 062 021	47 757	–	7 876	120 748	34 851			–

5. IN-YEAR BUDGET STATEMENT TABLES

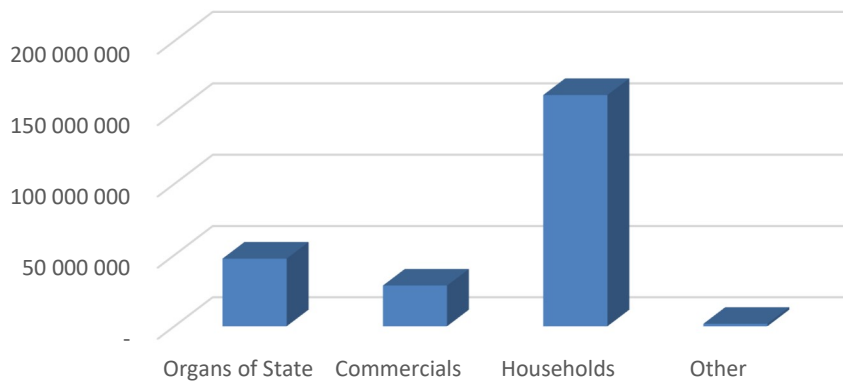
EC124 Amahlathi - Table C1 Monthly Budget Statement Summary - M01 July									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	22 003	28 350	–	3 107	3 107	2 363	745	32%	28 350
Service charges	75 059	86 861	–	9 190	9 190	7 238	1 952	27%	86 861
Investment revenue	1 560	4 063	–	–	–	339	(339)	-100%	4 063
Transfers and subsidies - Operational	146 325	145 328	–	57 300	57 300	12 111	45 189	373%	145 328
Other own revenue	33 317	57 405	–	349	349	4 784	(4 435)	-93%	57 405
Total Revenue (excluding capital transfers and contributions)	278 264	322 008	–	69 946	69 946	26 834	43 112	161%	322 008
Employee costs	125 427	126 195	–	10 471	10 471	10 516	(45)		126 195
Remuneration of Councillors	14 006	15 692	–	1 153	1 153	1 308	(155)		15 692
Depreciation and amortisation	28 747	23 217	–	–	–	1 935	(1 935)		23 217
Interest	2 035	2 000	–	27	27	167	(140)		2 000
Inventory consumed and bulk purchases	98 997	65 673	–	8 680	8 680	5 473	3 207		65 673
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	59 060	57 719	–	4 554	4 554	4 810	(256)	-5%	57 719
Total Expenditure	328 272	290 497	–	24 884	24 884	24 208	676	3%	290 497
Surplus/(Deficit)	(50 008)	31 511	–	45 061	45 061	2 626	42 435	1616%	31 511
Transfers and subsidies - capital (monetary allocations)	77 657	89 322	–	188	188	7 443	(7 255)	-97%	89 322
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	27 649	120 833	–	45 249	45 249	10 069	35 180	349%	120 833
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	27 649	120 833	–	45 249	45 249	10 069	35 180	349%	120 833
Capital expenditure & funds sources									
Capital expenditure	64 869	92 122	–	245	245	7 677	(7 432)	-97%	92 122
Capital transfers recognised	67 224	89 322	–	245	245	7 443	(7 198)	-97%	89 322
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	(2 355)	2 800	–	–	–	233	(233)	-100%	2 800
Total sources of capital funds	64 869	92 122	–	245	245	7 677	(7 432)	-97%	92 122
Financial position									
Total current assets	59 387	104 178	–		112 400				104 178
Total non current assets	481 546	600 889	–		481 791				600 889
Total current liabilities	191 164	143 434	–		199 176				143 434
Total non current liabilities	80 003	7 862	–		80 003				7 862
Community wealth/Equity	282 950	553 771	–		328 199				553 771
Cash flows									
Net cash from (used) operating	262 032	108 806	–	8 121	119 435	11 683	(107 752)	-922%	108 806
Net cash from (used) investing	798 431	(91 874)	–	(245)	(245)	(7 656)	(7 411)	97%	(91 874)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	1 062 021	47 757	–	7 876	120 748	34 851	(85 897)	-246%	–
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	(311)	5 627	5 343	5 052	4 880	4 946	38 467	176 114	240 117
Creditors Age Analysis									
Total Creditors	11 777	1 819	254	837	1 750	44	3 368	108 715	128 564

6. DEBTORS ANALYSIS

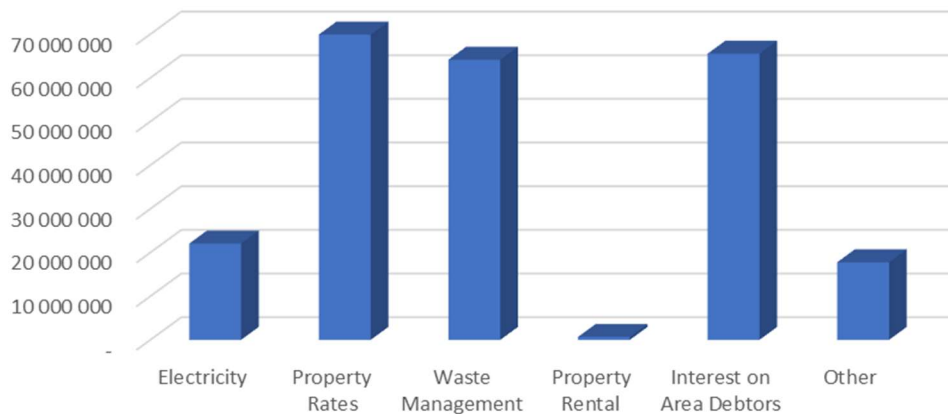
EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

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	(74)	1 710	1 474	1 297	1 225	1 282	9 087	6 057	22 057	18 947	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	(186)	1 079	1 014	976	914	869	11 485	53 768	69 917	68 011	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	(3)	890	870	852	844	785	5 758	54 153	64 150	62 392	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	(0)	(0)	-	6	143	41	491	680	681	-	-	-	
Interest on Arrear Debtor Accounts	1810	(1)	1 538	1 571	1 514	1 505	1 475	9 700	48 232	65 534	62 426	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(46)	410	414	414	386	393	2 396	13 412	17 778	17 001	-	-	-	
Total By Income Source	2000	(311)	5 627	5 343	5 052	4 880	4 946	38 467	176 114	240 117	229 458	-	-	-	
2024/25 - totals only										-	-				
Debtors Age Analysis By Customer Group															
Organs of State	2200	(10)	1 891	1 887	1 651	1 677	1 737	17 825	20 865	47 523	43 755	-	-	-	
Commercial	2300	(135)	982	761	712	644	696	3 243	21 686	28 589	26 981	-	-	-	
Households	2400	(171)	2 712	2 653	2 648	2 520	2 473	17 086	132 309	162 231	157 036	-	-	-	
Other	2500	5	41	42	40	40	40	314	1 253	1 775	1 686	-	-	-	
Total By Customer Group	2600	(311)	5 627	5 343	5 052	4 880	4 946	38 467	176 114	240 117	229 458	-	-	-	

Debt by Customer



Debt by Source

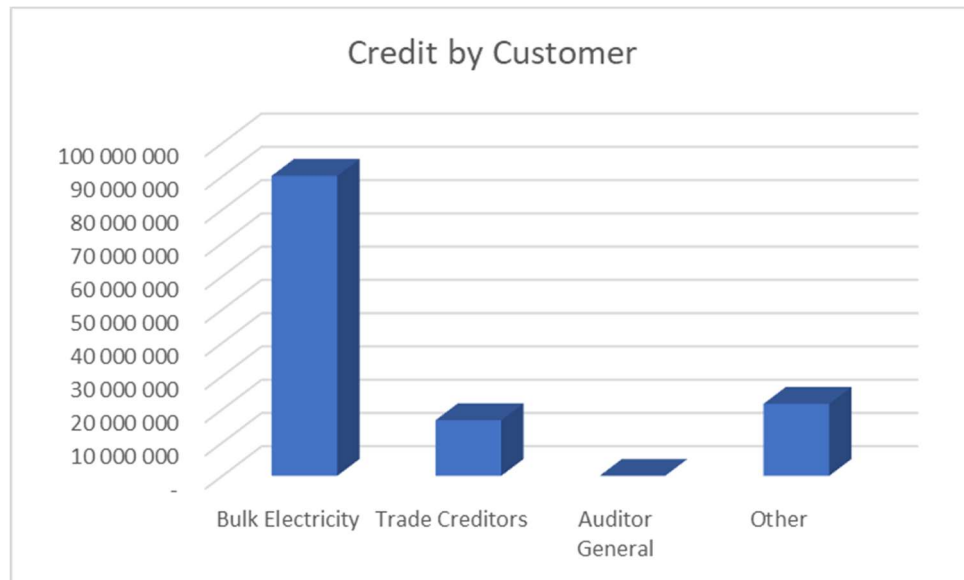


The debtors report below provides the total amount owed to the municipality by income source and by debtor type. Total outstanding debt for the month ending 31 July 2025 is R240.1 million. A R7.4 million decrease from the previous month. The biggest contributor being the households that owe R162 million which is an increase of R10 million from previous month; followed by government departments owing R47 million which is an increase of R3 million from previous month and business that owe R28 million, which is a decrease of R2 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 July 2025.

EC124 Amahlathi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July										
Description R thousands	NT Code	Budget Year 2025/26								Total
		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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	9 799	27	-	364	1 750	-	3 368	74 856	90 163
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2 038	256	254	192	-	44	-	13 954	16 738
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	(59)	1 536	-	281	-	-	-	19 905	21 663
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	11 777	1 819	254	837	1 750	44	3 368	108 715	128 564



Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
SOND001 (SONDLO & KNOPP ADVERTISING)						1 887,84	9 534,14	11 421,98
3RDPAR02 (3rd Party PENSIONS)							1 791 571,16	1 791 571,16
3RDPAR01 (3rd Party SARS)							1 665 704,10	1 665 704,10
ALOE0001 (ALOE OFFICE & BUSINESS EQUIPMENT)						46 132,88	37 530,85	83 663,73
ALOE001 (ALOE TRAVEL)				22 616,16	14 787,48	6 344,00	15 675,53	59 423,17
AMAT0002 (AMATHOLE DISTRICT MUNICIPALITY)	11 775 269,04							11 775 269,04
AUDI001 (AUDITOR - GENERAL)				301 269,00	1 184 373,04	84 938,69	19 321,45	1 589 902,18
BOAR001 (BOARDMANS HARDWARE)						6 137,40	17 301,96	23 439,36
CAME0001 (CCG SYSTEMS)	148 275,00							148 275,00
CITYOF01 (CITY OF CHOICE TRAVELS)					58 597,76			58 597,76
DYNAMI03 (DYNAMIC SERVICES)							5 995,00	5 995,00
EASTLO02 (EAST LONDON INDUSTRIAL DEVELOPMENT ZONE)						6 210,00	6 210,00	12 420,00
ECPGPR01 (ECPG PROVINCE)							74 632,42	74 632,42
ECPGRT01 (ECPG RTMC)							5 184,00	5 184,00
ELIT0001 (ELITE STATIONERS)							2 197,70	2 197,70
EPWPCA01 (EPWP CASUALS)				-851 862,36		568 227,48	2 080,00	-281 554,88
ESKOMB01 (ESKOM (BULK))	115 045 341,20	415 903,85	475 325,98	480 661,24	502 023,77	365 500,51	5 129 328,71	122 414 085,26
ESKOME01 (ESKOM (ELECTRICITY & LIGHTS))							108 636,29	108 636,29
ESKOMF01 (ESKOM (FBE))					782,16	17 884,80		18 666,96
GUQQAP01 (GUQQA PTY LTD)							248 025,46	248 025,46
JAMICM01 (JEMIC MOTORS)			71 578,47	1 581,25		14 565,90		87 725,62
MAGQ001 (MAGQABI SETH ZITHA INC)					41 793,00			41 793,00
MEDI001 (MEDIA MAESTRO)							21 700,00	21 700,00
MOBILE01 (MOBILE TELEPHONE NETWORK)							5 992,00	5 992,00
PENNYL01 (PENNY LINDSTROM VALUATIONS)							522 233,40	522 233,40
PROD001 (PRODIBA)							13 351,00	13 351,00
QAMI0001 (QAMIS TRADING ENTERPRISE)							99 000,00	99 000,00
SALG0001 (SALGA)	5 030 394,20							5 030 394,20
SIYAMB01 (SIYAMBONGA ADOONS)					2 000,00			2 000,00
SKEKIP01 (SKEKI PROJECTS AND SERVICES)							15 000,00	15 000,00
SNRE0001 (SNR Electrical CC)	120 784,71							120 784,71
SPCAAM01 (SPCA AMAHLATHI)						45 000,00		45 000,00
SPECIA01 (SPECIAL INVESTIGATION UNIT)	10 537 432,33							10 537 432,33
TRUVEL01 (TRUVELO AFRICA ELECTRONICS DIVISION)							12 309,60	12 309,60
UKHO0001 (UKHOPHELO GENERAL TRADING)							10 500,00	10 500,00
VEZIMJ01 (VEZI MJA SECURITY AND CLEANING SERVICES)							15 900,00	15 900,00
WCADEP01 (WCA (Department of Labour))	9 776 968,75							9 776 968,75
WESL0001 (Wesley Pretorius & Associates)					313 716,40			313 716,40
YANDEE01 (YANDE ENGINEERING AND PROJECTS)	507 525,00							507 525,00
TOTAL								166 994 881,70

8. INVESTMENT PORTFOLIO ANALYSIS

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

	Opening Balance	New Investment	Withdrawals	INTEREST							Total
				July	August	Sept	Oct	Nov	Dec	Jan	
FNB 62063171351	14 562 569,07	17 079 000,00	(30 340 548,48)	80 298,33	63 751,49	72 076,82	46 022,59	24 335,14	7 674,26	8 205,97	1 603 385,19
FNB 62135193770	1 620,85	42 174 177,42	(35 807 573,41)	19 715,91	64 135,80	55 313,70	22 982,72	62 052,67	42 146,15	1 465,77	6 636 037,58
FNB 61381739619	895 602,61	2 493 115,00	(2 438 000,00)	5 058,32	5 086,88	2 941,62	3 496,22	2 841,42	2 664,92	2 726,99	975 533,98
FNB 74568809858	5 174 751,78		(438 556,23)	37 003,02	38 509,87	36 291,56	31 478,79	32 739,30	31 895,77	33 172,98	4 977 286,84
FNB 62774381942	299 994,50			1 847,23	1 858,60	1 786,84	1 816,18	1 749,11	1 771,75	1 779,79	312 604,00
FNB 62774381009	2 031,22			12,50	12,59	12,10	12,29	11,85	11,99	12,05	2 116,59
FNB 62774381413	19360,52	1 160 000,00	(1 143 030,42)	834,28	3 615,85	1 617,36	194,21	296,01	245,87	246,98	43 380,66
FNB 62774382445	2392,88			14,73	14,82	14,26	14,48	13,96	14,13	14,19	2 493,45
FNB 62774383592	391165,68	120 623 000,00	(117 162 055,68)	162 683,27	6 032,26	6 388,23	10 273,44	6 791,68	74 474,61	14 004,64	4 132 758,13
FNB 62774382966	974256,48	900 000,00	(963 656,49)	5 619,69	5 641,66	5 423,82	5 512,91	3 214,35	5 309,28	2 893,46	944 215,16
FNB 63127292538		1 201 000,00	(1 200 000,00)					0,73	3 112,59	23,55	4 136,87
FNB 63127290730		2 875 000,00	(2 000 000,00)					0,73	4 282,10	892,33	880 175,16
FNB 63127288686		1 000,00						0,73	5,74	5,76	1 012,23
FNB 76207901903		2 000 000,00	(2 013 249,31)						5 115,61	8 133,70	-0,00
FNB 76207925432		4 300 000,00	(4 312 782,19)						8 217,12	4 565,07	-0,00
FNB 76207902282		2 000 000,00	(2 007 247,12)						5 128,76	2 118,36	-0,00
FNB 76207902167		1 200 000,00	(1 207 949,58)						3 077,26	4 872,32	-0,00
FNB 76207902042		7 500 000,00	(7 549 684,93)						19 232,87	30 452,06	0,00
STD 548578273-001		9 000 000,00	(9 064 781,51)						41 794,52	22 986,99	0,00
STD 548578273-002		9 000 000,00							42 041,10		9 042 041,10
STD 548578273-003		9 000 000,00							42 164,38		9 042 164,38
NEDBANK '20738		9 000 000,00	(9 120 834,25)	30 757,81	68 106,58	21 969,86					-
ABSA 2081691844		9 000 000,00	(9 188 839,73)	-	102 195,61	71 092,60	15 551,52				-0,00
ABSA 2081691836		9 000 000,00	(9 054 236,71)	-	54 236,71						-0,00
ABSA 2081691828		9 000 000,00	(9 267 100,27)	-	104 123,83	72 433,97	72 500,27	18 042,20			0,00
	22 323 745,59	268 506 292,42	(254 280 126,31)	343 845,09	517 322,55	347 362,74	209 855,62	152 089,88	340 380,78	138 572,96	38 599 341,32

9. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

2025/26									
	Grant Allocation	Grants Received	July	Grants Spent	Grants Unspent	% Received	% Spent on Allocation	% Spent on Receipts	% Unspent on Allocation
Equitable Share (OG)	137 520 000	57 300 000		-	137 520 000	42%	0%	0%	100%
Finance Management Grant(OG)	2 200 000	-	1 342 524	1 342 524	857 476	0%	61%	#DIV/0!	39%
EPWP Grant(OG)	1 799 000	-		-	1 799 000	0%	0%	#DIV/0!	100%
Integrated National Electrification Program Grant (CG)	17 440 000	-		-	17 440 000	0%	0%	#DIV/0!	100%
MIG (CG)	39 723 000	13 111 000	245 265	245 265	39 477 735	33%	1%	2%	99%
Municipal Disaster Recovery Grant (CG)	19 145 000	-		-	19 145 000	0%	0%	#DIV/0!	100%
Eastern Cape Capacity Building (OG)	1 823 000	-		-	1 823 000	0%	0%	#DIV/0!	100%
Totals	219 650 000	70 411 000	1 587 789	1 587 789	218 062 211	32%			

EC124 Amahlathi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	-	-	-	-	-	-		-
	-							-		
	-									
	-									
	-									
	-							-		
	-							-		
	-							-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
	-							-		
	-							-		
	-							-		
Other transfers and grants [insert description]	4							-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Operating Transfers and Grants	5	-	-	-	-	-	-	-		-
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-		-
	-							-		
	-									
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-		-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	-	-	-	-	-	-		-

The conditional and unconditional grants allocation budgeted for 2025/26 reflected an amount of R219.6m. An amount of R70.4 million has been received for period ending 31 July 2025.

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

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:		-	-	-	-	-	-	-		-
Energy Efficiency and Demand Side Management Grant	-							-		
Expanded Public Works Programme Integrated Grant	-							-		
Infrastructure Skills Development Grant	-							-		
Local Government Financial Management Grant	-							-		
Municipal Infrastructure Grant	-							-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	-	-	-	-	-	-		-
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-		-
Integrated National Electrification Programme Grant	-							-		
Municipal Infrastructure Grant	-							-		
	-							-		
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-		-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	-	-	-	-	-	-		-

No expenditure has been recorded on operating grants, excluding the Equitable Share. However, R245 thousand has been spent on capital grants.

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 - M01 July										
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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9 463	10 834	–	775	775	903	(128)	-14%	10 834
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		460	619	–	52	52	52	0	0%	619
Cellphone Allowance		1 416	1 777	–	119	119	148	(30)	-20%	1 777
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		2 666	2 462	–	207	207	205	2	1%	2 462
Sub Total - Councillors		14 006	15 692	–	1 153	1 153	1 308	(155)	-12%	15 692
% increase	4		12,0%							12,0%
Senior Managers of the Municipality										
Basic Salaries and Wages		4 562	5 980	–	369	369	498	(129)	-26%	5 980
Pension and UIF Contributions		9	9	–	1	1	1	(0)	-6%	9
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		200	431	–	15	15	36	(21)	-58%	431
Cellphone Allowance		67	71	–	6	6	6	(0)	-6%	71
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		1	1	–	0	0	0	(0)	-8%	1
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		4 838	6 493	–	390	390	541	(151)	-28%	6 493
% increase	4		34,2%							34,2%
Other Municipal Staff										
Basic Salaries and Wages		83 083	79 503	–	6 787	6 787	6 625	162	2%	79 503
Pension and UIF Contributions		14 433	14 621	–	1 214	1 214	1 218	(5)	0%	14 621
Medical Aid Contributions		6 195	6 665	–	573	573	555	18	3%	6 665
Overtime		1 283	1 219	–	161	161	102	59	58%	1 219
Performance Bonus		6 704	6 807	–	585	585	567	18	3%	6 807
Motor Vehicle Allowance		4 025	3 409	–	329	329	284	45	16%	3 409
Cellphone Allowance		851	889	–	73	73	74	(1)	-2%	889
Housing Allowances		2 492	2 661	–	205	205	222	(17)	-8%	2 661
Other benefits and allowances		622	518	–	62	62	43	19	43%	518
Payments in lieu of leave		251	163	–	33	33	14	20	144%	163
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	2 813	–	–	–	234	(234)	-100%	2 813
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		650	435	–	59	59	36	23	63%	435
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		120 589	119 703	–	10 081	10 081	9 975	105	1%	119 703
% increase	4		-0,7%							-0,7%
Total Parent Municipality		139 433	141 887	–	11 624	11 624	11 824	(200)	-2%	141 887

The municipality have allocated a budget of R15.6 million for Councilors and have spent R1.1 million which constitutes 7% for the first month of the financial year.

The municipality have allocated a budget of R6.4 million for Senior Managers and have spent R390 thousand which constitutes 6% 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 R10 million which constitutes 8% 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
Disaster Projects	19 145 000	-	19 145 000
INEP Projects	17 440 000	-	17 440 000
Building Plan Offices	8 000 000	-	8 000 000
Mlungisi Sportfield	5 600 000	-	5 600 000
STR KKH Roads	5 500 000	-	5 500 000
Phumlani Community Hall	4 651 162	-	4 651 162
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
Nqenqe Internal Roads	3 462 969	-	3 462 969
Waste Collection Compactor Truck	3 283 196	-	3 283 196
Izidenge Internal Roads	3 326 149	-	3 326 149
Infrastructure plans	1 697 050	-	1 697 050
STR KKH	1 500 000	-	1 500 000
Vehicles	1 100 000	-	1 100 000
Paving of Xholorha Internal Roads	1 000 000	245 265	754 736
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	-	500 000
Cathcart Town Hall Upgrade	400 000	-	400 000
Amabele Paving	315 036	-	315 036
Computer Equipment	200 000	-	200 000
	92 121 850	245 265	91 876 586

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 July 2025.

EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		(8 277)	39 757	–	38 394	39 757
Trade and other receivables from exchange transactions		49 616	22 570	–	53 224	22 570
Receivables from non-exchange transactions		33 520	9 188	–	34 656	9 188
Current portion of non-current receivables		–	–	–	–	–
Inventory		6	24	–	25	24
VAT		30 881	32 639	–	32 486	32 639
Other current assets		(46 359)	–	–	(46 385)	–
Total current assets		59 387	104 178	–	112 400	104 178
Non current assets						
Investments		–	–	–	–	–
Investment property		11 678	11 686	–	11 678	11 686
Property, plant and equipment		464 680	582 387	–	464 926	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		–	–	–	–	–
Total non current assets		481 546	600 889	–	481 791	600 889
TOTAL ASSETS		540 933	705 067	–	594 191	705 067
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 850	1 844	–	1 850	1 844
Trade and other payables from exchange transactions		147 008	64 065	–	140 118	64 065
Trade and other payables from non-exchange transactions		428	47 000	–	13 900	47 000
Provision		17 036	20 407	–	17 036	20 407
VAT		24 842	10 118	–	26 272	10 118
Other current liabilities		–	–	–	–	–
Total current liabilities		191 164	143 434	–	199 176	143 434
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		17 030	7 862	–	17 030	7 862
Long term portion of trade payables		33 432	–	–	33 432	–
Other non-current liabilities		29 540	–	–	29 540	–
Total non current liabilities		80 003	7 862	–	80 003	7 862
TOTAL LIABILITIES		271 167	151 296	–	279 179	151 296
NET ASSETS	2	269 767	553 771	–	315 012	553 771
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		282 950	553 771	–	328 199	553 771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	282 950	553 771	–	328 199	553 771

a. CURRENT ASSETS

- **Cash** – The cash balance of R38.9 million comprises of the cashbook balance for the main primary bank account as at 31 July 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 July 2025.

Date	Type	Account Description	Balance
31 July 2025	Cash	Main Account	359 306.74
31 July 2025	Call Investment Deposit	Disaster Account	1 603 385.19
31 July 2025	Call Investment Deposit	MIG Account	6 636 037.58
31 July 2025	Call Investment Deposit	Insurance Account	975 533.98
31 July 2025	Call Investment Deposit	FNB Guarantee	4 977 286.84
31 July 2025	Call Investment Deposit	Retention Account	312 604.21
31 July 2025	Call Investment Deposit	FMG Account	2 116.59
31 July 2025	Call Investment Deposit	INEP Account	43 380.66
31 July 2025	Call Investment Deposit	LGSETA Account	2 493.45
31 July 2025	Call Investment Deposit	Payroll Account	4 132 758.13
31 July 2025	Call Investment Deposit	DEDEAT Account	944 215.16
31 July 2025	Call Investment Deposit	STR Account	4 136.87
31 July 2025	Call Investment Deposit	EEDSM Account	880 175.16
31 July 2025	Call Investment Deposit	Inhouse Account	1 012.23
31 July 2025	Call Investment Deposit	Payroll Accounts	18 084 205.48
			38 958 648.06

- The total cash available as at 31 July 2025 indicates a total balance of **R38 958 648.06**.
- **Inventory** – The value of inventory as at 31 July 2025 amounts to R25 461.
- **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 R480 million with the biggest contributor being the Property; Plant and Equipment of the municipality amounting to R481.7 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 July 2025.

- **Trade and other Payables** – The trade and other payables are currently at R140 million which indicates a R2 million decrease when compared to June 2025.
- **Unspent Grant** – The unspent grants amounts to R13.9 million as at 31 July 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 - M01 July

Description	Ref	2024/25	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2025/26				
		Audited Outcome				YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 191	1 880	–	154	154	157	3	1,9%	1 880
Roads Infrastructure		359	1 150	–	154	154	96	(58)	-60,4%	1 150
Roads		359	1 150	–	154	154	96	(58)	-60,4%	1 150
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		25	30	–	–	–	3	3	100,0%	30
Drainage Collection		25	30	–	–	–	3	3	100,0%	30
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		807	700	–	–	–	58	58	100,0%	700
Power Plants		–	100	–	–	–	8	8	100,0%	100
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		807	600	–	–	–	50	50	100,0%	600
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	100	–	–	–	8	8	100,0%	100
Community Facilities		–	100	–	–	–	8	8	100,0%	100
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	100	–	–	–	8	8	100,0%	100
Police		–	–	–	–	–	–	–	–	–
Other assets		352	400	–	–	–	33	33	100,0%	400
Operational Buildings		352	400	–	–	–	33	33	100,0%	400
Municipal Offices		344	300	–	–	–	25	25	100,0%	300
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		8	100	–	–	–	8	8	100,0%	100
Machinery and Equipment		33	50	–	–	–	4	4	100,0%	50
Machinery and Equipment		33	50	–	–	–	4	4	100,0%	50
Transport Assets		1 065	545	–	90	90	45	(44)	-97,8%	545
Transport Assets		1 065	545	–	90	90	45	(44)	-97,8%	545
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	2 642	2 975	–	244	244	248	4	1,8%	2 975

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 July 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 July 2025 stands at 58%. Since the inception of the Debt Relief Programme, the municipality has remained committed and has not missed a single payment to Eskom. Compliance for June 2025 was recorded at 90%, while the self-assessed compliance for July 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

Mpumalanga Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Jul'25

National Financial Year

2025/26

Demarcation Code of Municipality being assessed

EC 124

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


6.3 +	Maintaining the Eskom and bulk water current account –		
Condition 6.12	(current account for the purpose of this exercise means the account for a single month's consumption):		
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Does not have function
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://iguploadportal.treasury.gov.za?	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)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	Yes
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://iguploadportal.treasury.gov.za?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	No
6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)		2025/26 Adopted MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		<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>	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	
11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes

		<i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must 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>- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?</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	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	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	Supporting evidence : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.	
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	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, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <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	Municipality's Completeness of the revenue base –	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <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	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ?	N/a
	6,9	Monitor and report on implementation –	
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	No FRP
		<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
		<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	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	For the duration of the Municipal Debt Relief (to ensure proper management of resources):	
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes

		<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		Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
40	6,13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <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>	

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



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province

EC

Code

EC124

District

Amahlathi

Code Description

Amahlathi

Monthly Performance Report																																																		
Municipal Details			Part A						Part B				Part C		Part D				Part E				Part F										Scoring and Rating																	
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating					
25 July 25	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	No	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	No	No	N/A	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0%	Not completed				
26 August 25	Amahlathi	EC124																																													0%	Not completed		
27 September 25	Amahlathi	EC124																																															0%	Not completed
28 October 25	Amahlathi	EC124																																															0%	Not completed
29 November 25	Amahlathi	EC124																																															0%	Not completed
30 December 25	Amahlathi	EC124																																															0%	Not completed
31 January 26	Amahlathi	EC124																																															0%	Not completed
32 February 26	Amahlathi	EC124																																															0%	Not completed
3 March 26	Amahlathi	EC124																																															0%	Not completed
34 April 26	Amahlathi	EC124																																															0%	Not completed
35 May 26	Amahlathi	EC124																																															0%	Not completed
36 June 26	Amahlathi	EC124																																															0%	Not completed
37 July 26	Amahlathi	EC124																																															0%	Not completed
38 August 26	Amahlathi	EC124																																															0%	Not completed
39 September 26	Amahlathi	EC124																																															0%	Not completed
40 October 26	Amahlathi	EC124																																															0%	Not completed
41 November 26	Amahlathi	EC124																																															0%	Not completed

HOD Name:

Signature of HOD:

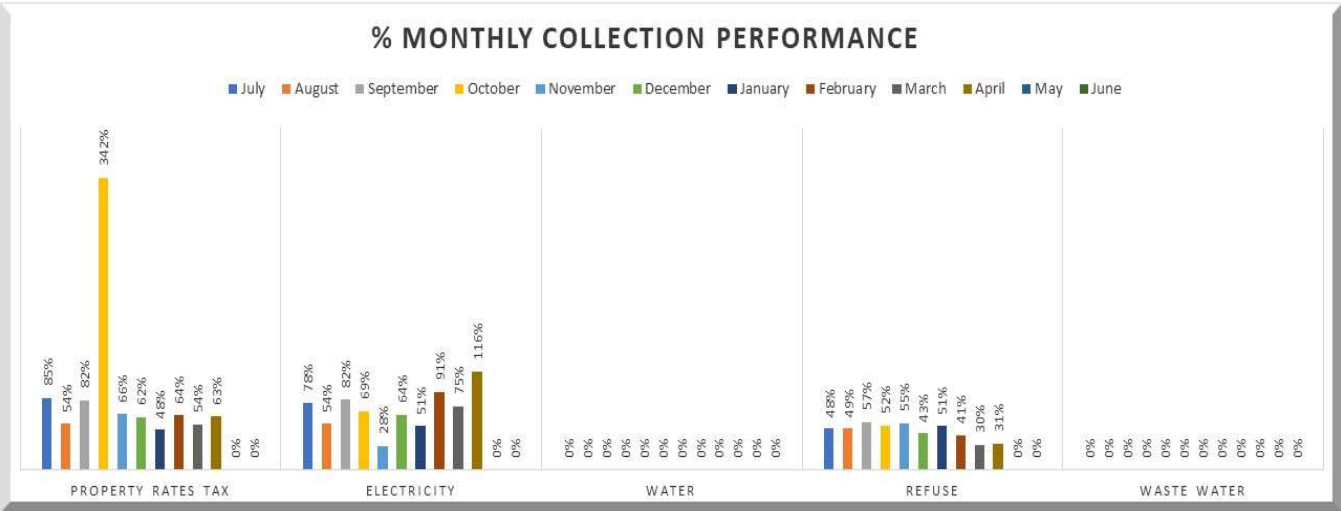
Date:

26/07/2024

Comments/Motivation

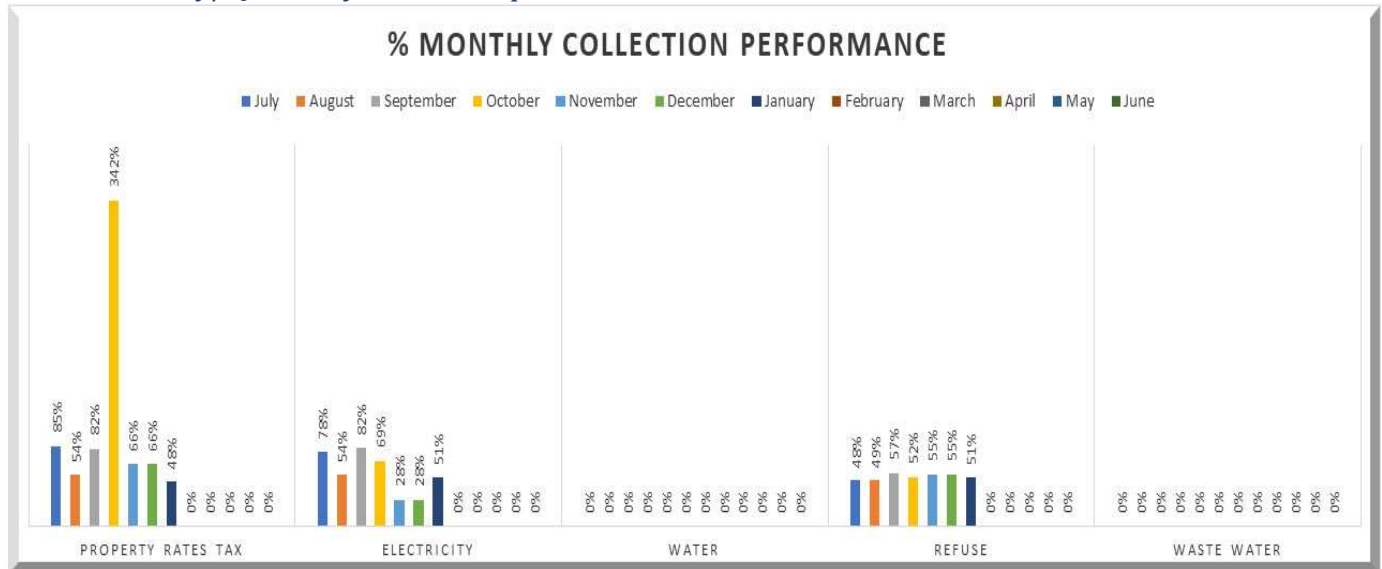
** Note – If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procuration of the HOD must be attached as an Annexure to this Certificate of Compliance.

18.3 December 2024 Provincial Treasury Debt Relief Compliance Assessment



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					Summary - Quarter 2					Summary - Quarter 3					Summary - Quarter 4				
	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q1
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	4 133 010	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	5 308 989	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%	46%	-	-	-	#DIV/0!	
4.Total average collection: Electricity (Municipal supplied areas)	17 417 799	12 451 524	4 966 265	71%	71%	18 918 422	8 610 759	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	3 397 185	1 736 549	1 660 636	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!	

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	
Indigent Household service targets	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																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
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																		
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total number of registered indigent households	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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total number of registered indigent households	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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total number of registered indigent households receiving unlimited supply - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
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						
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		–	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																		
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total number of registered indigent households	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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total number of registered indigent households	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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total number of registered indigent households receiving unlimited supply - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																	
<u>Number of ALL Households receiving Free Basic Service (including registered Indigent Households)</u>	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						
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																		
Water (6 kilolitres per household per month)																		
Electricity/other energy (50kwh per household per month)			180			180	180	180	180	180	180	180						
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																		
Water (6 kilolitres per household per month)																		
Electricity/other energy (50kwh per household per month)																		
Total cost of FBS Water and Electricity provided to ALL Households	8	–	180	–	–	180	180	180	180	180	180	180	–	–	–	–	–	
<u>Highest level of free service provided per household (ALL Households)</u>																		
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						
<u>Revenue cost of subsidised services provided for ALL Households (R'000)</u>	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																	
Total revenue cost of subsidised services provided		–	1 385	–	–	1 385	1 385	1 385	1 385	1 385	1 385	1 385	–	–	–	–	–	

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

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	-	-	-
Total	15 492	12 496	2 996	5 251 451 404	4 521 202 577	730 248 827

Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts			
Property Categories	GV	MFS	Variance	GV	MFS	Variance	
Residential	823	806	16	823	815	7	
Industrial	37	31	6	37	37		
Business and Commercial	195	191	3	195	193	2	
Agricultural	381	370	11	381	385	4	
Mining							
State Owned for Public Purpose	629	203	426	629	237	392	
PSI	9	12	3	9	12	3	
PBO	15	15		15	15		
Multi Use	3	3		3	3		
Vacant							
POW							
Municipal		46	46		35	35	
Other					79371,74	-79371,74	
Total	2 096 515	1 682 302	414 214	2 096 515	1 781 692	314 823	

JULY 2025

18.6 Maintaining the Eskom bulk current account

Eskom accounts are paid prior to the due date. Last payment amounting to R8.4 million was made on 31 July 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

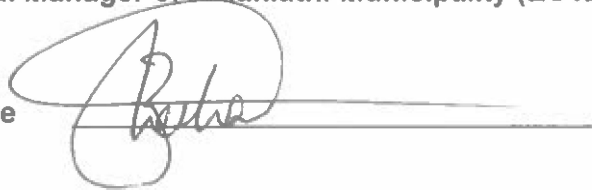
☐ Mid-year budget and performance assessment

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

Print Name: Dr. Z Shasha

Municipal Manager of Amahlathi Municipality (EC124)

Signature



Date: 14 August 2025