



MUNICIPAL FINANCE MANAGEMENT ACT

56 OF 2003

SECTION 71 FINANCIAL REPORT

31 DECEMBER 2025

TABLE OF CONTENTS

Contents

1. PURPOSE.....	3
2. BACKGROUND	3
3. SUMMARY	4
4. BUDGET PERFORMANCE OVERVIEW.....	6
4.1 Operating Revenue by source	6
4.2 Operating Expenditure by Type.....	7
4.3 Capital Expenditure by Municipal Vote.....	9
4.4 Cash Flows	10
5. IN-YEAR BUDGET STATEMENT TABLES.....	11
6. DEBTORS ANALYSIS	12
7. CREDITORS ANALYSIS	13
8. INVESTMENT PORTFOLIO ANALYSIS.....	14
9. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	15
10. COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS.....	18
11. MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN	19
12. CAPITAL PROGRAMME PERFORMANCE	19
13. SUMMARY OF STATEMENT OF FINANCIAL POSITION	20
14. OTHER SUPPORTING DOCUMENTS	21
15. RESOLUTIONS AND RECOMMENDATIONS	24
16. CONCLUSION	24
17. ANNEXURE A: SCHEDULE A	25
18. ANNEXURE B: Compliance with the Conditions for Municipal Debt Relief.....	26
18.1 MFMA Circular 124 – Municipal Compliance Self-Assessment.....	26
18.2 Municipal Debt Relief Performance across the period of debt relief participation.....	30
18.3 December 2024 Provincial Treasury Debt Relief Compliance Assessment.....	31
18.4 Collection Performance	31
18.4.1 Monthly/Quartly Collection per Ward.....	31
18.4.2 Monthly – Restirction of Free Basic Services to Indigent Households	33
18.5 Completeness of Revenue Base	34
18.6 Maintaining the Eskom bulk current account	34
19. MUNICIPAL MANAGERS QUALITY CERTIFICATE	Error! Bookmark not defined.

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

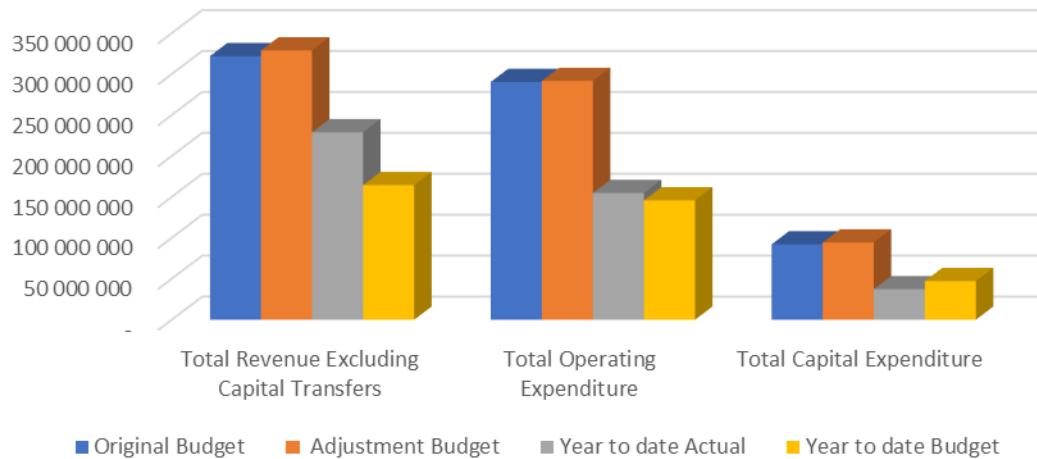
According to the Municipal Budget Reporting and Regulations (MBRR), 2009, "The monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms 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 sixth 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	Adjustment Budget	Year to date Actual	Year to date Budget	% Adjustment Budget	% Year to date Budget
Total Revenue Excluding Capital Transfers	322 007 776	328 951 480	229 068 441	164 475 756	70%	139%
Total Operating Expenditure	290 496 561	291 714 004	154 893 918	145 857 042	53%	106%
Total Capital Expenditure	92 121 850	94 333 990	37 349 619	47 166 990	40%	79%

EXECUTIVE SUMMARY



Revenue Performance: Operating revenue (excluding capital transfers) amounted to R229 million which constitutes 139% of the year-to-date budget and 70% of the Approved Budget. The main sources of this revenue are as follows: Transfers and Subsidies contribute 48%, Operational Revenue 21%, Service Charges 18%, Property Rates contribute 7%, and all other sources collectively make up the remaining 6%.

Expenditure Performance: Operating expenditure amounted to R94 million, which constitutes 64% of the year-to-date budget and 32% of the Approved Budget.

The main cost drivers behind this expenditure are Employee-Related Costs at 41%, Bulk Purchases at 20%, Debt Impairment at 14%, Depreciation 7%, Operational Costs, Inventory consumed, Contracted Services and Remuneration of Councilors share 18% the remaining.

Capital Expenditure: The Capital expenditure amounted to R37 million, which constitutes 79% of the year-to-date budget and 39% of the Approved Budget.

Cash Flow and Liquidity: The cash flow statement indicates that the municipality's operations generated a net cash inflow of R77 million by month-end, resulting in a closing cash balance of R42 million comprising call deposits and the primary municipal bank account.

Debtors and Creditors: The municipality is currently owed R271 million in outstanding debt, reflecting an increase of R3 million from the previous month's closing balance. Households remain the largest category of debtors, accounting for R173 million (2 million increase), followed by government debtors at R62 million (R1 million increase) and commercial accounts at R34. million (a R1 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 R96 million which reflects R16 million decrease from the previous month, with Eskom accounting for the largest share at R55 million (R10 million decrease). In the 6th month of the financial year, the municipality paid R5.4 million to Eskom as part of its commitment under the Debt Relief agreement.

Grant Funding: Total receipts from transfers and grants excluding Equitable share amounted to R57 million to date. Grant expenditure amounts to 48 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 93%, with required documentation submitted regularly to both the Provincial and National Treasury.

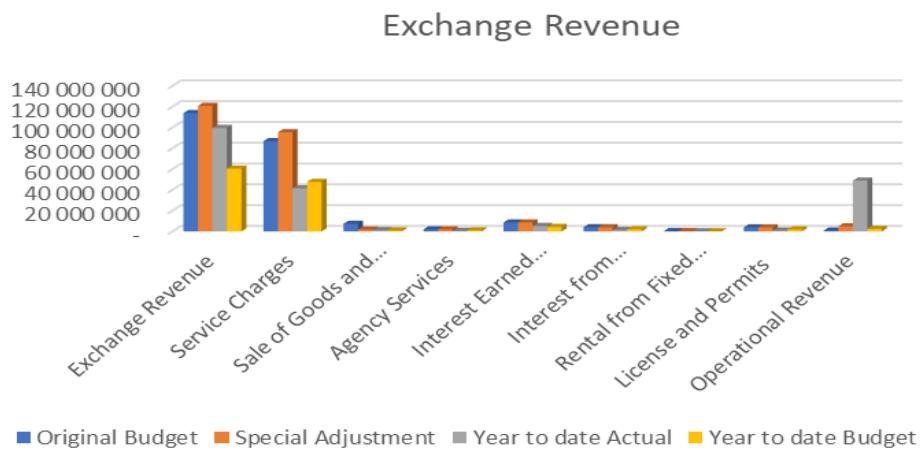
Overall Surplus: The municipality reported a surplus of R99 million after capital transfers. This is largely influenced by timing differences in expenditure recognition and outstanding month-end journals. Although financial performance reflects an overall surplus and underspending trends, structural 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.

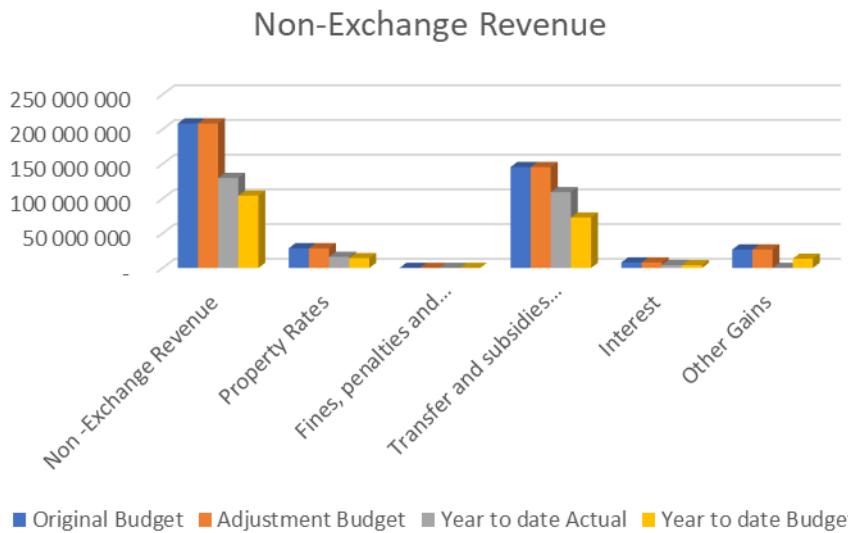
4. BUDGET PERFORMANCE OVERVIEW

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) - M06 December										
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	80 999	4 696	37 017	40 499	(3 482)	-9%	72 499
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 734	14 362	14 362	737	4 363	7 181	(2 818)	-39%	14 362
Sale of Goods and Rendering of Services		6 435	7 363	1 828	88	1 183	914	269	29%	7 363
Agency services		800	2 005	2 005	18	497	1 002	(506)	-50%	2 005
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		9 497	8 566	8 566	883	5 202	4 283	919	21%	8 566
Interest from Current and Non Current Assets		3 421	4 063	4 063	1 381	1 421	2 032	(611)	-30%	4 063
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		286	209	209	17	142	105	37	36%	209
Licence and permits		1 549	3 845	3 845	-	877	1 922	(1 045)	-54%	3 845
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		3 507	891	4 869	48 829	48 830	2 435	46 395	1906%	891
Non-Exchange Revenue										
Property rates		22 003	28 350	28 350	1 846	16 023	14 175	1 847	13%	28 350
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		26	18	18	4	116	9	107	1191%	18
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		146 325	145 328	145 328	45 840	109 119	72 664	36 455	50%	145 328
Interest		7 763	7 955	7 955	742	4 278	3 978	301	8%	7 955
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		26 686	26 554	26 554	-	-	13 277	(13 277)	-100%	26 554
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		303 766	322 008	328 951	105 081	229 068	164 476	64 593	39%	322 008



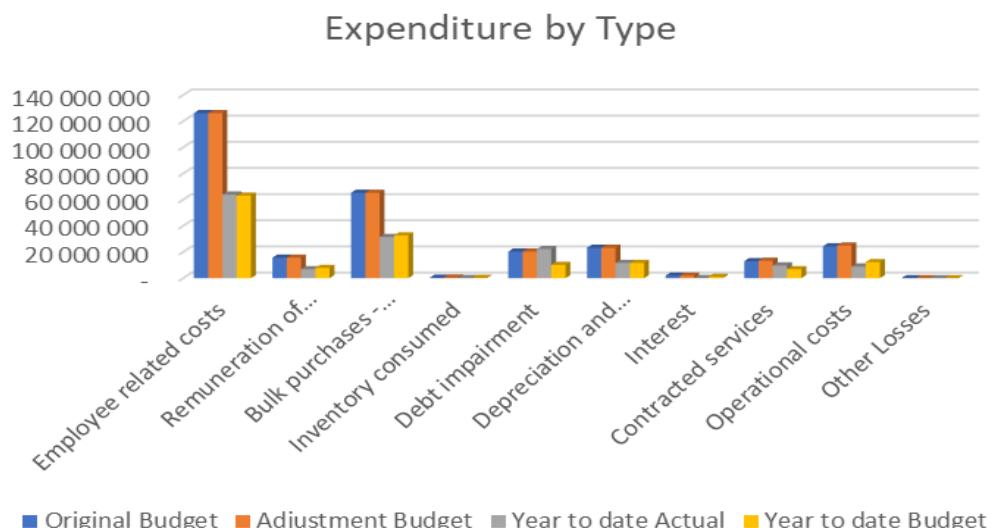


Revenue Variance Explanations against Planned Budget

- Waste Management reflects an unfavourable variance of 39%. This is as result of the refuse removal billed being less than estimated. Reason for the variance will be investigated and adjusted for in the mid-year adjustments budget.
- Sale of goods and rendering of services a favourable variance of 29%. This variance is as result of the non-creation of the in-house projects
- Agency Services: Licences and permits; and Fines, penalties and forfeits reflects unfavourable variances of 50%, 54% and a favourable 1191% for the period, respectively. The unfavourable variances are due to a decrease in demand for traffic services. The favourable variance is due to the increased visibility of traffic officers.
- Interest from receivables from exchange transactions reflects a favourable variance of 21%, This is attributed to the collection rate being less than projected. The consistent favourable variance has resulted in an increase in the proposed adjustments budget.
- Rentals of facilities reflects a favourable variance of 36%. This is due to an increase in demand. This is a trend which continued from the fourth quarter of the previous financial year as apposed to following of the same trend of the previous financial year, where demand was low during the first two quarters and increased during the final two.
- Operational revenue reflects a unfavourable variance of 100%, this is attributable to no insurance claims being submitted during the first quarter of the financial year.
- Property rates reflect a favourable variance of 13%. This is largely due to annual billing being done for certain consumers and the budgeted projections being over 12 months.

- Transfers and subsidies – Operational reflect a favourable variance of 50%. This is as a result of the Equitable Share tranche received in the first and second quarter.

4.2 Operating Expenditure by Type



Expenditure Variance Explanations against Planned Budget

- Remuneration of councillors reflects an unfavourable variance of 12%.
- Inventory consumed reflect an unfavourable variance of 45%, this is attributable to less inventory being consumed than anticipated.
- Interest on overdue accounts reflect a favourable variance of 110%. This is as a result of an Eskom interest reversal during the first two quarters.
- Depreciation and Debt Impairment reflect a variance of 100% respectively and these will be calculated at year end.
- Operational costs reflect an unfavourable variance of 28%. This is due to the implementation of cost containment measures and the management of the municipality's cash flow.

The municipality tabled an unfunded budget for the 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 continued to progress but remains below the targeted implementation level for this stage of the financial year. as at 31 December 2025 the total spending on Capital projects amount to R32 million (37 million including VAT) represents 79% of the year to date capital budget and 39% of the total capital budget. The table below reflects the capital expenditure performance by function.

EC124 Amahlathi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	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									
Single Year expenditure appropriation										
Vote 1 - Executive & Council	2	594	–	–	–	–	–	–	–	–
Vote 2 - Budget and Treasury		33 324	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		4 809	2 800	4 495	–	2 455	2 247	208	9%	2 800
Vote 4 - Community Services		117 822	–	–	–	82	–	82	#DIV/0!	–
Vote 5 - Planning and Development		(45)	–	–	–	–	–	–	–	–
Vote 6 - Engineering Services		621 172	89 322	89 839	9 837	34 813	44 920	(10 107)	-23%	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	777 677	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122
Total Capital Expenditure		777 677	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		46 271	2 800	4 495	–	2 455	2 247	208	9%	2 800
Executive and council		(989)	–	–	–	–	–	–	–	–
Finance and administration		45 677	2 800	4 495	–	2 455	2 247	208	9%	2 800
Internal audit		1 583	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		92 418	–	–	–	–	–	–	–	–
Community and social services		92 273	–	–	–	–	–	–	–	–
Sport and recreation		145	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		560 218	66 382	66 382	7 326	28 023	33 191	(5 168)	-16%	66 382
Planning and development		100 626	37 737	37 737	5 115	21 853	18 868	2 985	16%	37 737
Road transport		459 592	28 645	28 645	2 211	6 170	14 322	(8 153)	-57%	28 645
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		86 313	22 940	23 458	2 511	6 872	11 729	(4 857)	-41%	22 940
Energy sources		60 573	22 940	23 458	2 511	6 790	11 729	(4 939)	-42%	22 940
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		25 740	–	–	–	82	–	82	#DIV/0!	–
<i>Other</i>		1 127	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	786 348	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122
Funded by:										
National Government		709 939	74 322	74 839	9 837	34 421	37 420	(2 999)	-8%	74 322
Provincial Government		4 135	15 000	15 000	–	474	7 500	(7 026)	-94%	15 000
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparmt Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–
Transfers recognised - capital	6	714 074	89 322	89 839	9 837	34 894	44 920	(10 025)	-22%	89 322
Borrowing		670	–	–	–	–	–	–	–	–
Internally generated funds		71 603	2 800	4 495	–	2 455	2 247	208	9%	2 800
Total Capital Funding		786 348	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122

4.4 Cash Flows

The cash available as at 31 December 2025 amounts to R42 million; this consists of call deposits and cash available in the main account excluding the cash on hand.

EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2024/25	Budget Year 2025/26		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
R thousands	1				
ASSETS					
Current assets					
Cash and cash equivalents		12 563	39 757	50 404	42 181
Trade and other receivables from exchange transactions		44 707	22 570	15 186	83 716
Receivables from non-exchange transactions		32 588	9 188	9 188	17 589
Current portion of non-current receivables		–	–	–	–
Inventory		6	24	(182)	155
VAT		11 670	32 639	36 412	30 117
Other current assets		12 849	–	–	12 891
Total current assets		114 382	104 178	111 007	186 649
Non current assets					
Investments		–	–	–	–
Investment property		11 678	11 686	11 686	11 678
Property, plant and equipment		451 563	582 387	584 600	488 913
Biological assets		4 568	6 214	6 214	4 568
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		468 429	600 889	603 101	505 778
TOTAL ASSETS		582 811	705 067	714 108	692 427
LIABILITIES					
Current liabilities					
Bank overdraft		–	–	–	–
Financial liabilities		–	–	–	–
Consumer deposits		1 850	1 844	1 844	1 634
Trade and other payables from exchange transactions		137 794	64 065	72 285	96 718
Trade and other payables from non-exchange transactions		428	47 000	–	47 000
Provision		16 456	20 407	20 407	16 456
VAT		3 153	10 118	10 118	9 508
Other current liabilities		–	–	–	–
Total current liabilities		159 681	143 434	104 654	124 314
Non current liabilities					
Financial liabilities		–	–	–	–
Provision		18 563	7 862	7 862	18 563
Long term portion of trade payables		42 094	42 094	42 094	42 094
Other non-current liabilities		31 078	–	–	31 078
Total non current liabilities		91 736	49 956	49 956	91 736
TOTAL LIABILITIES		251 417	193 390	154 610	216 050
NET ASSETS	2	331 394	511 677	559 498	476 377
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)		331 391	553 771	559 498	476 377
Reserves and funds		–	–	–	–
Other		–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	331 391	553 771	559 498	476 377
					553 771

5. IN-YEAR BUDGET STATEMENT TABLES

EC124 Amahlathi - Table C1 Monthly Budget Statement Summary - M06 December											
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	28 350	1 846	16 023	14 175	1 847	13%	28 350		
Service charges	75 469	86 861	95 361	5 433	41 380	47 680	(6 300)	-13%	86 861		
Investment revenue	3 421	4 063	4 063	1 381	1 421	2 032	(611)	-30%	4 063		
Transfers and subsidies - Operational	146 325	145 328	145 328	45 840	109 119	72 664	36 455	50%	145 328		
Other own revenue	56 548	57 405	55 849	50 581	61 125	27 925	33 200	119%	57 405		
Total Revenue (excluding capital transfers and contributions)	303 766	322 008	328 951	105 081	229 068	164 476	64 593	39%	322 008		
Employee costs	124 980	126 195	126 195	10 598	63 889	63 098	792		126 195		
Remuneration of Councillors	14 006	15 692	15 692	1 149	6 914	7 846	(932)		15 692		
Depreciation and amortisation	30 529	23 217	23 217	1 935	11 608	11 608	0		23 217		
Interest	7 069	2 000	2 000	—	(98)	1 000	(1 098)		2 000		
Inventory consumed and bulk purchases	59 491	65 673	65 880	48 831	31 670	32 940	(1 270)		65 673		
Transfers and subsidies	—	—	—	—	—	—	—		—		
Other expenditure	70 673	57 719	58 730	1 103	40 910	29 365	11 545	39%	57 719		
Total Expenditure	306 748	290 497	291 714	63 615	154 894	145 857	9 037	6%	290 497		
Surplus/(Deficit)	(2 982)	31 511	37 237	41 466	74 175	18 619	55 556	298%	31 511		
Transfers and subsidies - capital (monetary allocations)	77 657	89 322	89 322	—	25 290	44 661	### ####	-43%	89 322		
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—		
Surplus/(Deficit) after capital transfers & contributions	74 676	120 833	126 559	41 466	99 465	63 280	36 185	57%	120 833		
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—		
Surplus/ (Deficit) for the year	74 676	120 833	126 559	41 466	99 465	63 280	36 185	57%	120 833		
Capital expenditure & funds sources											
Capital expenditure	777 677	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122		
Capital transfers recognised	714 074	89 322	89 839	9 837	34 894	44 920	(10 025)	-22%	89 322		
Borrowing	670	—	—	—	—	—	—	—	—		
Internally generated funds	71 603	2 800	4 495	—	2 455	2 247	208	9%	2 800		
Total sources of capital funds	786 348	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122		
Financial position											
Total current assets	114 382	104 178	111 007		186 649				104 178		
Total non current assets	468 429	600 889	603 101		505 778				600 889		
Total current liabilities	159 681	143 434	104 654		124 314				143 434		
Total non current liabilities	91 736	49 956	49 956		91 736				7 862		
Community wealth/Equity	331 391	553 771	559 498		476 377				553 771		
Cash flows											
Net cash from (used) operating	(6 438)	108 806	120 497	50 997	77 972	75 940	(2 031)	-3%	108 806		
Net cash from (used) investing	786 348	(91 874)	(94 418)	(9 837)	(37 350)	(47 209)	(9 859)	21%	(91 874)		
Net cash from (used) financing	—	—	—	—	—	—	—	—	—		
Cash/cash equivalents at the month/year end	781 468	47 757	56 904	41 161	42 181	59 556	17 376	29%	—		
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Ds	151-180 Ds	181 Dys-1 Yr	Over 1Yr	Total		
Debtors Age Analysis											
Total By Income Source	8 348	6 452	5 144	5 055	5 757	9 624	32 059	199 203	271 641		
Creditors Age Analysis											
Total Creditors	21	609	1 051	368	103	946	12 647	80 973	96 718		

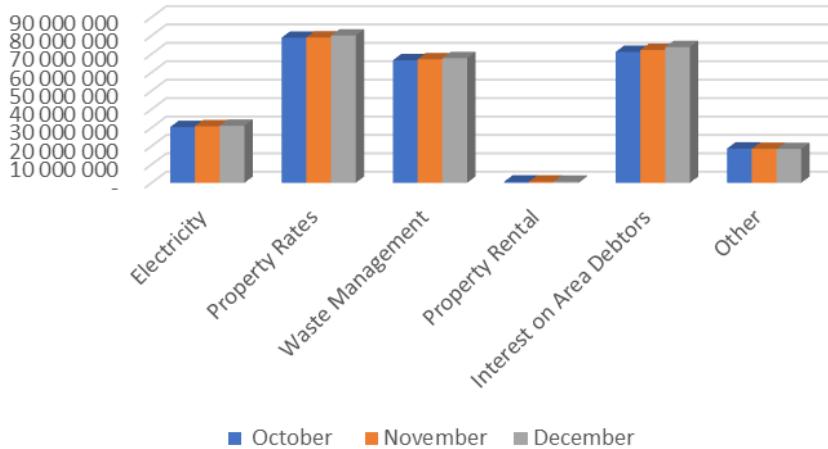
6. DEBTORS ANALYSIS

In terms of section 64 of the Municipal Finance Management Act, the accounting officer must ensure that the municipality has an effective revenue collection system that is consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy. The debtors report below provides the total amount owed to the municipality by income source and by debtor type.

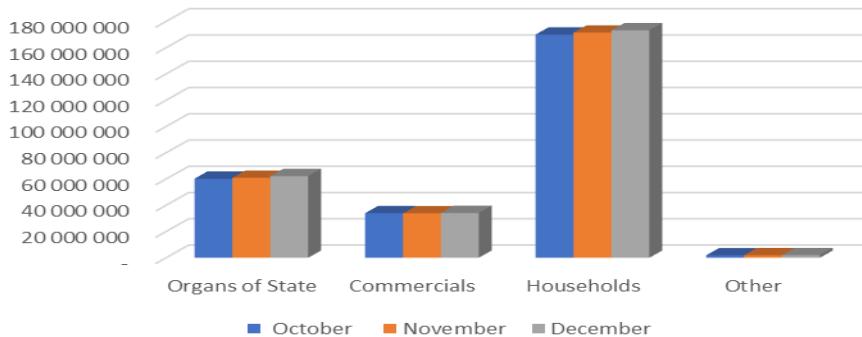
EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2025/26									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Ds	151-180 Ds	181 Ds-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	3 677	1 953	1 417	1 425	1 778	1 615	7 270	11 883	31 019	23 972
Receivables from Non-exchange Transactions - Property Rates	1400	1 782	1 685	1 140	1 087	1 001	5 127	5 965	62 259	80 046	75 439
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 244	1 068	978	956	949	940	5 705	55 894	67 734	64 444
Receivables from Exchange Transactions - Property Rental Debtors	1700	18	6	6	6	6	6	86	520	654	624
Interest on Arrear Debtor Accounts	1810	1 625	1 767	1 607	1 585	1 559	1 481	10 286	53 869	73 779	68 780
Recoverable unauthorised, irregular, futile and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	2	(27)	(5)	(4)	464	454	2 746	14 778	18 408	18 438
Total By Income Source	2000	8 348	6 452	5 144	5 055	5 757	9 624	32 059	199 203	271 641	251 697
2024/25 - totals only										–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	1 769	2 446	1 755	1 823	2 313	6 250	11 207	34 673	62 237	56 266
Commercial	2300	3 434	1 150	733	664	679	647	3 488	23 336	34 126	26 809
Households	2400	3 073	2 794	2 609	2 535	2 725	2 674	17 089	139 787	173 287	164 811
Other	2500	71	62	47	36	40	53	274	1 407	1 992	1 811
Total By Customer Group	2600	8 348	6 452	5 144	5 055	5 757	9 624	32 059	199 203	271 641	251 697

Debt by Source



Debt by Customer

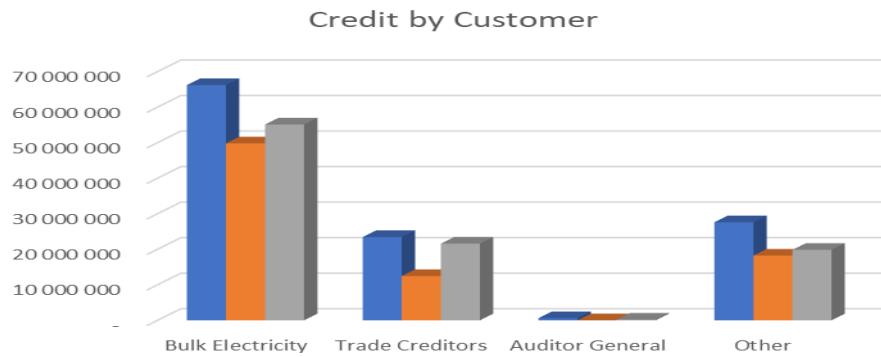


The debtors report above provides the total amount owed to the municipality by income source and by debtor type. Total outstanding debt for the month ending 31 December 2025 is R271 million. A R24 million increase from quarter one. The biggest contributor being the households that owe R173 million which is an increase of R5 million from previous quarter (household debt is increasing by approximately R2 million per month which is concerning); followed by government departments owing R62 million which is an increase of R4 million from previous quarter and business that owe R34 million, which is a decrease of R1 million. Household and Government debt is growing significantly monthly, 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 December 2025 amounts to R96 million.

EC124 Amahlathi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	212	285	14	47	1 227	3 035	50 292	55 112	55 112
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	356	7	-	8 749	12 462	21 574	21 574
Auditor General	0800	-	184	-	-	-	-	-	-	184	184
Other	0900	21	213	766	(3)	50	(281)	863	18 219	19 848	19 848
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	21	609	1 051	368	103	946	12 647	80 973	96 718	96 718



Creditors age

Accounts Payable Age Analysis

Amahlathi Local Municipality

31-Dec-25

Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
								Page 1 of 1
3RDPAR04 (3rd Party GARNISHHES)							<u>0,03</u>	0,03
A2AK001 (A2A KOPANO INVESTMENT INCORPORATED)				<u>356 167,00</u>				356 167,00
ALOE001 (ALOE TRAVEL)	<u>22 677,26</u>							22 677,26
AMAT0002 (AMATHOLE DISTRICT MUNICIPALITY)	<u>17 058 597,16</u>							17 058 597,16
AUDI001 (AUDITOR - GENERAL)						<u>183 527,61</u>		183 527,61
BEECON01 (BEECON HOLDINGS (PTY)LTD)	<u>102 655,22</u>							102 655,22
BOSE0001 (BOSE TYRES)			<u>6 748,83</u>					6 748,83
CAME0001 (CCG SYSTEMS)	<u>206 675,02</u>							206 675,02
ESKOMB01 (ESKOM (BULK))	<u>53 326 846,52</u>	<u>1 226 874,68</u>	<u>46 786,64</u>	<u>14 340,97</u>	<u>284 532,10</u>	<u>212 463,60</u>		55 111 844,51
JAMICM01 (JEMIC MOTORS)			<u>47 004,31</u>					47 004,31
MAXPRO001 (MAXPROF (PTY)LTD)						<u>56 697,47</u>		56 697,47
MICROS01 (MICROSOFT IRELAND OPERATIONS LIMITED)	<u>26 378,93</u>							26 378,93
OKUDEV01 (OKU DEVELOPERS)						<u>21 235,80</u>		21 235,80
RONDOG01 (RONDO GROUP)					<u>155 250,00</u>			155 250,00
SALG0001 (SALGA)	<u>3 923 504,76</u>							3 923 504,76
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
VITSHA01 (VITSHA TRADING)	<u>478 915,37</u>							478 915,37
WCADEP01 (WCA (Departmemnt of Labour))	<u>7 026 968,75</u>			<u>766 343,79</u>				7 793 312,54
WCCOUR01 (WYNAND BARENND BOTHA)						<u>650,00</u>		650,00
YANDEE01 (YANDE ENGINEERING AND PROJECTS)	<u>788 488,52</u>	<u>-280 963,52</u>						507 525,00
Totals:	93 619 924,55	945 911,16	100 539,78	1 136 851,76	284 532,10	608 588,68	21 235,83	96 717 583,86

8. INVESTMENT PORTFOLIO ANALYSIS

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

Institution	Investments	Opening Balance	New Investment	Withdrawals	INTEREST						Total
					July	August	Sept	Oct	Nov	Dec	
FNB 62774382966	<u>DEDEAT</u>	417 813,89	-	166 372,07	1 801,80	1 312,89	1 277,00	1 304,42	1 250,47	1 261,85	259 650,25
FNB 62063171351	<u>Disaster</u>	3 304 716,81	16 921 875,00	19 236 528,70	13 441,80	7 363,50	27 410,87	32 217,02	6 025,85	6 016,02	1 082 538,17
FNB 63127290730	<u>EEDSM</u>	80 111,96	-	1 234,86	425,25	410,41	399,20	408,64	391,58	395,14	81 307,32
FNB 62774381009	<u>FMG</u>	2 061,22	2 200 000,00	2 201 485,48	10,94	1 457,13	17,41	10,75	10,07	10,17	2 092,21
FNB 62774381413	<u>INP</u>	18 758,05	22 792 000,00	21 021 881,25	99,58	26 948,48	33 668,08	30 892,64	19 473,77	10 842,84	1 910 802,19
FNB 63127288686	<u>Inhouse projects</u>	12 543,55	3 596 456,83	3 607 113,03	5 583,10	1 450,85	79,08	48,20	44,00	44,41	9 136,99
FNB 61381739619	<u>Insurance</u>	1 787 108,47	37 190 901,14	52 877 003,60	10 588,72	5 553,61	6 365,37	5 582,59	5 277,02	3 257,06	255 819,38
FNB 62774382445	<u>LG Seta</u>	2 405,29	106 200,00	52 565,14	12,76	56,71	295,67	287,49	275,70	278,21	57 246,69
FNB 62135193770	<u>MIG</u>	16 052 812	39 106 266,00	37 754 660,19	8 949,32	60 793,82	35 288,99	7 062,27	40 689,47	35 084,46	1700 002,26
FNB 62774383592	<u>Salaries</u>	766171,49	100 900 000,00	100 737 444,51	99 546,46	11 200,64	8 524,95	193,64	185,73	61 964,48	1 110 342,88
FNB 62774381942	<u>Retention</u>	301549,71	4 113 253,01	2 300 542,75	521,92	10,56	10,27	7,98	7,58	4 870,27	2 119 688,55
FNB 63127292538	<u>STR</u>	1053,85	450 884,32	451 789,98	5,60	5,39	894,67	79,79	5,51	5,56	1 144,71
FNB 74568809858	<u>FNB Guarantee</u>	5142095,16	-	396 039,60	33 388,40	34 725,37	33 830,67	29 080,14	29 823,68	29 038,12	4 935 941,94
	Payroll short term investments		56 000 000,00	36 543 726,71		65 391,78	120 390,14	174 495,20	183 449,59		20 000 000,00
		11 996 917,57	193 906 025,30	193 214 661,16	174 375,65	282 072,92	388 842,51	456 165,97	470 359,61	153 068,59	33 525 713,54

9. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

The table below presents grant receipts and expenditures, excluding Equitable Share.

2025/26						
	Grant Allocation	Grant Received	Grant Spent	Grant Unspent	% Spent on Allocation	% Unspent on Allocation
Finance Management Grant	2 200 000	2 200 000	1 494 598	705 402	68%	32%
EPWP Grant	2 422 000	1 710 000	3 167 634	- 745 634	131%	-31%
Intergrated National Electrification Program Grant	17 440 000	7 848 000	7 357 457	10 082 543	42%	58%
MIG	39 723 000	25 122 000	20 891 862	18 831 138	53%	47%
Municipal Disaster Recovery Grant	19 145 000	5 743 000	7 095 042	12 049 958	37%	63%
Eastern Cape Capacity Building (OG)	1 823 000	1 823 000	-	-	0%	100%
Small Town Revitalization Grant	15 000 000	450 884	450 884	14 549 116	3%	97%
	97 753 000	44 896 884	40 457 476	55 472 524	41%	59%

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

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:		495 836	143 505	–	45 840	108 586	71 753	1 354	1,9%	143 505
EPWP Incentive	–	6 905	1 799	–	–	1 260	900	360	40,1%	1 799
Finance Management	–	10 935	2 200	–	–	2 200	1 100	–	–	2 200
Local Government Equitable Share	–	–	137 520	–	45 840	103 140	68 760	–	–	137 520
Municipal Infrastructure Grant	–	–	1 986	–	–	1 986	993	993	100,0%	1 986
Other transfers and grants [insert description]										
Provincial Government:		16 536	1 823	–	–	1 823	912	911	100,0%	1 823
Eastern Cape_Capacity Building and Other_Specify (Add grant description)	–	16 536	1 823	–	–	1 823	912	911	100,0%	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)_Receipts	–	1 403	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	513 775	145 328	–	45 840	110 409	72 664	2 265	3,1%	145 328
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)	–	162 987	74 322	–	14 503	49 486	18 016	13 006	72,2%	74 322
Integrated National Electrification Programme Grant	–	162 987	37 737	–	8 739	31 875	18 868	13 006	68,9%	37 737
Municipal Disaster Relief Grant	–	–	17 440	–	1 744	7 848	8 720	–	–	17 440
Other capital transfers [insert description]	–	–	19 145	–	4 020	9 763	(9 573)	–	–	19 145
Provincial Government:		–	15 000	–	–	999	7 500	(6 501)	-86,7%	15 000
Eastern Cape_Infrastructure_Infrastructure_RECEIPTS	–	–	15 000	–	–	999	7 500	(6 501)	-86,7%	15 000
District Municipality:		–	–	–	–	–	–	–	–	–
[Insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[Insert description]										
Total Capital Transfers and Grants	5	162 987	89 322	–	14 503	50 485	25 516	6 506	25,5%	89 322
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	676 761	234 650	–	60 343	160 894	98 180	8 771	8,9%	234 650

The conditional and unconditional grants allocation budgeted for 2025/26 reflected an amount of R234 million. An amount of R160 million has been received, and R48 million reported as expenditure to the period ending 30 November 2025. It must also be noted that the funds for EPWP Grant are already depleted and the municipality is financing the expenditure from internally generated funds.

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	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:		22 070	5 985	-	545	6 142	2 993	3 150	105,3%	5 985	
Expanded Public Works Programme Integrated Grant	-	6 028	1 799	-	-	2 673	900	1 774	197,2%	1 799	
Local Government Financial Management Grant	-	10 935	2 200	-	545	1 483	1 100	383	34,8%	2 200	
Municipal Infrastructure Grant	-	-	1 986	-	-	1 986	993	993	100,0%	1 986	
Municipal Infrastructure Grant								-	-		
Other transfers and grants [insert description]								-	-		
Provincial Government:		14 831	1 823	-	-	1 823	912	911	100,0%	1 823	
Eastern Cape	-	14 831	1 823	-	-	1 823	912	911	100,0%	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)-Transfers	-	1 403	-	-	-	-	-	-	-	-	
Unspecified_Specify (Replace with the name of the Entity)_Receipts								-	-		
Total operating expenditure of Transfers and Grants:		38 303	7 808	-	545	7 965	3 904	4 061	104,0%	7 808	
Capital expenditure of Transfers and Grants											
National Government:		164 441	74 322	-	11 355	39 351	37 161	2 190	5,9%	74 322	
Integrated National Electrification Programme Grant	-	-	17 440	-	2 930	7 400	8 720	(1 320)	-15,1%	17 440	
Municipal Disaster Relief Grant	-	11 281	19 145	-	1 026	7 168	9 573	(2 405)	-25,1%	19 145	
Municipal Infrastructure Grant	-	153 160	37 737	-	7 399	24 783	18 868	5 915	31,3%	37 737	
Other capital transfers [insert description]								-	-		
Provincial Government:		-	15 000	-	-	843	7 500	(6 657)	-88,8%	15 000	
Eastern Cape	-	-	15 000	-	-	843	7 500	(6 657)	-88,8%	15 000	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Total capital expenditure of Transfers and Grants		164 441	89 322	-	11 355	40 194	44 661	(4 467)	-10,0%	89 322	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		202 744	97 130	-	11 900	48 159	48 565	(406)	-0,8%	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 - M06 December									
Summary of Employee and Councillor remuneration R thousands	Ref	2024/25		Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
		1	A	B	C				D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		9 463	10 834	10 834	773	4 643	5 417	(774)	-14%
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Motor Vehicle Allowance		460	619	619	36	234	310	(76)	-24%
Cellphone Allowance		1 416	1 777	1 777	119	711	888	(177)	-20%
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		2 666	2 462	2 462	221	1 327	1 231	95	8%
Sub Total - Councillors		14 006	15 692	15 692	1 149	6 914	7 846	(932)	-12%
% increase	4	12,0%	12,0%						12,0%
Senior Managers of the Municipality									
Basic Salaries and Wages		4 562	5 980	5 980	441	2 573	2 990	(417)	-14%
Pension and UIF Contributions		9	9	9	1	5	5	1	14%
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance		200	431	431	35	193	216	(23)	-11%
Cellphone Allowance		67	71	71	8	45	36	9	26%
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	1	0	0	0	0	12%
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scalry		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 838	6 493	6 493	485	2 816	3 246	(431)	-13%
% increase	4	34,2%	34,2%						34,2%
Other Municipal Staff									
Basic Salaries and Wages		82 534	79 503	79 503	6 875	41 512	39 751	1 761	4%
Pension and UIF Contributions		14 109	14 621	14 621	1 234	7 369	7 311	58	1%
Medical Aid Contributions		6 099	6 665	6 665	517	3 059	3 332	(273)	-8%
Overtime		1 387	1 219	1 219	99	686	610	76	12%
Performance Bonus		(0)	6 807	6 807	552	3 603	3 404	200	6%
Motor Vehicle Allowance		4 533	3 409	3 409	363	2 122	1 704	417	24%
Cellphone Allowance		818	889	889	72	430	445	(15)	-3%
Housing Allowances		2 430	2 661	2 661	204	1 228	1 330	(102)	-8%
Other benefits and allowances		621	518	518	62	361	259	102	39%
Payments in lieu of leave		-	163	163	-	225	81	143	176%
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	6 945	2 813	2 813	-	-	1 407	(1 407)	-100%
Entertainment		-	-	-	-	-	-	-	-
Scalry		-	-	-	-	-	-	-	-
Acting and post related allowance		667	435	435	134	479	217	262	120%
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		120 142	119 703	119 703	10 113	61 074	59 851	1 223	2%
% increase	4	-0,4%	-0,4%						-0,4%
Total Parent Municipality		138 986	141 887	141 887	11 747	70 804	70 944	(140)	0%
									141 887

The municipality allocated a budget of R15.6 million for Councilors and has spent R6.9 million which constitutes 44% as of the sixth month of the financial year.

The municipality allocated a budget of R6.4 million for Senior Managers and spent R2.8 million, which constitutes 44% as of the sixth month of the financial year.

The municipality have allocated a budget of R119.7 million for Other Municipal Staff and have spent R61 million which constitutes 51% for the sixth 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	4 069 083	10 930 917
Ngamngeni Roads and Stormwater	4 145 000	3 025 958	1 119 042
Cathcart 22/11kv 2x2,5 MVA Substation	12 440 000	4 946 249	7 493 751
Upgrading Stutterheim Main Intake Supply	5 000 000	2 411 208	2 588 792
Building Plan Offices	8 000 000	55 710	7 944 290
Mlungisi Sportfield	5 600 000	4 426 205	1 173 795
STR KKH Roads	5 500 000	-	5 500 000
Phumlani Community Hall	4 651 162	486 974	4 164 188
Langdraai Community Hall	4 501 288	-	4 501 288
STR Stutterheim Electricity	4 000 000	450 884	3 549 116
STR Stutterheim Roads	4 000 000	-	4 000 000
Nqenqe Internal Roads	3 462 969	4 019 784	- 556 815
Waste Collection Compactor Truck	3 283 196	3 283 195	1
Izidenge Internal Roads	3 326 149	203 296	3 122 853
Infrastructure plans	1 697 050	285 252	1 411 798
STR KKH Electricity	1 500 000		1 500 000
Vehicles	3 300 000	1 220 185	2 079 815
Paving of Xholorha Internal Roads	1 000 000	2 181 792	- 1 181 792
Keilands Roads	700 000	347 258	352 742
Sutterheim - Streets Paving	400 000	399 999	1
KeiskammahoekTown Paving	400 000	400 000	0
Furniture and Office Equipment	794 640	451 958	342 681
Cathcart Town Hall Upgrade	400 000		400 000
Amabele Paving	315 036		315 036
Computer Equipment	400 000	191 128	208 872
MV Substations	517 500	-	517 500
	94 333 990	32 856 119	61 477 871

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 December 2025.

EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - M06 December

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		12 563	39 757	50 404	42 181	39 757
Trade and other receivables from exchange transactions		44 707	22 570	15 186	83 716	22 570
Receivables from non-exchange transactions		32 588	9 188	9 188	17 589	9 188
Current portion of non-current receivables		–	–	–	–	–
Inventory		6	24	(182)	155	24
VAT		11 670	32 639	36 412	30 117	32 639
Other current assets		12 849	–	–	12 891	–
Total current assets		114 382	104 178	111 007	186 649	104 178
Non current assets						
Investments		–	–	–	–	–
Investment property		11 678	11 686	11 686	11 678	11 686
Property, plant and equipment		451 563	582 387	584 600	488 913	582 387
Biological assets		4 568	6 214	6 214	4 568	6 214
Living and non-living resources		–	–	–	–	–
Heritage assets		610	610	610	610	610
Intangible assets		9	(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		468 429	600 889	603 101	505 778	600 889
TOTAL ASSETS		582 811	705 067	714 108	692 427	705 067
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 850	1 844	1 844	1 634	1 844
Trade and other payables from exchange transactions		137 794	64 065	72 285	96 718	64 065
Trade and other payables from non-exchange transactions		428	47 000	–	–	47 000
Provision		16 456	20 407	20 407	16 456	20 407
VAT		3 153	10 118	10 118	9 508	10 118
Other current liabilities		–	–	–	–	–
Total current liabilities		159 681	143 434	104 654	124 314	143 434
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		18 563	7 862	7 862	18 563	7 862
Long term portion of trade payables		42 094	42 094	42 094	42 094	–
Other non-current liabilities		31 078	–	–	31 078	–
Total non current liabilities		91 736	49 956	49 956	91 736	7 862
TOTAL LIABILITIES		251 417	193 390	154 610	216 050	151 296
NET ASSETS	2	331 394	511 677	559 498	476 377	553 771
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		331 391	553 771	559 498	476 377	553 771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	331 391	553 771	559 498	476 377	553 771

a. CURRENT ASSETS

- **Cash** – The cash balance of R8 654 968.58 comprises of the cashbook balance for the main primary bank account as at 31 December 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 December 2025.

Date	Type	Account Description	Balance
31 December 2025	Cash	Main Account	8 654 968.58
31 December 2025	Call Investment Deposit	Disaster Account	1 082 538.17
31 December 2025	Call Investment Deposit	MIG Account	1 700 002.26
31 December 2025	Call Investment Deposit	Insurance Account	255 819.38
31 December 2025	Call Investment Deposit	FNB Guarantee	4 935 941.94
31 December 2025	Call Investment Deposit	Retention Account	2 119 688.55
31 December 2025	Call Investment Deposit	FMG Account	2 092.21
31 December 2025	Call Investment Deposit	INEP Account	1 910 802.19
31 December 2025	Call Investment Deposit	LGSETA Account	57 246.69
31 December 2025	Call Investment Deposit	Payroll Account	21 110 342.88
31 December 2025	Call Investment Deposit	DEDEAT Account	259 650.25
31 December 2025	Call Investment Deposit	STR Account	1 144.71
31 December 2025	Call Investment Deposit	EEDSM Account	81 307.32
31 December 2025	Call Investment Deposit	Inhouse Account	9 136.99
			42 180 682.12

- The total cash available as at 31 December 2025 indicates a total balance of **R42 180 682.12**.
- **Inventory** – The value of inventory as at 31 December 2025 amounts to R155 thousand.
- **Investment Property: Biological Assets and Intangible Assets** – The depreciation will be calculated during the Second quarter FAR compilation.

2.6.2 NON-CURRENT ASSETS

- The non-current assets amount to R505 million, the biggest contributor being the Property; Plant and Equipment of the municipality amounting to R488 million.

b. CURRENT LIABILITIES

- Section 65 of the Municipal Finance management Act requires that municipalities should pay its creditors within 30 days. The municipality strives to pay its creditors within 30 days,

however delays are experienced due to cash flow challenges the municipality is faced with. Below is the list of trade creditors as at 31 December 2025.

- **Trade and other Payables** – The trade and other payables are currently at R96 million which indicates a R19 million decrease when compared to the first Quarter .
- **Unspent Grant** – The unspent conditional grants amount to R16 million at 31 December 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 65% of annual budget.

EC124 Amahlathi - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 158	1 880	1 880	23	1210	940	(270)	-28.7%	1 880
Roads Infrastructure		325	1 150	1 150	0	610	575	(35)	-6.0%	1 150
Roads		325	1 150	1 150	0	610	575	(35)	-6.0%	1 150
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		25	30	30	-	21	15	(6)	-38.4%	30
Drainage Collection		25	30	30	-	21	15	(6)	-38.4%	30
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		807	700	700	23	579	350	(229)	-65.6%	700
Power Plants		-	100	100	-	-	50	50	100,0%	100
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		807	600	600	23	579	300	(279)	-93.2%	600
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	100	100	-	17	50	33	66,0%	100
Community Facilities		-	100	100	-	17	50	33	66,0%	100
Halls		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	100	100	-	17	50	33	66,0%	100
Police		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Other assets		352	400	105	0	0	53	52	99,1%	400
Operational Buildings		352	400	105	0	0	53	52	99,1%	400
Municipal Offices		344	300	5	-	-	3	3	100,0%	300
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		8	100	100	0	0	50	49	99,0%	100
Computer Equipment		-	-	50	-	-	25	25	100,0%	-
Computer Equipment		-	-	50	-	-	25	25	100,0%	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		33	50	50	-	30	25	(5)	-21,4%	50
Machinery and Equipment		33	50	50	-	30	25	(5)	-21,4%	50
Transport Assets		1 065	545	545	68	524	522	(1)	-0,3%	545
Transport Assets		1 065	545	545	68	524	522	(1)	-0,3%	545
Total Repairs and Maintenance Expenditure	1	2 608	2 975	2 730	92	1 782	1 615	(166)	-10,3%	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 December 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 December 2025 stands at 75%. Since the inception of the Debt Relief Programme, the municipality has remained committed and has not missed a single payment to Eskom. Compliance for December 2025 was recorded at 95%, while the self-assessed compliance for 2025 has improved to 100%. 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		
 <p>National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003</p>		
Eastern Cape Provincial Treasury		
Certificate of Compliance: Municipal Debt Relief Conditions for Application		
Period	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Dec'25"/> <input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="2025/26"/> <input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px;" type="button" value="EC124"/>	
National Financial Year		
Demarcation Code of Municipality being assessed		
District	Amathole	
Demarcation Description	Amahlathi	
<p>I, <u>Ms Gugu Mashiteng</u>, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:</p>		

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6.3 + 6.12	Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise means the account for a single month's consumption):</small>	Choose from drop down list	
			<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Dec'25"/>	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="2025/26"/>
1	6.12.2	<ul style="list-style-type: none"> - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <p>Note - refer condition 6.12.2</p>	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Does not have function"/>	
2	6.12.2	<ul style="list-style-type: none"> - 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? 	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Does not have function"/>	
3	6.12.2	<ul style="list-style-type: none"> - 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? 	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Does not have function"/>	
4	6.3.1	<ul style="list-style-type: none"> - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <p>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).</p>	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Yes"/>	
5	6.3.2 6.3.3	<ul style="list-style-type: none"> - 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? 	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Yes"/>	
6	6.3.4	<ul style="list-style-type: none"> - 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? 	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Yes"/>	
6.4	Compliance with a funded MTREF – <i>(choose from drop down list the MTREF assessed)</i>		Choose from drop down list	
7	6.4.1	<ul style="list-style-type: none"> - 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? 	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="No"/>	
8	6.4.1	<ul style="list-style-type: none"> - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? 	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Yes"/>	
9	6.4.1	<ul style="list-style-type: none"> - Has the municipality made adequate provision for debt impairment (<i>considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget</i>) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations? <p>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".</p>	<input style="width: 100px; height: 25px; border: 1px solid black; border-radius: 5px; padding: 2px; margin-right: 10px;" type="button" value="Yes"/>	

10	6.4.1	<p>- Has the municipality made adequate provision for depreciation and asset impairment (<i>considering its asset register and physical state of assets</i>) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p> <p><i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i></p>	<input type="button" value="Yes"/>
11	6.4.2	<p>- 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)?</p> <p><i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>	<input type="button" value="Yes"/>
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>	<input type="button" value="N/a"/>
13	6.4.2	<p>- 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.?)</p>	<input type="button" value="Yes"/>
14	6.5	<p>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?</p>	<input type="button" value="Yes"/>
	6.6	<p>Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, <i>demonstrated, through its by-laws and budget related policies</i> that:</p>	
15	6.6.1	<p>- 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?</p>	<input type="button" value="Yes"/>
16	6.6.2	<p>- 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?</p>	<input type="button" value="Yes"/>
17	6.6.3	<p>- 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></p>	<input type="button" value="Does not have function"/>
18	6.6.4	<p>- 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?</p> <p><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></p>	<input type="button" value="Yes"/>
	6.6	<p>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.</p>	
	6.7	<p>Maintain a minimum average quarterly collection of property rates and services charges –</p>	
19	6.7.1	<p>- 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?</p>	<input type="button" value="No"/>
		<p><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></p>	
	6.7.2	<p>- 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 :</p>	

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.	<input type="checkbox"/> No
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)?	<input type="checkbox"/> 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?	<input type="checkbox"/> 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?	<input type="checkbox"/> 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?	<input type="checkbox"/> 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?	<input type="checkbox"/> 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?	<input type="checkbox"/> 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>	<input type="checkbox"/> Yes
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://iguploadportal.treasury.gov.za ?	<input type="checkbox"/> Yes
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?	<input type="checkbox"/> 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>	<input type="checkbox"/> 6.9.1 = Yes
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	<input type="checkbox"/> 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://iguploadportal.treasury.gov.za ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	<input type="checkbox"/> Yes
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?	<input type="checkbox"/> 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://iguploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	<input type="checkbox"/> 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?	<input type="checkbox"/> 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?	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	<input type="checkbox"/> Yes
<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i></p>			
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.	<input type="checkbox"/> 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>	<input type="checkbox"/> Yes
41	6,14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	<input type="checkbox"/> Yes
<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>			

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

18.3 Provincial Treasury Debt Relief Compliance Assessment



18.4 Collection Performance

18.4.1 Monthly/Quartlery Collection per Ward

National Treasury		Municipal Details					
Municipal Debt Relief		Eastern Cape					
MFMA Circular No. 124		Code	District	Municipality	Period Monitored	No. Of Wards	
Municipal Finance Management Act No. 56 of 2003		EC124		Amahlathi	December		15

Collection Rate Assessment

Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1. Collection for whole demarcation	41 829 196	21 089 493	20 739 703	50%	50%	27 117 840	15 204 603	11 913 237	56%	56%
2. Collection <u>excl Eskom supplied areas</u>	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
3. Collection: Property Rates	11 243 565	5 318 355	5 925 210	47%	47%	5 391 502	3 114 959	2 276 543	58%	58%
4. Total average collection: Electricity (Municipal supplied areas)	21 364 635	14 228 732	7 135 904	67%	67%	14 764 840	9 746 621	5 018 218	66%	66%
5. Total average collection: Water	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
6. Total average collection: Wastewater	-	-	-	#DIV/0!		-	-	-	#DIV/0!	
7. Total average collection: Refuse	4 475 685	1 008 192	3 467 493	23%	23%	3 711 581	2 079 462	1 632 119	56%	56%
8. Total average collection: Interest	4 745 311	534 214	4 211 097	11%	0%	3 249 917	263 560	2 986 357	8%	8%

Total Aggregate Collection		1.July - Reporting for June in July				2.August - Reporting for July in August				3.September - Reporting for August in September				Summary - Quarter 1				
		Billing For June	Collection in July	R - Billing not collected	% Collection	Billing For July	Collection in August	R - Billing not collected	% Collection	Billing For August	Collection for in September	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	Summary	16 962 068	7 424 306	9 537 761	44%	12 573 238	3 007 480	9 565 757	24%	12 293 891	10 657 706	2 447 943	87%	Click to view/close months	41 829 196	21 089 493	20 739 703	50%
2.Collection excl Eskom supplied areas		-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!		-	-	-	#DIV/0!
3.Collection: Property Rates		6 831 398	1 677 527	5 153 871	25%	2 129 029	1 779 363	349 666	84%	2 283 137	1 861 465	421 672	82%		11 243 565	5 318 355	5 925 210	47%
4.Total average collection: Electricity (Municipal supplied areas)		7 108 593	5 592 842	1 515 752	79%	7 360 746	928 835	6 431 911	13%	6 895 296	7 707 054	0	112%		21 364 635	14 228 732	7 135 904	67%
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		1 512 306	53 173	1 459 134	4%	1 464 059	42 925	1 421 134	3%	1 499 319	912 094	587 225	61%		4 475 685	1 008 192	3 467 493	23%
8. Total average collection: Interest		1 509 770	100 765	1 409 005	7%	1 619 403	256 357	1 363 046	16%	1 616 138	177 092	1 439 046	11%		4 745 311	534 214	4 211 097	11%

Total Aggregate Collection		4.October - Reporting for September in October				5.November - Reporting for October in November				6.December - Reporting for November in December				Summary - Quarter 2				
		Billing For September	Collection in October	R - Billing not collected	% Collection	Billing For October	Collection in November	R - Billing not collected	% Collection	Billing For November	Collection in December	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	Summary	10 733 852	8 639 299	2 818 341	80%	6 828 953	1 061 942	5 869 505	16%	9 555 035	5 503 362	4 051 673	58%	Click to view/close months	27 117 840	15 204 603	11 913 237	56%
2.Collection excl Eskom supplied areas		-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!		-	-	-	#DIV/0!
3.Collection: Property Rates		2 236 703	1 564 074	672 628	70%	1 091 091	485 925	605 166	45%	2 063 708	1 064 960	998 749	52%		5 391 502	3 114 959	2 276 543	58%
4.Total average collection: Electricity (Municipal supplied areas)		5 383 442	6 107 230	0	113%	5 032 267	193 007	4 839 260	4%	4 349 131	3 446 384	902 747	79%		14 764 840	9 746 621	5 018 218	66%
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		1 488 547	922 173	566 373	62%	705 595	280 515	425 080	40%	1 517 439	876 773	640 666	58%		3 711 581	2 079 462	1 632 119	56%
8. Total average collection: Interest		1 625 160	45 821	1 579 339	3%	-	102 494	0	#DIV/0!	1 624 757	115 245	1 509 512	7%		3 249 917	263 560	2 986 357	8%

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 2025/26				2025/2026 - Monthly Reporting										
			Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11
Indigent Household service targets	1																
Water: (Include All Indigent households also in Eskom supplied areas)																	
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																
Status of Water meters:																	
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																	
Total number of registered indigent households	10																
Status of unlimited supply of Water:																	
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 kilolitres 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																
Energy: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HH's with Electricity (at least min.service level)																	
Indigent HH's with Electricity - prepaid (min.service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total																	
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																
Status of Electricity meters:																	
Number of Indigent HH's with prepaid Electricity																	
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																
Status of unlimited supply of Electricity:																	
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																
Number of ALL Households receiving Free Basic Service (including registered indigent Households)	7																
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
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)																	
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																
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)																	
Water (kilolitres per household per month)																	
Sanitation (kilolitres per household per month)																	
Sanitation (Rand per household per month)																	
Electricity (kwh per household per month)																	
Refuse (average litres per week)																	
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category - Property rates (tariffadjustment) (impermissible values per section 17 of MPR)	14(a)																
PSI Category - Property rates (tariff adjustment) (impermissible values per section 17 of MPR)	14(b)																
Additional Subsidies: Property rates, exemptions, reductions and rebates in excess of section 17 of MPR																	
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																	
Total revenue cost of subsidised services provided																	

18.5 Completeness of Revenue Base

Property Rates Reconciliation												
Province	EC											
District	Amathole District											
Type	LM											
Municipal Name	Amahlathi											
GV Period	01/07/2025 - 30/06/2030											
Financial Year	2025/2026											
Reconciliation Period	Quarter 2											
Reconciliation Overview												
High Level Reconciliation												
Property Categories	# of Properties			Market Values								
Property Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance						
Residential	8 768	8 770	- 2	1 366 295 324,00	1 370 781 824,00	- 4 486 500,00						
Industrial	16	16	-	36 427 700,00	36 427 700,00	-						
Business and Commercial	235	235	-	328 846 491,00	328 846 491,00	-						
Agricultural	3 754	3 751	3	4 007 325 299,07	4 005 138 799,07	2 186 500,00						
Mining	2	2	-	487 000,00	487 000,00	-						
State Owned for Public Purpose	80	76	4	383 271 502,00	323 981 502,00	59 290 000,00						
PSI	320	319	1	1 940 977,00	1 939 977,00	1 000,00						
PBO	58	58	-	35 708 504,00	35 708 504,00	-						
Multi Use	-	-	-	-	-	-						
Vacant	-	-	-	-	-	-						
POW	135	134	1	56 377 466,00	56 345 966,00	31 500,00						
Municipal	1 299	1 289	10	413 453 506,46	268 321 506,46	145 132 000,00						
Other	107	107	-	4 650 104,00	4 650 104,00	-						
	14 774	14 757	17	6 634 783 873,53	6 432 629 373,53	202 154 500,00						
Detailed Reconciliation												
Property Categories	Monthly Billing			Quarterly								
Property Categories	GV	MFS	Variance	GV	MFS	Variance						
Residential	980 484	928 222	52 263	2 941 453,04	2 784 664,79	156 788,24						
Industrial	29 987	29 992	- 5	89 961,85	89 976,36	- 14,51						
Business and Commercial	270 706	270 750	- 44	812 119,29	812 250,89	- 131,60						
Agricultural	592 349	591 046	1 303	1 777 048,40	1 773 138,05	3 910,35						
Mining	401	401	- 0	1 202,70	1 202,88	- 0,18						
State Owned for Public Purpose	315 509	266 745	48 764	946 527,30	800 234,27	146 293,03						
PSI	280	395	- 115	838,85	1 184,69	- 345,84						
PBO	5 278	5 267	11	15 834,94	15 801,66	33,28						
Multi Use	-	-	-	-	-	-						
Vacant	-	-	-	-	-	-						
POW	-	-	-	-	-	-						
Municipal	-	-	-	-	-	-						
Other	-	-	-	-	-	-						
Total	R2 194 995,46	R2 092 817,87	R102 177,59	6 584 986,37	6 278 453,59	306 532,77						

18.6 Maintaining the Eskom bulk current account

Eskom accounts are paid prior to the due date. Last payment amounting to R6.8 million was made on 31 December 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

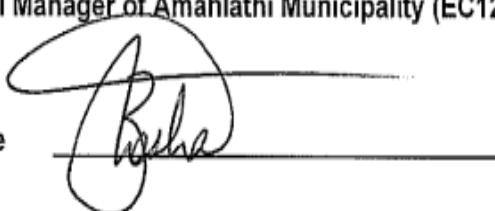
Mid-year budget and performance assessment

for the month of December 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: 07 January 2026