



MUNICIPAL FINANCE MANAGEMENT ACT

56 OF 2003

SECTION 71 FINANCIAL REPORT

31 JANUARY 2026

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PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 JANUARY 2026
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.

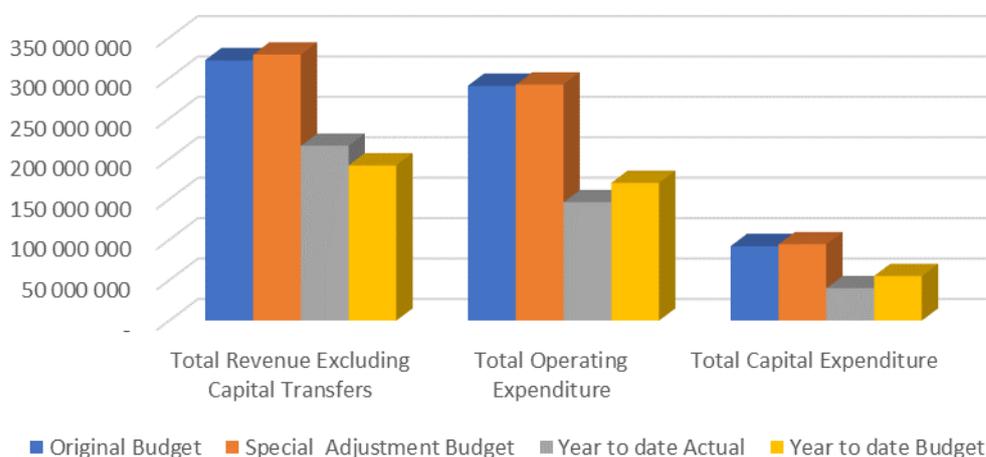
According to the Municipal Budget Reporting and Regulations (MBRR), 2009, "The monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms 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	Special 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	216 149 249	191 888 382	66%	113%
Total Operating Expenditure	290 496 561	291 714 004	146 386 873	170 166 549	50%	86%
Total Capital Expenditure	92 121 850	94 333 990	40 042 247	55 028 155	42%	73%

Executive Summary



Revenue Performance: Operating revenue (excluding capital transfers) amounted to R216 million which constitutes 113% of the year-to-date budget and 66% of the Approved Budget. The main sources of this revenue are as follows: Transfers and Subsidies contribute 51%, Service Charges 22%, Other Gains 12%, Property Rates contribute 8%, and all other sources collectively make up the remaining 17%.

Expenditure Performance: Operating expenditure amounted to R146 million, which constitutes 86% of the year-to-date budget and 50% of the Approved Budget.

The main cost drivers behind this expenditure are Employee-Related Costs at 50%, Bulk Purchases at 29%, Debt Impairment at 14%, Depreciation, Operational Costs, Contracted Services at 8 % each respectively and Remuneration of Councilors share 6% the remaining.

Capital Expenditure: The Capital expenditure amounted to R40 million, which constitutes 73% of the year-to-date budget and 42% of the Approved Budget.

Cash Flow and Liquidity: The cash flow statement indicates that the municipality's operations generated a net cash inflow of R251 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 R275 million in outstanding debt, reflecting an increase of R4 million from the previous month's closing balance. Households remain the largest category of debtors, accounting for R174 million (1 million increase), followed by government debtors at R63 million (R1 million increase) and commercial accounts at R34 million (remain unchanged). 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 R103 million which reflects R7 million increase from the previous month, with Eskom accounting for the largest share at R60 million (R5 million increase). In the 7th month of the financial year, the municipality paid R4.9 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 95%, with required documentation submitted regularly to both the Provincial and National Treasury.

Overall Surplus: The municipality reported a surplus of R107 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.

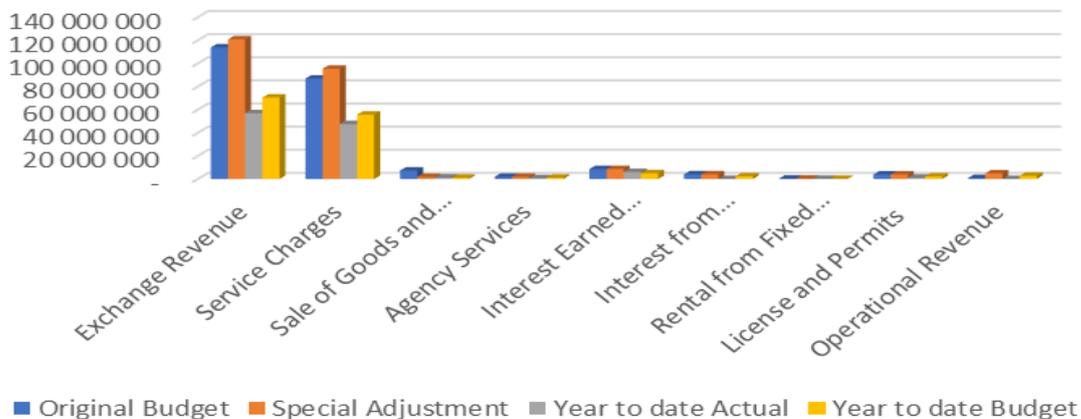
4. BUDGET PERFORMANCE OVERVIEW

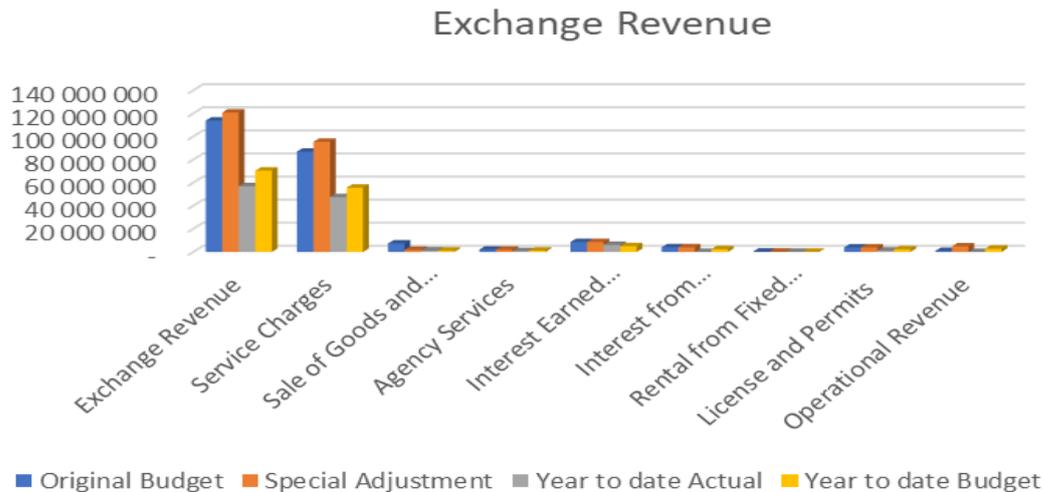
4.1 Operating Revenue by source

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) - M07 January										
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	5 469	42 498	47 249	(4 751)	-10%	72 499
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 734	14 362	14 362	690	5 053	8 378	(3 325)	-40%	14 362
Sale of Goods and Rendering of Services		6 435	7 363	1 828	55	1 285	1 067	218	20%	7 363
Agency services		800	2 005	2 005	117	658	1 169	(512)	-44%	2 005
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		9 497	8 566	8 566	897	6 099	4 997	1 102	22%	8 566
Interest from Current and Non Current Assets		3 421	4 063	4 063	-	49	2 370	-	-	4 063
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		286	209	209	24	177	122	55	45%	209
Licence and permits		1 549	3 845	3 845	151	1 150	2 243	(1 093)	-49%	3 845
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		3 507	891	4 869	0	0	2 840	(2 840)	-100%	891
Non-Exchange Revenue										
Property rates		22 003	28 350	28 350	1 857	17 880	16 538	1 342	8%	28 350
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		26	18	18	(48)	77	11	67	-	18
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		146 325	145 328	145 328	526	109 646	84 775	24 871	-	145 328
Interest		7 763	7 955	7 955	742	5 020	4 640	380	-	7 955
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		26 686	26 554	26 554	4 279	26 557	15 490	11 067	-	26 554
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		303 766	322 008	328 951	14 761	216 149	191 888	24 261	13%	322 008

Exchange Revenue



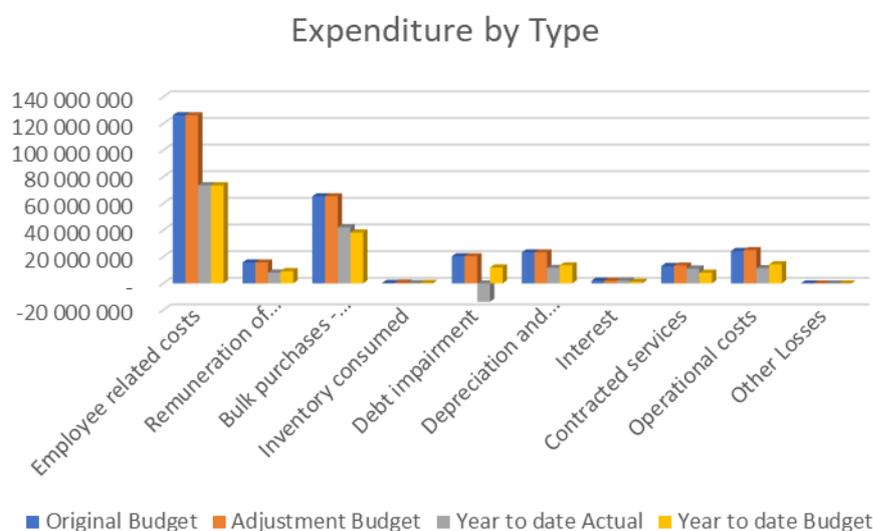


Revenue Variance Explanations against Planned Budget

- Waste Management reflects an unfavourable variance of 40%. 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 20%. 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 44%, and 49% 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 22%, 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 45%. 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 8%. This is largely due to annual billing being done for certain consumers and the budgeted projections being over 12 months.

4.2 Operating Expenditure by Type



Expenditure Variance Explanations against Planned Budget

- Remuneration of councillors reflects a unfavourable variances of 12%.
- Inventory consumed reflect a unfavourable variance of 45%, this is attributable to less inventory being consumed as was entisipated.
- Interest on overdue accounts reflect an unfavourable variance of 84%. This is as result of an Eskom interest reversal during the first two quarters.
- Depreciation and Debt Impairment reflect a variance of 100% and 118 respectively and these will be calculated at year end.
- Operational costs reflect an unfavourable variance of 21%. 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 January 2026 the total spending on Capital projects amount to R40 million (46 million including VAT) represents 79% of the year to date capital budget and 42% 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) - M07 January										
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	2									
Vote 1 - Executive & Council		594	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		33 324	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		4 809	2 800	4 495	236	2 691	2 622	70	3%	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	2 456	37 269	52 406	(15 137)	-29%	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	2 693	40 042	55 028	(14 986)	-27%	92 122
Total Capital Expenditure		777 677	92 122	94 334	2 693	40 042	55 028	(14 986)	-27%	92 122
Capital Expenditure - Functional Classification										
Governance and administration		46 271	2 800	4 495	236	2 691	2 622	70	3%	2 800
Executive and council		(989)	-	-	-	-	-	-	-	-
Finance and administration		45 677	2 800	4 495	236	2 691	2 622	70	3%	2 800
Internal audit		1 583	-	-	-	-	-	-	-	-
Community and public safety		92 418	-	-	-	-	-	-	-	-
Community and social services		92 273	-	-	-	-	-	-	-	-
Sport and recreation		145	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		560 218	66 382	66 382	2 274	30 296	38 723	(8 427)	-22%	66 382
Planning and development		100 626	37 737	37 737	1 005	22 858	22 013	845	4%	37 737
Road transport		459 592	28 645	28 645	1 268	7 438	16 710	(9 272)	-55%	28 645
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		86 313	22 940	23 458	183	7 055	13 684	(6 629)	-48%	22 940
Energy sources		60 573	22 940	23 458	183	6 973	13 684	(6 711)	-49%	22 940
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 740	-	-	-	82	-	82	#DIV/0!	-
Other		1 127	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	786 348	92 122	94 334	2 693	40 042	55 028	(14 986)	-27%	92 122
Funded by:										
National Government		709 939	74 322	74 839	2 456	36 877	43 656	(6 779)	-16%	74 322
Provincial Government		4 135	15 000	15 000	-	474	8 750	(8 276)	-95%	15 000
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		714 074	89 322	89 839	2 456	37 351	52 406	(15 055)	-29%	89 322
Borrowing	6	670	-	-	-	-	-	-	-	-
Internally generated funds		71 603	2 800	4 495	236	2 691	2 622	70	3%	2 800
Total Capital Funding		786 348	92 122	94 334	2 693	40 042	55 028	(14 986)	-27%	92 122

4.4 Cash Flows

The cash available as at 31 January 2026 amounts to R42 million; this consists of call deposits and cash available in the main account excluding the cash on hand.

EC124 Amahlathi - Table C7 Monthly Budget Statement - Cash Flow - M07 January										
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		(14 841)	31 710	31 710	1 546	8 825	18 497	(9 672)	-52%	31 710
Service charges		(47 263)	76 998	95 361	3 461	32 958	55 627	(22 669)	-41%	76 998
Other revenue		12 603	14 330	8 796	300	3 347	5 131	(1 784)	-35%	14 330
Transfers and Subsidies - Operational		112 896	145 328	145 328	-	112 896	84 775	28 121	33%	145 328
Transfers and Subsidies - Capital		(42 708)	89 322	89 322	-	42 708	52 104	(9 396)	-18%	89 322
Interest		20 680	12 629	12 629	1 639	11 168	7 367	3 801	52%	12 629
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(10 704)	(259 511)	(260 648)	2 693	40 042	(133 737)	(173 780)	130%	(259 511)
Interest		-	(2 000)	(2 000)	-	-	(1 167)	(1 167)	100%	(2 000)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		30 663	108 806	120 497	9 638	251 945	88 597	(163 347)	-184%	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		786 348	(91 874)	(94 418)	(2 693)	(40 042)	(55 077)	(15 035)	27%	(91 874)
NET CASH FROM/(USED) INVESTING ACTIVITIES		786 348	(91 874)	(94 418)	(2 693)	(40 042)	(55 077)	(15 035)	27%	(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		817 011	16 932	26 079	6 946	211 902	33 520			-
Cash/cash equivalents at beginning:		1 559	30 825	30 825	-	1 559	30 825			1 559
Cash/cash equivalents at month/year end:		818 569	47 757	56 904	6 946	213 461	64 345			-

5. IN-YEAR BUDGET STATEMENT TABLES

EC124 Amahlathi - Table C1 Monthly Budget Statement Summary - M07 January									
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	1 857	17 880	16 538	1 342	8%	28 350
Service charges	75 469	86 861	95 361	6 159	47 551	55 627	(8 076)	-15%	86 861
Investment revenue	3 421	4 063	4 063	-	49	2 370	(2 321)	-98%	4 063
Transfers and subsidies - Operational	146 325	145 328	145 328	526	109 646	84 775	24 871	29%	145 328
Other own revenue	56 548	57 405	55 849	6 218	41 023	32 579	8 445	26%	57 405
Total Revenue (excluding capital transfers and contributions)	303 766	322 008	328 951	14 761	216 149	191 888	24 261	13%	322 008
Employee costs	124 980	126 195	126 195	9 734	73 628	73 614	14		126 195
Remuneration of Councillors	14 006	15 692	15 692	1 148	8 062	9 154	(1 091)		15 692
Depreciation and amortisation	30 529	23 217	23 217	-	-	13 543	(13 543)		23 217
Interest	7 069	2 000	2 000	6 500	2 148	1 167	982		2 000
Inventory consumed and bulk purchases	59 491	65 673	65 880	4 726	42 266	38 430	3 836		65 673
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	70 673	57 719	58 730	(635)	20 282	34 259	(13 977)	-41%	57 719
Total Expenditure	306 748	290 497	291 714	21 473	146 387	170 167	(23 780)	-14%	290 497
Surplus/(Deficit)	(2 982)	31 511	37 237	(6 712)	69 762	21 722	48 041	221%	31 511
Transfers and subsidies - capital (monetary allocations)	77 657	89 322	89 322	12 259	37 549	52 104	###	-28%	89 322
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	74 676	120 833	126 559	5 546	107 311	73 826	33 485	45%	120 833
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	74 676	120 833	126 559	5 546	107 311	73 826	33 485	45%	120 833
Capital expenditure & funds sources									
Capital expenditure	777 677	92 122	94 334	2 693	40 042	55 028	(14 986)	-27%	92 122
Capital transfers recognised	714 074	89 322	89 839	2 456	37 351	52 406	(15 055)	-29%	89 322
Borrowing	670	-	-	-	-	-	-		-
Internally generated funds	71 603	2 800	4 495	236	2 691	2 622	70	3%	2 800
Total sources of capital funds	786 348	92 122	94 334	2 693	40 042	55 028	(14 986)	-27%	92 122
Financial position									
Total current assets	114 382	104 178	111 007		149 340				104 178
Total non current assets	468 429	600 889	603 101		508 471				600 889
Total current liabilities	159 681	143 434	52 749		127 373				143 434
Total non current liabilities	91 736	7 862	7 862		91 736				7 862
Community wealth/Equity	331 391	553 771	559 498		438 702				553 771
Cash flows									
Net cash from (used) operating	30 663	108 806	120 497	9 638	251 945	88 597	(163 347)	-184%	108 806
Net cash from (used) investing	786 348	(91 874)	(94 418)	(2 693)	(40 042)	(55 077)	(15 035)	27%	(91 874)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	818 569	47 757	56 904	6 946	213 461	64 345	(149 116)	-232%	-
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 930	5 336	5 822	4 913	4 889	5 639	36 829	202 892	275 250
Creditors Age Analysis									
Total Creditors	8 270	1 008	13	85	1 134	103	13 227	79 839	103 679

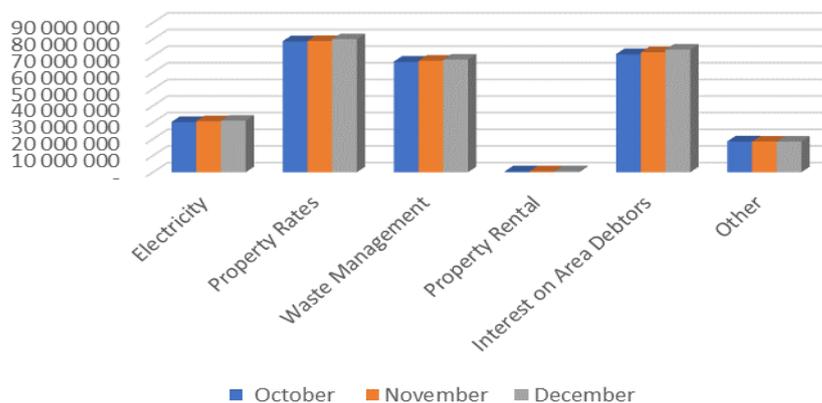
6. DEBTORS ANALYSIS

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.

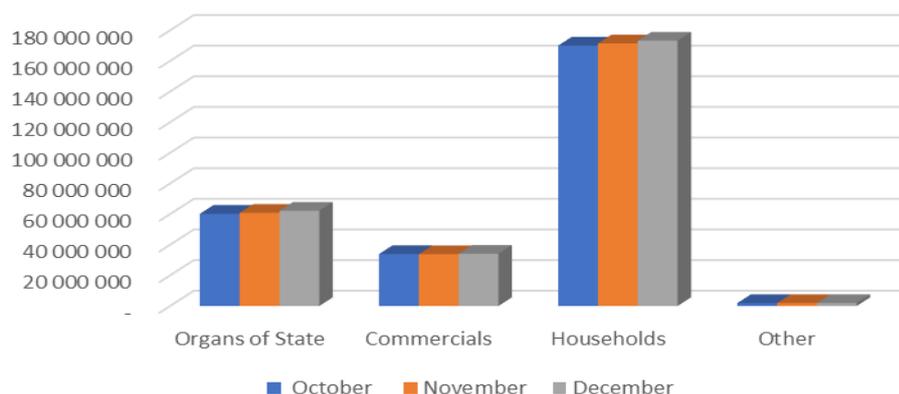
EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	Budget Year 2025/26										
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	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	4 263	1 445	1 693	1 323	1 349	1 732	7 722	12 948	32 475	25 074
Receivables from Non-exchange Transactions - Property Rates	1400	1 789	1 225	1 373	1 034	1 021	955	10 142	62 863	80 403	76 015
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 213	1 029	999	953	937	933	5 763	56 253	68 080	64 840
Receivables from Exchange Transactions - Property Rental Debtors	1700	12	15	6	6	6	6	74	526	651	617
Interest on Arrear Debtor Accounts	1810	1 640	1 616	1 762	1 602	1 581	1 555	10 325	55 180	75 261	70 243
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	13	5	(11)	(6)	(5)	458	2 804	15 122	18 380	18 373
Total By Income Source	2000	8 930	5 336	5 822	4 913	4 889	5 639	36 829	202 892	275 250	255 163
2024/25 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	1 916	1 721	2 435	1 748	1 816	2 285	15 782	36 256	63 959	57 887
Commercial	2300	3 838	864	761	632	574	644	3 555	23 759	34 627	29 164
Households	2400	3 098	2 690	2 583	2 492	2 463	2 670	17 205	141 434	174 633	166 262
Other	2500	77	62	43	42	36	40	287	1 443	2 030	1 848
Total By Customer Group	2600	8 930	5 336	5 822	4 913	4 889	5 639	36 829	202 892	275 250	255 163

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 January 2026 is R275 million. A R4 million increase from quarter two. The biggest contributor being the households that owe R174 million which is an increase of R1 million from previous quarter (household debt is increasing by approximately R1 million per month which is concerning); followed by government departments owing R63 million which is an increase of R1 million from previous quarter and business that owe R34 million with a minimum increase. Household and Government debt is growing significantly monthly, which is of concern.

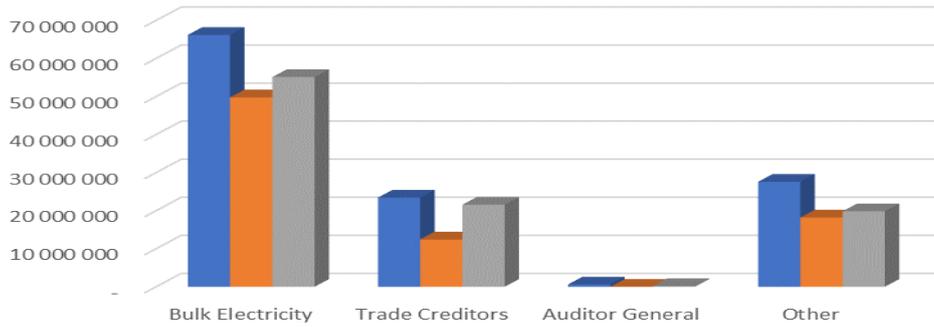
7. CREDITORS ANALYSIS

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 January 2026 amounts to R103 million.

EC124 Amahlathi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	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	5 483	25	12	85	14	47	3 896	50 658	60 220
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	390	40	-	-	356	7	8 749	11 712	21 254
Auditor General	0800	70	803	-	-	-	-	-	-	873
Other	0900	2 326	141	1	-	764	50	582	17 469	21 331
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	8 270	1 008	13	85	1 134	103	13 227	79 839	103 679

Credit by Customer



Creditors age

Accounts Payable Age Analysis								
Amahlathi Local Municipality								
31-Jan-26								
Accounts Payable Age Analysis								Page 1 of 2
Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
SOND001 (SONDLO & KNOPP ADVERTISING)							14 904.00	14 904,00
3RDPAR04 (3rd Party GARNISHHES)							0.03	0,03
3RDPAR02 (3rd Party PENSIONS)						3 429.61		3 429,61
3RDPAR01 (3rd Party SARS)						1 823 902.59		1 823 902,59
ALMSAL01 (ALM SALARIES)						300.00		300,00
ALOE0001 (ALOE OFFICE & BUSINESS EQUIPMENT)						39 657.32	35 159.35	74 816,67
ALOE001 (ALOE TRAVEL)	22 677.26						3 716.60	26 393,86
AMAN001 (AMANTILLO GENERAL TRADING)							1 500.00	1 500,00
AMAT0002 (AMATHOLE DISTRICT MUNICIPALITY)	17 058 597.16							17 058 597,16
AUDI001 (AUDITOR - GENERAL)						802 745.69	70 439.46	873 185,15
BEECON01 (BEECON HOLDINGS (PTY)LTD)	102 655.22							102 655,22
BOAR001 (BOARDMANS HARDWARE)							640.80	640,80
BOSE0001 (BOSE TYRES)		6 748.83						6 748,83
CABH0001 (CAB HOLDINGS)							16 673.42	16 673,42
CAME0001 (CCG SYSTEMS)	206 675.02							206 675,02
EASTLO02 (EAST LONDON INDUSTRIAL DEVELOPMENT ZONE)							6 210.00	6 210,00
ECPGPR01 (ECPG PROVINCE)							84 193.22	84 193,22
ECPGRT01 (ECPG RTMC)							6 624.00	6 624,00
ESKOMB01 (ESKOM (BULK))	54 553 721.20	46 786.64	14 340.97	84 532.10	12 463.60	25 298.65	5 482 906.72	60 220 049,88
ESKOME01 (ESKOM (ELECTRICITY & LIGHTS))							141 645.56	141 645,56
ESKOMF01 (ESKOM (FBE))							125.88	125,88
ISANGQ01 (ISANGQA SOMHLABA GROUP)							210 438.96	210 438,96
JAMICM01 (JEMIC MOTORS)		47 004.31						47 004,31
KEMA001 (KANU EQUIPMENT SOUTH AFRICA)							243 054.80	243 054,80
METRO01 (METRO COMPUTER SERVICES)							243 260.32	243 260,32
MICROS01 (MICROSOFT IRELAND OPERATIONS LIMITED)	26 378.93							26 378,93
MOBILE01 (MOBILE TELEPHONE NETWORK)						136 958.81	139 431.77	276 390,58
MSASSO01 (MSAS SOLUTIONS)							4 512.50	4 512,50
FLEE0001 (NEW AGE FLEET MAINTENANCE)							15 178.37	15 178,37
PROD001 (PRODIBA)							27 176.00	27 176,00
SALG0001 (SALGA)	3 173 504.76							3 173 504,76
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
STUT002 (STUTT MECHANICAL t/a STUTTERHEIM GARAGE)							730.00	730,00
TITANS01 (TITANSTUTT)							5 560.00	5 560,00
VITSHA01 (VITSHA TRADING)	478 915.37							478 915,37
WCADEP01 (WCA (Departmenmt of Labour))	6 276 968.75		766 343.79					7 043 312,54
WIND0001 (WINDEED)							426.94	426,94
WCCOUR01 (WYNAND BARENDT BOTHA)					650.00			650,00
XLAL001 (XL ALOE TRAVEL)							2 412.80	2 412,80
Accounts Payable Age Analysis								
YANDEE01 (YANDE ENGINEERING AND PROJECTS)	507 525.00							507 525,00
Totals:	93 065 835,71	100 539,78	780 684,76	84 532,10	13 113,60	1 053 390,08	8 580 824,09	103 678 920,12

8. INVESTMENT PORTFOLIO ANALYSIS

The table below details the Call Deposits made by the Municipality for the period ending January 2026.

Institution	Investments	Opening Balance	New Investment	Withdrawals	INTEREST							Total
					July	August	Sept	Oct	Nov	Dec	Jan	
FNB 62774382966	DEDEAT	417 813,89	-	170 188,81	1 801,80	1 312,89	1 277,00	1 304,42	1 250,47	1 261,85	1 261,41	257 094,92
FNB 62063171351	Disaster	3 304 716,81	20 941 875,00	- 22 256 105,46	13 441,80	7 363,50	27 410,87	32 217,02	6 025,85	6 016,02	11 804,17	2 094 765,58
FNB 63127290730	FEEDSM	80 111,96	-	2 430,22	425,25	410,41	399,20	408,64	391,58	395,14	394,99	80 506,95
FNB 62774381009	FMG	2 061,22	2 200 000,00	- 2 201 516,47	10,94	1 457,13	17,41	10,75	10,07	10,17	10,16	2 071,38
FNB 62774381413	INEP	18 758,05	22 792 000,00	- 21 083 072,50	99,58	26 948,48	33 668,08	30 892,64	19 473,77	10 842,84	9 225,49	1 858 836,43
FNB 63127288686	Inhouse projects	12 543,55	3 596 456,83	- 3 607 249,64	5 583,10	1 450,85	79,08	48,20	44,00	44,41	44,38	9 044,76
FNB 61381739619	Insurance	1 787 108,47	3 719 090,14	- 5 301 120,27	10 588,72	5 553,61	6 365,37	5 582,59	5 277,02	3 257,06	1 065,09	242 767,80
FNB 62774382445	LG Seta	2 405,29	106 200,00	- 53 406,54	12,76	56,71	295,67	287,49	275,70	278,21	278,11	56 683,40
FNB 62135193770	MIG	160528,12	40 622 939,35	- 39 569 083,14	8 949,32	60 793,82	35 288,99	7 062,27	40 689,47	35 084,46	7 101,68	1 409 354,34
FNB 62774383592	Salaries	766171,49	108 900 000,00	- 103 737 444,51	99 546,46	11 200,64	8 524,95	193,64	185,73	61 964,48	27 162,16	6 137 505,04
FNB 62774381942	Retention	301549,71	4 422 509,77	- 2 305 428,58	521,92	10,56	10,27	7,98	7,58	4 870,27	10 440,60	2 434 500,08
FNB 63127292538	STR	1053,85	450 884,32	- 451 880,84	5,60	5,39	894,67	79,79	5,51	5,56	5,44	1 059,29
FNB 74568809858	FNB Guarantee	5142095,16	-	396 039,60	33 388,40	34 725,37	33 830,67	29 080,14	29 823,68	29 038,12	30 183,62	4 966 125,56
	Payroll short term investments		56 000 000,00	- 46 543 726,71		65 391,78	120 390,14	174 495,20	183 449,59		111 130,14	10 111 130,14
		11 996 917,57	207 751 955,41	- 201 134 966,58	174 375,65	282 072,92	388 842,51	456 165,97	470 359,61	153 068,59	208 846,03	29 661 445,67

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	1 506 204	693 796	68%	32%
EPWP Grant	2 422 000	1 710 000	3 176 597	- 754 597	131%	-31%
Intergrated National Electrification Program Grant	17 440 000	7 848 000	7 567 896	9 872 104	43%	57%
MIG	39 723 000	33 861 000	20 976 574	18 746 426	53%	47%
Municipal Disaster Recovery Grant	19 145 000	9 763 000	8 553 686	10 591 314	45%	55%
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	57 655 884	42 231 842	53 698 158	43%	57%

EC124 Amahlathi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

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:										
Operating Transfers and Grants										
National Government:		526 644	143 505	-	-	119 013	83 711	(498)	-0,6%	143 505
EPWP Incentive	-	6 905	1 799	-	-	1 710	1 049	661	62,9%	1 799
Finance Management	-	10 935	2 200	-	-	4 400	1 283			2 200
Local Government Equitable Share	-	-	137 520	-	-	103 140	80 220			137 520
Metro Informal Settlements Partnership Grant	-	477 996	-	-	-	-	-			-
Municipal Drought Relief	-	30 808	-	-	-	9 763	-			-
Municipal Infrastructure Grant	-	-	1 986	-	-	-	1 159	(1 159)	-100,0%	1 986
Other transfers and grants [insert description]										
Provincial Government:		(16 536)	1 823	-	-	(3 646)	(1 063)	(2 583)	242,9%	1 823
Eastern Cape_Capacity Building and Other_Specify (Add grant descript	-	(16 536)	1 823	-	-	(3 646)	(1 063)	(2 583)	242,9%	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	511 511	145 328	-	-	115 367	82 648	(3 081)	-3,7%	145 328
Capital Transfers and Grants										
National Government:		162 987	74 322	-	-	41 709	21 019	11 848	56,4%	74 322
Municipal Infrastructure Grant (MIG)	-	162 987	37 737	-	-	33 861	22 013	11 848	53,8%	37 737
Integrated National Electrification Programme Grant	-	-	17 440	-	-	7 848	10 173			17 440
Municipal Disaster Relief Grant	-	-	19 145	-	-	-	(11 168)			19 145
Other capital transfers [insert description]										
Provincial Government:		-	15 000	-	-	999	(8 750)	9 749	-111,4%	15 000
Eastern Cape_Infrastructure_Infrastructure_RECEIPTS	-	-	15 000	-	-	999	(8 750)	9 749	-111,4%	15 000
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	162 987	89 322	-	-	42 708	12 269	21 597	176,0%	89 322
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	674 497	234 650	-	-	158 075	94 917	18 517	19,5%	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 31 January 2026. 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 - M07 January

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		500 066	5 985	-	4 527	13 236	3 491	9 745	279,1%	5 985
Expanded Public Works Programme Integrated Grant	-	6 028	1 799	-	503	3 177	1 049	2 127	202,7%	1 799
Local Government Financial Management Grant	-	10 935	2 200	-	23	1 506	1 283	223	17,4%	2 200
Metro Informal Settlements Partnership Grant	-	477 996	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant	-	5 107	-	-	4 001	8 554	-	8 554	#DIV/0!	-
Municipal Infrastructure Grant	-	-	1 986	-	-	-	1 159	(1 159)	-100,0%	1 986
Municipal Infrastructure Grant	-	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-	-
Provincial Government:		14 831	1 823	-	-	1 823	1 063	760	71,4%	1 823
Eastern Cape	-	14 831	1 823	-	-	1 823	1 063	760	71,4%	1 823
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-	-
Other grant providers:		1 403	-	-	-	-	-	-	-	-
Unspecified-Specify (Replace with the name of the Entity)-Transfer	-	1 403	-	-	-	-	-	-	-	-
Unspecified_Specify (Replace with the name of the Entity)_Receipts	-	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		516 299	7 808	-	4 527	15 059	4 555	10 505	230,6%	7 808
Capital expenditure of Transfers and Grants										
National Government:		164 441	74 322	-	8 258	28 544	43 354	(14 810)	-34,2%	74 322
Integrated National Electrification Programme Grant	-	-	17 440	-	3 098	7 568	10 173	(2 605)	-25,6%	17 440
Municipal Disaster Relief Grant	-	11 281	19 145	-	-	-	11 168	(11 168)	-100,0%	19 145
Municipal Infrastructure Grant	-	153 160	37 737	-	5 160	20 977	22 013	(1 037)	-4,7%	37 737
Other capital transfers [insert description]	-	-	-	-	-	-	-	-	-	-
Provincial Government:		-	15 000	-	-	843	8 750	(7 907)	-90,4%	15 000
Eastern Cape	-	-	15 000	-	-	843	8 750	(7 907)	-90,4%	15 000
Other capital transfers [insert description]	-	-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		164 441	89 322	-	8 258	29 387	52 104	(22 717)	-43,6%	89 322
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		680 740	97 130	-	12 785	44 447	56 659	(12 212)	-21,6%	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 - M07 January										
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	10 834	772	5 414	6 320	(905)	-14%	10 834
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		460	619	619	36	270	361	(91)	-25%	619
Cellphone Allowance		1 416	1 777	1 777	119	830	1 037	(207)	-20%	1 777
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 666	2 462	2 462	222	1 548	1 436	112	8%	2 462
Sub Total - Councillors		14 006	15 692	15 692	1 148	8 062	9 154	(1 091)	-12%	15 692
% increase	4		12,0%	12,0%						12,0%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	4 562	5 980	5 980	540	3 113	3 488	(375)	-11%	5 980
Pension and UIF Contributions		9	9	9	1	6	5	1	18%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		200	431	431	57	250	252	(2)	-1%	431
Cellphone Allowance		67	71	71	9	54	42	12	30%	71
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	1	0	0	0	0	15%	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	6 493	608	3 424	3 787	(364)	-10%	6 493
% increase	4		34,2%	34,2%						34,2%
Other Municipal Staff										
Basic Salaries and Wages		82 534	79 503	79 503	6 207	47 724	46 377	1 347	3%	79 503
Pension and UIF Contributions		14 109	14 621	14 621	1 231	8 600	8 529	71	1%	14 621
Medical Aid Contributions		6 099	6 665	6 665	409	3 469	3 888	(419)	-11%	6 665
Overtime		1 387	1 219	1 219	146	832	711	120	17%	1 219
Performance Bonus		(0)	6 807	6 807	306	3 909	3 971	(61)	-2%	6 807
Motor Vehicle Allowance		4 533	3 409	3 409	341	2 462	1 989	474	24%	3 409
Cellphone Allowance		818	889	889	70	500	519	(19)	-4%	889
Housing Allowances		2 430	2 661	2 661	203	1 431	1 552	(121)	-8%	2 661
Other benefits and allowances		621	518	518	67	428	302	126	42%	518
Payments in lieu of leave		-	163	163	80	304	95	209	220%	163
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	6 945	2 813	2 813	-	-	1 641	(1 641)	-100%	2 813
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		667	435	435	66	545	254	291	115%	435
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		120 142	119 703	119 703	9 126	70 204	69 827	378	1%	119 703
% increase	4		-0,4%	-0,4%						-0,4%
Total Parent Municipality		138 986	141 887	141 887	10 882	81 690	82 768	(1 077)	-1%	141 887

The municipality allocated a budget of R15.6 million for Councillors and has spent R8 million which constitutes 44% as of the seventh month of the financial year.

The municipality allocated a budget of R6.4 million for Senior Managers and spent R3 million, which constitutes 44% as of the seventh month of the financial year.

The municipality have allocated a budget of R119.7 million for Other Municipal Staff and have spent R69 million which constitutes 51% for the seventh 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	5 527 728	9 472 272
Ngamngeni Roads and Stormwater	4 145 000	3 025 958	1 119 042
Cathcart 22/11kv 2x2,5 MVA Substation	12 440 000	5 156 688	7 283 312
Upgrading Stutterheim Main Intake Su	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	4 967 452	632 548
STR KKH Roads	5 500 000	-	5 500 000
Phumlani Community Hall	4 651 162	1 125 556	3 525 606
Langdraai Community Hall	4 501 288	1 978 072	2 523 216
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	4 262 838	- 799 869
Waste Collection Compactor Truck	3 283 196	3 283 195	1
Izidenge Internal Roads	3 326 149	1 956 864	1 369 285
Infrastructure plans	1 697 050	285 252	1 411 798
STR KKH Electricity	1 500 000		1 500 000
Vehicles	3 300 000	2 180 493	1 119 507
Paving of Xholorha Internal Roads	1 000 000	2 137 624	- 1 137 624
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	480 248	314 391
Cathcart Town Hall Upgrade	400 000		400 000
Amabele Paving	315 036	4 487 146	- 4 172 110
Computer Equipment	400 000	434 388	- 34 388
MV Substations	517 500	-	517 500
	94 333 990	45 354 562	48 979 428

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 January 2026.

EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - M07 January

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	(3 861)	39 757
Trade and other receivables from exchange transactions		44 707	22 570	15 186	86 405	22 570
Receivables from non-exchange transactions		32 588	9 188	9 188	16 879	9 188
Current portion of non-current receivables		–	–	–	–	–
Inventory		6	24	(182)	202	24
VAT		11 670	32 639	36 412	36 825	32 639
Other current assets		12 849	–	–	12 890	–
Total current assets		114 382	104 178	111 007	149 340	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	491 605	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	508 471	600 889
TOTAL ASSETS		582 811	705 067	714 108	657 811	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	67 380	80 568	64 065
Trade and other payables from non-exchange transactions		428	47 000	(47 000)	18 209	47 000
Provision		16 456	20 407	20 407	16 456	20 407
VAT		3 153	10 118	10 118	10 507	10 118
Other current liabilities		–	–	–	–	–
Total current liabilities		159 681	143 434	52 749	127 373	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	–
Other non-current liabilities		31 078	–	–	31 078	–
Total non current liabilities		91 736	7 862	7 862	91 736	7 862
TOTAL LIABILITIES		251 417	151 296	60 611	219 109	151 296
NET ASSETS	2	331 394	553 771	653 498	438 702	553 771
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		331 391	553 771	559 498	438 702	553 771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	331 391	553 771	559 498	438 702	553 771

a. CURRENT ASSETS

- **Cash** – The cash balance of R4 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 January 2026.

Date	Type	Account Description	Balance
31 January 2026	Cash	Main Account	1 009 289.59
31 January 2026	Call Investment Deposit	Disaster Account	2 094 765.58
31 January 2026	Call Investment Deposit	MIG Account	1 409 354.34
31 January 2026	Call Investment Deposit	Insurance Account	242 767.80
31 January 2026	Call Investment Deposit	FNB Guarantee	4 966 125.56
31 January 2026	Call Investment Deposit	Retention Account	2 434 500.08
31 January 2026	Call Investment Deposit	FMG Account	2 092.21
31 January 2026	Call Investment Deposit	INEP Account	1 858 836.43
31 January 2026	Call Investment Deposit	LGSETA Account	56 683.40
31 January 2026	Call Investment Deposit	Payroll Account	21 110 342.88
31 January 2026	Call Investment Deposit	DEDEAT Account	259 650.25
31 January 2026	Call Investment Deposit	STR Account	1 059.29
31 January 2026	Call Investment Deposit	EEDSM Account	80 506.95
31 January 2026	Call Investment Deposit	Inhouse Account	9 044.76
			19 550 315.53

- The total cash available as at 31 January 2026 indicates a total balance of **R19 550 315.53**
- **Inventory** – The value of inventory as at 31 January 2026 amounts to R202 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 R508 million, the biggest contributor being the Property; Plant and Equipment of the municipality amounting to R491 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 January 2026.
- **Trade and other Payables** – The trade and other payables are currently at R80 million which indicates a R16 million decrease when compared to the second Quarter .
- **Unspent Grant** – The unspent conditional grants amount to R18 million at 31 January 2026.

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 - M07 January

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	5	1 238	1 097	(142)	-12,9%	1 880
Roads Infrastructure		325	1 150	1 150	1	611	671	60	8,9%	1 150
Roads		325	1 150	1 150	1	611	671	60	8,9%	1 150
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		25	30	30	5	25	18	(8)	-44,4%	30
Drainage Collection		25	30	30	5	25	18	(8)	-44,4%	30
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		807	700	700	-	602	408	(194)	-47,4%	700
Power Plants		-	100	100	-	22	58	36	61,7%	100
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		807	600	600	-	579	350	(229)	-65,6%	600
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	100	100	-	17	58	41	70,9%	100
Community Facilities		-	100	100	-	17	58	41	70,9%	100
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	100	100	-	17	58	41	70,9%	100
Other assets		352	400	105	-	0	61	61	99,2%	400
Operational Buildings		352	400	105	-	0	61	61	99,2%	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	58	58	99,1%	100
Computer Equipment		-	-	50	-	-	29	29	100,0%	-
Computer Equipment		-	-	50	-	-	29	29	100,0%	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		33	50	50	-	30	29	(1)	-4,0%	50
Machinery and Equipment		33	50	50	-	30	29	(1)	-4,0%	50
Transport Assets		1 065	545	545	41	565	610	45	7,3%	545
Transport Assets		1 065	545	545	41	565	610	45	7,3%	545
Total Repairs and Maintenance Expenditure	1	2 608	2 975	2 730	46	1 851	1 884	33	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 January 2026 **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 January 2026 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 January 2025 was recorded at 95%, while the self-assessed compliance for 2025/26 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	
	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	<input type="text" value="Jan '26"/>
National Financial Year	<input type="text" value="2025/26"/>
Demarcation Code of Municipality being assessed	<input type="text" value="EC124"/>
District	Amathole
Demarcation Description	Amahlathi
<p>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:</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 – (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://lguploadportal.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://lguploadportal.treasury.gov.za ?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
6,4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)		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 propert 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 (<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?	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	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	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 (<i>For example higher winter Eskom tariffs, lower January collection rates, etc.?</i>)	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?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	Does not have function
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	Yes
	6.6	Supporting evidence : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.	
	6,7	Maintain a minimum average quarterly collection of property rates and services charges –	
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
		<i>Note - although the norm and standard for collection (MFMA Circular No. 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 and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	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)?	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 and 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 and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes
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>	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://lguploadportal.treasury.gov.za ?	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?	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>	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?	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 ?	Yes
<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
<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.	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?	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

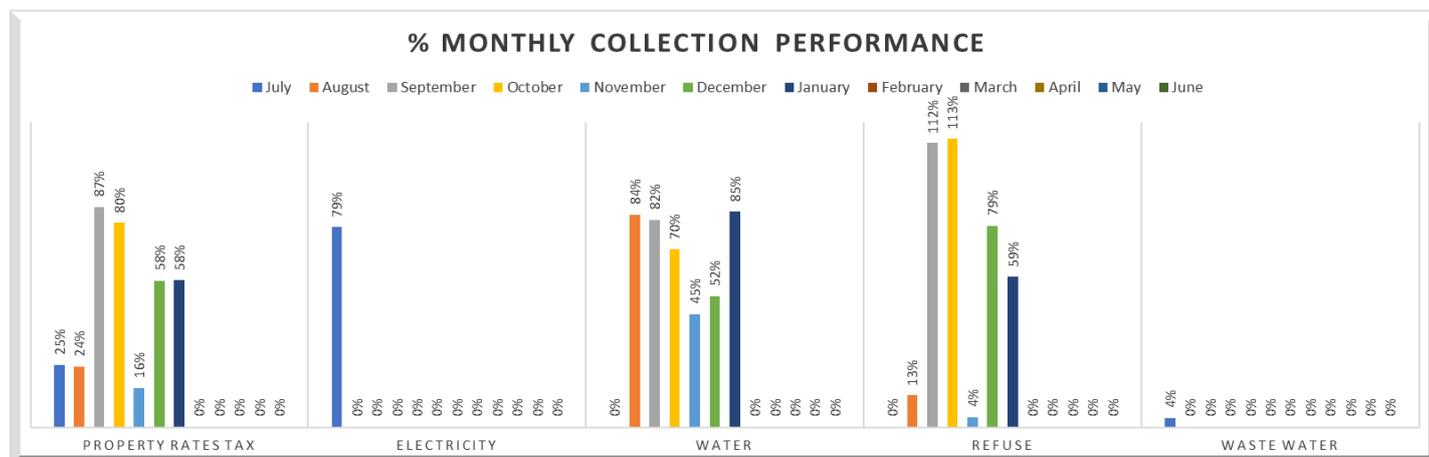


National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003
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Province		
EC		
Code	District	Code Description
EC124	Amathole	Amahlathi

Monthly Performance Report																																															
Municipal Details			Part A						Part B					Part C			Part D				Part C						Maximization of Revenue Base			Part E											Scoring and Rating						
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges									Oversight											Score	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				
25.July25	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	100%	Full Compliance								
26.August25	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	100%	Full Compliance							
27.September25	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	No	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	95%	Above Moderate								
28.October25	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	100%	Full Compliance								
29.November25	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	100%	Full Compliance								
30.December25	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	No	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	95%	Above Moderate									
31.January26	Amahlathi	EC124	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	95%	Above Moderate	
32.February26	Amahlathi	EC124																																											0%	Not completed	
33.March26	Amahlathi	EC124																																											0%	Not completed	
34.April26	Amahlathi	EC124																																											0%	Not completed	
35.May26	Amahlathi	EC124																																											0%	Not completed	
36.June26	Amahlathi	EC124																																											0%	Not completed	
37.July26	Amahlathi	EC124																																											0%	Not completed	
38.August26	Amahlathi	EC124																																											0%	Not completed	
39.September26	Amahlathi	EC124																																											0%	Not completed	
40.October26	Amahlathi	EC124																																											0%	Not completed	
41.November26	Amahlathi	EC124																																											0%	Not completed	

18.3 Provincial Treasury Debt Relief Compliance Assessment



18.4 Collection Performance

18.4.1 Monthly/Quarterly 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	January	15

Collection Rate Assessment

Aggregate Collection	Summary - Quarter 1					Summary - Quarter 2					Summary - Quarter 3				
	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q1
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%	10 406 447	6 016 247	4 390 200	58%	58%
2.Collection excl Eskom supplied areas	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
3.Collection: Property Rates	11 243 565	5 318 355	5 925 210	47%	47%	5 391 502	3 114 969	2 276 543	58%	58%	2 143 354	1 816 751	326 603	85%	85%
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%	5 145 911	3 045 280	2 100 631	59%	59%
5.Total average collection: Water	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
6.Total average collection: Wastewater	-	-	-	#DIV/0!		-	-	-	#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%	1 477 502	1 069 386	408 116	72%	72%
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%	1 639 680	84 830	1 554 850	5%	5%

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	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%	41 829 196	21 089 493	20 739 703	50%
2. Collection <u>excl Eskom supplied areas</u>	-	-	-	#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. 7. 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%

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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	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%	27 117 840	15 204 603	11 913 237	56%
2. Collection <u>excl Eskom supplied areas</u>	-	-	-	#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. 7. 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%

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Collection Rate Assessment	5. November - Reporting for October in November				6. December - Reporting for November in December				Summary - Quarter 2				Q2	7. January - Reporting for December in January				8. February - Reporting for January in February		
	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		Billing For December	Collection in January	R - Billing not collected	% Collection	Billing For January	Collection in February	R - Billing not collected
1. Collection for whole demarcation	6 828 953	1 061 942	5 869 505	16%	9 555 035	5 503 362	4 051 673	58%	27 117 840	15 204 603	11 913 237	56%	10 406 447	6 016 247	4 390 200	58%	-	-	-	
2. Collection <u>excl Eskom supplied areas</u>	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-	-	
3. Collection: Property Rates	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%	2 143 354	1 816 751	326 603	85%	-	-	-	
4. Total average collection: Electricity (Municipal supplied areas)	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%	5 145 311	3 045 280	2 100 631	59%	-	-	-	
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	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%	1 477 502	1 069 386	408 116	72%	-	-	-	
8. 7. Total average collection: Interest	-	102 494	0	#DIV/0!	1 624 757	115 245	1 509 512	7%	3 249 917	263 560	2 986 357	8%	1 639 680	84 830	1 554 850	5%	-	-	-	

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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	M12	
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																		
Number of Indigent HH's with NO Water supply - No metering																		
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)		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							
Status of Electricity meters:																		
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							
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)			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)			191		191	191	191	191	191	191	191							
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		191		191	191	191	191	191	191	191							
Highest level of free service provided per household (ALL Households)																		
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							
Revenue cost of subsidised services provided for ALL Households (R'000)	9																	
Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)		1 018		1 018	1 018	1 018	1 018	1 018	1 018	1 018							
PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)		339		339	339	339	339	339	339	339							
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	6																	
Other																		
Total revenue cost of subsidised services provided			1 357		1 357	1 357	1 357	1 357	1 357	1 357	1 357							

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		
	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		
	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	<u>R2 194 995,46</u>	<u>R2 092 817,87</u>	<u>R102 177,59</u>	<u>6 584 986,37</u>	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 R4.8 million was made on 31 January 2026.

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

19. MUNICIPAL MANAGERS QUALITY CERTIFICATE

19. MUNICIPAL MANAGERS QUALITY CERTIFICATE

QUALITY CERTIFICATE	
I, Dr. Z Shasha Municipal Manager of Amahlathi Municipality , hereby certify that -	
(Mark as appropriate)	
<input checked="" type="checkbox"/>	the monthly budget statement
<input type="checkbox"/>	Quarterly report on the implementation of the budget and financial state of affairs of the municipality
<input type="checkbox"/>	Mid-year budget and performance assessment
for the month of November 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:	13 February 2026