GAMAGARA LOCAL MUNICIPALITY

NC 453

MONTHLY MFMA 71 REPORT

JULY 2024

2024/25 FINANCIAL YEAR

REPORT	MONTHLY MFMA SECTION 71 REPORT
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BACKGROUND

Purpose

The purpose of this report is to comply with Section 71 of the Municipal Finance Management Act, and Section 28 – 29 of the Municipal Budget and Reporting Regulations which require that specific information be reported on and in the prescribed formats.

Legislative Background

(1) 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 in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

(a) Actual revenue, per revenue source;

(b) actual borrowings;

(c) actual expenditure, per vote;

(d) actual capital expenditure, per vote;

(e) the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on –

(i) its share of the local government equitable share; and

(ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(i) when necessary, an explanation of any material variances from the municipality's projected revenue by source, and from the municipality's projected expenditure per vote,

(ii) any material variances from the service delivery and budget implementation plans; and

(iii) remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved get budget.

(2) The statement must include –

(a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projection; and

(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (*e*) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each period, make public as may be prescribed, a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each period.

The statement also serves, additional to reporting on the implementation of the budget, to:

- Report on the progress on the implementation of the Debt Relief Conditions as required by MFMA Circular 124 and the National Treasury Letter of approval dated 30 July 2023; and
- Report on the implementation of the Financial Recovery Plan NCPT Provincial Executive in terms of Section 139 (1) (b) and Section 139 (5) (a) of the Constitution read with Section 139 on the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003).

PART 1 – IN-YEAR REPORT

1.1 Mayor's Report

Not Provided. (Only required if report is tabled to council)

1.2 Resolution

Not provided. (Only required if report is tabled to council)

1.3 Executive Summary

Operating Revenue Budget

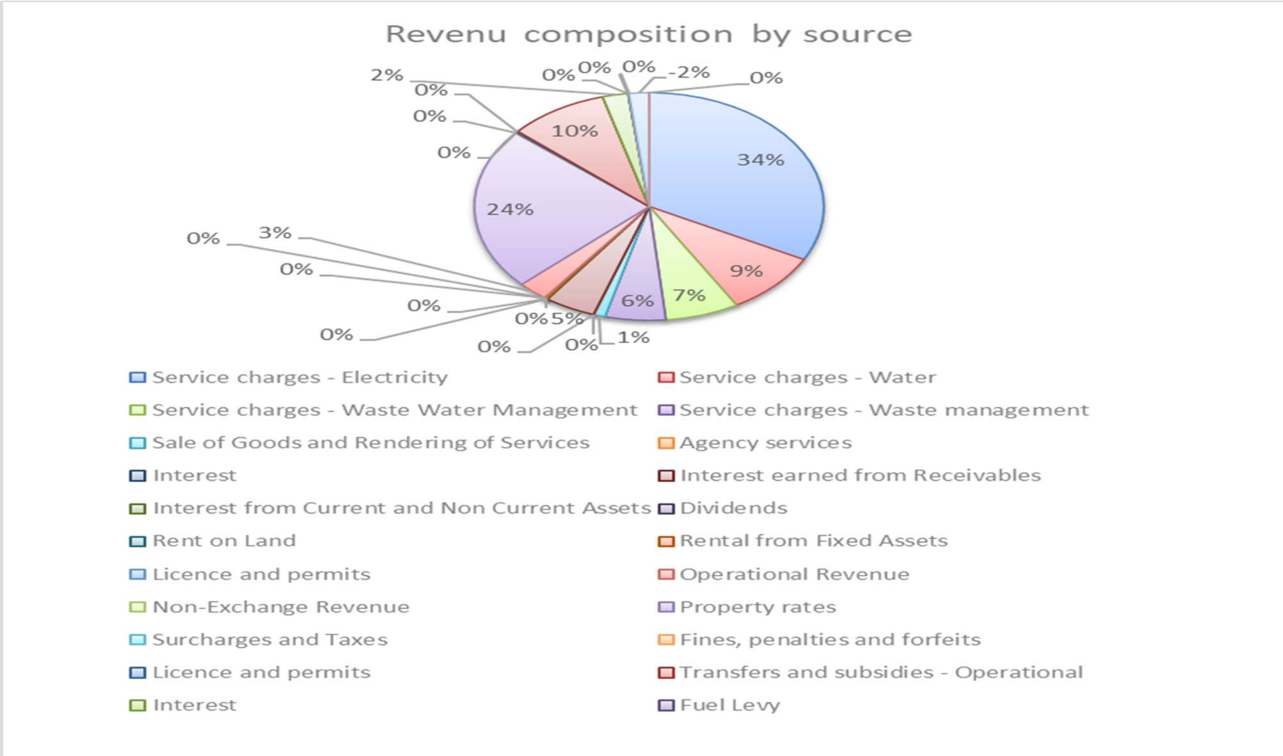
The total original revenue budget is allocated an amount of R 738 million for the 2024/25 financial year. For the period ending 31 July 2024, a total of R 21.7 million or 3% of the total budget has been recognized. The recognized revenue exceeded the budgeted revenue by 4%. The highest contributor to the municipality's revenue is service charge-electricity at 34% followed by property rates at 24%. See the below table for details on the operating revenue budget.

NC453 Gamagara - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	Budget Year 2024/25							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue									
Exchange Revenue									
Service charges - Electricity		250 960	–	21 701	21 701	20 913	787	4%	250 960
Service charges - Water		68 717	–	5 301	5 301	5 726	(426)	-7%	68 717
Service charges - Waste Water Management		52 124	–	4 218	4 218	4 344	(126)	-3%	52 124
Service charges - Waste management		43 001	–	4 389	4 389	3 583	806	22%	43 001
Sale of Goods and Rendering of Services		7 798	–	183	183	650	(467)	-72%	7 798
Agency services		594	–	4	4	49	(45)	-91%	594
Interest							–	0%	
Interest earned from Receivables		36 115	–	3 112	3 112	3 010	102	3%	36 115
Interest from Current and Non Current Assets		627	–	41	41	52	(11)	-21%	627
Dividends							–	0%	
Rent on Land							–	0%	
Rental from Fixed Assets		2 003	–	232	232	167	65	39%	2 003
Licence and permits		33	–	2	2	3	(1)	-35%	33
Operational Revenue		21 479	–	37	37	1 790	(1 753)	-98%	21 479
Non-Exchange Revenue							–	0%	
Property rates		177 554	–	16 346	16 346	14 796	1 550	10%	177 554
Surcharges and Taxes							–	0%	
Fines, penalties and forfeits		699	–	186	186	58	128	220%	699
Licence and permits		1 814	–	26	26	151	(125)	-83%	1 814
Transfers and subsidies - Operational		70 797	–	–	–	5 900	(5 900)	-100%	70 797
Interest		18 163	–	1 782	1 782	1 514	268	18%	18 163
Fuel Levy							–	0%	
Operational Revenue		500	–	63	63	42	22	52%	500
Gains on disposal of Assets							–	0%	
Other Gains		(14 221)	–	–	–	(1 185)	1 185	-100%	(14 221)
Discontinued Operations							–	0%	
Total Revenue (excluding capital transfers and contributions)		**738 756**	**–**	**57 623**	**57 623**	**61 563**	**(3 940)**	-6%	**738 756**

The graph below shows revenue composition per source as a percentage of the total revenue billed for the period ending July 2024

Revenue composition by source as a % of the total Revenue



Operating Expenditure Budget

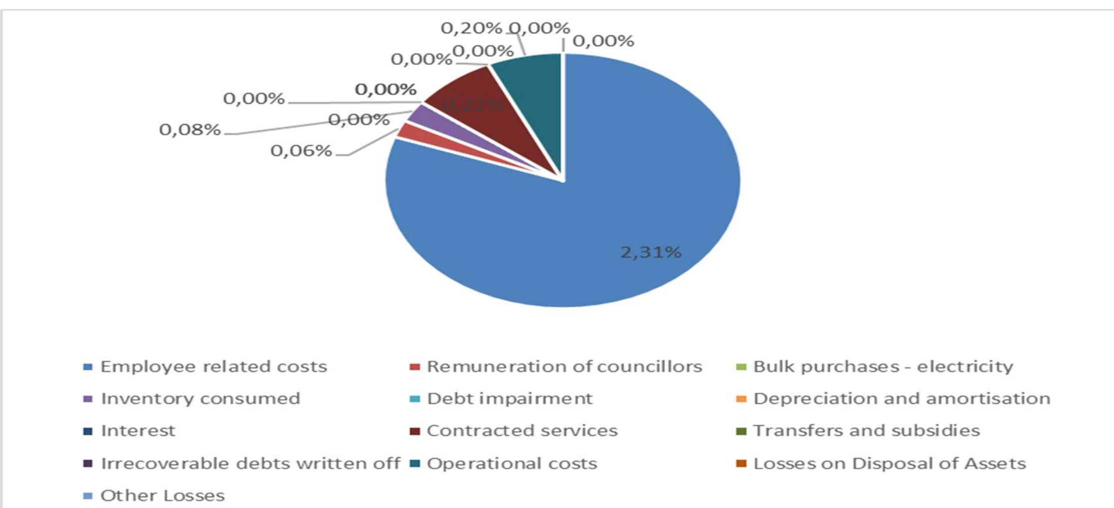
The total expenditure for the current year is R 829 million. To date, the total amount spent on the operating budget is R 23.8 million or 2.87% of the annual operating budget. Employee-related costs (including remuneration of Councilors) contribute mainly 2.31% of the total spent to date. The invoices for bulk purchases-electricity were not captured. See below table for details of the operating expenditure.

NC453 Gamagara - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	Budget Year 2024/25							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type									
Employee related costs		282 209	–	19 214	19 214	23 517	(4 304)	-18%	282 209
Remuneration of councillors		6 831	–	524	524	569	(45)	-8%	6 831
Bulk purchases - electricity		191 095	–	–	–	15 925	(15 925)	-100%	191 095
Inventory consumed		24 362	–	654	654	2 030	(1 376)	-68%	24 362
Debt impairment		24 547	–	–	–	2 046	(2 046)	-100%	24 547
Depreciation and amortisation		55 155	–	–	–	4 596	(4 596)	-100%	55 155
Interest		25 250	–	–	–	2 104	(2 104)	-100%	25 250
Contracted services		103 400	–	1 824	1 824	8 617	(6 792)	-79%	103 400
Transfers and subsidies		500	–	–	–	42	(42)	-100%	500
Irrecoverable debts written off		23 890	–	–	–	1 991	(1 991)	-100%	23 890
Operational costs		91 050	–	1 638	1 638	7 587	(5 950)	-78%	91 050
Losses on Disposal of Assets		–	–	–	–	–	–	0%	–
Other Losses		1 678	–	–	–	140	(140)	-100%	1 678
Total Expenditure		**829 968**	**–**	**23 854**	**23 854**	**69 164**	**(45 310)**	-66%	**829 968**

The graph below shows expenditure composition per category as a percentage of the total expenditure incurred for the period ending July 2024.

Composition of expenditure by type as a %of total expenditure



Capital Revenue Budget

The capital Revenue Budget for the financial year 2024/25 is R 98 897 000. To date the municipality has received R 11 557 000.00

See below tables for details.

Capital Revenue Budget			
Description	**Budget**	**Received**	**Variance**
Municipal Infrastructure grant	R 13 687 000,00	R 2 557 000,00	-R 11 132 000
Water Service Infrastructure Grant	R 25 210 000,00	R 7 500 000,00	-R 17 710 000
INEP	R 20 000 000,00	R 1 500 000,00	-R 18 500 000
RBIG	R 40 000 000	R0.00	-R 40 000 000
Total	**R 98 897 000**	**R 11 557 000**	**-R 87 340 000**

The allocations above are derived from the Division of Revenue Act.

Capital Expenditure

The table below shows capital expenditure budget per vote or department. To date the municipality has spent 0% or R0.00 of the received funds of R 11,5 million. See below for details on capital spending.

	Capital Expenditure Budget			
Description	**Budget**	**Received**	**Spent**	**Variance (Rec-Spent)**
Municipal Infrastructure grant	R 13 687 000,00	R 2 557 000,00	R0.00	-R 11 132 000
Water Service Infrastructure Grant	R 25 210 000,00	R 7 500 000,00	R0.00	-R 17 710 000
INEP	R 20 000 000,00	R 1 500 000,00	R0.00	-R 18 500 000
RBIG	R 40 000 000	R0.00	R0.00	-R 40 000 000
	R 98 897 000	**R 11 557 000**	**R 0**	**-R 87 340 000**

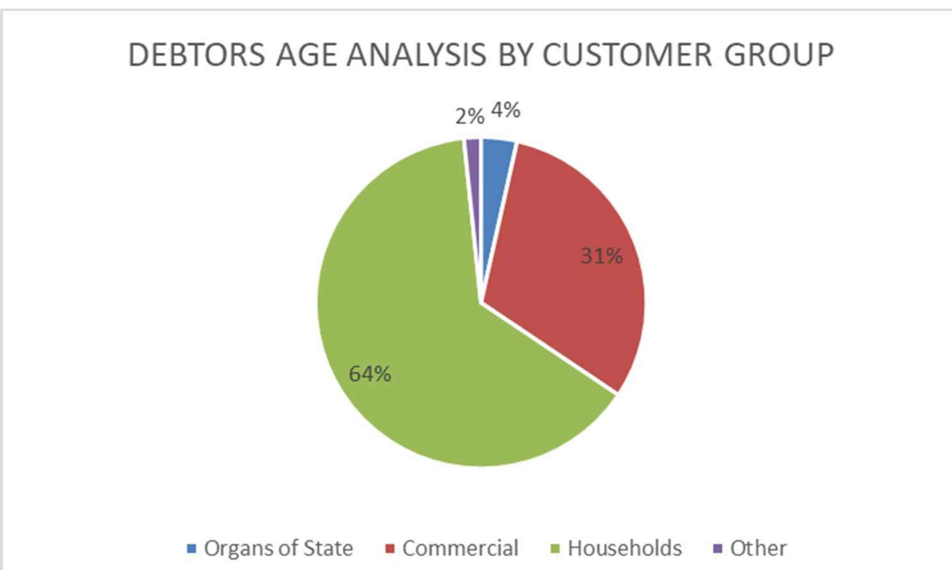
Debtors Ageing

The total debtors book as at end of July 2024 amounts to R 569 million with most of the debt being owed by households at R 363 million or 64% of the total Debtors. Organs of State and Commercial at 4% and 31% respectively.

NC453 Gamagara - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2024/25											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	3 712	2 584	1 069	1 180	1 269	944	8 004	46 220	64 982	57 617	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	12 051	6 443	3 405	2 814	8 846	2 007	26 019	67 592	129 175	107 277	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	14 468	11 066	3 359	3 789	2 747	2 027	12 842	65 282	115 580	86 687	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	4 341	3 310	1 443	1 764	1 326	1 394	7 994	26 843	48 417	39 321	–	–
Receivables from Exchange Transactions - Waste Management	1600	4 555	3 416	1 774	1 602	1 465	1 524	8 370	51 082	73 789	64 044	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	99	99	99	–	–
Interest on Arrear Debtor Accounts	1810	5 103	4 902	4 783	5 357	4 480	4 604	28 549	90 049	147 826	133 039	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(23 124)	1 490	475	4 944	446	553	785	3 646	(10 785)	10 375	–	–
Total By Income Source	**2000**	**21 105**	**33 211**	**16 309**	**21 450**	**20 578**	**13 053**	**92 564**	**350 814**	**569 084**	**498 458**	**–**	**–**
2023/24 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 871	592	433	402	3 583	337	3 163	8 602	19 984	16 088	–	–
Commercial	2300	8 412	14 147	4 207	5 562	3 785	4 185	41 195	94 327	175 821	149 055	–	–
Households	2400	8 561	17 045	11 258	10 600	12 835	8 030	47 770	247 748	363 848	326 983	–	–
Other	2500	1 261	1 427	411	4 886	375	500	435	136	9 431	6 331	–	–
Total By Customer Group	**2600**	**21 105**	**33 211**	**16 309**	**21 450**	**20 578**	**13 053**	**92 564**	**350 814**	**569 084**	**498 458**	**–**	**–**

The graph below shows outstanding debtors per category as a percentage of the total debtors outstanding for the period ending July 2024.



Creditors Ageing

The municipality owes Eskom a total debt of R 447.2 million. The debt was reduced by an amount of R 31 million due to the interests that were written-of as part of the debt relief programme. The current SC4 table is not fully updated

NC453 Gamagara - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description R thousands	NT Code	Budget Year 2024/25									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	–	–	20 624	10 124	16 724	14 994	51 339	333 432	**447 237**	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	–	–	–	–	–	–	–	–	–	–
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	1 811	11	44	9	21	–	–	**1 897**	–
Medical Aid deductions	0910									–	
Total By Customer Type	**1000**	–	**1 811**	**20 635**	**10 168**	**16 733**	**15 015**	**51 339**	**333 432**	**449 134**	–

Notes

MFMA Circular 124: Condition 6.9

- The municipal council and senior management team has processes in place to monitor and enforce accountability for the implementation of the municipality's budget through tabling of reports in different council portfolio committees.
- The monthly section 71 reports are being tabled in the budget and treasury portfolio committee, EXCO and council.

1.4 In-Year Budget Statement Tables

1.4.1 Table C1: Monthly Budget Statement Summary

NC453 Gamagara - Table C1 Monthly Budget Statement Summary - M01 July

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	177 554	–	16 346	16 346	14 796	1 550	10%	177 554
Service charges	–	414 802	–	35 608	35 608	34 567	1 041	3%	414 802
Investment revenue	–	–	–	–	–	–	–		–
Transfers and subsidies - Operational	–	70 797	–	–	–	5 900	(5 900)	-100%	70 797
Other own revenue	–	75 603	–	5 669	5 669	6 300	(631)	-10%	–
Total Revenue (excluding capital transfers and contributions)	**–**	**738 756**	**–**	**57 623**	**57 623**	**61 563**	**(3 940)**	**-6%**	**738 756**
Employee costs	–	282 209	–	19 214	19 214	23 517	(4 304)	-18%	282 209
Remuneration of Councillors	–	6 831	–	524	524	569	(45)	-8%	6 831
Depreciation and amortisation	–	55 155	–	–	–	4 596	(4 596)	-100%	55 155
Interest	–	25 250	–	–	–	2 104	(2 104)	-100%	25 250
Inventory consumed and bulk purchases	–	215 457	–	654	654	17 955	(17 301)	-96%	215 457
Transfers and subsidies	–	500	–	–	–	42	(42)	-100%	500
Other expenditure	–	244 566	–	3 462	3 462	20 380	(16 918)	-83%	244 566
Total Expenditure	**–**	**829 968**	**–**	**23 854**	**23 854**	**69 164**	**(45 310)**	**-66%**	**829 968**
Surplus/(Deficit)	**–**	**(91 212)**	**–**	**33 769**	**33 769**	**(7 601)**	**41 370**	**-544%**	**(91 212)**
Transfers and subsidies - capital (monetary allocations)	–	43 464	–	–	–	3 622	(3 622)	-100%	43 464
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**–**	**(47 748)**	**–**	**33 769**	**33 769**	**(3 979)**	**37 748**	**-949%**	**(47 748)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**(47 748)**	**–**	**33 769**	**33 769**	**(3 979)**	**37 748**	**-949%**	**(47 748)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**90 872**	**–**	**763**	**763**	**7 573**	**(6 810)**	**-90%**	**90 872**
Capital transfers recognised	–	43 464	–	–	–	3 622	(3 622)	-100%	43 464
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	**47 408**	–	**763**	**763**	**3 951**	**(3 188)**	**-81%**	**47 408**
Total sources of capital funds	**–**	**90 872**	**–**	**763**	**763**	**7 573**	**(6 810)**	**-90%**	**90 872**
Financial position									
Total current assets	–	(11 756 245)	–		12 909 815				(11 756 245)
Total non current assets	–	1 508 195	–		1 463 300				1 508 195
Total current liabilities	–	(11 497 693)	–		13 086 908				(11 497 693)
Total non current liabilities	–	160 405	–		172 412				160 405
Community wealth/Equity	**–**	**1 089 238**	**–**		**1 113 248**				**1 089 238**
Cash flows									
Net cash from (used) operating	–	42 226	–	58 165	58 165	4 019	(54 145)	-1347%	42 226
Net cash from (used) investing	–	(90 872)	–	(5 286)	(5 286)	(7 573)	(2 287)	30%	(90 872)
Net cash from (used) financing	–	9 281	–	77	77	–	(77)	#DIV/0!	9 281
Cash/cash equivalents at the month/year end	**–**	**(94 027)**	**14 309**	**67 265**	**67 265**	**10 756**	**(56 509)**	**-525%**	**(25 056)**
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	–	33 211	16 309	21 450	20 578	13 053	92 564	350 814	569 084
Creditors Age Analysis									
Total Creditors	–	1 811	20 635	10 168	16 733	15 015	51 339	333 432	449 134

The budget statement summary table provides a high-level overview of the financial performance & position, capital spending by source of funding, cash flow as well as debtors and creditors age analysis. Detailed information regarding the above can be found in the tables below.

1.4.2 Table C2: Monthly Budget Statement – Financial Performance by Standard Classification

NC453 Gamagara - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**–**	**290 369**	**–**	**18 450**	**18 450**	**24 197**	(5 747)	-24%	**290 369**
Executive and council		–	66 809	–	150	150	5 567	(5 417)	-97%	66 809
Finance and administration		–	223 560	–	18 300	18 300	18 630	(330)	-2%	223 560
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**1 191**	**–**	**10**	**10**	**99**	(89)	-90%	**1 191**
Community and social services		–	1 191	–	10	10	99	(89)	-90%	1 191
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	0	0	–	0	#DIV/0!	–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**–**	**8 077**	**–**	**284**	**284**	**673**	(390)	-58%	**8 077**
Planning and development		–	4 354	–	251	251	363	(112)	-31%	4 354
Road transport		–	3 720	–	31	31	310	(279)	-90%	3 720
Environmental protection		–	3	–	2	2	0	2	557%	3
Trading services		**–**	**496 804**	**–**	**38 880**	**38 880**	**41 400**	**(2 521)**	-6%	**496 804**
Energy sources		–	272 074	–	23 009	23 009	22 673	336	1%	272 074
Water management		–	114 653	–	5 943	5 943	9 554	(3 612)	-38%	114 653
Waste water management		–	58 724	–	4 651	4 651	4 894	(242)	-5%	58 724
Waste management		–	51 353	–	5 277	5 277	4 279	998	23%	51 353
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**–**	**796 441**	**–**	**57 623**	**57 623**	**66 370**	**(8 747)**	**-13%**	**796 441**
Expenditure - Functional										
Governance and administration		**–**	**223 606**	**–**	**9 221**	**9 221**	**18 634**	(9 413)	-51%	**223 606**
Executive and council		–	31 784	–	1 675	1 675	2 649	(974)	-37%	31 784
Finance and administration		–	191 822	–	7 546	7 546	15 985	(8 439)	-53%	191 822
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**117 173**	**–**	**6 201**	**6 201**	**9 764**	(3 564)	-36%	**117 173**
Community and social services		–	70 055	–	3 641	3 641	5 838	(2 197)	-38%	70 055
Sport and recreation		–	45 314	–	2 380	2 380	3 776	(1 397)	-37%	45 314
Public safety		–	–	–	–	–	–	–		–
Housing		–	1 804	–	180	180	150	30	20%	1 804
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**–**	**67 068**	**–**	**2 943**	**2 943**	**5 589**	(2 646)	-47%	**67 068**
Planning and development		–	29 043	–	1 363	1 363	2 420	(1 057)	-44%	29 043
Road transport		–	38 026	–	1 580	1 580	3 169	(1 589)	-50%	38 026
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**–**	**407 900**	**–**	**5 490**	**5 490**	**33 992**	**(28 502)**	-84%	**407 900**
Energy sources		–	262 773	–	1 167	1 167	21 898	(20 731)	-95%	262 773
Water management		–	81 264	–	1 837	1 837	6 772	(4 935)	-73%	81 264
Waste water management		–	34 998	–	1 292	1 292	2 916	(1 624)	-56%	34 998
Waste management		–	28 866	–	1 193	1 193	2 405	(1 212)	-50%	28 866
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	3	**–**	**815 748**	**–**	**23 854**	**23 854**	**67 979**	**(44 125)**	**-65%**	**815 748**
Surplus/ (Deficit) for the year		**–**	**(19 307)**	**–**	**33 769**	**33 769**	**(1 609)**	**35 378**	**-2199%**	**(19 307)**

Table C2 reflects the financial performance in the standard classifications required by Government Finance Statistics Function and Sub-Functions. The table shows that most of the municipality's funds are received under Trading services.

Revenue

Total budget revenue including capital transfers is R 798 million and year-to-date actual is a total R 57.6 million or 7.2% has been recognized as at end of July 2024.

Expenditure

The total expenditure budget for the 2024/25 financial year is an amount of R 815 million and a total of R 23.8 million or 3% has been spent as at end of July 2024. It must be noted that the expenditure for the month of July is very low due to invoices from different departments that were not processed reporting period of July 2024.

1.4.3 Table C3: Monthly Budget Statement-Financial Performance by municipal vote.

NC453 Gamagara - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Budget & Treasury Office		–	201 678	–	18 300	18 300	16 807	1 494	8,9%	201 678
Vote 2 - Corporate Services		–	21 882	–	–	–	1 824	(1 824)	-100,0%	21 882
Vote 3 - Community Services		–	55 050	–	5 320	5 320	4 588	732	16,0%	55 050
Vote 4 - Infrastructure Services		–	446 849	–	33 603	33 603	37 237	(3 635)	-9,8%	446 849
Vote 5 - Strategic Services		–	4 172	–	251	251	348	(97)	-27,8%	4 172
Vote 6 - Executive & Council		–	66 809	–	150	150	5 567	(5 417)	-97,3%	66 809
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**–**	**796 441**	**–**	**57 623**	**57 623**	**66 370**	**(8 747)**	**-13,2%**	**796 441**
Expenditure by Vote	1									
Vote 1 - Budget & Treasury Office		–	95 135	–	4 040	4 040	7 928	(3 888)	-49,0%	95 135
Vote 2 - Corporate Services		–	96 687	–	3 507	3 507	8 057	(4 551)	-56,5%	96 687
Vote 3 - Community Services		–	160 129	–	8 231	8 231	13 344	(5 114)	-38,3%	160 129
Vote 4 - Infrastructure Services		–	406 875	–	5 139	5 139	33 906	(28 768)	-84,8%	406 875
Vote 5 - Strategic Services		–	25 138	–	1 264	1 264	2 095	(831)	-39,7%	25 138
Vote 6 - Executive & Council		–	31 784	–	1 675	1 675	2 649	(974)	-36,8%	31 784
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**–**	**815 748**	**–**	**23 854**	**23 854**	**67 979**	**(44 125)**	**-64,9%**	**815 748**
Surplus/ (Deficit) for the year	2	**–**	**(19 307)**	**–**	**33 769**	**33 769**	**(1 609)**	**35 378**	**-2198,8%**	**(19 307)**

Reporting per municipal vote provides details on the spread of revenue and expenditure over the various functions of the municipality as required by Government Financial Statistics of the National Treasury.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where the expenditure is allocated. This is done to ensure implementation of the IDP through SDBIP.

<u>Expenditure by Vote or Department</u>

The narrations below indicate how individual departments have performed in relation to the expected spending of 100`% as at end of July 2024.

Vote 1 – Budget and Treasury

Budget and Treasury has spent 4.25% which translate into a total of R 4.04 million of the original budget allocated to the directorate for the period ending July 2024.

Vote 2 – Corporate Services

Corporate Services has spent 3.65% or R 3.5 million of the original budget allocated to the directorate for the period ending July 2024.

Vote 3 – Community Services

Community Services has spent 8.6% or R 8.2 million of the original budget allocated to the directorate for the period ending July 2024.

Vote 4 – Infrastructure Services

Infrastructure Services has spent 5.4% or R5.1 million of the original budget allocated to the directorate for the period ending July 2024.

Vote 5 – Strategic Services

Strategic Service has spent 1.6% or R 1.2 million of the original budget allocated to the directorate for the period ending July 2024.

Vote 6 – Executive and Council

Executive and Council has spent 1.76% or R1.6 million of the original budget allocated to the directorate for the period ending July 2024.

Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

NC453 Gamagara - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	Budget Year 2024/25							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue									
Exchange Revenue									
Service charges - Electricity		250 960	–	21 701	21 701	20 913	787	4%	250 960
Service charges - Water		68 717	–	5 301	5 301	5 726	(426)	-7%	68 717
Service charges - Waste Water Management		52 124	–	4 218	4 218	4 344	(126)	-3%	52 124
Service charges - Waste management		43 001	–	4 389	4 389	3 583	806	22%	43 001
Sale of Goods and Rendering of Services		7 798	–	183	183	650	(467)	-72%	7 798
Agency services		594	–	4	4	49	(45)	-91%	594
Interest							–	0%	
Interest earned from Receivables		36 115	–	3 112	3 112	3 010	102	3%	36 115
Interest from Current and Non Current Assets		627	–	41	41	52	(11)	-21%	627
Dividends							–	0%	
Rent on Land							–	0%	
Rental from Fixed Assets		2 003	–	232	232	167	65	39%	2 003
Licence and permits		33	–	2	2	3	(1)	-35%	33
Operational Revenue		21 479	–	37	37	1 790	(1 753)	-98%	21 479
Non-Exchange Revenue							–	0%	
Property rates		177 554	–	16 346	16 346	14 796	1 550	10%	177 554
Surcharges and Taxes							–	0%	
Fines, penalties and forfeits		699	–	186	186	58	128	220%	699
Licence and permits		1 814	–	26	26	151	(125)	-83%	1 814
Transfers and subsidies - Operational		70 797	–	–	–	5 900	(5 900)	-100%	70 797
Interest		18 163	–	1 782	1 782	1 514	268	18%	18 163
Fuel Levy							–	0%	
Operational Revenue		500	–	63	63	42	22	52%	500
Gains on disposal of Assets							–	0%	
Other Gains		(14 221)	–	–	–	(1 185)	1 185	-100%	(14 221)
Discontinued Operations							–	0%	
Total Revenue (excluding capital transfers and contributions)		**738 756**	**–**	**57 623**	**57 623**	**61 563**	**(3 940)**	-6%	**738 756**
Expenditure By Type									
Employee related costs		282 209	–	19 214	19 214	23 517	(4 304)	-18%	282 209
Remuneration of councillors		6 831	–	524	524	569	(45)	-8%	6 831
Bulk purchases - electricity		191 095	–	–	–	15 925	(15 925)	-100%	191 095
Inventory consumed		24 362	–	654	654	2 030	(1 376)	-68%	24 362
Debt impairment		24 547	–	–	–	2 046	(2 046)	-100%	24 547
Depreciation and amortisation		55 155	–	–	–	4 596	(4 596)	-100%	55 155
Interest		25 250	–	–	–	2 104	(2 104)	-100%	25 250
Contracted services		103 400	–	1 824	1 824	8 617	(6 792)	-79%	103 400
Transfers and subsidies		500	–	–	–	42	(42)	-100%	500
Irrecoverable debts written off		23 890	–	–	–	1 991	(1 991)	-100%	23 890
Operational costs		91 050	–	1 638	1 638	7 587	(5 950)	-78%	91 050
Losses on Disposal of Assets		–	–	–	–	–	–	0%	–
Other Losses		1 678	–	–	–	140	(140)	-100%	1 678
Total Expenditure		**829 968**	**–**	**23 854**	**23 854**	**69 164**	**(45 310)**	-66%	**829 968**
Surplus/(Deficit)		**(91 212)**	**–**	**33 769**	**33 769**	**(7 601)**	**41 370**	-544%	**(91 212)**
Transfers and subsidies - capital (monetary allocations)		43 464	–	–	–	3 622	(3 622)	-100%	43 464
Transfers and subsidies - capital (in-kind)							–	0%	
Surplus/(Deficit) after capital transfers & contributions		**(47 748)**	**–**	**33 769**	**33 769**	**(3 979)**	37 748	-949%	**(47 748)**
Income Tax							–	0%	
Surplus/(Deficit) after income tax		**(47 748)**	**–**	**33 769**	**33 769**	**(3 979)**	37 748	-949%	**(47 748)**
Share of Surplus/Deficit attributable to Joint Venture							–	0%	
Share of Surplus/Deficit attributable to Minorities							–	0%	
Surplus/(Deficit) attributable to municipality		**(47 748)**	**–**	**33 769**	**33 769**	**(3 979)**	37 748	-949%	**(47 748)**
Share of Surplus/Deficit attributable to Associate							–	0%	
Intercompany/Parent subsidiary transactions							–	0%	
Surplus/ (Deficit) for the year		**(47 748)**	**–**	**33 769**	**33 769**	**(3 979)**	37 748	-949%	**(47 748)**

Revenue by Source

Revenue by source explains the type of income budgeted for and the performance of these sources individually.

Property Rates – A year to date total of R 16.3 million was recognized with regards to property rates for the year as at end of July 2024. The year-to-date budget is R 14.7 million resulting in a variance of 10%.

Service charges – Electricity – A total of R 21.7 million was recognized on service charges electricity for the year as at end of July 2024. The year-to-date budget is R 20.9 million resulting in a variance of 4%.

Service charges – Water – A total of R 5.3 million was recognized on service charges water for the year as at end of July 2024. The year-to-date budget is R 5.7 million resulting in a variance of -7%. This is due to lower water consumption, stuck and bypassed meters. Note: some areas are not metered, therefore, the estimation is made based on metered areas only. There is also an unwillingness to settle accounts by consumers. Collection on this service can still be improved if the municipality enforces the approved credit control and debt collection policies.

Service charges – Waste Water Management (Sanitation) - A total of R 4.2 million was recognized on service charges water for the year as at end of July 2024. The year-to-date budget is R 4.3 million resulting in a variance of -3%. This charge is basic charge and the variance could be attributed to poor payment by consumers. Collection on this service can still be improved if the municipality enforce the approved credit control and debt collection policies.

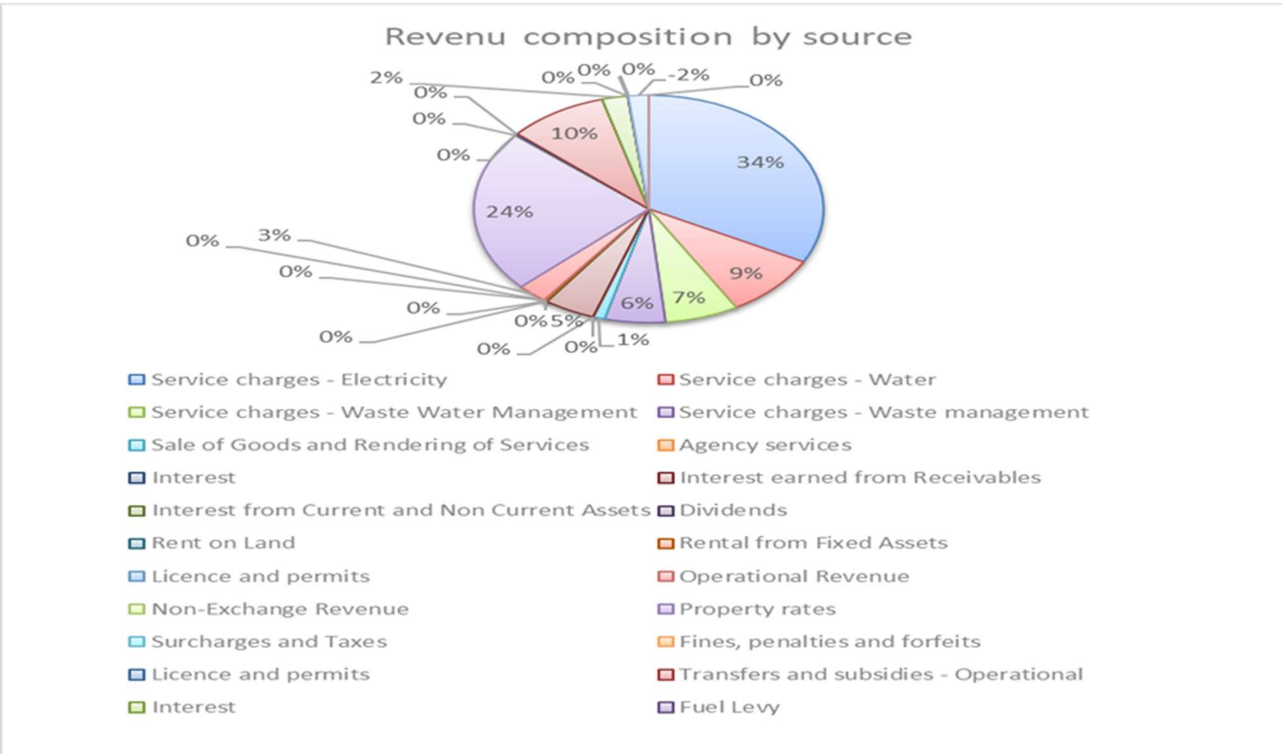
Service charges – Waste Management (Refuse) - A total of R 4.3 million was recognized on service charges waste management for the year as at end of July 2024. The year-to-date budget is R 3.5 million resulting in a variance of 22%.

Interest Earned from receivables (Outstanding Debtors) – Interest on outstanding debtors for the year as at end of July 2024 is an amount of R3.1 million. The year-to-date budget is R 3 million resulting in a variance of 3%.

Interest – Current and Non-Current Assets – Interest on current and non-current assets for the year as at the end of July 2024 is an amount of R 41 000.

Transfers and subsidies –The transfers recognized represents the allocations as promulgated in the National and Provincial Division of Revenues Act'. The schedule demonstrates that no transfers were made, however is worth noting that transfers were made in the month of July and they are reflected in the grants register

The graph below shows revenue composition per source as a percentage of the total revenue billed for the period ending July 2024.



Expenditure by Type

Expenditure by type reflects the operational budget per main type / category of expenditure:

Employee Related Cost - Employee-related cost expenditure for the year as at end of July 2024 amounted to R 19.2 million. The year-to-date budget is R 23.5 million, resulting in a variance of -18% due to the positions that are were not filled as result many positions have other staff filling-in in the interim.

Remuneration of Councilors – remuneration of councilors amounted to R 524 000. The year-to-date budget is R 569 000, resulting in a variance of -8%. The expenditure did not exceed projection.

Debt impairment – a total of R 0 of the year-to-date budget was recognized for debt impairment for the year as at end of July 2024. The full impact of debt impairment will be effected at the end of the financial year.

Depreciation and Amortization – calculation on depreciation is usually done during assets verification process.

Finance Charges – a total of R 0 of the year-to-date budget of R 21 million was spent on finance charges for the year as at end of July 2024. This item relates to payment of interest accrued on outstanding accounts.

Bulk Purchases – electricity – amount spent on bulk electricity is R 0.00 as at end of July 2024. The year-to-date budget is R 15.9 million. This is an indication that the Bulk Eskom invoice for July was not processed

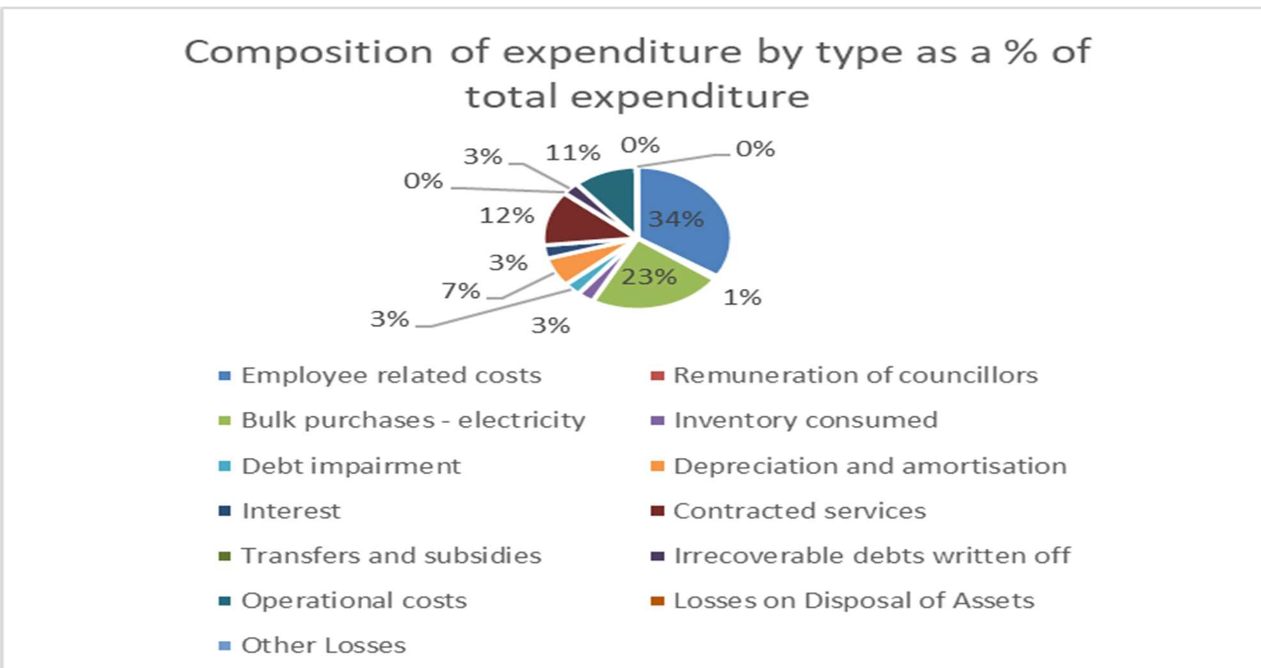
Inventory Consumed – a total of R 654 000 was spent for the year as at end of July 2024. The year-to-date budget is R 2.03 million, resulting in a variance of -68%. It should be noted that with the reclassification on mSCOA, water expenditure is now classified under inventory consumed.

Contracted Services – Contracted services amounted to R 1.8 million for the year as at end of July 2024. The year-to-date budget is R 8.6 million, resulting in a variance of -79%. Most of the invoices relating to contracted services were not processed in July.The contracted services are contract that result of competitive bidding process for the acquisition of professional services that are need by the municipality to provide support due to the limited resources that municipality has. Contracted services include legal fees, security services, professional consulting and other services related to maintenance of infrastructure as and when the need arises.

Operational costs – a total of R 1.6 million was spent for the year as at end of July 2024. The year-to-date budget is R 7.5 million, resulting in a variance of -78%. The budgeted trends are based on historical information and therefore may differ from month to month.

Note: Since most of the invoices were processed , this will sharply increase the expenditure in August as result of processing invoices from other periods in August.

The graph below shows expenditure composition per category as a percentage of the total expenditure incurred for the period ending July 2024.



1.4.5 Table C5: Monthly Budget Statement – Capital Expenditure (Municipal vote, standard classification and funding)

NC453 Gamagara - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - Budget & Treasury Office		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services		–	16 000	–	763	763	1 333	(571)	-43%	16 000
Vote 3 - Community Services		–	10 490	–	–	–	874	(874)	-100%	10 490
Vote 4 - Infrastructure Services		–	64 382	–	–	–	5 365	(5 365)	-100%	64 382
Vote 5 - Strategic Services		–	–	–	–	–	–	–		–
Vote 6 - Executive & Council		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**–**	**90 872**	**–**	**763**	**763**	**7 573**	**(6 810)**	**-90%**	**90 872**
Single Year expenditure appropriation	2									
Vote 1 - Budget & Treasury Office		–	–	–	–	–	–	–		–
Vote 2 - Corporate Services		–	–	–	–	–	–	–		–
Vote 3 - Community Services		–	–	–	–	–	–	–		–
Vote 4 - Infrastructure Services		–	–	–	–	–	–	–		–
Vote 5 - Strategic Services		–	–	–	–	–	–	–		–
Vote 6 - Executive & Council		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	–	–	–	–	–	–		–
Total Capital Expenditure		**–**	**90 872**	**–**	**763**	**763**	**7 573**	**(6 810)**	**-90%**	**90 872**
Capital Expenditure - Functional Classification										
Governance and administration		**–**	**16 000**	**–**	**763**	**763**	**1 333**	(571)	-43%	**16 000**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		–	16 000	–	763	763	1 333	(571)	-43%	16 000
Internal audit								–		
Community and public safety		**–**	**10 490**	**–**	**–**	**–**	**874**	(874)	-100%	**10 490**
Community and social services		–	490	–	–	–	41	(41)	-100%	490
Sport and recreation		–	10 000	–	–	–	833	(833)	-100%	10 000
Public safety								–		
Housing								–		
Health								–		
Economic and environmental services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Planning and development		–	–	–	–	–	–	–		–
Road transport		–	–	–	–	–	–	–		–
Environmental protection								–		
Trading services		**–**	**64 382**	**–**	**–**	**–**	**5 365**	(5 365)	-100%	**64 382**
Energy sources		–	10 125	–	–	–	844	(844)	-100%	10 125
Water management		–	29 448	–	–	–	2 454	(2 454)	-100%	29 448
Waste water management		–	24 809	–	–	–	2 067	(2 067)	-100%	24 809
Waste management		–	–	–	–	–	–	–		–
Other								–		
Total Capital Expenditure - Functional Classification	3	**–**	**90 872**	**–**	**763**	**763**	**7 573**	**(6 810)**	**-90%**	**90 872**
Funded by:										
National Government		–	42 974	–	–	–	3 581	(3 581)	-100%	42 974
Provincial Government		–	490	–	–	–	41	(41)	-100%	490
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		**–**	**43 464**	**–**	**–**	**–**	**3 622**	**(3 622)**	**-100%**	**43 464**
Borrowing	6							–		
Internally generated funds		–	47 408	–	763	763	3 951	(3 188)	-81%	47 408
Total Capital Funding		**–**	**90 872**	**–**	**763**	**763**	**7 573**	**(6 810)**	**-90%**	**90 872**

References

The actual capital spending for the financial year amounts to R 763 000

1.4.6 Table C6: MBS – Monthly Budget Statement of Financial Position

NC453 Gamagara - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2023/24	Budget Year 2024/25			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		–	(127 775)	–	(9 866)	(127 775)
Trade and other receivables from exchange transactions		–	374 350	–	375 572	374 350
Receivables from non-exchange transactions		–	56 335	–	141 172	56 335
Current portion of non-current receivables						
Inventory		–	(895)	–	753	(895)
VAT		–	(12 061 819)	–	12 397 803	(12 061 819)
Other current assets		–	3 558	–	4 381	3 558
Total current assets		–	**(11 756 245)**	–	**12 909 815**	**(11 756 245)**
Non current assets						
Investments						
Investment property		–	346 311	–	346 311	346 311
Property, plant and equipment		–	1 161 953	–	1 117 058	1 161 953
Biological assets						
Living and non-living resources						
Heritage assets		–	75	–	75	75
Intangible assets		–	(144)	–	(144)	(144)
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets		–	–	–	–	–
Total non current assets		–	**1 508 195**	–	**1 463 300**	**1 508 195**
TOTAL ASSETS		–	**(10 248 050)**	–	**14 373 116**	**(10 248 050)**
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		–	44 031	–	32 727	44 031
Consumer deposits		–	9 281	–	10 127	9 281
Trade and other payables from exchange transactions		–	496 576	–	620 887	496 576
Trade and other payables from non-exchange transactions		–	71 058	–	84 276	71 058
Provision		–	101	–	18 273	101
VAT		–	(12 118 740)	–	12 320 617	(12 118 740)
Other current liabilities						
Total current liabilities		–	**(11 497 693)**	–	**13 086 908**	**(11 497 693)**
Non current liabilities						
Financial liabilities		–	5 486	–	10 268	5 486
Provision		–	117 099	–	117 200	117 099
Long term portion of trade payables						
Other non-current liabilities		–	37 820	–	44 944	37 820
Total non current liabilities		–	**160 405**	–	**172 412**	**160 405**
TOTAL LIABILITIES		–	**(11 337 288)**	–	**13 259 321**	**(11 337 288)**
NET ASSETS	2	–	**1 089 238**	–	**1 113 795**	**1 089 238**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		–	1 089 238	–	1 113 248	1 089 238
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	**1 089 238**	–	**1 113 248**	**1 089 238**

A statement of financial position is used to provide an overview of an institutions' financial position at a given point in time in terms of financial stability and potential risk. It includes items such as assets, liabilities and equity. According to the statement attached, community wealth or equity is at an amount of R 1.11 billion, which is calculated as a balance of assets less liabilities.

1.4.7 Table C7: Monthly Budget Statement – Cash Flow

NC453 Gamagara - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	177 554	–	7 424	7 424	14 796	(7 372)	-50%	177 554
Service charges		–	365 048	–	25 616	25 616	30 421	(4 805)	-16%	365 048
Other revenue		–	34 320	–	41 783	41 783	2 860	38 923	1361%	34 320
Transfers and Subsidies - Operational		–	70 797	–	–	–	5 900	(5 900)	-100%	70 797
Transfers and Subsidies - Capital		–	43 464	–	–	–	3 622	(3 622)	-100%	43 464
Interest		–	50 739	–	786	786	4 228	(3 442)	-81%	50 739
Dividends								–		
Payments										
Suppliers and employees		–	(698 947)	–	(17 444)	(17 444)	(57 745)	(40 301)	70%	(698 947)
Interest		–	(750)	–	–	–	(63)	(63)	100%	(750)
Transfers and Subsidies								–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**42 226**	**–**	**58 165**	**58 165**	**4 019**	**(54 145)**	**-1347%**	**42 226**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	32	32	–	32	#DIV/0!	–
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		–	(90 872)	–	(5 318)	(5 318)	(7 573)	(2 255)	30%	(90 872)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(90 872)**	**–**	**(5 286)**	**(5 286)**	**(7 573)**	**(2 287)**	**30%**	**(90 872)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		–	9 281	–	77	77	–	77	#DIV/0!	9 281
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**9 281**	**–**	**77**	**77**	**–**	**(77)**	**#DIV/0!**	**9 281**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(39 365)**	**–**	**52 956**	**52 956**	**(3 554)**			**(39 365)**
Cash/cash equivalents at beginning:		–	(54 661)	14 309	14 309	14 309	14 309			14 309
Cash/cash equivalents at month/year end:		–	(94 027)	14 309	67 265	67 265	10 756			(25 056)

Opening balance at the beginning was an amount of R 14.3 million, deposits made on the municipal account for the year to date amounted to R 58.2 million, total payments to date amounts to R 5.2 million resulting with a balance of R 67.2 million for the period ending July 2024. This revenue collected is in relation to property rates, service charges, government grants and sundry.

PART 2 – SUPPORTING DOCUMENTATION

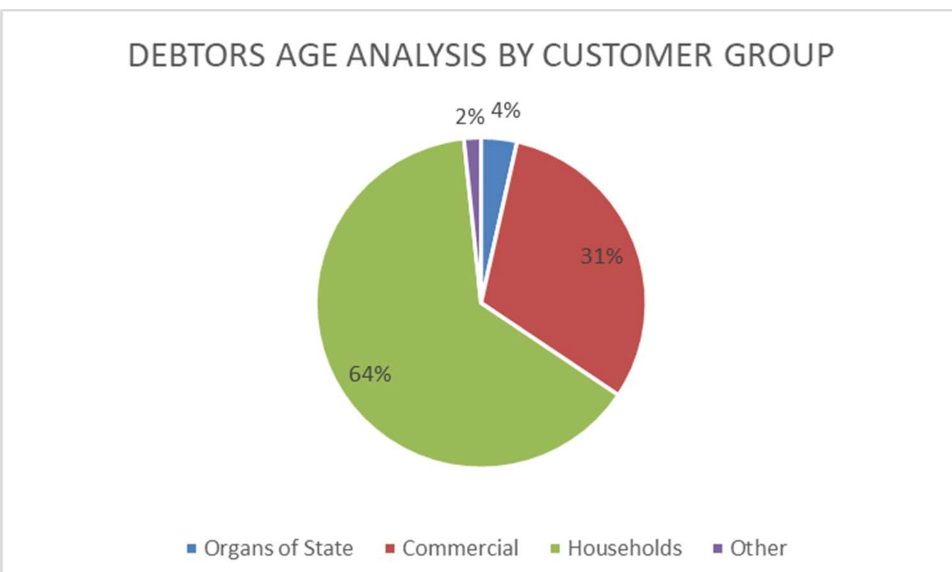
2.1 Debtors' Age Analysis

The total debtors book as at end of July 2024 amounts to R 569 million with most of the debt being owed by households at R 363 million or 64% of the total Debtors. Organs of State and Commercial at 4% and 31% respectively.

NC453 Gamagara - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2024/25											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairm Debts i Counci
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	3 712	2 584	1 069	1 180	1 269	944	8 004	46 220	64 982	57 617	–	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	12 051	6 443	3 405	2 814	8 846	2 007	26 019	67 592	129 175	107 277	–	
Receivables from Non-exchange Transactions - Property Rates	1400	14 468	11 066	3 359	3 789	2 747	2 027	12 842	65 282	115 580	86 687	–	
Receivables from Exchange Transactions - Waste Water Management	1500	4 341	3 310	1 443	1 764	1 326	1 394	7 994	26 843	48 417	39 321	–	
Receivables from Exchange Transactions - Waste Management	1600	4 555	3 416	1 774	1 602	1 465	1 524	8 370	51 082	73 789	64 044	–	
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	99	99	99	–	
Interest on Arrear Debtor Accounts	1810	5 103	4 902	4 783	5 357	4 480	4 604	28 549	90 049	147 826	133 039	–	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	
Other	1900	(23 124)	1 490	475	4 944	446	553	785	3 646	(10 785)	10 375	–	
Total By Income Source	**2000**	**21 105**	**33 211**	**16 309**	**21 450**	**20 578**	**13 053**	**92 564**	**350 814**	**569 084**	**498 458**	**–**	
2023/24 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 871	592	433	402	3 583	337	3 163	8 602	19 984	16 088	–	
Commercial	2300	8 412	14 147	4 207	5 562	3 785	4 185	41 195	94 327	175 821	149 055	–	
Households	2400	8 561	17 045	11 258	10 600	12 835	8 030	47 770	247 748	363 848	326 983	–	
Other	2500	1 261	1 427	411	4 886	375	500	435	136	9 431	6 331	–	
Total By Customer Group	**2600**	**21 105**	**33 211**	**16 309**	**21 450**	**20 578**	**13 053**	**92 564**	**350 814**	**569 084**	**498 458**	**–**	

<u>The graph below shows outstanding debtors per category as a percentage of the total debtors outstanding for the period ending July 2024.</u>



2.2 Creditors' Age Analysis

The municipality owes Eskom a total debt of R 447.2 million. The debt was reduced by an amount of R 31 million due to the interests that were written-of as part of the debt relief programme. The current SC4 table is not fully updated

NC453 Gamagara - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description R thousands	NT Code	Budget Year 2024/25									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	–	–	20 624	10 124	16 724	14 994	51 339	333 432	**447 237**	–
Bulk Water	0200	–	–	–	–	–	–	–	–	**–**	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	**–**	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	**–**	–
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	0700	–	–	–	–	–	–	–	–	**–**	–
Auditor General	0800	–	–	–	–	–	–	–	–	**–**	–
Other	0900	–	1 811	11	44	9	21	–	–	**1 897**	–
Medical Aid deductions	0910									**–**	
Total By Customer Type	**1000**	**–**	**1 811**	**20 635**	**10 168**	**16 733**	**15 015**	**51 339**	**333 432**	**449 134**	–

Notes

2.3 Bank balance and Investment Portfolio

The bank balances for July 2024 are as follows:

Bank balance as at 31 July 2024

	R
Call accounts:	
61366001025 Call Deposit -	63 088.37
62334040748 Call Deposit -	57 672.04
62380675193 Call Deposit -	80 529.27
71020950327 Fixed Deposit -	86 823.11
Cheque Accounts:	
53668006069 Cheque Account **-**	21 889 903.59

The bank balance of the municipality was R 21,8 million as at 31 July 2024

2.4 Allocation and grant receipts and expenditure

2.4.1 Transfers and grant receipts

Note: Due to the bank reconciliation not being done on the system, the alignment with the receipting of the grants and system grant register could not be implemented, that is the reason grants and subsidies show zero movement. However, according to the manual grant register the total grants received amounts to R 11.5 million.

The total grants received for the year as at 31 July 2024 amounts to R 39 million, broken down as follows;

- R 27.5 million from the Equitable Share Grant,
- R 2.5 million from the Municipal Infrastructure Grant,
- R 7.5 million from the Water Service Infrastructure Grant
- R1.5 million from the Integrated National Electrification Programme Grant (Municipal)

2.4.2 Transfers and Grant Expenditure

Grants	Unspent grant - PY 2023/2024	Roll over of Grants (approved/ denied)	Stopping of funds/Withheld	Total roll over approved	Amount as per DoRA OR Provisional Gazatte 2024/25 OR Adjusted DoRA	Adjusted DORA allocation	Amount Received to Date	Bank Statement	Trace to GL (income) - 2024/25	Outstanding - 2024/25	Amount spent as per expenses (Reports)	Unspect Grants as at 30 June 2025
Equitable share					70 300 000,00		27 529 000,00	✔		42 771 000,00		
					70 300 000,00	-	**27 529 000,00**	-				
Conditional Grants												
FMG					2 100 000,00			✔		2 100 000,00		
EPWP				-	-					-		
MIG				-	13 687 000,00		2 557 000,00	✔		11 130 000,00		
EEDSM				-	-					-		
INEP				-	20 000 000,00		1 500 000,00	✔		18 500 000,00		
WSIG				-	25 210 000,00		7 500 000,00	✔		17 710 000,00		
RBIG				-	40 000 000,00					40 000 000,00		
MUNICIPAL DISASTER				-	-					-		
TOTAL	-	-	-	-	**100 997 000,00**	-	11 557 000,00	-		**89 440 000,00**	-	-
					171 297 000,00		39 086 000,00			132 211 000,00		

Note: Due to the bank reconciliation not being done on the system, the alignment with the receipting of the grants and system grant register could not be implemented, that is the reason grants and subsidies show zero movement. However, according to the manual grant register the total expenditure on grants amounts to R 0. No expenditure incurred on the conditional grants as yet. The equitable share is used for operational expenses.

2.5 Councilor and Board Member Allowances and Employee Benefits

NC453 Gamagara - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration R thousands	Ref	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		–	2 506	–	199	199	209	(10)	-5%	2 506
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	642	–	51	51	54	(3)	-5%	642
Cellphone Allowance		–	740	–	59	59	62	(3)	-5%	740
Housing Allowances								–		
Other benefits and allowances		–	2 943	–	216	216	245	(30)	-12%	2 943
Sub Total - Councillors		–	**6 831**	–	**524**	**524**	**569**	**(45)**	**-8%**	**6 831**
% increase	4		**#DIV/0!**							**#DIV/0!**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		–	4 565	–	389	389	380	9	2%	4 565
Pension and UIF Contributions		–	10	–	0	0	1	(0)	-58%	10
Medical Aid Contributions								–		
Overtime								–		
Performance Bonus		–	8	–	–	–	1	(1)	-100%	8
Motor Vehicle Allowance		–	1 296	–	107	107	108	(1)	-1%	1 296
Cellphone Allowance		–	127	–	6	6	11	(5)	-47%	127
Housing Allowances								–		
Other benefits and allowances		–	1	–	0	0	0	(0)	-19%	1
Payments in lieu of leave		–	1 642	–	171	171	137	34	25%	1 642
Long service awards								–		
Post-retirement benefit obligations	2							–		
Entertainment								–		
Scarcity								–		
Acting and post related allowance		–	19	–	–	–	2	(2)	-100%	19
In kind benefits								–		
Sub Total - Senior Managers of Municipality		–	**7 667**	–	**673**	**673**	**639**	**35**	**5%**	**7 667**
% increase	4		**#DIV/0!**							**#DIV/0!**
Other Municipal Staff										
Basic Salaries and Wages		–	170 960	–	11 660	11 660	14 247	(2 587)	-18%	170 960
Pension and UIF Contributions		–	27 424	–	1 933	1 933	2 285	(353)	-15%	27 424
Medical Aid Contributions		–	19 492	–	1 338	1 338	1 624	(286)	-18%	19 492
Overtime		–	20 448	–	1 789	1 789	1 704	85	5%	20 448
Performance Bonus		–	13 393	–	–	–	1 116	(1 116)	-100%	13 393
Motor Vehicle Allowance		–	9 209	–	658	658	767	(109)	-14%	9 209
Cellphone Allowance		–	783	–	63	63	65	(2)	-3%	783
Housing Allowances		–	2 124	–	188	188	177	11	6%	2 124
Other benefits and allowances		–	4 318	–	319	319	360	(40)	-11%	4 318
Payments in lieu of leave								–		
Long service awards		–	1 088	–	120	120	91	30	33%	1 088
Post-retirement benefit obligations	2	–	1 071	–	6	6	89	(83)	-93%	1 071
Entertainment		–	102	–	9	9	8	0	2%	102
Scarcity								–		
Acting and post related allowance		–	4 130	–	456	456	344	112	32%	4 130
In kind benefits								–		
Sub Total - Other Municipal Staff		–	**274 542**	–	**18 540**	**18 540**	**22 879**	**(4 338)**	**-19%**	**274 542**
% increase	4		**#DIV/0!**							**#DIV/0!**
Total Parent Municipality		–	**289 040**	–	**19 738**	**19 738**	**24 087**	**(4 349)**	**-18%**	**289 040**
Unpaid salary, allowances & benefits in arrears:			#DIV/0!							#DIV/0!
TOTAL SALARY, ALLOWANCES & BENEFITS		–	**289 040**	–	**19 738**	**19 738**	**24 087**	**(4 349)**	**-18%**	**289 040**
% increase	4		**#DIV/0!**							**#DIV/0!**
TOTAL MANAGERS AND STAFF		–	**282 209**	–	**19 214**	**19 214**	**23 517**	**(4 304)**	**-18%**	**282 209**

Employees and remuneration related expenditure for the year as at end of July 2024 amounted to R 19.7 million. Municipal employees are the main contributor at 93%, followed by senior managers at 3.4% and lastly by Councilors at 2.6%.

2.6 Capital Programme Performance

The tables below report on the capital expenditure on new assets, renewal of existing assets, expenditure on repairs and maintenance, depreciation by asset class and expenditure on upgrading of exiting assets.

NC453 Gamagara - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	17 923	–	–	–	1 494	1 494	100,0%	17 923
Electrical Infrastructure		–	8 625	–	–	–	719	719	100,0%	8 625
LV Networks		–	8 625	–	–	–	719	719	100,0%	8 625
Capital Spares								–		
Water Supply Infrastructure		–	9 298	–	–	–	775	775	100,0%	9 298
Dams and Weirs								–		
Boreholes								–		
Reservoirs		–	3 900	–	–	–	325	325	100,0%	3 900
Pump Stations								–		
Water Treatment Works								–		
Bulk Mains								–		
Distribution		–	5 398	–	–	–	450	450	100,0%	5 398
Community Assets		–	10 000	–	–	–	833	833	100,0%	10 000
Sport and Recreation Facilities		–	10 000	–	–	–	833	833	100,0%	10 000
Indoor Facilities								–		
Outdoor Facilities		–	10 000	–	–	–	833	833	100,0%	10 000
Furniture and Office Equipment		–	80	–	–	–	7	7	100,0%	80
Furniture and Office Equipment		–	80	–	–	–	7	7	100,0%	80
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Transport Assets		–	16 000	–	763	763	1 333	571	42,8%	16 000
Transport Assets		–	16 000	–	763	763	1 333	571	42,8%	16 000
Total Capital Expenditure on new assets	1	–	44 003	–	763	763	3 667	2 904	79,2%	44 003

No expenditure was incurred for purchase of new assets.

Expenditure on repairs and maintenance

NC453 Gamagara - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**–**	**41 500**	**–**	**19**	**19**	**3 458**	3 440	**99,5%**	**41 500**
Roads Infrastructure		–	2 200	–	3	3	183	180	**98,2%**	2 200
Roads								–		
Road Structures								–		
Road Furniture		–	1 700	–	3	3	142	138	**97,6%**	1 700
Capital Spares		–	500	–	–	–	42	42	**100,0%**	500
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
Electrical Infrastructure		–	6 700	–	15	15	558	543	**97,2%**	6 700
MV Networks		–	2 300	–	–	–	192	192	**100,0%**	2 300
LV Networks		–	4 100	–	–	–	342	342	**100,0%**	4 100
Capital Spares		–	300	–	15	15	25	10	**38,2%**	300
Water Supply Infrastructure		–	23 500	–	–	–	1 958	1 958	**100,0%**	23 500
Distribution		–	20 300	–	–	–	1 692	1 692	**100,0%**	20 300
Distribution Points								–		
PRV Stations								–		
Capital Spares		–	3 200	–	–	–	267	267	**100,0%**	3 200
Sanitation Infrastructure		–	9 100	–	–	–	758	758	**100,0%**	9 100
Pump Station								–		
Reticulation		–	6 200	–	–	–	517	517	**100,0%**	6 200
Waste Water Treatment Works		–	1 650	–	–	–	138	138	**100,0%**	1 650
Outfall Sewers								–		
Toilet Facilities								–		
Capital Spares		–	1 250	–	–	–	104	104	**100,0%**	1 250
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Community Assets		**–**	**755**	**–**	**–**	**–**	**63**	**63**	**100,0%**	**755**
Community Facilities		–	755	–	–	–	63	63	**100,0%**	755
Cemeteries/Crematoria		–	200	–	–	–	17	17	100,0%	200
Police								–		
Purls		–	150	–	–	–	13	13	100,0%	150
Capital Spares		–	405	–	–	–	34	34	100,0%	405
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Other assets		**–**	**585**	**–**	**–**	**–**	**49**	**49**	**100,0%**	**585**
Operational Buildings		–	585	–	–	–	49	49	**100,0%**	585
Municipal Offices		–	585	–	–	–	49	49	100,0%	585
Intangible Assets		**–**	**13 015**	**–**	**–**	**–**	**1 085**	**1 085**	100,0%	**13 015**
Servitudes								–		
Licences and Rights		–	13 015	–	–	–	1 085	1 085	**100,0%**	13 015
Water Rights								–		
Effluent Licenses								–		
Solid Waste Licenses								–		
Computer Software and Applications		–	13 015	–	–	–	1 085	1 085	100,0%	13 015
Load Settlement Software Applications								–		
Unspecified								–		
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		**–**	**175**	**–**	**1**	**1**	**15**	**14**	94,9%	**175**
Furniture and Office Equipment		–	175	–	1	1	15	14	94,9%	175
Machinery and Equipment		**–**	**200**	**–**	**–**	**–**	**17**	**17**	100,0%	**200**
Machinery and Equipment		–	200	–	–	–	17	17	100,0%	200
Transport Assets		**–**	**3 880**	**–**	**55**	**55**	**323**	**269**	83,1%	**3 880**
Transport Assets		–	3 880	–	55	55	323	269	83,1%	3 880
Total Repairs and Maintenance Expenditure	1	**–**	**60 110**	**–**	**74**	**74**	**5 009**	**4 935**	**98,5%**	**60 110**

There actual spent on repairs and maintenance expenditure is R 74 000 or 70% of the budgeted R 60.1 million.

Depreciation by Asset class

NC453 Gamagara - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M01 July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		–	**39 246**	–	–	–	**3 271**	3 271	**100,0%**	**39 246**
Roads Infrastructure		–	10 769	–	–	–	897	897	**100,0%**	10 769
Roads		–	–	–	–	–	–	–		–
Road Structures		–	10 769	–	–	–	897	897	**100,0%**	10 769
Road Furniture								–		
Capital Spares								–		
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection		–	–	–	–	–	–	–		–
Storm water Conveyance								–		
Attenuation								–		
Electrical Infrastructure		–	8 146	–	–	–	679	679	**100,0%**	8 146
Power Plants								–		
HV Substations								–		
HV Switching Station								–		
HV Transmission Conductors								–		
MV Substations		–	34	–	–	–	3	3	**100,0%**	34
MV Switching Stations								–		
MV Networks		–	34	–	–	–	3	3	**100,0%**	34
LV Networks		–	8 079	–	–	–	673	673	**100,0%**	8 079
Capital Spares								–		
Water Supply Infrastructure		–	11 582	–	–	–	965	965	**100,0%**	11 582
Dams and Weirs								–		
Boreholes								–		
Reservoirs		–	153	–	–	–	13	13	**100,0%**	153
Pump Stations		–	8	–	–	–	1	1	**100,0%**	8
Water Treatment Works								–		
Bulk Mains								–		
Distribution		–	11 422	–	–	–	952	952	**100,0%**	11 422
Distribution Points								–		
PRV Stations								–		
Capital Spares								–		
Sanitation Infrastructure		–	8 749	–	–	–	729	729	**100,0%**	8 749
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	8 749	–	–	–	729	729	**100,0%**	8 749
Community Assets		–	**4 365**	–	–	–	**364**	**364**	**100,0%**	**4 365**
Community Facilities		–	4 365	–	–	–	364	364	**100,0%**	4 365
Halls		–	4 365	–	–	–	364	364	100,0%	4 365
Other assets		–	**5 553**	–	–	–	**463**	**463**	**100,0%**	**5 553**
Operational Buildings		–	5 553	–	–	–	463	463	**100,0%**	5 553
Municipal Offices		–	5 553	–	–	–	463	463	100,0%	5 553
Computer Equipment		–	**1 122**	–	–	–	**94**	**94**	100,0%	**1 122**
Computer Equipment		–	1 122	–	–	–	94	94	100,0%	1 122
Furniture and Office Equipment		–	**1 382**	–	–	–	**115**	**115**	100,0%	**1 382**
Furniture and Office Equipment		–	1 382	–	–	–	115	115	100,0%	1 382
Machinery and Equipment		–	**1 338**	–	–	–	**112**	**112**	100,0%	**1 338**
Machinery and Equipment		–	1 338	–	–	–	112	112	100,0%	1 338
Transport Assets		–	**2 148**	–	–	–	**179**	**179**	100,0%	**2 148**
Transport Assets		–	2 148	–	–	–	179	179	100,0%	2 148
Zoological plants and animals								–		
Total Depreciation	1	–	**55 155**	–	–	–	**4 596**	**4 596**	**100,0%**	**55 155**

No depreciation recognized for the month of July 2024.

Capital expenditure on Upgrading of existing assets

NC453 Gamagara - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M01

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	**46 459**	–	–	–	**3 872**	3 872	**100,0%**	**46 459**
Roads Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	1 500	–	–	–	125	125	**100,0%**	1 500
Capital Spares		–	1 500	–	–	–	125	125	**100,0%**	1 500
Water Supply Infrastructure		–	20 150	–	–	–	1 679	1 679	**100,0%**	20 150
Bulk Mains		–	15 000	–	–	–	1 250	1 250	**100,0%**	15 000
Distribution		–	5 150	–	–	–	429	429	**100,0%**	5 150
Sanitation Infrastructure		–	24 809	–	–	–	2 067	2 067	**100,0%**	24 809
Pump Station		–	–	–	–	–	–	–		–
Reticulation								–		
Waste Water Treatment Works		–	24 809	–	–	–	2 067	2 067	**100,0%**	24 809
Community Assets		–	**410**	–	–	–	**34**	**34**	**100,0%**	**410**
Community Facilities		–	410	–	–	–	34	34	**100,0%**	410
Libraries		–	410	–	–	–	34	34	100,0%	410
Total Capital Expenditure on upgrading of existing assets	1	–	**46 869**	–	–	–	**3 906**	**3 906**	**100,0%**	**46 869**

No expenditure incurred for the upgrading of existing assets for the month of July 2024

2.7 Conclusion

The municipality's MFMA S71 statement content -

as part of the monthly conclusion paragraphs, must advise as part of the MFMA Circular 124: Condition 6.9 reporting –

The mitigating factors:

1. The Municipality is in the process of performing meter audits for the purpose of determining stuck, bridged and damaged water and electricity meters
2. The audit will also assist to cleanse municipal data to ensure that all the appropriate services are levied on the consumer accounts
3. The municipality is effecting the credit control policy to ensure that consumers pay their accounts
4. The municipal management must address the late submission of invoices by user departments to ensure accurate reporting of monthly expenditures.
5. Most of the tables do not reflect the financial activities that ook place for the month, therefore is a matter of priority to enquire with the service provider to address the problem

2.8 Annexure B: Compliance with the conditions for Municipal Debt Relief

Annexure A2 - Monthly

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

Select Assessor

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	Jun'23
National Financial Year	Search
Demarcation Code of Municipality being assessed	Search
District	Complete the search boxes above
Demarcation Description	Complete the search boxes above

I, name and surname of HOD ________, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in **MFMA Circular No. 124** and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting)

Condition			*Choose from drop down list*	Notes/Comments
	6,3 + 6,12	**Maintaining the Eskom and bulk water current account –** (current account for the purpose of this exercise means the account for a single month's consumption);		
1	6.12.2	- Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note** - refer condition 6.12 .2*	Yes	Attached please find proof of payment
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?	Yes	Attached please find proof of payment
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?	Yes	Attached please find proof of payment
4	6.3.1	- Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note** - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.*	No	
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?	No	
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	No	
	6,4	**Compliance with a funded MTREF –** ***(choose from drop down list the MTREF assessed)***	Select	
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	
		***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".*		
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		***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".*		
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	
		***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 strenghtening.*		
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)? ***Note** - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	N/a	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
14	6,5	**Cost reflective tariffs** – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
	6,6	**Electricity and water as collection tools** – has the municipality, with effect from the tabling of the 2023/24 MTREF, ***demonstrated, through its by-laws and budget related policies*** that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	Attached please find proof of payment
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	Attached please find proof of payment
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? 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.	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? ***Note** – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.*	Yes	The municipality installs prepaid meter to all its indigent consumers and only provide them with the approved unites of electricity and water
	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?	Yes	
		***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.*		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following** :		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	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)?	No	
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?	No	
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?	No	
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	No	
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?	No	
	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? ***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*	N/a	
28	6.8.2	- **For the latest ending Quarter** -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	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?	No	
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? ***Note** - condition 6.9.2 has a typing error and must refer to 6.9.1.*	No	
31	6.9.3	- **Municipalities with financial recovery plans (FRP)** – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No FRP	
		***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.*		
	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?	Select	
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? ***Note** - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.*	Select	

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?	Select
		***Note** - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.*	
36	6,11	**Limitation on municipality borrowing powers** - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	Select
		***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.*	
	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?	No
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?	No
		***Note:** Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).*	
39		***Supporting evidence*** : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	No
40	6,13	**Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? ***Note** - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.*	Select
41	6,14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Select
		***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.*	

PT: HOD/ NT / MM Name: ____________________

Signature of HOD/ NT/ MM: ____________________

Date: ____________________

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

*****Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incoporated into the related PT report***

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

The table below shows the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective date of 01 December 2023:

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

Province				
Complete the search boxes above				
Code		John Taolo		Ga Magara
Search		Complete the search boxes above		Complete the search boxes

Monthly Performance Report

Municipal Details			Part A						Part B					Part C		
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment		
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14
1.July	Complete the s	Search														
2.August	Complete the s	Search														
3.September	Complete the s	Search														
4.October	Complete the s	Search														
5.November	Complete the s	Search														
6.December	Complete the s	Search														
7.January	Complete the s	Search														
8.February	Complete the s	Search														
9.March	Complete the s	Search														
10.April	Complete the s	Search	No	No	No	No		No	Yes	No	Yes	Yes	Yes	N/A	Yes	Yes
11.May	Complete the s	Search	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes
12.June	Complete the s	Search	Yes	Yes	Yes	No		No	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes

Month	Part D				Part C									
	Electricity and water as collection tools				Quarterly collection of property rates and services charges							Maximization of Revenue Base		
	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28
1.July														
2.August														
3.September														
4.October														
5.November														
6.December														
7.January														
8.February														
9.March														
10.April	Yes	Yes	Yes	Yes	Yes							Yes	N/A	Yes
11.May	Yes	Yes	N/A	Yes	No	No		No	No	No	No	Yes	N/A	Yes
12.June	Yes	Yes	N/A	Yes	Yes	No	No	No	No	No	No	Yes	N/A	Yes

Month	Part E													Part F		Month applicable
	Oversight													Compliance Status		
	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score		
1.July														0%	Non Compliance	Yes
2.August														0%	Non Compliance	Yes
3.September														0%	Non Compliance	Yes
4.October														0%	Non Compliance	Yes
5.November														0%	Non Compliance	Yes
6.December														0%	Non Compliance	Yes
7.January														0%	Non Compliance	Yes
8.February														0%	Non Compliance	Yes
9.March														0%	Non Compliance	Yes
10.April	No	No	N/A	N/A					No	No	No	No		41%	Non Compliance	Yes
11.May	No	No	N/A	N/A					No	No	No	No	No	51%	Non Compliance	Yes
12.June	No	No	N/A	N/A					No	No	No			49%	Non Compliance	Yes

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

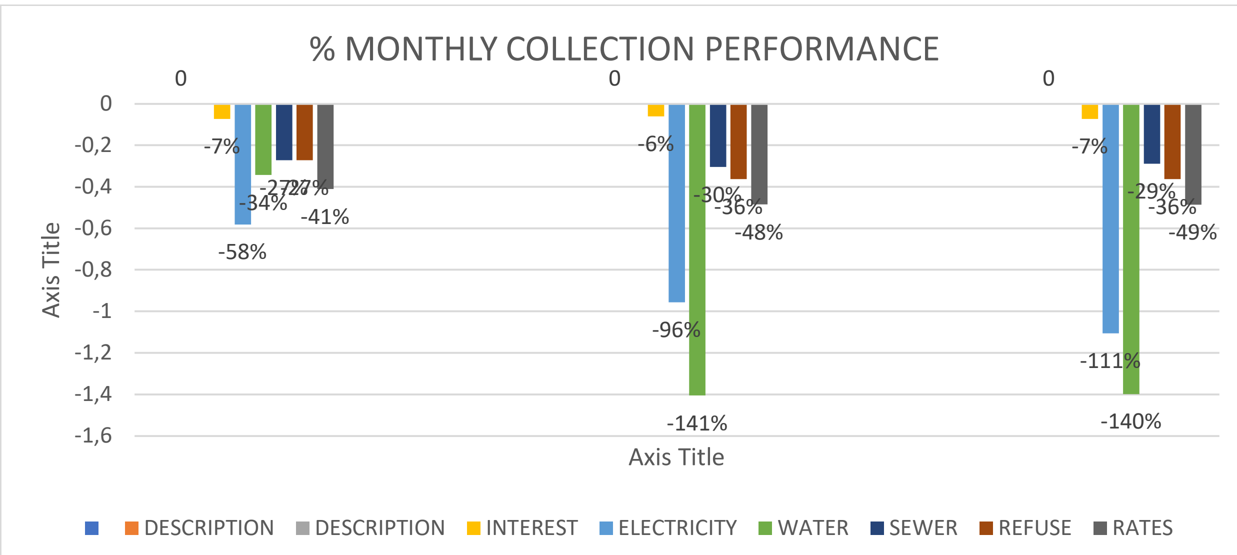
** *Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procuration of the HOD must be attached as an Annexure to this Certificate of Compliance.*

2.10 The Provincial Treasury Debt Relief Compliance Assessment

The Provincial Treasury debt relief compliance certificate and report issued to the municipality

NOTE: We haven't received the compliance certificate from the province yet

2.11 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)



2.12 Monthly - Restriction of Free Basic Services to Indigent Households

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

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

Description	Ref	As Per Debt Relief Application	Current Year - 2024/2025			2024/2025 - Monthly Monitoring											
		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		754 560	754 560	754 560													
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		754 560	754 560	754 560	–	–	–	–	–	–	–	–	–	–	–	–	–
Indigent HH's using public tap (< min.service level)	3																
Indigent HH's with other water supply (< min.service level)	4					543											
Indigent HH's with No water supply																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		–	–	–	–	543	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	5	754 560	754 560	754 560	–	543	–	–	–	–	–	–	–	–	–	–	–
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 physcally 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)						543											
Indigent HH's with Electricity - prepaid (min.service level)						–											
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		–	–	–	–	543	–	–	–	–	–	–	–	–	–	–	–
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	–	–	–	–	543	–	–	–	–	–	–	–	–	–	–	–
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity						543											
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	–	–	–	–	543	–	–	–	–	–	–	–	–	–	–	–
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physcally 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)						543											
Electricity/other energy (50kwh per household per month)						543											
Cost of Free Basic Services provided to ALLHouseholds 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)						15 000											
Water (kilolitres per household per month)						6											
Sanitation (kilolitres per household per month)						6											
Sanitation (Rand per household per month)						343											
Electricity (kwh per household per month)						50											
Refuse (average litres per week)						1											
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	14(a)					15 000											
PSI Category : Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	14(b)																
Additonal 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					265											
Sanitation **(in excess of free sanitation service to indigent households)**	16					343											
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**						96											
Refuse **(in excess of one removal a week for indigent households)**						343											
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		–	–	–	–	16 045	–	–	–	–	–	–	–	–	–	–	–

References

1. Include services provided by another entity; e.g. Eskom

MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

Property Rates Reconciliation

Province	NC
District	John Taolo Gaetsewe District
Type	LM
Municipal Name	Gamagara
GV Period	01/07/2019 - 30/06/2024
Financial Year	2021/2022
Reconciliation Period	Quarter 3

Reconciliation Overview

High Level Reconciliation

Propety Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	14536	14726	-190	6 985 557 320,00	6 842 419 900,00	143 137 420,00
Industrial	72	91	-19	164 456 500,00	187 660 900,00	- 23 204 400,00
Business and Commercial	324	266	58	1 032 781 300,00	989 117 490,00	43 663 810,00
Agricultural	120	411	-291	72 491 000,00	2 064 691 220,00	- 1 992 200 220,00
Mining	1	0	1	889 000,00	-	889 000,00
State Owned for Public Purpose	18	128	-110	85 934 580,00	353 969 046,00	- 268 034 466,00
PSI	84	0	84	47 714 564,00	-	47 714 564,00
PBO	0	45	-45	-	65 878 548,00	- 65 878 548,00
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	0	0	0	-	-	-
Municipal	40	324	-284	60 612 500,00	234 408 400,00	- 173 795 900,00
Other	630	1991	-1361	2 714 170 672,00	841 974 082,00	1 872 196 590,00
	15825	17982	-2157	11 164 607 436,00	11 580 119 586,00	- 415 512 150,00

Detailed Reconciliation

Propety Categories	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	#VALUE!	4 550 681	#VALUE!	#VALUE!	13 652 044,02	#VALUE!
Industrial	362 008	314 411	47 597	1 086 022,78	943 233,03	142 789,75
Business and Commercial	#VALUE!	2 599 663	#VALUE!	#VALUE!	7 798 988,82	#VALUE!
Agricultural	2 467	385 110	- 382 643	7 401,01	1 155 329,79	- 1 147 928,78
Mining	2 237	-	2 237	6 709,52	-	6 709,52
State Owned for Public Purpose	108 099	389 539	- 281 441	324 296,06	1 168 618,02	- 844 321,96
PSI	-	-	-	-	-	-
PBO	-	82 960	- 82 960	-	248 880,21	- 248 880,21
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	-	-	-	-	-
Municipal	-	276 604	- 276 604	-	829 812,27	- 829 812,27
Other	#VALUE!	136 918	#VALUE!	#VALUE!	410 753,70	#VALUE!
Total	#VALUE!	R8 735 886,62	#VALUE!	#VALUE!	26 207 659,86	#VALUE!

Prepared By Ngomba Mbua Date 19-Mar-23

Contatct Details

Signature

Reviewed By Date

Contatct Details

Signature

COST REFLECTIVE TARIFFS

Part A Not Completed

Part A Not Completed

Part A Not Completed

Part A Not Completed

Tariff Assessments for the MTREF Period										
	Assessment Status	Financial Year	Period	Item	Water	Waste Water	Electricity	Solid Waste	Total Surplus/Deficit	
Year 1	Not Cost Reflective	2023/2024	Year1	Revenue Required by NT Tariff Tool	105 817 138	43 345 265	344 696 681	23 578 092	517 437 176	Year 1
				Revenue Budgeted	68 717 109	52 123 576	244 413 247	43 001 154	408 255 086	
				Shortfall/Excess	- 37 100 029	8 778 311	- 100 283 434	19 423 062	- 109 182 090	
	Assessment Outcome per Service				Not Cost Reflecive	Cost Reflective	Not Cost Reflecive	Cost Reflective	Not Cost Reflecive	
Year 2	Not Cost Reflective	2024/2025	Year2	Revenue Required by NT Tariff Tool	103 669 918	43 910 182	350 183 980	23 438 473	521 202 553	Year 2
				Revenue Budgeted	71 878 094	54 521 260	255 656 257	44 979 206	427 034 817	
				Surplus /Deficit	- 31 791 824	10 611 078	- 94 527 723	21 540 733	- 94 167 736	
	Assessment Outcome per Service				Not Cost Reflecive	Cost Reflective	Not Cost Reflecive	Cost Reflective	Not Cost Reflecive	
Year 3	Not Cost Reflective	2025/2026	Year3	Revenue Required by NT Tariff Tool	102 700 410	43 263 108	366 936 971	15 046 939	527 947 428	Year 3
				Revenue Budgeted	75 184 487	57 029 238	267 416 445	47 048 250	446 678 420	
				Surplus /Deficit	- 27 515 923	13 766 130	- 99 520 526	32 001 311	- 81 269 008	
	Assessment Outcome per Service				Not Cost Reflecive	Cost Reflective	Not Cost Reflecive	Cost Reflective	Not Cost Reflecive	

MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources)

The municipality need to include as part of the MFMA s.71 narrative statement in this part –

i. Any Eskom Bulk current account invoice(s) due and payable during the month of reporting;

ii. The municipality's proof of payment of any such Eskom Bulk current account invoice(s) during the month of reporting;

iii. The municipality's reconciliation statement for electricity aligning to the MFMA S71 mSCOA data strings upload; and

iv. If the municipality has the water function, the bulk water current account invoice(s) and municipality water reconciliation statement (aligning to the mSCOA data string upload for the period) should similarly be included in this part

2.13 Municipal Manager's Quality Certificate

Quality Certificate

I, ____, the Municipal Manager of **Gamagara Local Municipality (NC453)**, hereby certify that;

- Monthly budget statement in line with MFMA Section 71 for the period ended 31 July 2024 has been prepared in accordance with the Municipal Finance Management Act no.56 of 2003 and regulations made under the Act.

the Municipal Manager of **Gamagara Local Municipality (NC453)**

Signature___________________________________

Date_______________________________________

RECOMMENDATIONS

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

1. The monthly budget statement for the period ended 31 July 2024;
2. The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment
3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
4. As per recommendations above;
   a. The finance management will ensure that they comply with the budget funding plan
   b. The municipality will ensure that credit control is enforced on a monthly basis

~~2.13 Municipal Manager's Quality Certificate~~

Quality Certificate

I, Lebogang Seetile, the Municipal Manager of **Gamagara Local Municipality (NC453)**, hereby certify that;

- Monthly budget statement in line with MFMA Section 71 for the period ended 31 July 2024 has been prepared in accordance with the Municipal Finance Management Act no.56 of 2003 and regulations made under the Act.

the Municipal Manager of **Gamagara Local Municipality (NC453)**

Signature Seetile ____________________

Date 2024/08/14 ____________________