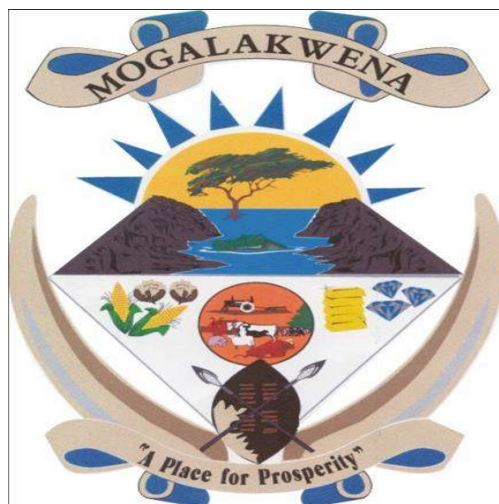


MOGALAKWENA LOCAL MUNICIPALITY



QUARTERLY BUDGET PERFORMANCE STATEMENTS

(SECTION 52(d) REPORT)

AS AT 31 March 2025

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1. EXECUTIVE SUMMARY

Section 52(d) of the MFMA requires that the mayor of the municipality must, table a report on the implementation of the budget and the financial state of affairs of the municipality to Council within 30 days after the end of the quarter. The report takes into account in-year reports in terms of Section 71 of the MFMA which requires the accounting officer to submit a report in a prescribed format to the mayor within ten working days after the end of each month.

The report is prepared in the prescribed format (C Schedule), as determined by Regulation 28 of the Municipal Budget and Reporting Regulations (MBRR) promulgated in 2009. Details of the in-year reporting from 1 July 2024 to 31 March 2025 are discussed. The report discusses the revenue (operating and capital), operating expenditure and capital expenditure using the above prescribed format. All other appropriate information is also included in the report.

This report is submitted in terms of the above-mentioned legislative requirements. The budget performance for the third quarter, period ending 31 March 2025, is reflected on the table below and summary on the performance of the main segment of the budget is provided:

Table C1: Quarterly Budget Statement Summary

Revenue

- Revenue recognized from property rates amounted to R84.2m in the third quarter against a budget of R83.7m which resulted in 1% positive variance.
- Service charges for the third quarter was R477.7m against the budget of R562.8m with a negative variance of 15%.
- Revenue from investment income recognized during the third quarter was R2.6m against the budget of R6.8m resulting in a negative variance of 62%.
- Revenue from operating grants recognized during the quarter under review amounted to R539.3m against the budget of R472.4m resulting in a positive variance of 14%.
- Other revenue reported was R78.6m against the budget of R76.7m resulting in a positive variance of (2%).

Operating Expenditure

- Employee cost was R287.7m against the budget of R302.7m. These resulted in a negative variance of (5%). The amount includes Remuneration of councilors for the month of March.
- Remuneration of councilors spending is reported separately for the period under review up to the end of February 2025 and the March expenditure is included in the Employee related costs.

The amount reported was R16.1m compared to the year-to-date budget of R20.3m resulting in a negative variance of (21%).

- Depreciation and amortization at the end of the third quarter was a negative 100% variance. The municipality is still converting the Asset Register into Munsoft.
- Interest charge to the amount of R3.4m was recognized against a year-to-date budget of R2.0m. The results were a positive variance of (70%).
- Inventory consumed and bulk purchases for the third quarter was reported at an amount of R276.8m against a budget amount of R311.3m. This results in a negative variance of (11%).
- Transfers and subsidies paid at the end of the third quarter has been recognized at R626 thousand compared to R1.6m year-to-date budget. Resulting in a negative variance of (63%).
- Other expenditure cost to an amount of R498.1m was reported during the third quarter against the budget of R476.5m which resulted in a positive variance of 5%.

Capital Expenditure

- Capital grants to the amount of R284.5m have been recognized in the third quarter against a budgeted amount of R260.1m resulting in a positive variance of 9%.
- The municipality has budgeted an amount of R346m for capital grants. The 9% positive variance is an indication that the municipality is on the right trajectory in implementing capital projects. This means that service delivery is prioritized. Also, there is another adjustment which has been communicated through the adjusted DoRA which was published in March 2025 after the February main adjustments budget.

The above summary is illustrated on the C1 table below:

LIM367 Mogalakwena - Table C1 Monthly Budget Statement Summary - M09 - March

Description	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									
Financial Performance									
Property rates	96 833	101 070	120 990	9 529	84 242	83 770	471	1%	120 990
Service charges	387 537	741 673	758 253	58 910	477 756	562 887	(85 131)	-15%	758 253
Investment revenue	7 796	9 177	9 177	45	2 637	6 883	(4 246)	-62%	9 177
Transfers and subsidies - Operational	588 621	623 792	630 646	132 636	539 373	472 413	66 960	14%	630 646
Other own revenue	142 025	91 016	112 259	14 349	78 667	76 759	1 908	2%	-
Total Revenue (excluding capital transfers and contributions)	1 222 812	1 566 728	1 631 325	215 469	1 182 675	1 202 712	(20 037)	-2%	1 631 325
Employee costs	375 174	415 284	393 543	35 450	287 777	302 769	(14 993)	-5%	393 543
Remuneration of Councillors	26 445	27 084	27 084	-	16 134	20 313	(4 179)	-21%	27 084
Depreciation and amortisation	292 802	93 594	93 594	-	-	70 197	(70 197)	-100%	93 594
Interest	3 097	2 686	2 686	-	3 421	2 015	1 406	70%	2 686
Inventory consumed and bulk purchases	361 759	412 351	419 185	33 872	276 890	311 367	(34 477)	-11%	419 185
Transfers and subsidies	178	2 231	2 231	357	626	1 673	(1 047)	-63%	2 231
Other expenditure	774 565	569 446	689 271	47 345	498 173	476 538	21 635	5%	689 271
Total Expenditure	1 834 019	1 522 675	1 627 594	117 024	1 083 019	1 184 872	(101 853)	-9%	1 627 594
Surplus/(Deficit)	(611 207)	44 053	3 731	98 445	99 656	17 841	81 815	459%	3 731
Transfers and subsidies - capital (monetary allocations)	455 058	347 389	346 297	6 627	284 578	260 105	24 473	9%	346 297
Transfers and subsidies - capital (in-kind)	31 348	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	(124 801)	391 442	350 028	105 072	384 234	277 946	106 289	38%	350 028
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(124 801)	391 442	350 028	105 072	384 234	277 946	106 289	38%	350 028
Capital expenditure & funds sources									
Capital expenditure	755 515	348 889	347 797	27 305	270 790	261 230	9 560	4%	347 797
Capital transfers recognised	457 019	347 389	346 297	27 023	270 223	260 105	10 118	4%	346 297
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17 781	1 500	1 500	282	567	1 125	(558)	-50%	1 500
Total sources of capital funds	474 800	348 889	347 797	27 305	270 790	261 230	9 560	4%	347 797
Financial position									
Total current assets	438 795	583 074	631 837		745 536				631 837
Total non current assets	4 807 889	4 619 452	5 060 784		5 078 679				5 060 784
Total current liabilities	529 936	99 859	206 780		723 234				206 780
Total non current liabilities	134 053	123 791	134 053		134 053				134 053
Community wealth/Equity	5 277 765	4 978 875	5 351 789		4 966 928				5 351 789

2. FINANCIAL PERFORMANCE

1.1 Actual revenue per source

LIM367 Mogalakwena - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - March										
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										
Revenue										
Exchange Revenue										
Service charges - Electricity		320 821	451 376	451 376	40 426	297 496	338 532	(41 036)	-12%	451 376
Service charges - Water		13 532	214 881	214 881	14 619	144 218	161 161	(16 943)	-11%	214 881
Service charges - Waste Water Management		21 620	26 694	26 694	1 511	14 237	20 020	(5 783)	-29%	26 694
Service charges - Waste management		31 564	48 722	65 302	2 354	21 804	43 174	(21 369)	-49%	65 302
Sale of Goods and Rendering of Services		1 889	2 320	4 612	345	3 336	2 656	680	26%	4 612
Agency services		9 787	12 978	12 978	—	—	9 734	(9 734)	-100%	12 978
Interest		—	—	1 370	—	933	548	385	70%	1 370
Interest earned from Receivables		55 838	49 053	64 611	5 308	48 337	43 013	5 325	12%	64 611
Interest from Current and Non Current Assets		7 796	9 177	9 177	45	2 637	6 883	(4 246)	-62%	9 177
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		8 491	2 127	2 409	174	2 219	1 708	511	30%	2 409
Licence and permits		—	—	2 708	476	2 079	1 083	995	92%	2 708
Operational Revenue		1 808	2 074	1 850	17	759	1 466	(707)	-48%	1 850
Non-Exchange Revenue								—		
Property rates		96 833	101 070	120 990	9 529	84 242	83 770	471	1%	120 990
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		5 075	4 201	1 951	6 528	7 851	2 251	5 600	249%	1 951
Licence and permits		22 973	11	33	41	62	17	45	267%	33
Transfers and subsidies - Operational		588 621	623 792	630 646	132 636	539 373	472 413	66 960	14%	630 646
Interest		15 683	14 216	18 701	1 460	13 091	12 456	635	5%	18 701
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		81	4 037	1 037	—	—	1 828	(1 828)	-100%	1 037
Other Gains		20 399	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and		1 222 812	1 566 728	1 631 325	215 469	1 182 675	1 202 712	(20 037)	-2%	1 631 325

Variances more than 10 % and explanation of variances

Description	Variance explanation	Remedial Action
Services Charges Electricity Revenue – Negative Variance of 12%	Electricity billing is consumption based. Electricity billing fluctuates with seasons. The third quarter (January to March months) were still warm. Therefore, customers have not consumed as much electricity as anticipated.	No remedial action is required at this stage. Billing will improve and even out during the course of the financial year. Continuous meter audit is also performed to ensure that there are no illegal connections. The municipality has sourced a Service Provider to perform a Meter audit, reconnections and disconnections. The audit has

Description	Variance explanation	Remedial Action
		assisted in identifying faulty meters or illegally connected meters.
Service charges water – Negative variance 11%	Billed at R 144.2 million compared to anticipated budget of R 161.1 million.	The municipality has sourced a Service Provider to perform a Meter audit, reconnections and disconnections. The audit has assisted in identifying faulty meters or illegally connected meters. The municipality expects to see an improvement in water billing.
Service charges Waste Water Management – Negative variance of 29%	Billing is less than anticipated. Waste water has been budgeted more in anticipation of the implementation of the new valuation roll and an increased number of indigents requiring free basic services.	Ensure that all properties that need to be billed have been billed in the current year.
Service charges Waste management – Negative variance of 49%	Billing is less than anticipated. the municipality budgeted for distribution of further waste bins in the 2024/25 financial year.	Introduction of IWMP (Integrated Waste Management Plan) to improve the current practices on waste collection. The municipality has issued bins which still need to be billed.
Sale of goods and rendering of services – Positive variance of 26%	The line item includes services such as sale of tender documents, Planning and Development clearance certificates, Application fees for land usage, new building plans submissions and cemetery and burials bookings. During the 2023/24 financial year, the municipality introduced back the sale of tenders. This was as a result of the municipality incurring costs on developing and printing tender documents without recovering the costs.	The revenue amount has been adjusted during the main adjustments budget. No further remedial action is required.
Agency Services – Negative variance of 100%	In the implementation of the new financial system. The municipality has not reported any agency services due to mapping.	Ensure that the system is correctly configured and mapping is done for reporting on Agency services in the next quarter.

Description	Variance explanation	Remedial Action
Interest earned from Receivables – Positive variance of 12%	Due to the culture of non-payment by the consumers, interest is levied and it increases. The more the debtors' book of the municipality increases, the more interest is charged on outstanding amounts.	Implementation of credit control policy and the municipality encourages consumers to pay outstanding debt.
Interest from Current and Non-Current Assets – Negative variance of 62%	The municipality has not had enough funds to invest as originally projected. This is as a result of trying to settle payables within 30 days as prescribed by the MFMA.	Ensure there is a balance between payments made and funds kept for investments. Timeously allocate available funds into short-term investment accounts in order to earn interest.
Rental from Fixed Assets – Positive variance of 30%	Some of the rentals are received annually instead of monthly and this would result in the backlog being recovered during the year hence the positive variance.	The municipality needs to ensure that all rental agreements entered into are in line with market related prices.
License and permits – Positive variance of 92%	The line item include revenue recognized on vehicle licenses and registration of business licenses. The amount recognized has a positive variance of 92%. The line item includes business registrations and small businesses registration like spaza shops. Hence the municipality has realized more revenue than anticipated.	Observe the line item and budget accordingly in the new financial year.
Operational Revenue - Negative variance of 48%	Other revenue includes staff recoveries, Insurance refunds and administrative handling fees. The amount received is less than the anticipated amount.	Ensure that all expenditure incurred on behalf of staff is fully recovered.
Fines, penalties and forfeits – Positive variance of 249%	Traffic and emergency department has introduced new reforms in order to improve in traffic law enforcements and revenue collection. The municipality has in August 2024, procured an automated number plate recognition mini-bus to assist with revenue collection on outstanding tickets and conduct effective roadblocks. This initiative has led to additional revenue being collected.	Traffic officers to be more visible in town to enforce relevant laws.

Description	Variance explanation	Remedial Action
Transfers and subsidies operational – Positive variance of 14%	The municipality did not have Treasury's grants payment schedule during the preparation of cash flow projections in terms of receiving grants.	The municipality must improve in monthly cash flow projections. The line item will even out in the next quarter.
Interest Non-Exchange Revenue – Positive variance of 21%	Similar to interest from current and non-current assets. This is interest charged on outstanding property rates. The interest is levied as consumers default on their accounts.	The municipality encourages consumers to pay outstanding debt.
Gains on disposal of Assets – Negative variance of 100%	No gains have been recognized in the period under review.	The line item was adjusted down during the adjustments budget process. The municipality plans on disposing written-off assets in portions instead of just running an auction once in a financial year.

1.2 Actual borrowings

The municipality did not take out any borrowings in the quarter under review.

1.3 Actual Expenditure by Type

LIM367 Mogalakwena - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - March										
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									%	
Expenditure By Type										
Employee related costs		375 174	415 284	393 543	35 450	287 777	302 769	(14 993)	-5%	393 543
Remuneration of councillors		26 445	27 084	27 084	–	16 134	20 313	(4 179)	-21%	27 084
Bulk purchases - electricity		298 978	334 571	334 571	24 576	225 545	250 928	(25 383)	-10%	334 571
Inventory consumed		62 781	77 780	84 614	9 296	51 345	60 439	(9 094)	-15%	84 614
Debt impairment		176 911	83 003	6 131	–	6 131	31 503	(25 373)	-81%	6 131
Depreciation and amortisation		292 802	93 594	93 594	–	–	70 197	(70 197)	-100%	93 594
Interest		3 097	2 686	2 686	–	3 421	2 015	1 406	70%	2 686
Contracted services		282 676	297 328	378 255	39 574	277 588	257 988	19 600	8%	378 255
Transfers and subsidies		178	2 231	2 231	357	626	1 673	(1 047)	-63%	2 231
Irrecoverable debts written off		131 041	11 762	98 800	56	98 803	43 637	55 167	126%	98 800
Operational costs		152 886	177 352	206 086	7 714	115 651	143 410	(27 759)	-19%	206 086
Losses on Disposal of Assets		4 601	–	–	–	–	–	–		–
Other Losses		26 450	–	–	–	–	–	–		–
Total Expenditure		1 834 019	1 522 675	1 627 594	117 024	1 083 019	1 184 872	(101 853)	-9%	1 627 594

Variances more than 10 % and explanation of variances

Description	Variance explanation	Remedial Action
Remuneration of councilors – Negative variance of 21%	Remuneration of councilors is appropriated for taking into account the implementation of upper limits. To date the amount paid is less than the anticipated expenditure.	Enquire if there will be implementation of any further upper limits during the current financial year.
Bulk purchases electricity – Negative variance of 10%	The municipality entered into an arrangement with Eskom on the outstanding account. At the end of March 2025, an amount of R201 million is recognized by the municipality which resulted in a negative variance of 10%.	The Account will be brought to date in July 2025 through the arrangement that the municipality entered to with Eskom.
Inventory consumed – Negative variance of 15%	The municipality is experiencing a decline in water consumption as more and more consumers are resorting to borehole water. Also, the municipality requested to enter into an arrangement to pay the outstanding Lepelle Northern Water account by March 2025.	Ensure that water is always available to bring back the customers' confidence in using municipal water through timeous water infrastructure maintenance.
Debt impairment – Negative variance of 81%	Historical information is used when budgeting for the line item.	No remedial action is required.
Depreciation – Negative variance of 100%	The conversion in the Asset module is not concluded yet. Hence a negative 100% variance is reported.	Ensure that conversion of the asset register is concluded in order to start processing monthly depreciation.
Interest – Negative variance of 70%	The interest is as a result of the arrangement on the Eskom account which should be settled in July 2025.	The remedial action is to ensure that the municipality does not incur any interest on outstanding accounts as the interest results in Fruitless and Wasteful expenditure.
Transfer and subsidies – Negative variance of 63%	This relates to payments made by the municipality to non-profit organizations like SPCA and disaster management.	No remedial action is required.

Description	Variance explanation	Remedial Action
Irrecoverable debts written off – Positive variance of 126%	The municipality has written off irrecoverable debt from identified indigents to the amount of R98.8 million at the end month of March 2025. The write-off is informed by a council resolution with reference SMC 20/08/2024 report on implementation of writing off of bad debt.	No remedial action is required.
Operational Costs – Negative variance of 19%	Operational costs include the following major expenditure items; Operating lease of fleet, ICT support, Rehabilitation of landfill sites, Remuneration of Ward Councilors, Insurance, Training, Operating Lease of computer equipment, System software, Indigent Relief and Eskom accounts of boreholes across the municipality.	The line item was adjusted during the adjustment process to ensure that all expenditures are catered for to be in line with the current expenditure trends.

1.4 Capital expenditure per vote

LIM367 Mogalakwena - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 - March										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		413	-	-	-	-	-	-	-	-
Vote 2 - Corporate Support Services - A		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Support Services - B		276	-	-	-	-	-	-	-	-
Vote 4 - Budget And Treasury		391	1 500	1 200	282	282	938	(655)	-70%	1 200
Vote 5 - Planning And Development		118	-	-	-	-	-	-	-	-
Vote 6 - Technical Services - A		741 142	303 982	305 397	22 568	247 739	229 700	18 039	8%	305 397
Vote 7 - Technical Services - B		-	-	-	-	-	-	-	-	-
Vote 8 - Community Services - A		122	-	-	-	-	-	-	-	-
Vote 9 - Community Services - B		3 299	14 181	9 603	3 825	5 907	7 725	(1 818)	-24%	9 603
Vote 10 - Traffic And Emergency Services		-	-	-	-	-	-	-	-	-
Vote 11 - Electrical Services		9 754	29 226	31 598	630	16 863	22 868	(6 006)	-26%	31 598
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	755 515	348 889	347 797	27 305	270 790	261 230	9 560	4%	347 797
Total Capital Expenditure		755 515	348 889	347 797	27 305	270 790	261 230	9 560	4%	347 797

The municipality has recognized capital expenditure to the amount of R270.7m at the end of third quarter compared to the year-to-date budget of R261.2m resulting in a positive variance of 4%. Details of capital expenditure per source of funding are further outlined below.

1.5 Capital Expenditure per grant

LIM367 Mogalakwena - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 - March

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		7 597	14 237	21 091	123	16 193	15 247	945	6.2%	21 091
Expanded Public Works Programme Integrated Grant		1 151	1 610	1 610	88	703	1 207	(505)	-41.8%	1 610
Municipal Disaster Relief Grant		4 346	-	6 854	-	8 175	4 589	3 606	78.9%	6 854
Local Government Financial Management Grant	3	2 100	3 500	3 500	-	1 416	2 625	(1 209)	-46.0%	3 500
Municipal Infrastructure Grant		-	9 127	9 127	35	5 898	6 845	(947)	-13.8%	9 127
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants		7 597	14 237	21 091	123	16 193	15 247	945	6.2%	21 091
Capital Transfers and Grants										
National Government:		462 105	347 389	346 297	6 627	284 578	260 105	24 473	9.4%	346 297
Municipal Infrastructure Grant		183 087	173 413	172 321	5 162	117 104	129 623	(12 519)	-9.7%	172 321
Integrated National Electrification Programme Grant		-	12 976	12 976	108	10 654	9 732	922	9.5%	12 976
Regional Bulk Infrastructure Grant		198 346	115 000	115 000	1 313	108 739	86 250	22 489	26.1%	115 000
Water Services Infrastructure Grant		80 672	46 000	46 000	44	48 081	34 500	13 581	39.4%	46 000
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants		462 105	347 389	346 297	6 627	284 578	260 105	24 473	9.4%	346 297
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		469 702	361 626	367 388	6 750	300 771	275 352	25 419	9.2%	367 388

Municipal Infrastructure Grant - The municipality has managed to spend R117.1m as at the end of March 2025. This resulted in a negative variance of 9.7% compared to the year-to-date budget of R129.6m.

Integrated National Electrification Programme - The municipality has spent R10.6m compared to the anticipated R9.7m at the end of the quarter. An improvement is observed compared to the previous quarters' performance.

Regional Bulk Infrastructure Grant - The municipality has as at the end of March 2025 spent an amount of R108.7m on the grant. The municipality receives additional funding on RBIG depending on performance. The spending at the end of March 2025 resulted in a positive variance of 26.1%.

Water Service Infrastructure Grant - An amount of R48.0m has been spent on the grant compared to an anticipated spending of R34.5m. The municipality's performance at the end of the quarter is

better than it was anticipated. This translates to the municipality prioritizing service delivery to the communities.

1.6 Monthly budget statement financial position

The community wealth/ net assets of the municipality amounted to R4.966b. The total current liabilities reported as at 31 March 2025 amounted to R723.2m, whilst total current assets were R745.5m, representing a current ratio of 1.03:1. The interpretation of the ratio suggest that the municipality will be able to meet its immediate or current financial commitments. A current ration that is more than 1 indicates that the municipality has enough current assets to cover its current liabilities.

LIM367 Mogalakwena - Table C6 Monthly Budget Statement - Financial Position - M09 - March

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		12 254	99 763	52 039	107 367	52 039
Trade and other receivables from exchange transactions		109 410	67 944	229 880	254 535	229 880
Receivables from non-exchange transactions		54 623	46 847	104 848	81 867	104 848
Current portion of non-current receivables		—	—	—	—	—
Inventory		191 902	368 520	177 536	183 442	177 536
VAT		56 520	—	56 621	104 220	56 621
Other current assets		14 086	—	10 913	14 106	10 913
Total current assets		438 795	583 074	631 837	745 536	631 837
Non current assets						
Investments		—	—	—	—	—
Investment property		178 333	193 675	188 697	178 333	188 697
Property, plant and equipment		4 606 188	4 394 622	4 864 593	4 876 978	4 864 593
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		5 868	5 868	5 868	5 868	5 868
Intangible assets		901	9 150	1 628	901	1 628
Trade and other receivables from exchange transactions		16 601	—	—	16 601	—
Non-current receivables from non-exchange transactions		(2)	16 137	(2)	(2)	(2)
Other non-current assets		—	—	—	—	—
Total non current assets		4 807 889	4 619 452	5 060 784	5 078 679	5 060 784
TOTAL ASSETS		5 246 684	5 202 526	5 692 621	5 824 215	5 692 621
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		3 534	—	3 534	3 534	3 534
Consumer deposits		(4 810)	20 996	(2 333)	(4 335)	(2 333)
Trade and other payables from exchange transactions		354 078	66 309	187 230	317 663	187 230
Trade and other payables from non-exchange transactions		6 854	(194)	(292)	93 790	(292)
Provision		17 623	12 748	18 641	18 641	18 641
VAT		151 639	—	—	293 942	—
Other current liabilities		1 019	—	—	—	—
Total current liabilities		529 936	99 859	206 780	723 234	206 780
Non current liabilities						
Financial liabilities		—	—	—	—	—
Provision		64 927	123 791	64 927	64 927	64 927
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		69 125	—	69 125	69 125	69 125
Total non current liabilities		134 053	123 791	134 053	134 053	134 053
TOTAL LIABILITIES		663 988	223 650	340 832	857 287	340 832
NET ASSETS	2	4 582 695	4 978 875	5 351 789	4 966 928	5 351 789
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		6 961 773	4 978 875	5 351 789	6 650 936	5 351 789
Reserves and funds		(1 684 008)	—	—	(1 684 008)	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	5 277 765	4 978 875	5 351 789	4 966 928	5 351 789

3. CREDITORS ANALYSIS

The municipality aims to pay all its creditors' invoices, which are not in dispute with relevant creditors within 30 days. The creditors reflected below are only trade creditors payable during the current year. Other creditors such as retention and accrued leave are included in the trade and other payables line in the statement of financial position. The main reasons for the municipality to be reporting creditors is as a result of cash constraints.

The municipality entered into a payment arrangement with Eskom and Lepelle Northern Water. The table below depicts the overall Age Creditors of the municipality at the end of March 2025.

LIM367 Mogalakwena - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 - March										
Description	NT Code	Budget Year 2024/25								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	22 560	—	23 352	—	—	—	—	—	45 913
Bulk Water	0200	3 738	—	3 309	—	—	—	—	—	7 047
PAYE deductions	0300	—	—	—	—	—	—	—	—	—
VAT (output less input)	0400	—	—	—	—	—	—	—	—	—
Pensions / Retirement deductions	0500	—	—	—	—	—	—	—	—	—
Loan repayments	0600	—	—	—	—	—	—	—	—	—
Trade Creditors	0700	7 682	4 323	507	2 402	82	20	1 661	28 627	45 304
Auditor General	0800	—	—	—	—	—	—	—	—	—
Other	0900	—	—	—	—	—	—	—	—	—
Total By Customer Type	1000	33 980	4 323	27 169	2 402	82	20	1 661	28 627	98 264

4. DEBTORS MANAGEMENT ANALYSIS

The municipality plans to continue in implementing credit control policy in order to boost debt collection. The supporting table below displays the debtors ageing analysis as at 31 March 2025 which indicates that the total amount outstanding from debtors is at R1.6b.

R1.401 billion of the total debtors' book are debts for over 90 days. The highest contributor to the debtors as per customer group relates to households. The municipality has appointed debt collectors to assist in improving to collect the old debts. The municipality has put measures in place for implementing credit control and debt collection policy.

LIM367 Mogalakwena - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 - March

Description	NT Code	Budget Year 2024/25											
		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
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	22 012	30 972	18 568	11 086	17 460	14 863	26 149	452 221	593 331	521 779	2 101	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	44 320	34 241	7 519	5 682	5 152	3 702	5 112	71 316	177 043	90 964	5 728	-
Receivables from Non-exchange Transactions - Property Rates	1400	8 934	11 615	4 604	3 868	3 553	3 387	3 196	213 996	253 153	228 000	8	-
Receivables from Exchange Transactions - Waste Water Management	1500	1 994	6 128	1 199	1 017	944	897	797	65 019	77 995	68 674	229	-
Receivables from Exchange Transactions - Waste Management	1600	2 403	3 213	1 648	1 436	1 382	1 376	1 929	92 002	105 389	98 126	308	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	11	5	3	3	3	3	3	8	38	19	-	-
Interest on Arrear Debtor Accounts	1810	7 354	17 074	6 826	6 671	6 452	6 315	5 980	368 241	424 914	393 660	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	68	21	20	35	39	52	38	47	321	212	(117)	-
Total By Income Source	2000	87 095	103 270	40 386	29 799	34 985	30 594	43 204	1 262 850	1 632 184	1 401 433	8 257	-
2023/24 - totals only		-	-	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	22 330	29 562	3 332	2 150	2 098	1 979	2 831	104 454	168 736	113 512	2 755	-
Commercial	2300	19 601	12 857	4 079	3 509	3 612	2 549	3 883	74 860	124 950	88 413	2 572	-
Households	2400	45 164	60 851	32 975	24 140	29 276	26 066	36 490	1 083 536	1 338 499	1 199 508	2 929	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	87 095	103 270	40 386	29 799	34 985	30 594	43 204	1 262 850	1 632 184	1 401 433	8 257	-

Top ten current debtors

ACCOUNT HOLDER NAME	ACCOUNT TYPE	OUTSTANDING BALANCE CAPITAL	OUTSTANDING BALANCE INTEREST	OUTSTANDING TOTAL BALANCE
FROSTALL TRADING (PTY)LTD	Business	8 676 259	1 669 982	10 346 241
VAN DER WALT W A	Rural Residential	2 798 644	137 184	2 935 829
H.V.N GROUP PTY LTD	Business	2 348 481	461 065	2 809 546
VAN WYK P WJ	Business	2 011 998	231 781	2 243 779
MAHWELERENG CENTRE OF H.M.H	Residential	1 244 831	974 989	2 219 820
PROPNET (BUSINESS UNIT OF TRANSNET)	Residential	1 673 812	532 172	2 205 984
DE VILLIERS L	Residential	2 038 590	134 071	2 172 660
MATLAKALA M F	Residential	1 814 614	293 966	2 108 580
BESTAF GRANITE FACTORY PTY LTD	Industrial	2 069 068	35 488	2 104 556
MOKONYAMA R J	Residential	1 523 128	495 956	2 019 084
TOTAL		26 199 425	4 966 654	31 166 080

Revenue collection rate

The municipality's average collection rate for the quarter is 73.3% and the monthly details are as follows:

Month	Collection rate
March 2025	67%
February 2025	80%
January 2025	73%

5. INVESTMENT PORTFOLIO ANALYSIS

Supporting table below displays the Council's investment portfolio and indicates that R 51.1m was invested at the end of the third quarter.

An amount of R18.8m was withdrawn during the month of March to cover conditional grants spending and other operational costs. Interest earned from short term investments during the month amounted to R45 thousand. The closing balance of all the short-term investments and call accounts held by the municipality at the end of March 2025 amounted to R51.1m.

LIM367 Mogalakwena - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 - March														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
CALL ACCOUNT-STANDARD		Months	Call	No	Variable		0		30 June 2025	4 846	45	(18 600)	64 884	51 175
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									4 846		(18 600)	64 884	51 175

6. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

The total salaries, allowances and benefits paid at the end of third quarter amounted to R303.9m. The spending is at a negative variance of 6%.

LIM367 Mogalakwena - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 - March

Summary of Employee and Councillor remuneration	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	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		15 642	15 760	15 728	–	9 504	11 807	(2 303)	-20%	15 728
Pension and UIF Contributions		2 107	2 364	2 350	–	1 359	1 768	(408)	-23%	2 350
Medical Aid Contributions		4	–	–	–	50	–	50	#DIV/0!	–
Motor Vehicle Allowance		5 778	6 059	6 239	–	3 625	4 617	(992)	-21%	6 239
Cellphone Allowance		2 913	2 900	2 766	–	1 595	2 122	(527)	-25%	2 766
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		26 445	27 084	27 084	–	16 134	20 313	(4 179)	-21%	27 084
% increase	4		2.4%	2.4%						2.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 807	7 227	6 375	500	4 705	5 080	(374)	-7%	6 375
Pension and UIF Contributions		1 088	1 878	1 244	–	721	1 155	(434)	-38%	1 244
Medical Aid Contributions		236	430	976	98	334	541	(207)	-38%	976
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		1 343	499	304	–	92	296	(204)	-69%	304
Motor Vehicle Allowance		804	978	695	0	404	620	(217)	-35%	695
Cellphone Allowance		491	696	588	–	342	479	(137)	-29%	588
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		42	1	1	–	1	1	(0)	-39%	1
Payments in lieu of leave		–	209	94	–	–	111	(111)	-100%	94
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		8 811	11 917	10 278	597	6 598	8 282	(1 684)	-20%	10 278
% increase	4		35.3%	16.6%						16.6%
Other Municipal Staff										
Basic Salaries and Wages		203 115	231 259	215 444	19 449	161 664	167 118	(5 454)	-3%	215 444
Pension and UIF Contributions		44 468	49 384	47 728	4 199	35 693	36 376	(683)	-2%	47 728
Medical Aid Contributions		24 490	13 589	14 037	1 202	10 549	10 371	177	2%	14 037
Overtime		25 411	17 835	20 417	1 469	15 414	14 409	1 005	7%	20 417
Performance Bonus		16 658	21 787	19 958	2 367	14 297	15 609	(1 311)	-8%	19 958
Motor Vehicle Allowance		25 391	29 790	25 624	2 447	18 818	20 676	(1 858)	-9%	25 624
Cellphone Allowance		4 870	5 478	5 540	479	2 487	4 134	(1 647)	-40%	5 540
Housing Allowances		376	467	395	1 117	1 379	322	1 057	329%	395
Other benefits and allowances		3 827	4 150	3 715	238	2 719	2 939	(219)	-7%	3 715
Payments in lieu of leave		10 641	25 663	17 866	1 195	8 954	16 128	(7 175)	-44%	17 866
Long service awards		(349)	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	5 073	2 023	810	22	694	1 032	(338)	-33%	810
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		2 393	1 941	11 733	669	8 512	5 373	3 139	58%	11 733
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		366 364	403 367	383 266	34 853	281 178	294 487	(13 309)	-5%	383 266
% increase	4		10.1%	4.6%						4.6%
Total Parent Municipality		401 619	442 368	420 627	35 450	303 910	323 082	(19 172)	-6%	420 627
Unpaid salary, allowances & benefits in arrears:										
TOTAL MANAGERS AND STAFF		375 174	415 284	393 543	35 450	287 777	302 769	(14 993)	-5%	393 543

7. EQUITABLE SHARE VERIFICATION CHECKLIST

MFMA Circular no. 122 Municipal Budget Circular for the 2023/24 MTREF has set out the equitable share release criteria for 2023/24. The release of equitable share criteria is still relevant in the 2024/25 financial year as indicated in MFMA Circular no. 128. National Treasury has developed a guiding checklist in order to assist the municipalities with managing the process. The municipality has followed the guideline throughout the course of the third quarter in order to comply with the set criteria. The tables below depict progress made by the municipality in terms of the criteria:

General Requirements

Criteria	Verification Requirement	Yes/No
2024/25 Adopted Budget	Council resolution, adopted mSCOA budget data strings (ORGB), PDF version of adopted MTREF budget uploaded to GoMuni Upload portal immediately after approval.	
<ul style="list-style-type: none"> Is the municipality's completed tariff tool (National Treasury format) included as part of its budget submission (MFMA Budget Circular No. 98 (refer item 4.2). 	The completed National Treasury EXCEL tariff tool uploaded to GoMuni with the adopted budget by start of budget year i.e. 1 July 2024.	Yes
<ul style="list-style-type: none"> Are allocations made for bulk suppliers current account payments? 	Allocations reflected in mSCOA budget data strings (ORGB) and budget schedules/ document.	Yes
<u>If unfunded budget position–</u>		
<ul style="list-style-type: none"> Is a Budget Funding Plan (BFP) adopted with the budget? 	Copy of the adopted Budget Funding Plan uploaded to GoMuni with the adopted budget by start of budget year i.e. 1 July 2024 .	Yes
	PDF version of BFP/progress report uploaded to GoMuni Upload portal by start of budget year i.e. 1 July 2024 .	Yes
	Is the BFP credible and show how the municipality intends moving progressively out of this position into a funded state?	Yes
	In the case of the latest progress report being submitted, is it aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS)?	Yes
<ul style="list-style-type: none"> Council resolution reflecting commitment to address unfunded position. 	PDF copy of resolution uploaded to GoMuni Upload portal by start of budget year i.e. 1 July 2024.	Yes
mSCOA		
Submission of Data Strings	Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal	Yes

Criteria	Verification Requirement	Yes/No
	Timeous submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal	Yes
	Data strings submitted are credible as per the analysis done by NT/PTs	Partial
	Data strings are generated directly from the main municipal financial system	Yes
	The regulated MBRR Schedules are generated directly from the core municipal financial system	Yes
	Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal	Yes
• Submission of documents	Municipal documents required in terms of legislation and MFMA Circulars have been submitted timeously and in the required format to the GoMuni Upload portal.	Yes
• Financial System Changes	Municipality has followed the processes in Circulars No. 93, 98, 123 and mSCOA Circulars No 5 and 6 to change their financial system.	Yes
UIF & W		
• UIF&W Register	Documents need to be uploaded to NTs eMonitoring Webpage	Yes
• MPAC recommendation on UIF&W		
• Council Resolution on UIF&W		
• UIF&W Reduction Strategy		
Disciplinary Board		
• Does the municipality have a functional disciplinary board?	Proof of establishment (or efforts to establish DC Board) uploaded to NTs eMonitoring Webpage NTs eMonitoring Website.	Yes
Competency Regulations		
Has the minimum municipal competency regulations reporting requirements been adhered to?	In line with the Competency Regulations, consolidated reporting information must be uploaded to GoMuni by 30 January 2024 and 30 July 2024.	Yes
Audit Process		
• Opinion Received	Did the municipality receive an adverse or disclaimed audit opinion or had outstanding audits for two consecutive financial years?	No
• Adverse or disclaimed audit opinion	Council resolution signed by each member of the Council was uploaded to NT's eMonitoring Webpage within 1 month after conclusion of the audit process reflecting council's commitment to address the opinion.	N/A
• Is a council approved audit action plan in place?	Audit action plan, together with council resolution, to be uploaded to NT's eMonitoring Webpage within 60 days from audit report issuance	Yes. NT Web based

Criteria	Verification Requirement	Yes/No
		action plan is in place
Interventions (where applicable)		
<ul style="list-style-type: none"> In the event of a discretionary or mandatory intervention in terms of section 139 of the Constitution, is a Financial Recovery Plan (FRP) in place? 	The FRP and monthly progress reports submitted in terms of sections 145 and 146 of the MFMA must be uploaded to GoMuni Upload portal for each month since the inception of the FRP.	Voluntary FRP uploaded on the Portal. NT finalized the review of FRP in June 2024.

Quarterly Requirements

Criteria	Verification Requirement	Quarter 3 (Jan – March)	Quarter 4 (April – June)	Quarter 1 (July – Sept)	Quarter 2 (Oct – Dec)
Bulk Supplier Payments					
<ul style="list-style-type: none"> Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made? 	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.	Yes		Yes	Yes
<ul style="list-style-type: none"> <u>If current account in arrears, are payment agreements in place?</u> 	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.	Eskom and Lepelle Arrangement to be paid up in July 2025		Yes	Eskom arrangement to be paid up end of January 2025
Staff benefit Deductions					
<ul style="list-style-type: none"> Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions? 	Proof of payment for each category, for each month of the quarter uploaded to on GoMuni Upload portal.	Yes		Yes	Yes
Reconciliation of Valuation Roll					
<ul style="list-style-type: none"> Has the valuation role been reconciled to the financial system? 	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.	Yes		Yes	Yes