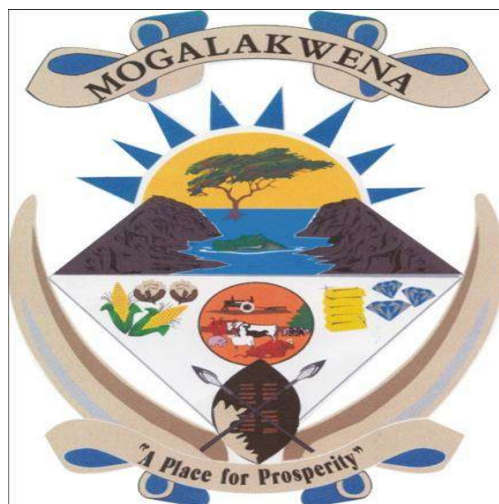


MOGALAKWENA LOCAL MUNICIPALITY



QUARTERLY BUDGET PERFORMANCE STATEMENTS

(SECTION 52(d) REPORT)

AS AT 30 June 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 April 2025 to 30 June 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 fourth quarter, period ending 30 June 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 R112.9 million in the fourth quarter against a budget of R120.9 million which resulted in 7% negative variance.
- Service charge for the fourth quarter was R627.9 million against the budget of R758.2 million with a negative variance of 17%.
- Revenue from investment income recognized during the fourth quarter was R3.0 million against the budget of R9.1 million resulting in a negative variance of 67%.
- Revenue from operating grants recognized during the quarter under review amounted to R549.7 million against the budget of R630.6 million resulting in a negative variance of 13%.
- Other revenue reported was R120.6 million against the budget of R112.8 million resulting in a positive variance of (7%).

Operating Expenditure

- Employee cost was R383.7 million against the budget of R389.6 million. These resulted in a negative variance of (2%).

- Remuneration of councilors spending is reported separately for the period under review up to the end of June 2025. The amount reported was R21.2 million compared to the year-to-date budget of R21.2 million resulting in 0% variance.
- Depreciation and amortization at the end of the fourth quarter was a negative 100% variance. The depreciation will be calculated during the preparation of Annual Financial Statements. Depreciation will therefore be reported on a monthly basis in the new financial year.
- Interest charge to the amount of R1.8 million was recognized against a year-to-date budget of R1.8 million. The results were a 0% variance.
- Inventory consumed and bulk purchases for the fourth quarter was reported at an amount of R360.9 million against a budget amount of R494.0 million. This results in a negative variance of (27%).
- Transfers and subsidies paid at the end of the fourth quarter has been recognized at R838 thousand compared to R1.4 million year-to-date budget. Resulting in a negative variance of (40%).
- Other expenditure cost to an amount of R650.0 million was reported during the fourth quarter against the budget of R690.5 million which resulted in a positive variance of 6%.

Capital Expenditure

- Capital grants to the amount of R339.3 million have been recognized in the fourth quarter against a budgeted amount of R392.0 million resulting in a negative variance of 13%. The reported expenditure is exclusive of VAT. The municipality has spent 100% of the allocated grants.

The above summary is illustrated on the C1 table below:

LIM367 Mogalakwena - Table C1 Monthly Budget Statement Summary - M12 - June

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	9 890	112 924	120 990	(8 065)	-7%	120 990
Service charges	387 537	741 673	758 253	65 390	627 917	758 253	(130 336)	-17%	758 253
Investment revenue	7 796	9 177	9 177	39	3 013	9 177	(6 164)	-67%	9 177
Transfers and subsidies - Operational	588 621	623 792	630 646	5 848	549 738	630 646	(80 909)	-13%	630 646
Other own revenue	142 025	91 016	112 851	17 148	120 644	112 851	7 793	7%	-
Total Revenue (excluding capital transfers and contributions)	1 222 812	1 566 728	1 631 917	98 316	1 414 235	1 631 917	(217 682)	-13%	1 631 917
Employee costs	375 174	415 284	389 665	32 989	383 771	389 665	(5 894)	-2%	389 665
Remuneration of Councillors	26 445	27 084	21 220	110	21 201	21 220	(19)	0%	21 220
Depreciation and amortisation	292 802	93 594	115 860	-	-	115 860	(115 860)	-100%	115 860
Interest	3 097	2 686	1 819	(1 602)	1 819	1 819	(0)	0%	1 819
Inventory consumed and bulk purchases	361 759	412 351	494 046	29 617	360 978	494 046	(133 068)	-27%	494 046
Transfers and subsidies	178	2 231	1 402	32	838	1 402	(564)	-40%	1 402
Other expenditure	778 788	569 446	690 596	73 578	650 065	690 596	(40 531)	-6%	690 596
Total Expenditure	1 838 242	1 522 675	1 714 608	134 724	1 418 672	1 714 608	(295 936)	-17%	1 714 608
Surplus/(Deficit)	(615 429)	44 053	(82 691)	(36 408)	(4 436)	(82 691)	78 255	-95%	(82 691)
Transfers and subsidies - capital (monetary allocations)	455 058	347 389	392 087	6 310	385 552	392 087	(6 536)	-2%	392 087
Transfers and subsidies - capital (in-kind)	31 348	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	(129 023)	391 442	309 396	(30 098)	381 116	309 396	71 719	23%	309 396
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(129 023)	391 442	309 396	(30 098)	381 116	309 396	71 719	23%	309 396
Capital expenditure & funds sources									
Capital expenditure	759 485	348 889	393 587	3 679	340 065	393 587	(53 522)	-14%	393 587
Capital transfers recognised	460 989	347 389	392 087	3 615	339 330	392 087	(52 757)	-13%	392 087
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17 781	1 500	1 500	63	735	1 500	(765)	-51%	1 500
Total sources of capital funds	478 770	348 889	393 587	3 679	340 065	393 587	(53 522)	-14%	393 587
Financial position									
Total current assets	409 285	583 074	601 187		758 144				601 187
Total non current assets	4 811 858	4 619 452	5 084 308		5 151 924				5 084 308
Total current liabilities	541 098	99 859	240 285		848 907				240 285
Total non current liabilities	134 053	123 791	134 053		134 053				134 053
Community wealth/Equity	4 545 993	4 978 875	5 311 157		4 927 107				5 311 157

2. FINANCIAL PERFORMANCE

1.1 Actual revenue per source

LIM367 Mogalakwena - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - June										
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	27 156	382 489	451 376	(68 887)	-15%	451 376
Service charges - Water		13 532	214 881	214 881	34 299	197 762	214 881	(17 120)	-8%	214 881
Service charges - Waste Water Management		21 620	26 694	26 694	1 569	18 784	26 694	(7 910)	-30%	26 694
Service charges - Waste management		31 564	48 722	65 302	2 366	28 882	65 302	(36 420)	-56%	65 302
Sale of Goods and Rendering of Services		1 889	2 320	4 612	229	4 102	4 612	(509)	-11%	4 612
Agency services		9 787	12 978	12 978	—	—	12 978	(12 978)	-100%	12 978
Interest		—	—	1 370	28	1 161	1 370	(209)	-15%	1 370
Interest earned from Receivables		55 838	49 053	64 611	5 824	65 163	64 611	552	1%	64 611
Interest from Current and Non Current Assets		7 796	9 177	9 177	39	3 013	9 177	(6 164)	-67%	9 177
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		8 491	2 127	2 409	162	2 699	2 409	290	12%	2 409
Licence and permits		—	—	2 708	325	2 750	2 708	42	2%	2 708
Operational Revenue		1 808	2 074	2 442	2	1 379	2 442	(1 064)	-44%	2 442
Non-Exchange Revenue										
Property rates		96 833	101 070	120 990	9 890	112 924	120 990	(8 065)	-7%	120 990
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		5 075	4 201	1 951	7 950	18 520	1 951	16 569	849%	1 951
Licence and permits		22 973	11	33	23	132	33	99	303%	33
Transfers and subsidies - Operational		588 621	623 792	630 646	5 848	549 738	630 646	(80 909)	-13%	630 646
Interest		15 683	14 216	18 701	1 462	17 509	18 701	(1 193)	-6%	18 701
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		81	4 037	1 037	—	6 088	1 037	5 052	487%	1 037
Other Gains		20 399	—	—	1 142	1 142	—	1 142	#DIV/0!	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and		1 222 812	1 566 728	1 631 917	98 316	1 414 235	1 631 917	(217 682)	-13%	1 631 917

Variances more than 10 % and explanation of variances

Description	Variance explanation	Remedial Action
Services Charges Electricity Revenue – Negative Variance of 13%	Electricity billing is consumption based. Electricity billing fluctuates with seasons.	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.
Service charges Waste Water Management –	Billing is less than anticipated. Waste water has been budgeted more in anticipation of the implementation of the new valuation roll and an	Ensure that the line item is observed in the first half of the next financial year to ensure that Budget is aligned to actuals.

Description	Variance explanation	Remedial Action
Negative variance of 30%	increased number of indigents requiring free basic services.	
Service charges Waste management – Negative variance of 56%	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.
Sale of goods and rendering of services – Negative variance of 11%	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.
Interest from Current and Non-Current Assets – Negative variance of 67%	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 12%	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.
Operational Revenue - Negative variance of 44%	Other revenue includes staff recoveries, Insurance refunds and administrative handling fees. The	Ensure that all expenditure incurred by the municipality on behalf of staff is fully recovered.

Description	Variance explanation	Remedial Action
	amount received is less than the anticipated amount.	
Fines, penalties and forfeits – Positive variance of 849%	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.
Transfers and subsidies operational – Negative 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.
Gains on disposal of Assets – Positive variance of 487%	The budget line item normally has an actual amount once in a financial year	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

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - June

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	389 665	32 989	383 771	389 665	(5 894)	-2%	389 665
Remuneration of councillors		26 445	27 084	21 220	110	21 201	21 220	(19)	0%	21 220
Bulk purchases - electricity		298 978	334 571	417 339	22 344	295 575	417 339	(121 764)	-29%	417 339
Inventory consumed		62 781	77 780	76 708	7 273	65 403	76 708	(11 304)	-15%	76 708
Debt impairment		176 911	83 003	6 131	–	6 131	6 131	–		6 131
Depreciation and amortisation		292 802	93 594	115 860	–	–	115 860	(115 860)	-100%	115 860
Interest		3 097	2 686	1 819	(1 602)	1 819	1 819	(0)	0%	1 819
Contracted services		286 898	297 328	402 207	41 351	355 293	402 207	(46 914)	-12%	402 207
Transfers and subsidies		178	2 231	1 402	32	838	1 402	(564)	-40%	1 402
Irrecoverable debts written off		131 041	11 762	98 893	45	98 938	98 893	45	0%	98 893
Operational costs		152 886	177 352	183 365	17 219	174 741	183 365	(8 624)	-5%	183 365
Losses on Disposal of Assets		4 601	–	–	–	–	–	–		–
Other Losses		26 450	–	–	14 962	14 962	–	14 962	#DIV/0!	–
Total Expenditure		1 838 242	1 522 675	1 714 608	134 724	1 418 672	1 714 608	(295 936)	-17%	1 714 608

Variances more than 10 % and explanation of variances

Description	Variance explanation	Remedial Action
Bulk purchases electricity – Negative variance of 29%	The municipality entered into an arrangement with Eskom on the outstanding account.	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 July 2025.	Ensure that water is always available to bring back the customers' confidence in using municipal water through timeous water infrastructure maintenance.
Depreciation – Negative variance of 100%	The conversion in the Asset module is not concluded yet. Hence a negative 100% variance is reported.	The conversion in the Asset module will be concluded in July 2025 and Depreciation will be correctly reported during period 13 and in the Annual Financial Statements.
Contracted Services – Negative variance of 12%	The contracted services recognized for the last quarter was less than anticipated.	No remedial action is required as the municipality is trying to contain costs on consultants.

Description	Variance explanation	Remedial Action
Transfer and subsidies – Negative variance of 40%	This relates to payments made by the municipality to non-profit organizations like SPCA and disaster management.	No remedial action is required.

1.4 Capital expenditure per vote

LIM367 Mogalakwena - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 - June										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-		-
Vote 2 - Corporate Support Services - A		-	-	-	-	-	-	-		-
Vote 3 - Corporate Support Services - B		-	-	-	-	-	-	-		-
Vote 4 - Budget And Treasury		-	-	-	-	-	-	-		-
Vote 5 - Planning And Development		-	-	-	-	-	-	-		-
Vote 6 - Technical Services - A		-	-	1 318	-	470	1 318	(848)	-64%	1 318
Vote 7 - Technical Services - B		-	-	-	-	-	-	-		-
Vote 8 - Community Services - A		-	-	-	-	-	-	-		-
Vote 9 - Community Services - B		-	-	-	-	-	-	-		-
Vote 10 - Traffic And Emergency Services		-	-	-	-	-	-	-		-
Vote 11 - Electrical Services		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	1 318	-	470	1 318	(848)	-64%	1 318
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	1 100	63	450	1 100	(650)	-59%	1 100
Vote 5 - Planning And Development		118	-	-	-	-	-	-		-
Vote 6 - Technical Services - A		745 111	303 982	342 628	1 847	293 724	342 628	(48 904)	-14%	342 628
Vote 7 - Technical Services - B		-	-	-	-	-	-	-		-
Vote 8 - Community Services - A		122	-	-	-	-	-	-		-
Vote 9 - Community Services - B		3 299	14 181	10 708	748	9 200	10 708	(1 508)	-14%	10 708
Vote 10 - Traffic And Emergency Services		-	-	-	-	-	-	-		-
Vote 11 - Electrical Services		9 754	29 226	37 834	1 021	36 221	37 834	(1 613)	-4%	37 834
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	759 485	348 889	392 269	3 679	339 595	392 269	(52 674)	-13%	392 269
Total Capital Expenditure		759 485	348 889	393 587	3 679	340 065	393 587	(53 522)	-14%	393 587

The municipality has recognized capital expenditure to the amount of R340.0 million at the end of fourth quarter compared to the year-to-date budget of R393.5 million resulting in a negative variance of 14%. The expenditure in the table above is exclusive of VAT.

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 - M12 - June										
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	14 720	37 554	21 091	16 463	78.1%	21 091
Expanded Public Works Programme Integrated Grant		1 151	1 610	1 610	967	1 670	1 610	60	3.7%	1 610
Municipal Disaster Relief Grant		4 348	—	6 854	—	12 382	6 854	5 528	80.6%	6 854
Local Government Financial Management Grant	3	2 100	3 500	3 500	1 995	3 591	3 500	91	2.6%	3 500
Municipal Infrastructure Grant		—	9 127	9 127	11 758	19 911	9 127	10 784	118.2%	9 127
Provincial Government:		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
Total Operating Transfers and Grants		7 597	14 237	21 091	14 720	37 554	21 091	16 463	78.1%	21 091
Capital Transfers and Grants										
National Government:		462 105	347 389	392 087	6 310	385 552	392 087	(6 536)	-1.7%	392 087
Municipal Infrastructure Grant		183 087	173 413	172 321	4 615	161 711	172 321	(10 610)	-6.2%	172 321
Integrated National Electrification Programme Grant		—	12 976	12 976	395	12 824	12 976	(152)	-1.2%	12 976
Regional Bulk Infrastructure Grant		198 346	115 000	126 827	(2 662)	132 770	126 827	5 943	4.7%	126 827
Water Services Infrastructure Grant		80 672	46 000	79 963	3 962	78 246	79 963	(1 717)	-2.1%	79 963
Provincial Government:		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
Total Capital Transfers and Grants		462 105	347 389	392 087	6 310	385 552	392 087	(6 536)	-1.7%	392 087
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		469 702	361 626	413 179	21 029	423 106	413 179	9 927	2.4%	413 179

The municipality has spent a 100% on all the grants allocated for 2024/25 financial year. The last reconciliation is to be performed in period 13 wherein correct allocations are to be done.

1.6 Monthly budget statement financial position

The community wealth/ net assets of the municipality amounted to R4.927b. The total current liabilities reported as at 30 June 2025 amounted to R848.9 million, whilst total current assets were R758.1 million, representing a current ratio of 089:1. The interpretation of the ratio suggest that the municipality will not be able to meet its immediate or current financial commitments.

LIM367 Mogalakwena - Table C6 Monthly Budget Statement - Financial Position - M12 - June

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	(18 905)	71 776	(18 905)
Trade and other receivables from exchange transactions		82 948	67 944	230 412	292 107	230 412
Receivables from non-exchange transactions		51 169	46 847	104 815	92 870	104 815
Current portion of non-current receivables		—	—	—	—	—
Inventory		191 902	368 520	217 330	159 761	217 330
VAT		56 926	—	56 621	127 475	56 621
Other current assets		14 086	—	10 913	14 155	10 913
Total current assets		409 285	583 074	601 187	758 144	601 187
Non current assets						
Investments		—	—	—	—	—
Investment property		178 333	193 675	188 697	178 333	188 697
Property, plant and equipment		4 610 157	4 394 622	4 889 953	4 960 223	4 889 953
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		5 868	5 868	5 868	5 868	5 868
Intangible assets		901	9 150	(208)	901	(208)
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		4 811 858	4 619 452	5 084 308	5 151 924	5 084 308
TOTAL ASSETS		5 221 143	5 202 526	5 685 495	5 910 067	5 685 495
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		3 534	—	3 534	3 534	3 534
Consumer deposits		(5 954)	20 996	(2 333)	5 841	(2 333)
Trade and other payables from exchange transactions		366 383	66 309	288 651	512 007	288 651
Trade and other payables from non-exchange transactions		6 854	(194)	(68 208)	(7 763)	(68 208)
Provision		17 623	12 748	18 641	18 641	18 641
VAT		151 639	—	—	316 648	—
Other current liabilities		1 019	—	—	—	—
Total current liabilities		541 098	99 859	240 285	848 907	240 285
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		675 150	223 650	374 338	982 960	374 338
NET ASSETS	2	4 545 993	4 978 875	5 311 157	4 927 107	5 311 157
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		6 230 001	4 978 875	5 311 157	6 611 115	5 311 157
Reserves and funds		(1 684 008)	—	—	(1 684 008)	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	4 545 993	4 978 875	5 311 157	4 927 107	5 311 157

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 June 2025.

LIM367 Mogalakwena - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 - June										
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	28 099	—	51 839	—	—	—	—	—	79 939
Bulk Water	0200	6 686	—	—	3 738	—	3 309	—	—	13 734
PAYE deductions	0300	—	—	—	—	—	—	—	—	—
VAT (output less input)	0400	—	—	—	—	—	—	—	—	—
Pensions / Retirement deductions	0500	—	—	—	—	—	—	—	—	—
Loan repayments	0600	—	—	—	—	—	—	—	—	—
Trade Creditors	0700	46 381	35 211	21 831	3 004	4 323	344	2 402	30 345	143 842
Auditor General	0800	59	—	—	—	—	—	—	—	59
Other	0900	—	—	—	—	—	—	—	—	—
Total By Customer Type	1000	81 226	35 211	73 670	6 742	4 323	3 654	2 402	30 345	237 573

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 30 June 2025 which indicates that the total amount outstanding from debtors is at R1.704b.

R1.512 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.

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 - June

Description		Budget Year 2024/25											
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	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	47 337	20 199	16 111	18 005	27 927	16 254	9 808	493 472	649 113	565 466	5 283	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	34 057	14 499	7 905	7 110	23 249	4 042	3 612	75 005	169 479	113 019	3 822	–
Receivables from Non-exchange Transactions - Property Rates	1400	9 196	5 665	4 414	3 856	8 577	3 377	3 209	218 541	256 835	237 560	18	–
Receivables from Exchange Transactions - Waste Water Management	1500	1 955	1 370	1 133	1 063	5 627	938	862	66 653	79 601	75 144	257	–
Receivables from Exchange Transactions - Waste Management	1600	2 389	1 932	1 607	1 481	2 612	1 380	1 335	95 676	108 413	102 485	295	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	18	4	3	2	3	2	2	14	49	24	–	–
Interest on Arrear Debtor Accounts	1810	7 496	7 468	7 289	7 102	16 766	6 606	6 483	381 351	440 560	418 308	0	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	115	20	29	51	13	16	35	170	449	285	50	–
Total By Income Source	2000	102 562	51 157	38 490	38 672	84 772	32 615	25 348	1 330 884	1 704 500	1 512 290	9 725	–
2023/24 - totals only		–	–	–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	6 403	3 481	3 640	2 292	26 914	2 346	1 740	110 334	157 150	143 626	612	–
Commercial	2300	23 833	8 750	4 166	4 541	5 137	2 519	2 456	79 078	130 478	93 730	2 686	–
Households	2400	72 327	38 926	30 684	31 839	52 722	27 750	21 151	1 141 473	1 416 872	1 274 934	6 426	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	102 562	51 157	38 490	38 672	84 772	32 615	25 348	1 330 884	1 704 500	1 512 290	9 725	–

Revenue collection rate

The municipality's average collection rate for the quarter is 109% and the monthly details are as follows:

Month	Collection rate
June 2025	84%
May 2025	156%
April 2025	87%

5. INVESTMENT PORTFOLIO ANALYSIS

Supporting table below displays the Council's investment portfolio and indicates that R 151 thousand was invested at the end of the fourth quarter.

An amount of R37.3 million was withdrawn during the month of June to cover conditional grants spending and other operational costs with an investment top up of R16.8 million. Interest earned from short term investments during the month amounted to R39 thousand. The closing balance of all the short-term investments and call accounts held by the municipality at the end of June 2025 amounted to R151 thousand.

Choose name from list - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 - June														
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	20 612	39	(37 300)	16 800	151
Municipality sub-total										20 612		(37 300)	16 800	151
Entities														
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									20 612		(37 300)	16 800	151

6. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

The total salaries, allowances and benefits paid at the end of fourth quarter amounted to R383.7m. The spending is at a negative variance of 2%.

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 - June

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	12 330	—	12 329	12 330	(0)	0%	12 330
Pension and UIF Contributions		2 107	2 364	1 797	26	1 797	1 797	(0)	0%	1 797
Medical Aid Contributions		4	—	67	3	63	67	(4)	-6%	67
Motor Vehicle Allowance		5 778	6 059	4 918	67	4 912	4 918	(6)	0%	4 918
Cellphone Allowance		2 913	2 900	2 107	14	2 099	2 107	(8)	0%	2 107
Housing Allowances		—	—	—	—	—	—	—		—
Other benefits and allowances		—	—	—	—	—	—	—		—
Sub Total - Councillors		26 445	27 084	21 220	110	21 201	21 220	(19)	0%	21 220
% increase	4		2.4%	-19.8%						-19.8%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 807	7 227	6 212	500	6 204	6 212	(8)	0%	6 212
Pension and UIF Contributions		1 088	1 878	921	—	919	921	(2)	0%	921
Medical Aid Contributions		236	430	1 082	98	1 082	1 082	(0)	0%	1 082
Overtime		—	—	—	—	—	—	—		—
Performance Bonus		1 343	499	679	—	679	679	(0)	0%	679
Motor Vehicle Allowance		804	978	699	—	699	699	(0)	0%	699
Cellphone Allowance		491	696	440	—	440	440	(0)	0%	440
Housing Allowances		—	—	—	—	—	—	—		—
Other benefits and allowances		42	1	1	0	1	1	(0)	-30%	1
Payments in lieu of leave		—	209	(0)	—	—	—	—		(0)
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	10 034	597	10 024	10 034	(10)	0%	10 034
% increase	4		35.3%	13.9%						13.9%
Other Municipal Staff										
Basic Salaries and Wages		203 115	231 259	219 430	19 733	217 913	219 430	(1 517)	-1%	219 430
Pension and UIF Contributions		44 468	49 384	48 122	4 303	47 880	48 122	(241)	-1%	48 122
Medical Aid Contributions		24 490	13 589	13 998	1 257	13 781	13 998	(217)	-2%	13 998
Overtime		25 411	17 835	21 422	1 742	21 372	21 422	(49)	0%	21 422
Performance Bonus		16 658	21 787	17 665	823	17 583	17 665	(82)	0%	17 665
Motor Vehicle Allowance		25 391	29 790	25 743	2 274	24 286	25 743	(1 457)	-6%	25 743
Cellphone Allowance		4 870	5 478	5 515	488	3 377	5 515	(2 138)	-39%	5 515
Housing Allowances		376	467	1 521	34	1 498	1 521	(23)	-1%	1 521
Other benefits and allowances		3 827	4 150	3 983	361	3 880	3 983	(103)	-3%	3 983
Payments in lieu of leave		10 641	25 663	10 573	534	10 522	10 573	(52)	0%	10 573
Long service awards		(349)	—	—	—	—	—	—		—
Post-retirement benefit obligations	2	5 073	2 023	781	29	779	781	(3)	0%	781
Entertainment		—	—	—	—	—	—	—		—
Scarcity		—	—	—	—	—	—	—		—
Acting and post related allowance		2 393	1 941	10 878	813	10 876	10 878	(2)	0%	10 878
In kind benefits		—	—	—	—	—	—	—		—
Sub Total - Other Municipal Staff		366 364	403 367	379 631	32 391	373 747	379 631	(5 884)	-2%	379 631
% increase	4		10.1%	3.6%						3.6%
Total Parent Municipality		401 619	442 368	410 884	33 099	404 971	410 884	(5 913)	-1%	410 884
Unpaid salary, allowances & benefits in arrears:										
TOTAL MANAGERS AND STAFF		375 174	415 284	389 665	32 989	383 771	389 665	(5 894)	-2%	389 665

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 fourth 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.	
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
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>		
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
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)		
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					
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	Yes
<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	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					
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	Yes
Reconciliation of Valuation Roll					
Has the valuation roll 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	Yes

8. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, MM Maluleka, the municipal manager of **Mogalakwena Local Municipality (LIM367)**, hereby certify that the quarterly budget statement report and supporting documentation for the quarter ended 30 June 2025 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.



MM Maluleka
MUNICIPAL MANAGER