GOVAN MBEKI MUNICIPALITY

UTLANYELWE
UKUKHULA

# Budget Statement

MFMA Section 71 Report

31 AUGUST 2026

## Govan Mbeki Municipality

DISTRIBUTION:

| | |
|---|---|
| Executive Mayor: | **Mr. N.G. Zuma** |
| Municipal Manager: | **Mr. E.N. Maseko** |
| Chief Financial Officer: | **Mrs V.B. Nkhata** |
| Sector Departments: | **National and Provincial Departments** |
| | **Uploaded to the National Treasury Go Muni portal** |

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**List of Abbreviations and Acronyms used in the Monthly Budget Statement**

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer

# PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 AUGUST 2026

**TO: THE EXECUTIVE MAYOR**

**FROM: THE DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE**

## MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 AUGUST 2026

### 1. Purpose

To comply with section 71(1) of the Municipal Finance Management Act (MFMA), by submission of a report in a prescribed format to the mayor within 10 working days after the end of each month on the state of the Municipality's budget.

The monthly Budget Statement also aims to provide an update on indicators critical to the municipality's viability and serve as an early warning indicator where remedial action is required. The consolidated performance is a high-level overview of the municipality's viability and sustainability.

### 2. Background

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating sustainability and better medium-term planning and policy choices on service delivery.

The report has been prepared in terms of the following legislative framework:

i. The Municipal Finance Management Act – No.56 of 2003
ii. And the Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

"28. the monthly budget statement of a municipality must be in the format specified in Schedule C and includes all the required tables, charts, and explanatory information, taking into account any guidelines issued by the Minister in terms of Section 168 (1) of the Act."

The objective of these Regulations is to ensure sound and sustainable management of the budgeting and reporting practices of Municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability, and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

## 3. Executive summary

**Summary of the Budget Performance for the reporting period ending 31 August 2026**

| Description | Original Budget 2026/2027 | Monthly Actual | Year-to-date Actual | Year-to-date Budget | Variance | YTD Variance % |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | % |
| Total Operating Revenue | 3 708 074 | 251 886 | 723 711 | 759 675 | -35 963 | -5% |
| *Less* Total Operating Expenditure | 4 166 752 | 331 647 | 619 285 | 694 468 | -75 183 | -11% |
| **Surplus /(Deficit) for the year before grant capital revenue** | **-458 677** | **195 370** | **104 426** | **65 207** | | |
| *Add* Grant capital revenue | 107 609 | 13 114 | 14 479 | 17 935 | -3 456 | -19% |
| **Surplus /(Deficit) before Capital Expenditure** | **-351 068** | **-66 647** | **118 905** | **83 142** | | |
| Total Capital Expenditure | 164 754 | 15 665 | 17 876 | 27 242 | -9 366 | -34% |
| **Surplus /(Deficit)** | **-515 822** | **-82 312** | **101 029** | **55 900** | | |

### Operating Revenue

Actual operating revenue is 5 percent below the approved budget for the period. This indicates that collections and billing performance are slightly gone down than expectation. This below performance will have to improve to support cash flow and strengthen the municipality's ability to fund operations. Through the revenue enhancement strategies and the enforcement of credit control throughout all municipal regions' revenue is expected to improve in the near future.

### Operating Expenditure

Actual operating expenditure is 11 percent below the approved budget for the period. Based on this performance municipality is reset to spending and improve cost management, especially given that the municipality is operating with an unfunded budget and must actively reduce expenditure to be financially stable.

### Capital Expenditure

| CAPEX | Approved Budget | Opening Balance 2026/2027 | YTD Receipts | YTD Expenditure | Unspent Budget 2026/2027 | YTD % Per Allocation |
|---|---|---|---|---|---|---|
| Integrated National Electrification Programme Grant | 35,747,999.55 | - | 20,000,000.00 | 11,495,930.39 | 8,504,069.61 | 32% |
| Municipal Infrastructure Grant | 68,268,949.60 | 467,844.15 | 30,696,000.00 | 1,810,413.27 | 29,353,430.88 | 3% |
| Financial Management Grants | 1,500,000.00 | - | - | - | - | 0% |
| Municipal Disaster Recovery Grant | - | 3,498,100.00 | | - | 3,498,100.00 | 0% |
| Own Funding | 83,949,994.95 | - | - | 6,068,896.57 | - | 8% |
| **Total** | **189,466,944.11** | **3,965,944.15** | **50,696,000.00** | **19,375,420.17** | **41,355,600.49** | **11%** |

# 4. Budget performance overview

## 4.1 Operating Revenue by Source (Table 3: Table C4 Financial Performance Revenue)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 - August

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Revenue** | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | |
| Service charges - Electricity | | 818,587 | 1,151,240 | – | 103,670 | 191,220 | 191,873 | (653) | 0% | 1,151,240 |
| Service charges - Water | | 639,871 | 792,634 | – | 72,316 | 139,207 | 132,106 | 7,101 | 5% | 792,634 |
| Service charges - Waste Water Management | | 121,143 | 202,804 | – | 14,953 | 28,654 | 33,801 | (5,147) | -15% | 202,804 |
| Service charges - Waste management | | 163,676 | 186,697 | – | 10,762 | 21,489 | 31,116 | (9,628) | -31% | 186,697 |
| Sale of Goods and Rendering of Services | | 6,905 | 10,121 | – | (10,708) | 1,104 | 1,687 | (583) | -35% | 10,121 |
| Agency services | | – | – | – | – | – | – | – | | – |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 231,326 | 243,796 | – | 16,305 | 35,172 | 40,633 | (5,461) | -13% | 243,796 |
| Interest from Current and Non Current Assets | | 4,594 | 6,222 | – | 513 | 929 | 1,037 | (108) | -10% | 6,222 |
| Dividends | | – | 20 | – | – | – | 3 | (3) | -100% | 20 |
| Rent on Land | | 0 | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 14,916 | 20,546 | – | 815 | 1,697 | 3,424 | (1,727) | -50% | 20,546 |
| Licence and permits | | 84 | 80 | – | 40 | 55 | 13 | 42 | 315% | 80 |
| Special Rating Levies | | – | – | – | – | – | – | – | | – |
| Construction Contract Revenue | | – | – | – | – | – | – | – | | – |
| Development Charges | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 4,709 | 7,381 | – | 89 | 215 | 1,230 | (1,015) | -83% | 7,381 |
| **Non-Exchange Revenue** | | | | | | | | – | | |
| Property rates | | 454,566 | 473,083 | – | 39,113 | 78,175 | 78,847 | (672) | -1% | 473,083 |
| Surcharges and Taxes | | – | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 28,904 | 21,805 | – | 839 | 1,444 | 3,634 | (2,190) | -60% | 21,805 |
| Licence and permits | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - Operational | | 525,423 | 556,218 | – | 47 | 218,147 | 234,365 | (16,218) | -7% | 556,218 |
| Interest | | 32,520 | 32,898 | – | 3,133 | 6,203 | 5,483 | 720 | 13% | 32,898 |
| Fuel Levy | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 278,099 | – | – | – | – | – | – | | – |
| Gains on disposal of Fixed and Intangible Assets | | 3,009 | 2,500 | – | – | – | 417 | (417) | -100% | 2,500 |
| Other Gains | | 144,329 | 30 | – | – | – | 5 | (5) | -100% | 30 |
| Discontinued Operations | | – | – | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and** | | 3,472,660 | 3,708,074 | – | 251,886 | 723,711 | 759,675 | (35,963) | -5% | 3,708,074 |

- Waste management service charge is 31% below the target for the period under review due to indigent credit of R295 for each indigent which is linked to waste water service charge item which was linked to transfers and subsidies before. A reconciliation is being performed to identify accounts which are not billed for these services.
- Waste water management increased when comparing to last year, however it is still below the target by 15%. A reconciliation is being performed to identify accounts which are not billed for these services.
- Fines and penalties revenue is performing 60% below target for the period under review due to implementation of the AARTO system. The Municipality has not yet commenced with the issuing of traffic fines under the new system.

- Sale of goods and services rendered is reflecting 35% below target due to Infrastructure Skills Development Grant erroneously captured in this line item, the journal to correct was processed during the month of August resulting in revenue credit.
- Transfers and Subsidies – Operational, is below target by 7%. This is due to the EPWP grant that has been fully spent based on allocation but have not yet been received in full therefore cannot be fully recognised as revenue. Furthermore, Skills Infrastructure Grant not yet paid over to Rand Water for graduates' program.
- Gains on disposals and other gains are below target by 100%. This is due to no disposals have been done since the start of the financial year.

### 4.2 Operating Expenditure by Type (Table 4: C4 Financial Performance Expenditure)

**MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 - August**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 792,414 | 838,570 | - | 67,749 | 134,400 | 139,762 | (5,362) | -4% | 838,570 |
| Remuneration of councillors | | 33,723 | 37,745 | - | 2,805 | 5,646 | 6,291 | (645) | -10% | 37,745 |
| Bulk purchases - electricity | | 1,108,463 | 1,150,000 | - | 134,821 | 253,680 | 191,667 | 62,013 | 32% | 1,150,000 |
| Inventory consumed | | 613,087 | 632,763 | - | 53,426 | 106,697 | 105,461 | 1,237 | 1% | 632,763 |
| Debt impairment | | 1,069,071 | 396,655 | - | - | - | 66,109 | (66,109) | -100% | 396,655 |
| Depreciation and amortisation | | 111,461 | 139,195 | - | 11,377 | 22,560 | 23,199 | (639) | -3% | 139,195 |
| Interest | | 409,020 | 222,949 | - | 38,925 | 67,389 | 37,158 | 30,231 | 81% | 222,949 |
| Contracted services | | 321,729 | 427,198 | - | 18,849 | 19,542 | 71,200 | (51,657) | -73% | 427,198 |
| Transfers and subsidies | | 19,663 | - | - | - | - | - | - | | - |
| Irrecoverable debts written off | | 0 | 146,134 | - | (2,409) | (6,406) | 24,356 | (30,762) | -126% | 146,134 |
| Operational costs | | 124,456 | 175,537 | - | 6,103 | 15,776 | 29,265 | (13,490) | -46% | 175,537 |
| Disposal of Fixed and Intangible Assets | | 38,309 | - | - | - | - | - | - | | - |
| Other Losses | | 42,195 | - | - | - | - | - | - | | - |
| Total Expenditure | | 4,683,591 | 4,166,747 | - | 331,647 | 619,285 | 694,468 | (75,183) | -11% | 4,166,747 |
| Surplus/(Deficit) | | (1,210,931) | (458,673) | - | (79,761) | 104,426 | 65,207 | 39,220 | 60% | (458,673) |
| Transfers and subsidies - capital (monetary allocations) | | 116,236 | 107,609 | - | 13,114 | 14,479 | 17,935 | (3,456) | -19% | 107,609 |
| Transfers and subsidies - capital (in-kind) | | 9,125 | - | - | - | - | - | - | | - |
| Surplus/(Deficit) after capital transfers & contributions | | (1,085,571) | (351,064) | - | (66,647) | 118,985 | 83,142 | | | (351,064) |
| Income Tax | | - | - | - | - | - | - | - | | - |
| Surplus/(Deficit) after income tax | | (1,085,571) | (351,064) | - | (66,647) | 118,985 | 83,142 | | | (351,064) |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | - | | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | - | | - |
| Surplus/(Deficit) attributable to municipality | | (1,085,571) | (351,064) | - | (66,647) | 118,985 | 83,142 | | | (351,064) |
| Share of Surplus/Deficit attributable to Associate | | - | - | - | - | - | - | - | | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | - | | - |
| Surplus/ (Deficit) for the year | | (1,085,571) | (351,064) | - | (66,647) | 118,985 | 83,142 | | | (351,064) |

- Employee Related Costs are below target by 4%.
- Remuneration of councillors is below target by 10%; this implies an over budget on the line item.

- Electricity bulk purchase expenditure is 32% above target, mainly due to Eskom's winter tariffs, which are significantly higher and may be up to three times the summer rates. The variance is expected to reduce during the summer months when both tariffs and consumption are lower.
- Contracted services expenditure is 73% below target as a response to reduce expenditure for financial recovery plan implementation. This shows that the municipality is reducing reliance on contractors and utilising municipal workforce as part of cost containment strategy.
- Debt impairment is 100% below target, due to calculation that will only be done and processed at end of the quarter.
- Operational costs are below target by 46%, due to cashflow constraints and expenditures are controlled within municipalities affordability.
- Irrecoverable debt written off is below target by 126%. The notable credit on item is due to indigent benefit reversals captured. The contributing factor is property transfers, indigent monthly maintenance. The credit is notable because there aren't new indigent approvals for the current financial year.
- Finance charges are 81% above target due to cash constraint, Eskom account which is not serviced timely resulting to interest on overdue account. It should be noted that municipality has an arrangement with Rand Water where no interest is charge on the full payment of the current account.

### 4.3 Capital expenditure

**MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 - August**

| Vote Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | 1 | Audited | Original | Adjusted | Monthly | YearTD actual | YearTD | YTD | YTD % | Full Year |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| *Governance and administration* | | 8,604 | 16,652 | – | – | – | 2,558 | (2,558) | -100% | 16,652 |
| Executive and council | | 162 | 652 | – | – | – | 109 | (109) | -100% | 652 |
| Finance and administration | | 8,442 | 16,000 | – | – | – | 2,449 | (2,449) | -100% | 16,000 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| *Community and public safety* | | 24,879 | 11,043 | – | 252 | 252 | 1,841 | (1,588) | -86% | 11,043 |
| Community and social services | | 17,849 | 10,609 | – | – | – | 1,768 | (1,768) | -100% | 10,609 |
| Sport and recreation | | 7,030 | – | – | 252 | 252 | – | 252 | #DIV/0! | – |
| Public safety | | – | 435 | – | – | – | 72 | (72) | -100% | 435 |
| Housing | | – | – | – | – | – | – | – | | – |
| Health | | – | – | – | – | – | – | – | | – |
| *Economic and environmental services* | | 71,763 | 44,334 | – | 10,974 | 11,807 | 7,389 | 4,418 | 60% | 44,334 |
| Planning and development | | 51,796 | 44,160 | – | 10,974 | 11,807 | 7,360 | 4,447 | 60% | 44,160 |
| Road transport | | 19,967 | 174 | – | – | – | 29 | (29) | -100% | 174 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| *Trading services* | | 199,344 | 92,724 | – | 4,438 | 5,817 | 15,454 | (9,637) | -62% | 92,724 |
| Energy sources | | 95,140 | 31,259 | – | 3,050 | 3,050 | 5,210 | (2,160) | -41% | 31,259 |
| Water management | | 32,139 | 20,870 | – | – | – | 3,478 | (3,478) | -100% | 20,870 |
| Waste water management | | 11,574 | 25,217 | – | 1,388 | 2,767 | 4,203 | (1,436) | -34% | 25,217 |
| Waste management | | 60,490 | 15,378 | – | – | – | 2,563 | (2,563) | -100% | 15,378 |
| *Other* | | – | – | – | – | – | – | – | | – |
| **Total Capital Expenditure - Functional Classification** | 3 | **304,591** | **164,754** | – | **15,665** | **17,876** | **27,242** | **(9,366)** | **-34%** | **164,754** |
| Funded by: | | | | | | | | | | |
| National Government | | 89,748 | 91,754 | – | 10,974 | 11,807 | 15,075 | (3,268) | -22% | 91,754 |
| Provincial Government | | – | – | – | – | – | – | – | | – |
| District Municipality | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, | | – | – | – | – | – | – | – | | – |
| **Transfers recognised - capital** | | **89,748** | **91,754** | – | **10,974** | **11,807** | **15,075** | **(3,268)** | **-22%** | **91,754** |
| **Borrowing** | 6 | – | – | – | – | – | – | – | | – |
| **Internally generated funds** | | 151,348 | 73,000 | – | 4,690 | 6,069 | 12,167 | (6,098) | -50% | 73,000 |
| **Total Capital Funding** | | **241,096** | **164,754** | – | **15,665** | **17,876** | **27,242** | **(9,366)** | **-34%** | **164,754** |

## 4.4 Cash flows

As of 31 August 2026, the municipality had a positive bank statement balance of R 16 810 090.94 and cashbook had a negative balance of R38 084 972.46 attributable to payments captured in the cashbook exceeding income receipted.
Below service charges include revenue collected from prepaid electricity (vending) of an amount of R42,287,444.74 for the reporting period.

**MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M02 - August**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | | 384,692 | 407,542 | – | 34,690 | 64,217 | 67,924 | (3,707) | -5% | 407,542 |
| Service charges | | 1,728,366 | 2,201,482 | – | 167,012 | 283,408 | 366,914 | (83,506) | -23% | 2,201,482 |
| Other revenue | | 59,213 | 86,588 | – | 4,378 | 20,911 | 14,431 | 6,480 | 45% | 86,588 |
| Transfers and Subsidies - Operational | | 527,945 | 556,218 | – | 4,525 | 222,806 | 235,328 | (12,521) | -5% | 556,218 |
| Transfers and Subsidies - Capital | | 115,977 | 107,609 | – | 20,000 | 50,696 | 42,559 | 8,137 | 19% | 107,609 |
| Interest | | 24,630 | 238,877 | – | 2,913 | 5,192 | 39,813 | (34,621) | -87% | 238,877 |
| Dividends | | – | 20 | – | – | – | 3 | (3) | -100% | 20 |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | (1,754,543) | (3,260,614) | – | (149,108) | (435,052) | (543,436) | 108,383 | -20% | (3,260,614) |
| Interest | | – | (222,949) | – | – | – | (37,158) | 37,158 | -100% | (222,949) |
| Transfers and Subsidies | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **1,086,282** | **114,773** | – | **84,410** | **212,178** | **186,378** | **(25,800)** | **-14%** | **114,773** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current receivables | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | 196 | – | – | – | – | – | – | | – |
| Insurance Refund - Capital | | – | – | – | – | – | – | – | | – |
| Term Investments | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Capital assets | | (203,367) | (189,467) | – | (16,586) | (32,634) | (31,328) | (1,306) | 4% | (189,467) |
| Retention (Capital) | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **(203,172)** | **(189,467)** | – | **(16,586)** | **(32,634)** | **(31,328)** | **(1,306)** | **0** | **(189,467)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | | – |
| Borrowing long term/refinancing | | – | – | – | – | – | – | – | | – |
| Increase (decrease) in consumer deposits | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | – | – | – | – | – | – | – | | – |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | **883,110** | **(74,694)** | – | **67,824** | **179,544** | **155,050** | | | **(74,694)** |
| Cash/cash equivalents at beginning: | | 49,823 | 80,454 | – | | 46,306 | 80,454 | | | 46,306 |
| Cash/cash equivalents at month/year end: | | 932,933 | 5,760 | – | | 225,850 | 235,504 | | | (28,388) |

# 5. In-year budget statement tables

**MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M02 - August**

| Description | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 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 | 454,566 | 473,083 | – | 39,113 | 78,175 | 78,847 | (672) | -1% | 473,083 |
| Service charges | 1,743,276 | 2,333,376 | – | 201,701 | 380,569 | 388,896 | (8,327) | -2% | 2,333,376 |
| Investment revenue | 4,594 | 6,222 | – | 513 | 929 | 1,037 | (108) | -10% | 6,222 |
| Transfers and subsidies - Operational | 525,423 | 556,218 | – | 47 | 218,147 | 234,365 | (16,218) | -7% | 556,218 |
| Other own revenue | 744,800 | 339,176 | – | 10,512 | 45,891 | 56,529 | (10,639) | -19% | 339,176 |
| **Total Revenue (excluding capital transfers and contributions)** | **3,472,660** | **3,708,074** | – | **251,886** | **723,711** | **759,675** | **(35,963)** | **-5%** | **3,708,074** |
| Employee costs | 792,414 | 838,570 | – | 67,749 | 134,400 | 139,762 | (5,362) | -4% | 838,570 |
| Remuneration of Councillors | 33,723 | 37,745 | – | 2,805 | 5,646 | 6,291 | (645) | -10% | 37,745 |
| Depreciation and amortisation | 111,461 | 139,195 | – | 11,377 | 22,560 | 23,199 | (639) | -3% | 139,195 |
| Interest | 409,020 | 222,949 | – | 38,925 | 67,389 | 37,158 | 30,231 | 81% | 222,949 |
| Inventory consumed and bulk purchases | 1,721,550 | 1,782,763 | – | 188,247 | 360,377 | 297,127 | 63,250 | 21% | 1,782,763 |
| Transfers and subsidies | 19,663 | – | – | – | – | – | – | | – |
| Other expenditure | 1,595,760 | 1,145,524 | – | 22,543 | 28,912 | 190,930 | (162,018) | -85% | 1,145,524 |
| **Total Expenditure** | **4,683,591** | **4,166,747** | – | **331,647** | **619,285** | **694,468** | **(75,183)** | **-11%** | **4,166,747** |
| **Surplus/(Deficit)** | **(1,210,931)** | **(458,673)** | – | **(79,761)** | **104,426** | **65,207** | **39,220** | **60%** | **(458,673)** |
| Transfers and subsidies - capital (monetary allocations) | 116,236 | 107,609 | – | 13,114 | 14,479 | 17,935 | (3,456) | -19% | 107,609 |
| Transfers and subsidies - capital (in-kind) | 9,125 | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers &** | **(1,085,571)** | **(351,064)** | – | **(66,647)** | **118,905** | **83,142** | **35,764** | **43%** | **(351,064)** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **(1,085,571)** | **(351,064)** | – | **(66,647)** | **118,905** | **83,142** | **35,764** | **43%** | **(351,064)** |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **304,591** | **164,754** | – | **15,665** | **17,876** | **27,242** | **(9,366)** | **-34%** | **164,754** |
| Capital transfers recognised | 89,748 | 91,754 | – | 10,974 | 11,807 | 15,075 | (3,268) | -22% | 91,754 |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | 151,348 | 73,000 | – | 4,690 | 6,069 | 12,167 | (6,098) | -50% | 73,000 |
| **Total sources of capital funds** | **241,096** | **164,754** | – | **15,665** | **17,876** | **27,242** | **(9,366)** | **-34%** | **164,754** |
| **Financial position** | | | | | | | | | |
| Total current assets | 3,764,329 | 3,337,813 | – | | 4,042,699 | | | | 3,337,813 |
| Total non current assets | 3,490,359 | 3,199,052 | – | | 3,485,675 | | | | 3,199,052 |
| Total current liabilities | 9,601,087 | 7,938,283 | – | | 9,840,565 | | | | 7,938,283 |
| Total non current liabilities | 612,242 | 2,798,380 | – | | 527,546 | | | | 2,798,380 |
| Community wealth/Equity | (2,958,642) | (4,199,798) | – | | (2,839,736) | | | | (4,199,798) |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | 1,086,282 | 114,773 | – | 84,410 | 212,178 | 186,378 | (25,800) | -14% | 114,773 |
| Net cash from (used) investing | (203,172) | (189,467) | – | (16,586) | (32,634) | (31,328) | 1,306 | -4% | (189,467) |
| Net cash from (used) financing | – | – | – | – | – | – | – | | – |
| **Cash/cash equivalents at the month/year end** | **932,933** | **5,760** | – | – | **225,850** | **235,504** | **9,654** | **4%** | **(28,388)** |
| **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 | 307,310 | 109,290 | 90,289 | 81,027 | 73,858 | 83,578 | 76,826 | 3,525,261 | 4,347,439 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 272,166 | 178,948 | 253,113 | 57,774 | 119,568 | 74,961 | 60,918 | 7,116,236 | 8,133,683 |

**MP307 Govan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 - August**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | 1 | Audited | Original | Adjusted | Monthly | YearTD actual | YearTD | YTD | YTD % | Full Year |
| **Revenue - Functional** | | | | | | | | | | |
| *Governance and administration* | | 1,171,788 | 1,095,899 | – | 43,939 | 305,744 | 321,729 | (15,986) | -5% | 1,095,899 |
| Executive and council | | – | 518 | – | – | – | 86 | (86) | -100% | 518 |
| Finance and administration | | 1,171,169 | 1,095,380 | – | 43,939 | 305,744 | 321,643 | (15,899) | -5% | 1,095,380 |
| Internal audit | | 619 | – | – | – | – | – | – | | – |
| *Community and public safety* | | 49,506 | 21,056 | – | 832 | 1,450 | 3,709 | (2,260) | -61% | 21,056 |
| Community and social services | | 20,792 | 2,775 | – | 260 | 372 | 463 | (90) | -20% | 2,775 |
| Sport and recreation | | 203 | 20 | – | – | – | 3 | (3) | -100% | 20 |
| Public safety | | 28,419 | 18,261 | – | 572 | 1,077 | 3,243 | (2,166) | -67% | 18,261 |
| Housing | | 93 | – | – | – | – | – | – | | – |
| Health | | – | – | – | – | – | – | – | | – |
| *Economic and environmental services* | | 77,775 | 10,563 | – | (10,890) | 777 | 4,143 | (3,366) | -81% | 10,563 |
| Planning and development | | 74,752 | 7,624 | – | (10,929) | 721 | 1,271 | (549) | -43% | 7,624 |
| Road transport | | 3,023 | 2,939 | – | 40 | 55 | 2,872 | (2,817) | -98% | 2,939 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| *Trading services* | | 2,298,951 | 2,580,556 | – | 218,005 | 415,741 | 430,093 | (14,352) | -3% | 2,580,556 |
| Energy sources | | 1,181,218 | 1,317,679 | – | 106,613 | 199,860 | 219,613 | (19,753) | -9% | 1,317,679 |
| Water management | | 737,794 | 853,091 | – | 80,115 | 154,691 | 142,182 | 12,509 | 9% | 853,091 |
| Waste water management | | 184,221 | 214,421 | – | 17,823 | 34,362 | 35,737 | (1,375) | -4% | 214,421 |
| Waste management | | 195,718 | 195,366 | – | 13,454 | 26,828 | 32,561 | (5,733) | -18% | 195,366 |
| *Other* | 4 | – | – | – | – | – | – | – | | – |
| **Total Revenue - Functional** | 2 | 3,598,021 | 3,708,074 | – | 251,886 | 723,711 | 759,675 | (35,963) | -5% | 3,708,074 |
| **Expenditure - Functional** | | | | | | | | | | |
| *Governance and administration* | | 1,062,421 | 1,005,826 | – | 84,622 | 148,221 | 167,645 | (19,424) | -12% | 1,005,826 |
| Executive and council | | 89,281 | 108,053 | – | 7,769 | 15,579 | 18,016 | (2,436) | -14% | 108,053 |
| Finance and administration | | 968,747 | 893,882 | – | 76,548 | 132,043 | 148,981 | (16,937) | -11% | 893,882 |
| Internal audit | | 4,393 | 3,891 | – | 306 | 598 | 649 | (51) | -8% | 3,891 |
| *Community and public safety* | | 287,913 | 297,463 | – | 21,630 | 39,697 | 49,580 | (9,883) | -20% | 297,463 |
| Community and social services | | 128,299 | 117,190 | – | 7,253 | 14,646 | 19,532 | (4,885) | -25% | 117,190 |
| Sport and recreation | | 9,269 | 12,791 | – | 2,446 | 1,062 | 2,132 | (1,070) | -50% | 12,791 |
| Public safety | | 139,754 | 155,172 | – | 11,065 | 22,309 | 25,864 | (3,555) | -14% | 155,172 |
| Housing | | 9,555 | 10,926 | – | 747 | 1,443 | 1,821 | (378) | -21% | 10,926 |
| Health | | 1,035 | 1,384 | – | 118 | 237 | 231 | 6 | 3% | 1,384 |
| *Economic and environmental services* | | 99,992 | 115,576 | – | 7,212 | 14,506 | 19,263 | (4,757) | -25% | 115,576 |
| Planning and development | | 36,476 | 51,218 | – | 3,484 | 7,057 | 8,536 | (1,480) | -17% | 51,218 |
| Road transport | | 63,515 | 63,533 | – | 3,727 | 7,449 | 10,589 | (3,140) | -30% | 63,533 |
| Environmental protection | | – | 825 | – | – | – | 137 | (137) | -100% | 825 |
| *Trading services* | | 3,233,266 | 2,747,882 | – | 218,183 | 416,861 | 457,980 | (41,119) | -9% | 2,747,882 |
| Energy sources | | 1,525,340 | 1,603,098 | – | 154,917 | 288,035 | 267,183 | 20,852 | 8% | 1,603,098 |
| Water management | | 1,050,519 | 708,301 | – | 49,702 | 102,259 | 118,050 | (15,792) | -13% | 708,301 |
| Waste water management | | 263,882 | 244,571 | – | 7,757 | 14,561 | 40,762 | (26,201) | -64% | 244,571 |
| Waste management | | 393,524 | 191,912 | – | 5,807 | 12,007 | 31,985 | (19,978) | -62% | 191,912 |
| *Other* | | – | – | – | – | – | – | – | | – |
| **Total Expenditure - Functional** | 3 | 4,683,591 | 4,166,747 | – | 331,647 | 619,285 | 694,468 | (75,183) | -11% | 4,166,747 |
| **Surplus/ (Deficit) for the year** | | (1,085,571) | (458,673) | – | (79,761) | 104,426 | 65,207 | 39,220 | 60% | (458,673) |

**MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 - August**

| Vote Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited | Original | Adjusted | Monthly | YearTD actual | YearTD | YTD | YTD % | Full Year |
| **Revenue by Vote** | 1 | | | | | | | | | |
| Vote 1 - 01 EXECUTIVE AND COUNCIL | | 111 | 539 | – | – | – | 90 | (90) | -100.0% | 539 |
| Vote 2 - 02 CORPORATE SERVICES | | 23,945 | 25,300 | – | 12 | 12 | 12,863 | (12,850) | -99.9% | 25,300 |
| Vote 3 - 03 PLANNING AND DEVELOPMENT | | 149,117 | 28,981 | – | (10,203) | 2,294 | 4,830 | (2,536) | -52.5% | 28,981 |
| Vote 4 - 04 COMMUNITY SERVICES | | 49,297 | 21,052 | – | 819 | 1,429 | 3,709 | (2,279) | -61.5% | 21,052 |
| Vote 5 - 05 FINANCIAL SERVICES | | 1,003,144 | 1,048,703 | – | 43,197 | 304,154 | 305,217 | (1,064) | -0.3% | 1,048,703 |
| Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING | | 1,181,218 | 1,317,679 | – | 106,613 | 199,860 | 219,613 | (19,753) | -9.0% | 1,317,679 |
| Vote 7 - 07 CIVIL ENGINEERING | | 994,823 | 1,070,450 | – | 97,978 | 189,108 | 180,791 | 8,318 | 4.6% | 1,070,450 |
| Vote 8 - 01 EXECUTIVE AND COUNCIL continued | | 619 | – | – | – | – | – | – | | – |
| Vote 9 - 04 COMMUNITY SERVICES continued | | 195,746 | 195,370 | – | 13,469 | 26,852 | 32,562 | (5,709) | -17.5% | 195,370 |
| Vote 10 - | | – | – | – | – | – | – | – | | – |
| Vote 11 - | | – | – | – | – | – | – | – | | – |
| Vote 12 - | | – | – | – | – | – | – | – | | – |
| Vote 13 - | | – | – | – | – | – | – | – | | – |
| Vote 14 - | | – | – | – | – | – | – | – | | – |
| Vote 15 - | | – | – | – | – | – | – | – | | – |
| **Total Revenue by Vote** | 2 | 3,598,021 | 3,708,074 | – | 251,886 | 723,711 | 759,675 | (35,963) | -4.7% | 3,708,074 |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| Vote 1 - 01 EXECUTIVE AND COUNCIL | | 97,576 | 118,306 | – | 10,386 | 16,878 | 19,725 | (2,847) | -14.4% | 118,306 |
| Vote 2 - 02 CORPORATE SERVICES | | 166,895 | 205,725 | – | 12,452 | 24,409 | 34,288 | (9,879) | -28.8% | 205,725 |
| Vote 3 - 03 PLANNING AND DEVELOPMENT | | 43,773 | 58,500 | – | 3,779 | 7,690 | 9,750 | (2,060) | -21.1% | 58,500 |
| Vote 4 - 04 COMMUNITY SERVICES | | 254,775 | 266,063 | – | 16,765 | 34,092 | 44,344 | (10,252) | -23.1% | 266,063 |
| Vote 5 - 05 FINANCIAL SERVICES | | 730,525 | 614,536 | – | 52,199 | 95,223 | 102,423 | (7,200) | -7.0% | 614,536 |
| Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING | | 1,525,340 | 1,603,098 | – | 154,917 | 288,035 | 267,183 | 20,852 | 7.8% | 1,603,098 |
| Vote 7 - 07 CIVIL ENGINEERING | | 1,384,930 | 1,024,558 | – | 61,800 | 125,408 | 170,760 | (45,351) | -26.6% | 1,024,558 |
| Vote 8 - 01 EXECUTIVE AND COUNCIL continued | | 4,433 | 3,978 | – | 306 | 598 | 663 | (65) | -9.8% | 3,978 |
| Vote 9 - 04 COMMUNITY SERVICES continued | | 475,344 | 271,983 | – | 19,043 | 26,952 | 45,333 | (18,381) | -40.5% | 271,983 |
| Vote 10 - | | – | – | – | – | – | – | – | | – |
| Vote 11 - | | – | – | – | – | – | – | – | | – |
| Vote 12 - | | – | – | – | – | – | – | – | | – |
| Vote 13 - | | – | – | – | – | – | – | – | | – |
| Vote 14 - | | – | – | – | – | – | – | – | | – |
| Vote 15 - | | – | – | – | – | – | – | – | | – |
| **Total Expenditure by Vote** | 2 | 4,683,591 | 4,166,747 | – | 331,647 | 619,285 | 694,468 | (75,183) | -10.8% | 4,166,747 |
| **Surplus/ (Deficit) for the year** | 2 | (1,085,571) | (458,673) | – | (79,761) | 104,426 | 65,207 | 39,220 | 60.1% | (458,673) |

**MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 - August**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Revenue** | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | |
| Service charges - Electricity | | 818,587 | 1,151,240 | – | 103,670 | 191,220 | 191,873 | (653) | 0% | 1,151,240 |
| Service charges - Water | | 639,871 | 792,634 | – | 72,316 | 139,207 | 132,106 | 7,101 | 5% | 792,634 |
| Service charges - Waste Water Management | | 121,143 | 202,804 | – | 14,953 | 28,654 | 33,801 | (5,147) | -15% | 202,804 |
| Service charges - Waste management | | 163,676 | 186,697 | – | 10,762 | 21,489 | 31,116 | (9,628) | -31% | 186,697 |
| Sale of Goods and Rendering of Services | | 6,905 | 10,121 | – | (10,708) | 1,104 | 1,687 | (583) | -35% | 10,121 |
| Agency services | | – | – | – | – | – | – | – | | – |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 231,326 | 243,796 | – | 16,305 | 35,172 | 40,633 | (5,461) | -13% | 243,796 |
| Interest from Current and Non Current Assets | | 4,594 | 6,222 | – | 513 | 929 | 1,037 | (108) | -10% | 6,222 |
| Dividends | | – | 20 | – | – | – | 3 | (3) | -100% | 20 |
| Rent on Land | | 0 | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 14,916 | 20,546 | – | 815 | 1,697 | 3,424 | (1,727) | -50% | 20,546 |
| Licence and permits | | 84 | 80 | – | 40 | 55 | 13 | 42 | 315% | 80 |
| Special Rating Levies | | – | – | – | – | – | – | – | | – |
| Construction Contract Revenue | | – | – | – | – | – | – | – | | – |
| Development Charges | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 4,709 | 7,381 | – | 89 | 215 | 1,230 | (1,015) | -83% | 7,381 |
| **Non-Exchange Revenue** | | | | | | | | – | | |
| Property rates | | 454,566 | 473,083 | – | 39,113 | 78,175 | 78,847 | (672) | -1% | 473,083 |
| Surcharges and Taxes | | – | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 28,904 | 21,805 | – | 839 | 1,444 | 3,634 | (2,190) | -60% | 21,805 |
| Licence and permits | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - Operational | | 525,423 | 556,218 | – | 47 | 218,147 | 234,365 | (16,218) | -7% | 556,218 |
| Interest | | 32,520 | 32,898 | – | 3,133 | 6,203 | 5,483 | 720 | 13% | 32,898 |
| Fuel Levy | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 278,099 | – | – | – | – | – | – | | – |
| Gains on disposal of Fixed and Intangible Assets | | 3,009 | 2,500 | – | – | – | 417 | (417) | -100% | 2,500 |
| Other Gains | | 144,329 | 30 | – | – | – | 5 | (5) | -100% | 30 |
| Discontinued Operations | | – | – | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and** | | 3,472,660 | 3,708,074 | – | 251,886 | 723,711 | 759,675 | (35,963) | -5% | 3,708,074 |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | 792,414 | 838,570 | – | 67,749 | 134,400 | 139,762 | (5,362) | -4% | 838,570 |
| Remuneration of councillors | | 33,723 | 37,745 | – | 2,805 | 5,646 | 6,291 | (645) | -10% | 37,745 |
| Bulk purchases - electricity | | 1,108,463 | 1,150,000 | – | 134,821 | 253,680 | 191,667 | 62,013 | 32% | 1,150,000 |
| Inventory consumed | | 613,087 | 632,763 | – | 53,426 | 106,697 | 105,461 | 1,237 | 1% | 632,763 |
| Debt impairment | | 1,069,071 | 396,655 | – | – | – | 66,109 | (66,109) | -100% | 396,655 |
| Depreciation and amortisation | | 111,461 | 139,195 | – | 11,377 | 22,560 | 23,199 | (639) | -3% | 139,195 |
| Interest | | 409,020 | 222,949 | – | 38,925 | 67,389 | 37,158 | 30,231 | 81% | 222,949 |
| Contracted services | | 321,729 | 427,198 | – | 18,849 | 19,542 | 71,200 | (51,657) | -73% | 427,198 |
| Transfers and subsidies | | 19,663 | – | – | – | – | – | – | | – |
| Irrecoverable debts written off | | 0 | 146,134 | – | (2,409) | (6,406) | 24,356 | (30,762) | -126% | 146,134 |
| Operational costs | | 124,456 | 175,537 | – | 6,103 | 15,776 | 29,265 | (13,490) | -46% | 175,537 |
| Disposal of Fixed and Intangible Assets | | 38,309 | – | – | – | – | – | – | | – |
| Other Losses | | 42,195 | – | – | – | – | – | – | | – |
| **Total Expenditure** | | 4,683,591 | 4,166,747 | – | 331,647 | 619,285 | 694,468 | (75,183) | -11% | 4,166,747 |
| **Surplus/(Deficit)** | | (1,210,931) | (458,673) | – | (79,761) | 104,426 | 65,207 | 39,220 | 60% | (458,673) |
| Transfers and subsidies - capital (monetary allocations) | | 116,236 | 107,609 | – | 13,114 | 14,479 | 17,935 | (3,456) | -19% | 107,609 |
| Transfers and subsidies - capital (in-kind) | | 9,125 | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | (1,085,571) | (351,064) | – | (66,647) | 118,905 | 83,142 | | | (351,064) |
| Income Tax | | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after income tax** | | (1,085,571) | (351,064) | – | (66,647) | 118,905 | 83,142 | | | (351,064) |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) attributable to municipality** | | (1,085,571) | (351,064) | – | (66,647) | 118,905 | 83,142 | | | (351,064) |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | – | | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | | (1,085,571) | (351,064) | – | (66,647) | 118,905 | 83,142 | | | (351,064) |

**MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 - August**

| Vote Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited | Original | Adjusted | Monthly | YearTD actual | YearTD | YTD | YTD % | Full Year |
| R thousands | 1 | | | | | | | | | |
| **Multi-Year expenditure appropriation** | 2 | | | | | | | | | |
| Vote 1 - 01 EXECUTIVE AND COUNCIL | | – | – | – | – | – | – | – | | – |
| Vote 2 - 02 CORPORATE SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 3 - 03 PLANNING AND DEVELOPMENT | | – | – | – | – | – | – | – | | – |
| Vote 4 - 04 COMMUNITY SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 5 - 05 FINANCIAL SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING | | – | – | – | – | – | – | – | | – |
| Vote 7 - 07 CIVIL ENGINEERING | | – | – | – | – | – | – | – | | – |
| Vote 8 - 01 EXECUTIVE AND COUNCIL continued | | – | – | – | – | – | – | – | | – |
| Vote 9 - 04 COMMUNITY SERVICES continued | | – | – | – | – | – | – | – | | – |
| Vote 10 - | | – | – | – | – | – | – | – | | – |
| Vote 11 - | | – | – | – | – | – | – | – | | – |
| Vote 12 - | | – | – | – | – | – | – | – | | – |
| Vote 13 - | | – | – | – | – | – | – | – | | – |
| Vote 14 - | | – | – | – | – | – | – | – | | – |
| Vote 15 - | | – | – | – | – | – | – | – | | – |
| **Total Capital Multi-year expenditure** | 4,7 | – | – | – | – | – | – | – | | – |
| **Single Year expenditure appropriation** | 2 | | | | | | | | | |
| Vote 1 - 01 EXECUTIVE AND COUNCIL | | 7,192 | 652 | – | – | – | 109 | (109) | -100% | 652 |
| Vote 2 - 02 CORPORATE SERVICES | | 4,230 | 9,304 | – | – | – | 1,551 | (1,551) | -100% | 9,304 |
| Vote 3 - 03 PLANNING AND DEVELOPMENT | | 97 | 174 | – | – | – | 29 | (29) | -100% | 174 |
| Vote 4 - 04 COMMUNITY SERVICES | | 17,849 | 11,043 | – | 252 | 252 | 1,841 | (1,588) | -86% | 11,043 |
| Vote 5 - 05 FINANCIAL SERVICES | | 4,212 | 5,826 | – | – | – | 754 | (754) | -100% | 5,826 |
| Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING | | 95,140 | 31,259 | – | 3,050 | 3,050 | 5,210 | (2,160) | -41% | 31,259 |
| Vote 7 - 07 CIVIL ENGINEERING | | 115,380 | 90,247 | – | 12,363 | 14,574 | 15,041 | (468) | -3% | 90,247 |
| Vote 8 - 01 EXECUTIVE AND COUNCIL continued | | – | – | – | – | – | – | – | | – |
| Vote 9 - 04 COMMUNITY SERVICES continued | | 60,490 | 16,247 | – | – | – | 2,708 | (2,708) | -100% | 16,247 |
| Vote 10 - | | – | – | – | – | – | – | – | | – |
| Vote 11 - | | – | – | – | – | – | – | – | | – |
| Vote 12 - | | – | – | – | – | – | – | – | | – |
| Vote 13 - | | – | – | – | – | – | – | – | | – |
| Vote 14 - | | – | – | – | – | – | – | – | | – |
| Vote 15 - | | – | – | – | – | – | – | – | | – |
| **Total Capital single-year expenditure** | 4 | 304,591 | 164,754 | – | 15,665 | 17,876 | 27,242 | (9,366) | -34% | 164,754 |
| **Total Capital Expenditure** | | 304,591 | 164,754 | – | 15,665 | 17,876 | 27,242 | (9,366) | -34% | 164,754 |
| **Capital Expenditure - Functional Classification** | | | | | | | | | | |
| ***Governance and administration*** | | 8,604 | 16,652 | – | – | – | 2,558 | (2,558) | -100% | 16,652 |
| Executive and council | | 162 | 652 | – | – | – | 109 | (109) | -100% | 652 |
| Finance and administration | | 8,442 | 16,000 | – | – | – | 2,449 | (2,449) | -100% | 16,000 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | 24,879 | 11,043 | – | 252 | 252 | 1,841 | (1,588) | -86% | 11,043 |
| Community and social services | | 17,849 | 10,609 | – | – | – | 1,768 | (1,768) | -100% | 10,609 |
| Sport and recreation | | 7,030 | – | – | 252 | 252 | – | 252 | #DIV/0! | – |
| Public safety | | – | 435 | – | – | – | 72 | (72) | -100% | 435 |
| Housing | | – | – | – | – | – | – | – | | – |
| Health | | – | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | 71,763 | 44,334 | – | 10,974 | 11,807 | 7,389 | 4,418 | 60% | 44,334 |
| Planning and development | | 51,796 | 44,160 | – | 10,974 | 11,807 | 7,360 | 4,447 | 60% | 44,160 |
| Road transport | | 19,967 | 174 | – | – | – | 29 | (29) | -100% | 174 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| ***Trading services*** | | 199,344 | 92,724 | – | 4,438 | 5,817 | 15,454 | (9,637) | -62% | 92,724 |
| Energy sources | | 95,140 | 31,259 | – | 3,050 | 3,050 | 5,210 | (2,160) | -41% | 31,259 |
| Water management | | 32,139 | 20,870 | – | – | – | 3,478 | (3,478) | -100% | 20,870 |
| Waste water management | | 11,574 | 25,217 | – | 1,388 | 2,767 | 4,203 | (1,436) | -34% | 25,217 |
| Waste management | | 60,490 | 15,378 | – | – | – | 2,563 | (2,563) | -100% | 15,378 |
| ***Other*** | | – | – | – | – | – | – | – | | – |
| **Total Capital Expenditure - Functional Classification** | 3 | 304,591 | 164,754 | – | 15,665 | 17,876 | 27,242 | (9,366) | -34% | 164,754 |
| **Funded by:** | | | | | | | | | | |
| National Government | | 89,748 | 91,754 | – | 10,974 | 11,807 | 15,075 | (3,268) | -22% | 91,754 |
| Provincial Government | | – | – | – | – | – | – | – | | – |
| District Municipality | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, | | – | – | – | – | – | – | – | | – |
| **Transfers recognised - capital** | | 89,748 | 91,754 | – | 10,974 | 11,807 | 15,075 | (3,268) | -22% | 91,754 |
| **Borrowing** | 6 | – | – | – | – | – | – | – | | – |
| **Internally generated funds** | | 151,348 | 73,000 | – | 4,690 | 6,069 | 12,167 | (6,098) | -50% | 73,000 |
| **Total Capital Funding** | | 241,096 | 164,754 | – | 15,665 | 17,876 | 27,242 | (9,366) | -34% | 164,754 |

## MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M02 - August

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | |
|---|---|---|---|---|---|---|
| R thousands | 1 | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| **ASSETS** | | | | | | |
| **Current assets** | | | | | | |
| Cash and cash equivalents | | 46,306 | 5,090 | – | 64,447 | 5,090 |
| Short term investments | | – | – | – | – | – |
| Trade and other receivables from exchange transactions | | 1,362,999 | 684,274 | – | 2,508,270 | 684,274 |
| Receivables from non-exchange transactions | | 283,117 | 132,865 | – | 299,610 | 132,865 |
| Current portion of non-current receivables | | – | – | – | – | – |
| Inventory | | 142,257 | 96,365 | – | 144,899 | 96,365 |
| VAT | | 1,929,651 | 2,419,188 | – | 1,025,474 | 2,419,188 |
| Other current assets | | 0 | 30 | – | 0 | 30 |
| **Total current assets** | | **3,764,329** | **3,337,813** | – | **4,042,699** | **3,337,813** |
| **Non current assets** | | | | | | |
| Investments | | 1,405 | 1,210 | – | 1,405 | 1,210 |
| Investment property | | 1,484,803 | 1,373,123 | – | 1,484,803 | 1,373,123 |
| Property, plant and equipment | | 1,998,601 | 1,817,910 | – | 1,993,924 | 1,817,910 |
| Biological assets | | – | – | – | – | – |
| Living resources | | – | – | – | – | – |
| Heritage assets | | 5,431 | 5,431 | – | 5,431 | 5,431 |
| Intangible assets | | 119 | 1,379 | – | 112 | 1,379 |
| Trade and other receivables from exchange transactions | | – | – | – | 0 | – |
| Non-current receivables from non-exchange transactions | | – | – | – | – | – |
| Other non-current assets | | – | – | – | – | – |
| **Total non current assets** | | **3,490,359** | **3,199,052** | – | **3,485,675** | **3,199,052** |
| **TOTAL ASSETS** | | **7,254,688** | **6,536,865** | – | **7,528,374** | **6,536,865** |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | 397 | 3,612 | – | 397 | 3,612 |
| Consumer deposits | | 36,056 | 34,715 | – | 36,339 | 34,715 |
| Trade and other payables from exchange transactions | | 7,997,096 | 5,767,986 | – | 8,478,429 | 5,767,986 |
| Trade and other payables from non-exchange transactions | | 6,973 | 1,212 | – | 60,528 | 1,212 |
| Provision | | 16,189 | 52,039 | – | 9,125 | 52,039 |
| VAT | | 1,544,375 | 2,078,719 | – | 1,255,747 | 2,078,719 |
| Other current liabilities | | – | – | – | – | – |
| **Total current liabilities** | | **9,601,087** | **7,938,283** | – | **9,840,565** | **7,938,283** |
| **Non current liabilities** | | | | | | |
| Financial liabilities | | (0) | – | – | (0) | – |
| Provision | | 568,722 | 401,175 | – | 527,546 | 401,175 |
| Long term portion of trade payables | | 0 | 2,397,204 | – | 0 | 2,397,204 |
| Other non-current liabilities | | 43,520 | – | – | – | – |
| **Total non current liabilities** | | **612,242** | **2,798,380** | – | **527,546** | **2,798,380** |
| **TOTAL LIABILITIES** | | **10,213,330** | **10,736,663** | – | **10,368,111** | **10,736,663** |
| **NET ASSETS** | 2 | **(2,958,642)** | **(4,199,798)** | – | **(2,839,736)** | **(4,199,798)** |
| **COMMUNITY WEALTH/EQUITY** | | | | | | |
| Accumulated surplus/(deficit) | | (2,958,642) | (4,199,798) | – | (2,839,736) | (4,199,798) |
| Reserves and funds | | – | – | – | – | – |
| Other | | – | – | – | – | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | **(2,958,642)** | **(4,199,798)** | – | **(2,839,736)** | **(4,199,798)** |

**MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M02 - August**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | | 384,692 | 407,542 | – | 34,690 | 64,217 | 67,924 | (3,707) | -5% | 407,542 |
| Service charges | | 1,728,366 | 2,201,482 | – | 167,012 | 283,408 | 366,914 | (83,506) | -23% | 2,201,482 |
| Other revenue | | 59,213 | 86,588 | – | 4,378 | 20,911 | 14,431 | 6,480 | 45% | 86,588 |
| Transfers and Subsidies - Operational | | 527,945 | 556,218 | – | 4,525 | 222,806 | 235,328 | (12,521) | -5% | 556,218 |
| Transfers and Subsidies - Capital | | 115,977 | 107,609 | – | 20,000 | 50,696 | 42,559 | 8,137 | 19% | 107,609 |
| Interest | | 24,630 | 238,877 | – | 2,913 | 5,192 | 39,813 | (34,621) | -87% | 238,877 |
| Dividends | | – | 20 | – | – | – | 3 | (3) | -100% | 20 |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | (1,754,543) | (3,260,614) | – | (149,108) | (435,052) | (543,436) | 108,383 | -20% | (3,260,614) |
| Interest | | – | (222,949) | – | – | – | (37,158) | 37,158 | -100% | (222,949) |
| Transfers and Subsidies | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **1,086,282** | **114,773** | **–** | **84,410** | **212,178** | **186,378** | **(25,800)** | **-14%** | **114,773** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current receivables | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | 196 | – | – | – | – | – | – | | – |
| Insurance Refund - Capital | | – | – | – | – | – | – | – | | – |
| Term Investments | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Capital assets | | (203,367) | (189,467) | – | (16,586) | (32,634) | (31,328) | (1,306) | 4% | (189,467) |
| Retention (Capital) | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **(203,172)** | **(189,467)** | **–** | **(16,586)** | **(32,634)** | **(31,328)** | **(1,306)** | **0** | **(189,467)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | | – |
| Borrowing long term/refinancing | | – | – | – | – | – | – | – | | – |
| Increase (decrease) in consumer deposits | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | **883,110** | **(74,694)** | **–** | **67,824** | **179,544** | **155,050** | | | **(74,694)** |
| Cash/cash equivalents at beginning: | | 49,823 | 80,454 | – | | 46,306 | 80,454 | | | 46,306 |
| Cash/cash equivalents at month/year end: | | 932,933 | 5,760 | – | | 225,850 | 235,504 | | | (28,388) |

## PART 2: SUPPORTING DOCUMENTATION

### 6. Debtors' Analysis

The total debtors book balance as at 31 August 2026 amounts to R 4 347 439 000. The debtor's payment rate has been assessed against the debtors' book to determine collection performance. Based on this assessment, the debtors book movement rate is **70%,** indicating that just under one-third of billed revenue remains uncollected for the period.

**MP307 Govan Mbeki - Supporting Table SC2 Monthly Budget Statement - aged debtors - M02 - August**

| Description | NT Code | Budget Year 2026/27 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 122,043 | 35,097 | 27,293 | 24,025 | 21,221 | 25,147 | 22,862 | 1,109,677 | 1,387,364 | 1,202,932 | 42,840 | – |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 63,748 | 16,732 | 12,818 | 11,726 | 10,593 | 10,534 | 9,925 | 415,132 | 551,207 | 457,910 | 184 | – |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 32,951 | 13,000 | 10,328 | 9,768 | 9,662 | 9,430 | 9,032 | 350,382 | 444,553 | 388,273 | 29 | – |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 15,790 | 9,574 | 8,868 | 8,348 | 7,595 | 9,441 | 8,166 | 423,075 | 490,858 | 456,626 | 134 | – |
| Receivables from Exchange Transactions - Waste Management | 1600 | 13,820 | 9,439 | 8,643 | 7,793 | 7,542 | 7,844 | 7,538 | 387,104 | 449,722 | 417,820 | 93 | – |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 1,080 | 242 | 278 | 228 | 168 | 135 | 138 | 11,999 | 14,267 | 12,668 | – | – |
| Interest on Arrear Debtor Accounts | 1810 | 54,339 | 22,752 | 20,892 | 18,650 | 16,707 | 20,249 | 18,447 | 818,420 | 990,455 | 892,472 | – | – |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | – | – | – | – | – | – | – | – | – | – | – | – |
| Other | 1900 | 3,539 | 2,455 | 1,169 | 491 | 370 | 798 | 719 | 9,472 | 19,013 | 11,850 | (39,282) | – |
| **Total By Income Source** | **2000** | **307,310** | **109,290** | **90,289** | **81,027** | **73,858** | **83,578** | **76,826** | **3,525,261** | **4,347,439** | **3,840,550** | **3,998** | – |
| **2025/26 - totals only** | | 408,600 | 104,559 | 100,016 | 79,937 | 75,444 | 74,799 | 71,131 | 3,258,424 | 4,172,909 | 3,559,734 | – | – |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | | | | | |
| Organs of State | 2200 | 7,461 | 2,089 | 1,652 | 1,570 | 1,316 | 1,274 | 1,121 | 39,173 | 55,654 | 44,453 | (12) | – |
| Commercial | 2300 | 83,058 | 10,843 | 6,844 | 7,326 | 6,757 | 7,478 | 6,765 | 262,031 | 391,103 | 290,358 | (27) | – |
| Households | 2400 | 216,792 | 96,359 | 81,792 | 72,131 | 65,785 | 74,826 | 68,940 | 3,224,057 | 3,900,682 | 3,505,739 | 4,037 | – |
| Other | 2500 | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total By Customer Group** | **2600** | **307,310** | **109,290** | **90,289** | **81,027** | **73,858** | **83,578** | **76,826** | **3,525,261** | **4,347,439** | **3,840,550** | **3,998** | – |

**Debtors Movement rate**

| | August | July |
|---|---|---|
| Debtors Opening Balance | 4,258,902,000.00 | 4,170,518,000.00 |
| Add: Billing for the Month | 248,354,440.60 | 234,396,844.23 |
| Less: Debtors Write-off | 3,998,000.00 | 5,665,000.00 |
| Less: Debtors Closing Balance | 4,347,439,000.00 | 4,258,902,000.00 |
| Movement on Debtors Aging | 163,815,440.60 | 151,677,844.23 |
| Movement rate | 70% | 70% |

**Reason for current performance in debtor's book movement of 70% is attributable to the following reasons**

- Credit control focused directly on debtors' book and actions were done directly from the debtor's book which contributed 33 million towards the total collection.
- On government debtors a collection of 101% was realised, indicating that departments were clearing older debts.

**The following table indicates the consumer debtor's payment rate for the month:**

| Type Of Service | Total Settlements | Total Movement | Net Billing | Billing | Credit Notes | Debit Notes | Other Adjustments | Payment Rate (Net Billing) |
|---|---|---|---|---|---|---|---|---|
| PAYMENT | 252,081.14 | -2,988.92 | | - | - | - | -2,988.92 | |
| DEPOSITS | 211,568.85 | 62,497.54 | | - | - | - | 62,497.54 | |
| AGREEMENTS | 49,806.33 | -141,028.38 | | - | - | - | -141,028.38 | - |
| INDIGENT FLAT CREDIT | 14,789.36 | -3,372,405.19 | | - | -198,424.01 | 161,121.76 | -3,335,102.94 | - |
| WATER | 42,302,323.37 | -246,678,520.61 | 68,660,688.57 | 67,053,818.72 | -667,896.63 | 2,274,766.48 | -315,339,209.18 | 62 |
| ELECTRICITY | 44,730,580.08 | -127,844,953.97 | 53,540,225.78 | 54,941,328.25 | -1,548,169.53 | 147,067.06 | -181,385,179.75 | 84 |
| RATES | 32,647,568.95 | -27,203,451.48 | 39,036,267.24 | 39,063,959.30 | -291,416.60 | 263,724.54 | -66,239,718.72 | 84 |
| ANNUAL RATES | 142,711.10 | -1,192,553.92 | - | - | - | - | -1,192,553.92 | |
| REFUSE | 6,824,498.20 | -270,081,891.23 | 14,010,282.38 | 14,010,970.76 | -52,809.75 | 52,121.37 | -284,092,173.61 | 49 |
| SEWERAGE | 6,494,930.89 | -154,752,629.25 | 13,585,376.79 | 13,640,171.63 | -109,771.26 | 54,976.42 | -168,338,006.04 | 48 |
| MISCELLANEOUS | 876,039.61 | 276,854,301.96 | 307,610.20 | 307,610.20 | - | - | 276,546,691.76 | 285 |
| MISCELLANEOUS (NO VAT) | 742,073.17 | -1,108,454.13 | 767,595.74 | 687,474.46 | -2,990.00 | 83,111.28 | -1,876,049.87 | 97 |
| VAT | 15,530,361.16 | -133,533,229.27 | 22,203,110.53 | 22,466,375.40 | -351,908.96 | 88,644.09 | -155,736,339.80 | 70 |
| INTEREST | 2,298,802.54 | -259,396,309.61 | 22,322,989.25 | 21,976,411.15 | -208,877.72 | 555,455.82 | -281,719,298.86 | 10 |
| PAYMENT ADVANCED | 4,590,961.10 | - | - | - | - | - | - | |
| **TOTAL** | **157,204,933.57** | **-948,391,616.46** | **234,396,844.23** | **234,148,119.87** | **-3,432,264.46** | **3,680,988.82** | **-1,182,788,460.69** | **67** |

In July, the municipality billed R216 612 547.50 and collected R159 908 022.46, resulting in a payment rate of 74 percent.

In August, net billing increased by R17 784 296.73 to R234 396 84423, while collections decreased by R2 703 088.89 to R157 204 933.57. Consequently, the payment rate decreased by 7 percentage, from **74 %** in July to **67 %** in August. All collection figures exclude prepaid electricity sales.

## Reasons for the decline in the collection rate

- Billing increased from July to August following the implementation of tariff increases for the 2026/2027 financial year. The higher billed amounts, together with a slight decline in payments received, contributed to the lower collection rate. Revenue improvement programmes have been introduced to support payment and improve collections.
- Fewer clearance applications were approved in August than in July, contributing to reduced collections. The finance team's focus on preparing the Annual Financial Statements affected the turnaround time for clearance approvals, delaying the related collections.

### Initiatives to improve billing and collection

- **Improve clearance processing:** The finance team will attend to clearance applications every Monday to address outstanding applications, improve turnaround times and support the collection of historical debt.
- **Update customer information:** Corporate Services and Finance have embarked on an online customer information collection drive. As at 3 September 2026, all 139 forms received through ICT had been processed. This initiative will improve customer records and increase the number of consumers receiving their monthly municipal accounts.
- **Implement debt and good payer incentives:** Council has approved debt relief and good payer incentive schemes aimed at encouraging settlement of outstanding debt, promoting consistent payment and improving revenue collection.
- **Verify property information and billing:** A programme to reconcile municipal accounts with title deed information will verify property ownership and identify accounts that are not billed for all applicable services. Identified omissions will be investigated and corrected to improve billing completeness and accuracy.

**Comparison:**

When comparing the two periods, Billing increased by **R17.7 million**, and collections has decreased by **R2.7 million**.

Prepaid sales for August amounted to R **42 287 444.74**, decreasing total revenue collected to **R 199 492 378.31.** When prepaid sales are included, the overall payment rate improves to **72 percent**.

Prepaid sales for July amounted to R **41 245 155.08**, increasing total revenue collected to **R 201 153 177.54.** When prepaid sales are included, the overall payment rate improves to **78 percent**.

Total prepaid revenue received increased by **R1.04 million** from July to August.

| | |
|---|---|
| Actual Billing for August | 234,396,844.23 |
| Pre-Paid Sales for August | 42,287,444.74 |
| Total Collection Including Pre-Paid Sales Received | 199,492,378.31 |
| Payment rate | 72% |
| | |
| Payment Rate (Billing vs Collection) | 67% |
| | |
| Pre-Paid Sales Performance August | 42,287,444.74 |
| Region 1 | 8,624,466.09 |
| Region 2 & 3 | 33,662,978.65 |

**Year-to-date payment trend (Billing Vs Collection on Billing)**

| Reporting Month | Total Billing | Total Adjustment on Billing | Other Adjustments | Revenue Movement | Net Billing | Revenue Collected | Collection Rate % |
|---|---|---|---|---|---|---|---|
| **Jul-26** | 214,295,784 | 2,316,764 | 11,838,625 | 228,451,172 | 216,612,548 | 159,908,022 | 74% |
| **Aug-26** | 234,148,120 | 248,724 | -1,182,788,461 | -948,391,616 | 234,396,844 | 157,204,934 | 67% |
| **Total** | **448,443,904** | **2,565,488** | **-1,170,949,836** | **-719,940,444** | **451,009,392** | **317,112,956** | 70% |

Above year-to-date payment trend shows that the municipality's average payment rate is currently sitting at 70% which is below the target payment rate of 85% as per the municipal debt relief requirements. This payment rate is highly affected by the below towns with payment rates below 40%.

**Towns with low payment rate:**

| Area | Total Levied (Incl Adjustments) | Total Receipts | Amount not collected | % |
|---|---|---|---|---|
| 0200 EMBALENHLE | 48,627,572 | 12,960,376 | 35,667,196 | 27% |
| 0600 CHARL CILLIERS | 806,014 | 189,869 | 616,144 | 24% |
| 0800 EMZINONI | 13,426,590 | 2,002,072 | 11,424,518 | 15% |
| 0900 EENDRACHT | 1,095,914 | 260,564 | 835,350 | 24% |
| 1100 LEBOHANG | 12,615,722 | 351,589 | 12,264,133 | 3% |
| 1500 BETHAL RAND | 337,507 | 129,844 | 207,663 | 38% |
| 2000 SORRENTO PARK | 33,054 | 16 | 33,037 | 0% |
| RES1 RESIDENTIAL | 39,511 | 9,650 | 29,861 | 24% |

**Soft Block Analysis**

As at end of August 2026, the municipality implemented soft blocking of prepaid meters as part of the revenue enhancement strategy. To date, **1,426 meters have been soft-blocked**, with a total outstanding balance of **R158,694,804.56** linked to these accounts.

From this intervention:

- **R2 154 797.77**has been collected, and
- **R8 090 046.97**has been placed on payment arrangements.

Notes: August Outstanding debt linked to meters and the response in cash collected is not relative. Pointing at increasing number of illegal connections and illegal reconnections.

**AUGUST PAYMENT RATE PER AREA**

| Area | Total Levied (Incl Adjustments) | Total Receipts | Amount not collected | % |
|---|---|---|---|---|
| 0100 SECUNDA | 76,825,719 | 72,969,275 | 3,856,443 | 95% |
| 0200 EMBALENHLE | 48,627,572 | 12,960,376 | 35,667,196 | 27% |
| 0300 KINROSS | 24,149,327 | 15,798,838 | 8,350,488 | 65% |
| 0400 TRICHARDT | 8,551,317 | 7,759,109 | 792,208 | 91% |
| 0500 EVANDER | 13,742,449 | 12,100,608 | 1,641,841 | 88% |
| 0700 BETHAL | 17,728,649 | 13,348,628 | 4,380,021 | 75% |
| 0800 EMZINONI | 13,426,590 | 2,002,072 | 11,424,518 | 15% |

High-performing areas such as Trichardt, Evander and Secunda recorded payment rates above 80%, while an improvement in Bethal and Kinross is also noted. A lower compliance was noted in Emzinoni with 15% and Embalenhle showing 27%.

The results of the soft blocking exercise indicate a positive response across the municipality. Areas with historically higher payment compliance, such as Trichardt, Evander and Secunda, responded positively to the intervention, with payment rates above 80%. In comparison with the July rate Embalenhle and Emzinoni township displayed a slight increase. There is a decline below 80% on Kinross and Bethal as compared to previous month

The proportion of outstanding amounts placed under arrangements is 5.97% compared to 5.59% in July suggests that while some customers are willing to settle their debt over time, the municipality will need to monitor adherence to these arrangements closely. Lessons from this phase will inform the targeting, communication and operational approach for the second phase of soft blocking to maximise revenue recovery.

## 7. Creditors' Analysis

The total creditors balance for the month of August 2026 amounted to R8 133 683 000, 97% of creditors are above 30 days. The major creditors remain Eskom and Rand Water. An arrangement has been signed with Rand Water to pay-off historical or legacy debt.

**MP307 Govan Mbeki - Supporting Table SC4 Monthly Budget Statement - aged creditors – M02 August 2026**

| Description | NT Code | Budget Year 2025/26 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | 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 | 100 | 193,661 | 164,875 | 178,520 | 551,845 | 128,455 | 72,901 | 81,896 | 5,815,363 | **7,187,516** |
| Bulk Water | 200 | 50,749 | 10,882 | 6,588 | | 66 | | 81,896 | 672,238 | **822,419** |
| PAYE deductions | 300 | – | – | – | – | – | – | – | – | – |
| VAT (output less input) | 400 | – | – | – | – | – | – | – | – | – |
| Pensions / Retirement deductions | 500 | – | – | – | – | – | – | – | – | – |
| Loan repayments | 600 | – | – | – | – | – | – | – | – | – |
| Trade Creditors | 700 | 27,754 | 3,189 | 68,004 | 2,589 | 22,097 | | – | – | **123,633** |
| Auditor General | 800 | | | | | 115 | – | – | – | **115** |
| Other | 900 | – | – | – | – | – | – | – | – | – |
| **Total By Customer Type** | **1000** | **272,164** | **178,946** | **253,112** | **554,434** | **150,733** | **72,901** | **163,792** | **6,487,601** | **8,133,683** |

## 8. Investment portfolio analysis

The following table displays the investments portfolio and indicates a closing balance of **R 103 130 333.23** invested (including long-term investments).

### INVESTMENT REGISTER: 31 AUGUST 2026

| | Account Nr | Date of Investment | Opening Balance 01/08/2026 | Investments Made | Investment Withdrawals | Fair Value Adjustment | Interest Capitalized/ Accrued | Closing Balance 31/08/2026 | Description |
|---|---|---|---|---|---|---|---|---|---|
| **Long-Investments** | | | | | | | | | |
| Old Mutual Shares | Share nr C0777197766 | | 29,349.54 | - | - | - | - | 29,349.54 | Old Mutual Shares( 2187@13.42) |
| Old Mutual Shares | Share nr 1521053495 | | 403,942.00 | - | - | - | - | 403,942.00 | Old Mutual Shares( 30100 @13.42) |
| Sanlam | Share nr U0063349159 | | 216,339.96 | - | - | - | - | 216,339.96 | SANLAM Shares (2452 @88.23) |
| Nedbank | Share nr 1521053495 | | 367,941.85 | - | | - | - | 367,941.85 | Nedbank Shares (1363@269.95) |
| Quilter plc (624) | Share nr 1521061685 | | 26,232.96 | - | - | - | - | 26,232.96 | Quilter shares (624@42.04) |
| Quilter plc (8599) | Share nr 1521053495 | | 361,501.96 | - | - | - | - | 361,501.96 | Quilter Shares (8599@42.04) |
| | | | **1,405,308.27** | **-** | **-** | **-** | **-** | **1,405,308.27** | |
| | | | | | | | | | |
| **Short-term Investments** | | | | | | | | | |
| Standard Bank MoneyMarket Call Accour | 038787024(003) | 26/11/2014 | 578,224.63 | | | - | 3,241.23 | 581,465.86 | Standard Bank MoneyMarket Call Account |
| Standard Bank TieredRate Call Account | 038787024(008) | 13/08/2014 | 26,174,284.05 | | | - | 125,600.71 | 26,299,884.76 | Standard Bank TieredRate Call Account |
| Standard Bank MoneyMarket Call Accour | 038787024(009) | 05/06/2016 | 24,379,726.25 | 80,000,000.00 | 50,000,000.00 | - | 268,231.41 | 54,647,957.66 | Standard Bank MoneyMarket Call Account |
| Standard Bank Retention Call Account | 038787024(010) | 01/08/2025 | 20,079,749.25 | | | - | 115,967.43 | 20,195,716.68 | Standard Bank Retention Call Account |
| | | | **71,211,984.18** | **80,000,000.00** | **50,000,000.00** | **-** | **513,040.78** | **101,725,024.96** | |
| | | | | | | | | | |
| | | | **72,617,292.45** | **80,000,000.00** | **50,000,000.00** | **-** | **513,040.78** | **103,130,333.23** | |

## 9. DISTRIBUTION LOSSES

**Water and Electricity Distribution Losses for August 2026. (KL / Units)**

| Service | Purchased | Sold | Current % Loss | Average 25/26 | Average 24/25 |
|---|---|---|---|---|---|
| Electricity | 38,597,070 | 24,886,353 | -35.52% | -38.53% | -47.99% |
| Water | 2,755,811 | 1,778,064 | -35.48% | -39.85% | -53.47% |
| | | | | | |

**Water and Electricity Distribution Losses: Accumulated: July 2026 to August 2026 (KL / Units)**

| Service | Purchased | Sold | Current % Loss | Average 25/26 | Average 24/25 |
|---|---|---|---|---|---|
| Electricity | 80,759,938 | 49,651,650 | -35.52% | -38.53% | -47.99% |
| Water | 5,245,042 | 3,569,753 | -31.94% | -39.85% | -53.47% |
| | | | | | |

### Electricity

Distribution losses relating to electricity, the department has identified few elements which affect or cause the high percentages. Those elements include but not limited to; unmeasured connections, illegal connection and tempered meters. The department is currently attending to the said issues which to date is bearing positive results. Accumulated electricity losses were reduced from 64% for the financial year 2022/23 to 37% for the previous financial year 2025/26 through the implementation of departmental interventions, with the current losses for August sitting at 35.52%

### Water

Due to high number of meters replaced, rapid response to pipe bursts and improved billing for the month of July 2026. The municipality has managed to reduce water loss with 11.83% compared to last financial year, with the current losses for August sitting at 35.48%

## 10. Performance of Grants

### 10.1 Performance of Capital Grants

| Grants | Allocation per DoRA | Opening Balance 2026/2027 | YTD Receipts | YTD Expenditure | Unspent 2026/2027 | YTD % Per Allocation |
|---|---|---|---|---|---|---|
| Integrated National Electrification Programme Grant | 35,748,000.00 | - | 20,000,000.00 | 11,495,930.39 | 8,504,069.61 | 32% |
| Municipal Infrastructure Grant | 71,861,000.00 | 467,844.15 | 30,696,000.00 | 2,982,954.44 | 28,180,889.71 | 4% |
| Municipal Disaster Recovery Grant | - | 3,498,100.00 | - | - | 3,498,100.00 | 0% |
| **Total** | **107,609,000.00** | **3,965,944.15** | **50,696,000.00** | **14,478,884.80** | **40,183,059.32** | 13% |

- Above total Municipal Infrastructure Grant allocation and expenditure is inclusive of Project Management Unit operational allocation with a budget of R 3 593 050.

**Reasons for low expenditure performs:**

The Municipality has spent approximately 4% of its 2026/2027 MIG allocation to date. The low expenditure is mainly attributable to the following:

- The Embalenhle and Leandra bulk water projects are nearing completion, resulting in reduced monthly expenditure.
- The Emzinoni Bulk Water Supply Project is at the mobilisation stage following the appointment of the service provider on 26 August 2026.
- A purchase order for specialised waste management vehicles/equipment was issued through the RT57 process on 2 September 2026. Expenditure will reflect upon delivery, verification and payment.
- The Upgrading of Lebohang Stadium – Phase 2, approximately 79% complete, remains the main contributor to current construction expenditure.
- Expenditure is expected to improve substantially in the next quarter as construction progresses and procured assets are delivered. The Municipality will closely monitor implementation and expenditure against approved cash-flow projections to support full utilisation of the allocation within the financial year.
- The Municipality has applied for the rollover of the 2025/2026 Municipal Disaster Recovery Grant (MDRG) allocation due to the late confirmation of funding and the limited implementation period before 30 June 2026. Project inception took place on 6 March 2026, and service providers were appointed on 26 May 2026, with implementation scheduled to commence on 1 June 2026. This left insufficient time to complete construction works and certify expenditure before year-end.

- Implementation is underway, and the Municipality will begin processing invoices in September 2026. Physical and financial progress will be closely monitored, with expenditure managed in line with the outcome of the rollover application and applicable grant conditions.
- Furthermore, the Capital budget YTD reflecting on page 9 (C5 Schedule) excludes VAT and cost component expenditure thus budget and expenditure notable differences.
-

**10.2 Performance of Operational Grants**

| Grants | Allocation per DoRA | Opening Balance 2026/2027 | Set-Off | YTD Receipts | YTD Expenditure | Unspent / Overspent 2026/2027 | YTD % Per Allocation |
|---|---|---|---|---|---|---|---|
| Extended Public works Programme | 2,859,000.00 | 194,000.00 | - 194,000.00 | 714,000.00 | 2,859,000.00 | - 2,145,000.00 | 100% |
| Financial Management Grants | 3,500,000.00 | - | - | 3,500,000.00 | 68,764.92 | 3,431,235.08 | 1% |
| Infrastructure Skills Development Grant | 24,000,000.00 | - | - | 13,000,000.00 | - | 13,000,000.00 | 0% |
| LG Seta | - | 443,819.12 | - | 207,848.63 | 12,499.00 | 195,349.63 | 3% |
| Point Duty Officer (SASOL) | - | 47,673.38 | - | - | 621,296.00 | - 573,622.62 | |
| Economic Development and Tourism | - | 313,901.00 | - | - | - | - | |
| Gert Sibande District Municipality | - | 8,035.02 | - | - | - | - | |
| Energy Efficiency Demand Grant | - | 2,000,000.00 | - 2,000,000.00 | - | - | - | |
| Equitable share | 523,359,000.00 | - | 2,194,000.00 | 218,066,000.00 | 218,066,000.00 | - | 42% |
| **Total** | **553,718,000.00** | **3,007,428.52** | **-** | **235,487,848.63** | **221,627,559.92** | **13,907,962.09** | **4%** |

- The Public Works Programme is reflecting negative unspent balances because expenditure has been incurred against the approved grant allocations and the remaining grant allocation will be received in December 2026 and February 2027.

Capital programme performance

| Project Name | Funding | 2026-2027 Original Budget | Monthly Expenditure August 2026 | YTD Expenditure excluding VAT | Available Budget as at August 2026 |
|---|---|---|---|---|---|
| Procurement of Financial Management System | FMG | 1,304,347.83 | - | - | 1,304,347.83 |
| 88/11 KVA Emzinoni Substation Capacity increase | INEP | 29,618,261.00 | 9,996,461.21 | 9,996,461.21 | 19,621,799.79 |
| Electrification of Emzinoni Extention 11 | INEP | 1,466,956.00 | - | - | 1,466,956.00 |
| Procurement of Specialised Vehicles for Waste Management | MIG | 15,377,863.00 | - | - | 15,377,863.00 |
| Construction of Bulk water line and reservoir in Leandra | MIG | 2,782,609.00 | - | - | 2,782,609.00 |
| Upgrading of Lebohang Stadium in Leandra (Phase 2) | MIG | 4,347,826.00 | 977,841.08 | 1,810,413.27 | 2,537,412.73 |
| Embalenhle Bulk Replacement/Upgrade (Phase1) | MIG | 6,956,522.00 | - | - | 6,956,522.00 |
| Emzinoni Bulk water supply | MIG | 29,899,484.00 | - | - | 29,899,484.00 |
| Insurance | Revenue | 4,347,826.00 | - | - | 4,347,826.00 |
| Furniture & Equipment (Corporate Services) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Completion of Floating roof in Secunda Ext 22 | Revenue | 10,434,783.00 | - | - | 10,434,783.00 |
| Installation of Bulk Check Meter with Chambers | Revenue | 2,608,696.00 | - | - | 2,608,696.00 |
| Acquisition of Water Meters | Revenue | 7,826,087.00 | - | - | 7,826,087.00 |
| Firearms | Revenue | 869,562.00 | - | - | 869,562.00 |
| Fencing of pump stations and WWTW | Revenue | 4,347,826.00 | - | - | 4,347,826.00 |
| Charl cilliers sewer retification and pump station | Revenue | 4,347,826.00 | - | - | 4,347,826.00 |
| Installation of sewer network pipeline in Eendracht | Revenue | 7,826,087.00 | 1,388,325.00 | 2,766,727.00 | 5,059,360.00 |
| Kinross waste treatment plant | Revenue | 8,695,652.00 | - | - | 8,695,652.00 |
| Furniture & Equipment (Financial Services) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Furniture & Equipment (Community Services) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Jaws of life (Capital) | Revenue | 434,782.61 | - | - | 434,782.61 |

| Project Name | Funding | 2026-2027 Original Budget | Monthly Expenditure August 2026 | YTD Expenditure excluding VAT | Available Budget as at August 2026 |
|---|---|---|---|---|---|
| Lillian Ngoyi Refurbishment | Revenue | 1,739,130.00 | - | - | 1,739,130.00 |
| Fencing of Facilities | Revenue | 8,695,652.00 | - | - | 8,695,652.00 |
| Furniture & Equipment (Civil) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Crane Truck | Revenue | 3,913,043.00 | - | - | 3,913,043.00 |
| TLB | Revenue | 3,478,261.00 | - | - | 3,478,261.00 |
| Furniture & Equipment (Energy) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Furniture and Equipment (Speaker) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Furniture & Equipment (Executive and Council) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Hailing system | Revenue | 130,435.00 | - | - | 130,435.00 |
| Furniture & Equipment (Planning and Development) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Furniture & Equipment (MM's Office) | Revenue | 173,913.00 | - | - | 173,913.00 |
| Acquisition Computer Equipment | Revenue | 1,739,130.00 | - | - | 1,739,130.00 |
| Acquisition of Smart Meters & Meter Boxes | Revenue | - | 3,050,000.00 | 3,050,000.00 | -3,050,000.00 |
| Mobile Toilet | Revenue | - | 252,169.57 | 252,169.57 | -252,169.57 |
| TOTAL | | 164,753,864.44 | 15,664,796.86 | 17,875,771.05 | 146,878,093.39 |

Unauthorized expenditure incurred is due to Capital Expenditure that was budgeted for in previous year and not concluded within the year it was budgeted for.

## 11. Councillor, Section 57 Manager allowances and Employee benefits for August 2026

| | |
|---|---|
| Total staff compliment | 1204 (Permanent) |
| Staff resignations | 3 |
| Staff Appointments | 1 |

## 12. Other supporting documents

See Attached Annexure C

## 13. Conclusion

The financial performance for August 2026 reflects some improvement in revenue collection, with the payment rate decreasing from 74 % in July to 67 % in August, excluding prepaid electricity sales. When prepaid electricity sales are included, the payment rate was 72 percent. Operating revenue was, however, 5 percent below the year-to-date budget, while operating expenditure was 11 percent below budget due to cash-flow constraints and expenditure controls. Capital expenditure remained low at R20.55 million, representing a 25 percent underperformance against the year-to-date budget.

The municipality remains under serious financial pressure. The debtors' book amounted to R4.34billion, while creditors totalled R8.13 billion, of which 97 percent was outstanding for more than 30 days. Eskom and Rand Water remain the municipality's largest creditors. The negative cashbook balance, high electricity and water losses, and underperformance against the Budget Funding Plan continue to affect the municipality's ability to meet its obligations.

The municipality will intensify credit control and debt collection, reduce distribution losses, control expenditure, accelerate capital project implementation and comply with the Municipal Debt Relief conditions. Particular attention should be given to collecting outstanding debt from businesses, government departments and high-value consumers, while ensuring that current Eskom and Rand Water accounts are paid within the required periods.

## 12.1 Progress on Budget Funding Plan

| Performance over 12 months in Financial Year 2026/2027 | | | | |
|---|---|---|---|---|
| Year-to-Date Target | Year-to-Date Target % | Year-to-Date Actual | Year-to-Date Actual % | Underperformance |
| R351,786,547 | 16.67% | R222,740,615.50 | 10.55% | R129,045,931.50 |

### Overview on performance of Budget Funding Plan

Council approved the 2026/27 Budget Funding Plan (BFP) together with the budget on the 27th of May 2026.

The progress recorded as at 31 August 2026 is 10.55 % of the year-to-date anticipated revenue. The total anticipated revenue for the year is R2 110 719 282 of which an amount of R 222,740,615.50 has been collected to date.

# 15. Annexure B: Compliance with the conditions for Municipal Debt Relief

## Summary of July Compliance Assessment Report

| National Treasury | Province | | |
|---|---|---|---|
| Municipal Debt Relief | MP | | |
| MFMA Circular No. 124 | Code | District | Code Description |
| Municipal Finance Management Act No. 56 of 2003 | MP307 | Gert Sibande | Govan Mbeki |

**Monthly Performance Report**

| Municipal Details | | | Part A: Eskom And Bulk water current account | | | | | | Part B: Compliance with a funded MTREF | | | | | Part C: FRP/BFP & Tariff Assessment | | | Part D: Electricity and water as collection tools | | | | Part C: Quarterly collection of property rates and services charges | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Month | Code Descr | Code | C1 | C2 | C3 | C4 | C5 | C6 | C7 | C8 | C9 | C10 | C11 | C12 | C13 | C14 | C15 | C16 | C17 | C18 | C19 | C20 | C21 | C22 | C23 | C24 | C25 |
| 25.July25 | Govan Mbeki | MP307 | Yes | Yes | Yes | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | N/A | Yes | Yes | No | Yes | Yes | Yes |
| 26.August25 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/A | Yes | Yes | No | Yes | Yes | Yes |
| 27.September25 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 28.October25 | Govan Mbeki | MP307 | No | Yes | No | Yes | Yes | No | No | No | No | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 29.November25 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 30.December25 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 31.January26 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 32.February26 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 33.March26 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 34.April26 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 35.May26 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 36.June26 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Yes | Yes | Yes |
| 37.July26 | Govan Mbeki | MP307 | No | Yes | No | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | No | Yes | Yes |
| 38.August26 | Govan Mbeki | MP307 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 39.September26 | Govan Mbeki | MP307 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 40.October26 | Govan Mbeki | MP307 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 41.November26 | Govan Mbeki | MP307 | | | | | | | | | | | | | | | | | | | | | | | | | |

| Municipal Details | | | Maximization of Revenue Base | | | Part E: Oversight | | | | | | | | | | | | | Scoring and Rating | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Month | Code Descr | Code | C26 | C27 | C28 | C29 | C30 | C31 | C32 | C33 | C34 | C35 | C36 | C37 | C38 | C39 | C40 | C41 | Score | Rating |
| 25.July25 | Govan Mbeki | MP307 | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | Yes | No | 78% | [illegible] |
| 26.August25 | Govan Mbeki | MP307 | No | Yes | N/A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 80% | [illegible] |
| 27.September25 | Govan Mbeki | MP307 | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 76% | [illegible] |
| 28.October25 | Govan Mbeki | MP307 | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 78% | [illegible] |
| 29.November25 | Govan Mbeki | MP307 | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 78% | [illegible] |
| 30.December25 | Govan Mbeki | MP307 | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 78% | [illegible] |
| 31.January26 | Govan Mbeki | MP307 | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 78% | [illegible] |
| 32.February26 | Govan Mbeki | MP307 | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | 78% | [illegible] |
| 33.March26 | Govan Mbeki | MP307 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | 71% | [illegible] |
| 34.April26 | Govan Mbeki | MP307 | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | 73% | [illegible] |
| 35.May26 | Govan Mbeki | MP307 | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | 73% | [illegible] |
| 36.June26 | Govan Mbeki | MP307 | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | 73% | [illegible] |
| 37.July26 | Govan Mbeki | MP307 | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No | Yes | Yes | No | Yes | 71% | [illegible] |
| 38.August26 | Govan Mbeki | MP307 | | | | | | | | | | | | | | | | | 0% | Not completed |
| 39.September26 | Govan Mbeki | MP307 | | | | | | | | | | | | | | | | | 0% | Not completed |
| 40.October26 | Govan Mbeki | MP307 | | | | | | | | | | | | | | | | | 0% | Not completed |
| 41.November26 | Govan Mbeki | MP307 | | | | | | | | | | | | | | | | | 0% | Not completed |

**Feedback on Compliance with the conditions for Municipal Debt Relief (July 2026)**

- Compliance status as per treasury feedback for the reporting period ending July 2026 is non-compliance. The non-compliance results from municipal debt relief conditions not fully met by the municipality.

From the feedback letter it is recommended that;

- The Municipality ring fenced all service charges revenue to honour the current bulk accounts in full monthly
- The Municipality intensifies credit control and debt collection processes.
- The Council supports the implementation of credit control and revenue improvement initiatives.
- The Municipality must provide monthly progress reports on actions taken to reconcile variances between the valuation roll and financial system
- The municipality targets the top 100 consumers, primarily business, and implements credit control to collect from this sector.
- The Municipality institutionalizes the reviewed Budget Funding Plan and submits monthly progress reports to both Provincial Treasury and National Treasury.

## 16. Municipal Manager's quality certification

**QUALITY CERTIFICATE**

I **EN Maseko**, the Municipal Manager of **Govan Mbeki Municipality**, hereby certify that:

- The monthly budget statement report; and
- The supporting documentation for the month of **August 2026** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

**Print Name: Ms. VB Nkhata**

**Chief Financial Officer of Govan Mbeki Municipality (MP307)**

**Signature:**

**Date:** 14/09/2026

**Print Name: Mr. EN Maseko**

**Municipal Manager of Govan Mbeki Municipality (MP307)**

**Signature:**

**Date:**

## 17. Recommendations

**It is recommended that that the Mayoral Committee meeting takes note of -**

1. The monthly **budget statement for the month ending 31 August 2026.**

2. **The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment set-out in paragraph 15 above;**

3. **The following remedial actions necessary and / or undertaken to** improve the municipality's monthly compliance in terms of the Debt Relief Conditions:

    - Increase collection rate to enable the municipality to pay its Eskom current account within 30 days.
    - Continuous implementation of revenue enhancement to improve cashflow status of the municipality.
    - Initiate a cut-off drive to enforce compliance, targeting businesses & government that have not met their payment obligations to improve cashflow status of the municipality.

4. The balance of the Eskom bulk account amounting to **R 7 187 516 000.00** and Rand Water bulk water account **R 822 419 000.00**