



Budget Statement

MFMA Section 71 Report

30 SEPTEMBER 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 30 SEPTEMBER 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 30 SEPTEMBER 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 30 September 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	245,160	968,871	1,024,441	-55,570	-5%
Less Total Operating Expenditure	4,166,752	306,583	925,866	1,041,702	-115,836	-11%
Surplus /(Deficit) for the year before grant capital revenue	-458,677	-61,423	43,005	-17,261		
Add Grant capital revenue	107,609	2,493	16,972	26,902	-9,930	-37%
Surplus /(Deficit) before Capital Expenditure	-351,068	-58,930	59,977	9,641		
Total Capital Expenditure	164,754	3,292	21,168	40,862	-19,694	-48%
Surplus /(Deficit)	-515,822	-63,222	38,809	-31,221		

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	5,090,555.47	26,073,288.68	7%
Financial Management Grants	1,500,000.00	-	1,500,000.00			0%
Municipal Disaster Recovery Grant	-	3,498,100.00		-	3,498,100.00	0%
Own Funding	83,949,994.95	-	-	6,745,123.25	-	8%
Total	189,466,944.11	3,965,944.15	52,196,000.00	23,331,609.11	38,075,458.29	12%

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) - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		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		918,587	1,151,240	-	95,587	286,807	287,810	(1,003)	0%	1,151,240
Service charges - Water		639,871	792,834	-	62,577	201,784	199,159	3,625	2%	792,834
Service charges - Waste Water Management		121,143	202,804	-	14,368	43,022	50,701	(7,679)	-15%	202,804
Service charges - Waste management		163,676	186,697	-	11,251	32,740	48,674	(13,935)	-30%	186,697
Sale of Goods and Rendering of Services		6,905	10,121	-	580	1,884	2,530	(847)	-33%	10,121
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		231,326	243,796	-	16,488	51,660	60,949	(9,289)	-15%	243,796
Interest from Current and Non Current Assets		4,594	6,222	-	547	1,477	1,556	(79)	-5%	6,222
Dividends		-	20	-	-	-	5	(5)	-100%	20
Rent on Land		0	-	-	-	-	-	-	-	-
Rental from Fixed Assets		14,916	20,546	-	872	2,570	5,137	(2,567)	-50%	20,546
Licence and permits		84	80	-	14	69	20	49	246%	80
Special Rating Levies		-	-	-	-	-	-	-	-	-
Construction Contract Revenue		-	-	-	-	-	-	-	-	-
Development Charges		-	-	-	-	-	-	-	-	-
Operational Revenue		4,709	7,381	-	146	361	1,845	(1,484)	-80%	7,381
Non-Exchange Revenue										
Property rates		454,566	473,083	-	38,725	116,899	118,271	(1,371)	-1%	473,083
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		28,904	21,805	-	841	2,285	5,451	(3,166)	-58%	21,805
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		525,423	556,218	-	35	218,183	236,477	(18,294)	-8%	556,218
Interest		32,520	32,899	-	3,129	9,331	9,224	1,107	13%	32,899
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		278,099	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets		3,009	2,500	-	-	-	625	(625)	-100%	2,500
Other Gains		144,329	30	-	-	-	8	(8)	-100%	30
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		3,472,660	3,708,074	-	245,160	968,871	1,024,441	(55,570)	-5%	3,708,074

- Waste management service charge is 30% 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 58% below target for the period under review due to mainly due to the implementation of the AARTO system, which has resulted in longer-than-anticipated delays in the Municipality receiving payments.
- Licences and permits revenue performance is 246% above the budgeted target, primarily due to excavation permits exceeding the anticipated level of revenue. The budget will be reviewed and increased during the Adjustment Budget process to align with the current performance.

- Transfers and Subsidies – Operational, is below target by 8%. 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 Revenue is performing 100% below target for the period under review, as no disposals have been undertaken since the beginning 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) - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		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		792,414	838,570	-	69,618	204,019	209,644	15,625	-3%	838,570
Remuneration of councillors		33,723	37,745	-	2,805	8,450	9,436	986	-10%	37,745
Bulk purchases - electricity		1,106,463	1,150,000	-	82,977	336,657	287,500	49,157	17%	1,150,000
Inventory consumed		613,087	632,763	-	57,123	163,819	158,191	5,628	4%	632,763
Debt impairment		1,069,071	396,656	-	-	-	99,164	(99,164)	-100%	396,656
Depreciation and amortisation		111,461	139,195	-	10,532	33,092	34,799	(1,706)	-5%	139,195
Interest		409,020	222,949	-	30,421	97,810	55,737	42,073	75%	222,949
Contracted services		321,729	427,198	-	22,788	42,330	106,800	(64,469)	-60%	427,198
Transfers and subsidies		19,663	-	-	-	-	-	-	-	-
Irrecoverable debts written off		0	146,134	-	21,830	15,425	36,533	(21,109)	-58%	146,134
Operational costs		124,456	125,537	-	7,746	23,522	43,898	(20,376)	-46%	125,537
Disposal of Fixed and Intangible Assets		38,309	-	-	-	-	-	-	-	-
Other Losses		42,195	-	-	741	741	-	741	40140%	-
Total Expenditure		4,683,591	4,166,747	-	306,583	925,866	1,041,702	(115,836)	-11%	4,166,747

- Employee Related Costs are below target by 3%.
- Remuneration of councillors is below target by 10%; this implies an over budget on the line item. The budget will be decreased during the Adjustment Budget process to align with the actual spending trend.
- Electricity bulk purchase expenditure is 17% 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 60% 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 Expenditure is 100% below the budgeted target for the period under review, as the debt impairment calculation will only be performed and processed as part of the Mid-Year assessment.
- 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 58%. This is because for the quarter council approved 25.4 million indigents. It should be noted that council meeting did not proceed in September as such no additional write off could be approved to affect the performance.
- Finance charges are 75% 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) - M03 - September

Vote Description	Ref	2025/26 Audited	Original	Adjusted	Monthly	Budget Year 26/27 YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		8,604	16,652	-	60	60	3,817	(3,777)	-98%	16,652
Executive and council		162	662	-	60	60	163	(163)	-100%	662
Finance and administration		8,442	16,000	-	60	60	3,674	(3,614)	-98%	16,000
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		24,879	11,043	-	-	252	2,761	(2,508)	-91%	11,043
Community and social services		17,849	10,609	-	-	-	2,662	(2,662)	-100%	10,609
Sport and recreation		7,030	-	-	-	252	-	252	#DIV/0!	-
Public safety		-	435	-	-	-	109	(109)	-100%	435
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		71,763	44,334	-	(7,380)	4,427	11,004	(6,657)	-60%	44,334
Planning and development		51,796	44,160	-	(7,380)	4,427	11,040	(6,614)	-60%	44,160
Road transport		19,967	174	-	-	-	43	(43)	-100%	174
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		189,344	92,724	-	19,613	16,429	23,181	(6,752)	-29%	92,724
Energy services		96,140	31,259	-	9,996	13,046	7,616	5,232	67%	31,259
Water management		32,139	20,870	-	368	368	6,217	(4,849)	-63%	20,870
Waste water management		11,674	26,217	-	249	3,015	6,304	(3,290)	-52%	26,217
Waste management		60,490	15,378	-	-	-	3,844	(3,844)	-100%	15,378
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	304,591	164,754	-	3,292	21,168	40,862	(19,894)	-48%	164,754
Funded by:										
National Government		86,748	91,754	-	2,616	14,423	22,612	(8,189)	-36%	91,754
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) / Nat / Prov Deparm Agencies		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		86,748	91,754	-	2,616	14,423	22,612	(8,189)	-36%	91,754
Borrowing	8	-	-	-	-	-	-	-	-	-
Internally generated funds		151,348	73,000	-	676	6,745	18,250	(11,505)	-53%	73,000
Total Capital Funding		241,096	164,754	-	3,292	21,168	40,862	(19,894)	-48%	164,754

4.4 Cash flows

As of 30 September, 2026, the municipality had a positive bank statement balance of R 7 248 459.83 and cashbook had a positive balance of R4 893 078.94. Below service charges include revenue collected from prepaid electricity (vending) of an amount of R31 879 357.78 for the reporting period.

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		384,892	407,542	-	35,021	99,238	101,896	(2,648)	-3%	407,542
Service charges		1,728,366	2,201,482	-	189,581	472,989	550,370	(77,382)	-14%	2,201,482
Other revenue		59,213	86,599	-	6,242	27,153	21,647	5,506	25%	86,599
Transfers and Subsidies - Operational		527,945	556,218	-	336	223,143	235,853	(12,710)	-5%	556,218
Transfers and Subsidies - Capital		115,977	107,609	-	-	50,696	54,834	(4,138)	-22%	107,609
Interest		24,630	239,877	-	3,193	8,385	59,719	(51,335)	-86%	239,877
Dividends		-	21	-	-	-	5	(5)	-100%	20
Payments										
Suppliers and employees		(1,754,543)	(3,260,614)	-	(129,092)	(564,145)	(815,153)	251,009	-31%	(3,260,614)
Interest		-	(222,949)	-	-	-	(56,737)	55,737	-100%	(222,949)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,086,282	114,773	-	105,280	317,458	163,423	(154,035)	-94%	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)	-	(11,599)	(44,233)	(46,992)	2,759	-6%	(189,467)
Retention (Capital)		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(203,172)	(189,467)	-	(11,599)	(44,233)	(46,992)	2,759	(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)	-	93,681	273,225	116,431			(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	-		319,531	196,885			(28,388)

5. In-year budget statement tables

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M03 - September

Description	2025/26	Budget Year 2026/27							
	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	454,566	473,083	–	38,725	116,899	118,271	(1,371)	-1%	473,083
Service charges	1,743,276	2,333,376	–	183,783	564,352	583,344	(18,992)	-3%	2,333,376
Investment revenue	4,594	6,222	–	547	1,477	1,556	(79)	-5%	6,222
Transfers and subsidies - Operational	525,423	556,218	–	35	218,183	236,477	(18,294)	-8%	556,218
Other own revenue	744,800	339,176	–	22,070	67,960	84,794	(16,834)	-20%	339,176
Total Revenue (excluding capital transfers and contributions)	3,472,660	3,708,074	–	245,160	968,871	1,024,441	(55,570)	-5%	3,708,074
Employee costs	792,414	838,570	–	69,618	204,019	209,644	(5,625)	-3%	838,570
Remuneration of Councillors	33,723	37,745	–	2,805	8,450	9,436	(986)	-10%	37,745
Depreciation and amortisation	111,461	139,195	–	10,532	33,092	34,799	(1,706)	-5%	139,195
Interest	409,020	222,949	–	30,421	97,810	55,737	42,073	75%	222,949
Inventory consumed and bulk purchases	1,721,550	1,782,763	–	140,101	500,476	445,691	54,785	12%	1,782,763
Transfers and subsidies	19,663	–	–	–	–	–	–	–	–
Other expenditure	1,595,760	1,145,524	–	53,106	82,018	286,395	(204,377)	-71%	1,145,524
Total Expenditure	4,683,591	4,166,747	–	306,583	925,866	1,041,702	(115,836)	-11%	4,166,747
Surplus/(Deficit)	(1,210,931)	(458,673)	–	(61,423)	43,005	(17,261)	60,266	-349%	(458,673)
Transfers and subsidies - capital (monetary allocations)	116,236	107,609	–	2,493	16,972	26,902	(9,930)	-37%	107,609
Transfers and subsidies - capital (in-kind)	9,125	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers &	(1,085,571)	(351,064)	–	(58,930)	59,977	9,641	50,336	522%	(351,064)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(1,085,571)	(351,064)	–	(58,930)	59,977	9,641	50,336	522%	(351,064)
Capital expenditure & funds sources									
Capital expenditure	304,591	164,754	–	3,292	21,168	40,862	(19,694)	-48%	164,754
Capital transfers recognised	89,748	91,754	–	2,616	14,423	22,612	(8,189)	-36%	91,754
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	151,348	73,000	–	676	6,745	18,250	(11,505)	-63%	73,000
Total sources of capital funds	241,096	164,754	–	3,292	21,168	40,862	(19,694)	-48%	164,754
Financial position									
Total current assets	3,764,329	3,337,813	–	–	4,110,243	–	–	–	3,337,813
Total non current assets	3,490,359	3,199,052	–	–	3,478,435	–	–	–	3,199,052
Total current liabilities	9,601,087	7,938,283	–	–	9,959,796	–	–	–	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)	–	–	(2,898,663)	–	–	–	(4,199,798)
Cash flows									
Net cash from (used) operating	1,086,282	114,773	–	105,280	317,458	163,423	(154,035)	-94%	114,773
Net cash from (used) investing	(203,172)	(189,467)	–	(11,599)	(44,233)	(46,992)	(2,759)	6%	(189,467)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	932,933	5,760	–	–	319,531	196,885	(122,646)	-62%	(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	216,444	182,116	101,688	87,016	78,472	71,660	81,678	3,546,970	4,366,046
Creditors Age Analysis									
Total Creditors	226,912	221,887	156,293	219,933	50,657	119,073	73,081	7,161,960	8,229,796

MP307 Govan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,171,788	1,095,899	-	43,834	349,577	368,953	(19,375)	-5%	1,095,899
Executive and council		-	518	-	-	-	130	(130)	-100%	518
Finance and administration		1,171,169	1,095,380	-	43,834	349,577	368,823	(19,246)	-5%	1,095,380
Internal audit		619	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		49,506	21,056	-	592	2,041	5,564	(3,523)	-63%	21,056
Community and social services		20,792	2,775	-	111	483	694	(210)	-30%	2,775
Sport and recreation		203	20	-	-	-	5	(5)	-100%	20
Public safety		28,419	18,261	-	481	1,558	4,865	(3,307)	-68%	18,261
Housing		93	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		77,775	10,563	-	464	1,241	4,785	(3,544)	-74%	10,563
Planning and development		74,752	7,624	-	450	1,171	1,906	(735)	-39%	7,624
Road transport		3,023	2,939	-	14	69	2,879	(2,810)	-98%	2,939
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2,298,951	2,580,556	-	200,271	616,012	645,139	(29,127)	-5%	2,580,556
Energy sources		1,181,218	1,317,679	-	98,701	298,561	329,420	(30,859)	-9%	1,317,679
Water management		737,794	853,091	-	70,375	225,066	213,273	11,793	6%	853,091
Waste water management		184,221	214,421	-	17,247	51,609	53,605	(1,996)	-4%	214,421
Waste management		195,718	195,366	-	13,948	40,776	48,842	(8,066)	-17%	195,366
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	3,598,021	3,708,074	-	245,160	968,871	1,024,441	(55,570)	-5%	3,708,074
Expenditure - Functional										
<i>Governance and administration</i>		1,062,421	1,005,826	-	89,251	237,471	251,468	(13,996)	-6%	1,005,826
Executive and council		89,281	108,053	-	7,929	23,509	27,024	(3,515)	-13%	108,053
Finance and administration		968,747	893,882	-	80,983	213,026	223,471	(10,445)	-5%	893,882
Internal audit		4,393	3,891	-	339	937	973	(36)	-4%	3,891
<i>Community and public safety</i>		287,913	297,463	-	20,945	60,640	74,369	(13,729)	-18%	297,463
Community and social services		128,299	117,190	-	7,703	22,347	29,298	(6,950)	-24%	117,190
Sport and recreation		9,269	12,791	-	566	1,628	3,198	(1,570)	-49%	12,791
Public safety		139,754	155,172	-	11,341	33,650	38,796	(5,146)	-13%	155,172
Housing		9,555	10,926	-	1,220	2,663	2,732	(69)	-3%	10,926
Health		1,035	1,384	-	115	352	346	6	2%	1,384
<i>Economic and environmental services</i>		99,992	115,576	-	8,063	22,569	28,894	(6,325)	-22%	115,576
Planning and development		36,476	51,218	-	3,720	10,777	12,805	(2,028)	-16%	51,218
Road transport		63,515	63,533	-	4,343	11,792	15,883	(4,092)	-26%	63,533
Environmental protection		-	825	-	-	-	206	(206)	-100%	825
<i>Trading services</i>		3,233,266	2,747,882	-	188,324	605,185	686,971	(81,786)	-12%	2,747,882
Energy sources		1,525,340	1,603,098	-	109,091	397,125	400,775	(3,649)	-1%	1,603,098
Water management		1,050,519	708,301	-	57,923	160,181	177,075	(16,894)	-10%	708,301
Waste water management		263,882	244,571	-	10,009	24,570	61,143	(36,573)	-60%	244,571
Waste management		393,524	191,912	-	11,301	23,309	47,978	(24,669)	-51%	191,912
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	4,683,591	4,166,747	-	306,583	925,866	1,041,702	(115,836)	-11%	4,166,747
Surplus/ (Deficit) for the year		(1,085,571)	(458,673)	-	(61,423)	43,005	(17,261)	60,266	-349%	(458,673)

MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 - September

Vote Description	Ref	2025/26	Budget Year 2026/27							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		111	539	-	-	-	135	(135)	-100.0%	539
Vote 2 - 02 CORPORATE SERVICES		23,945	25,300	-	-	12	12,971	(12,959)	-99.9%	25,300
Vote 3 - 03 PLANNING AND DEVELOPMENT		149,117	28,981	-	1,305	3,600	7,245	(3,646)	-50.3%	28,981
Vote 4 - 04 COMMUNITY SERVICES		49,297	21,052	-	583	2,012	5,563	(3,551)	-63.8%	21,052
Vote 5 - 05 FINANCIAL SERVICES		1,003,144	1,048,703	-	42,976	347,129	350,508	(3,378)	-1.0%	1,048,703
Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING		1,181,218	1,317,679	-	98,701	298,561	329,420	(30,859)	-9.4%	1,317,679
Vote 7 - 07 CIVIL ENGINEERING		994,823	1,070,450	-	87,636	276,744	269,757	6,987	2.6%	1,070,450
Vote 8 - 01 EXECUTIVE AND COUNCIL continued		619	-	-	-	-	-	-	-	-
Vote 9 - 04 COMMUNITY SERVICES continued		195,746	195,370	-	13,960	40,812	48,842	(8,030)	-16.4%	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	-	245,160	968,871	1,024,441	(55,570)	-5.4%	3,708,074
Expenditure by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		97,576	118,306	-	8,619	25,497	29,587	(4,090)	-13.8%	118,306
Vote 2 - 02 CORPORATE SERVICES		166,895	205,725	-	23,656	48,065	51,431	(3,367)	-6.5%	205,725
Vote 3 - 03 PLANNING AND DEVELOPMENT		43,773	58,500	-	5,183	12,873	14,625	(1,752)	-12.0%	58,500
Vote 4 - 04 COMMUNITY SERVICES		254,775	266,063	-	17,570	51,660	66,516	(14,856)	-22.3%	266,063
Vote 5 - 05 FINANCIAL SERVICES		730,525	614,536	-	56,125	151,348	153,634	(2,287)	-1.5%	614,536
Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING		1,525,340	1,603,098	-	109,091	397,125	400,775	(3,649)	-0.9%	1,603,098
Vote 7 - 07 CIVIL ENGINEERING		1,384,930	1,024,558	-	72,797	198,206	256,140	(57,934)	-22.6%	1,024,558
Vote 8 - 01 EXECUTIVE AND COUNCIL continued		4,433	3,978	-	356	954	995	(40)	-4.0%	3,978
Vote 9 - 04 COMMUNITY SERVICES continued		475,344	271,983	-	13,186	40,137	67,999	(27,862)	-41.0%	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	-	306,583	925,866	1,041,702	(115,836)	-11.1%	4,166,747
Surplus/ (Deficit) for the year	2	(1,085,571)	(458,673)	-	(61,423)	43,005	(17,261)	60,266	-349.1%	(458,673)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		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		918,587	1,151,240	-	95,587	288,807	287,810	(1,003)	0%	1,151,240
Service charges - Water		639,871	792,634	-	62,577	201,784	198,159	3,625	2%	792,634
Service charges - Waste Water Management		121,143	202,804	-	14,368	43,022	50,701	(7,679)	-15%	202,804
Service charges - Waste management		163,676	186,667	-	11,251	32,740	46,674	(13,935)	-30%	186,667
Sale of Goods and Rendering of Services		6,905	10,121	-	580	1,684	2,530	(847)	-33%	10,121
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		231,326	243,796	-	16,488	51,660	60,949	(9,289)	-15%	243,796
Interest from Current and Non Current Assets		4,594	6,222	-	547	1,477	1,556	(79)	-5%	6,222
Dividends		-	20	-	-	-	5	(5)	-100%	20
Rent on Land		0	-	-	-	-	-	-	-	-
Rental from Fixed Assets		14,916	20,546	-	872	2,570	5,137	(2,567)	-50%	20,546
Licence and permits		84	80	-	14	69	20	49	246%	80
Special Rating Levies		-	-	-	-	-	-	-	-	-
Construction Contract Revenue		-	-	-	-	-	-	-	-	-
Development Charges		-	-	-	-	-	-	-	-	-
Operational Revenue		4,709	7,381	-	146	361	1,945	(1,484)	-80%	7,381
Non-Exchange Revenue										
Property rates		454,566	473,083	-	38,725	118,899	118,271	(1,371)	-1%	473,083
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		28,904	21,805	-	841	2,285	5,451	(3,166)	-58%	21,805
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		525,423	566,219	-	35	218,183	236,477	(18,294)	-8%	566,218
Interest		32,520	32,899	-	3,129	9,331	8,224	1,107	13%	32,898
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		278,099	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets		3,009	2,500	-	-	-	625	(625)	-100%	2,500
Other Gains		144,329	30	-	-	-	8	(8)	-100%	30
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		3,472,660	3,708,074	-	245,160	968,871	1,024,441	(55,570)	-5%	3,708,074
Expenditure By Type										
Employee related costs		792,414	838,570	-	69,618	204,019	209,644	(5,625)	-3%	838,570
Remuneration of councillors		33,723	37,745	-	2,805	8,450	9,436	(986)	-10%	37,745
Bulk purchases - electricity		1,108,463	1,150,000	-	82,977	336,667	287,500	49,157	17%	1,150,000
Inventory consumed		613,087	632,763	-	57,123	163,819	158,191	5,628	4%	632,763
Debt impairment		1,089,071	396,655	-	-	-	99,164	(99,164)	-100%	396,655
Depreciation and amortisation		111,461	139,195	-	10,532	33,092	34,789	(1,706)	-5%	139,195
Interest		409,020	222,949	-	30,421	97,810	55,737	42,073	75%	222,949
Contracted services		321,729	427,199	-	22,788	42,330	106,900	(64,469)	-60%	427,198
Transfers and subsidies		19,663	-	-	-	-	-	-	-	-
Irrecoverable debts written off		0	146,134	-	21,830	15,425	36,533	(21,109)	-58%	146,134
Operational costs		124,456	175,537	-	7,746	23,522	43,898	(20,376)	-46%	175,537
Disposal of Fixed and Intangible Assets		38,309	-	-	-	-	-	-	-	-
Other Losses		42,195	-	-	741	741	-	741	#DIV/0!	-
Total Expenditure		4,683,591	4,166,747	-	306,583	925,866	1,041,702	(115,836)	-11%	4,166,747
Surplus/(Deficit)		(1,210,931)	(458,673)	-	(61,423)	43,005	(17,261)	60,266	-349%	(458,673)
Transfers and subsidies - capital (monetary allocations)		116,236	107,609	-	2,493	16,972	26,902	(9,930)	-37%	107,609
Transfers and subsidies - capital (in-kind)		9,125	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1,085,571)	(351,064)	-	(58,930)	59,977	9,641			(351,064)
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(1,085,571)	(351,064)	-	(58,930)	59,977	9,641			(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)	-	(58,930)	59,977	9,641			(351,064)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intra-company/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(1,085,571)	(351,064)	-	(58,930)	59,977	9,641			(351,064)

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September

Vote Description	Ref	2025/26	Budget Year 2026/27							Full Year
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	
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	-	-	-	163	(163)	-100%	652
Vote 2 - 02 CORPORATE SERVICES		4,230	9,304	-	-	-	2,326	(2,326)	-100%	9,304
Vote 3 - 03 PLANNING AND DEVELOPMENT		97	174	-	-	-	43	(43)	-100%	174
Vote 4 - 04 COMMUNITY SERVICES		17,849	11,043	-	-	252	2,761	(2,509)	-91%	11,043
Vote 5 - 05 FINANCIAL SERVICES		4,212	5,826	-	60	60	1,130	(1,070)	-95%	5,826
Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING		95,140	31,259	-	9,996	13,046	7,815	5,232	67%	31,259
Vote 7 - 07 CIVIL ENGINEERING		115,380	90,247	-	(6,764)	7,810	22,562	(14,752)	-65%	90,247
Vote 8 - 01 EXECUTIVE AND COUNCIL continued		-	-	-	-	-	-	-	-	-
Vote 9 - 04 COMMUNITY SERVICES continued		60,490	16,247	-	-	-	4,062	(4,062)	-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	-	3,292	21,168	40,862	(19,694)	-48%	164,754
Total Capital Expenditure		304,591	164,754	-	3,292	21,168	40,862	(19,694)	-48%	164,754
Capital Expenditure - Functional Classification										
Governance and administration		8,604	16,652	-	60	60	3,837	(3,777)	-98%	16,652
Executive and council		182	652	-	-	-	163	(163)	-100%	652
Finance and administration		8,442	16,000	-	60	60	3,674	(3,614)	-98%	16,000
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		24,879	11,043	-	-	252	2,761	(2,509)	-91%	11,043
Community and social services		17,849	10,809	-	-	-	2,652	(2,652)	-100%	10,809
Sport and recreation		7,030	-	-	-	252	-	252	#DIV/0!	-
Public safety		-	435	-	-	-	109	(109)	-100%	435
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		71,763	44,334	-	(7,380)	4,427	11,084	(6,657)	-60%	44,334
Planning and development		51,786	44,160	-	(7,380)	4,427	11,040	(6,614)	-60%	44,160
Road transport		19,957	174	-	-	-	43	(43)	-100%	174
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		199,344	92,724	-	10,613	16,429	23,181	(6,752)	-29%	92,724
Energy sources		95,140	31,259	-	9,996	13,046	7,815	5,232	67%	31,259
Water management		32,139	20,970	-	368	368	5,217	(4,849)	-93%	20,970
Waste water management		11,574	25,217	-	248	3,015	6,304	(3,290)	-52%	25,217
Waste management		60,490	15,378	-	-	-	3,844	(3,844)	-100%	15,378
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	304,591	164,754	-	3,292	21,168	40,862	(19,694)	-48%	164,754
Funded by:										
National Government		98,748	91,754	-	2,616	14,423	22,612	(8,189)	-36%	91,754
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat./ Prov. Departm. Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		98,748	91,754	-	2,616	14,423	22,612	(8,189)	-36%	91,754
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		151,348	73,000	-	879	6,745	18,250	(11,505)	-63%	73,000
Total Capital Funding		241,096	164,754	-	3,292	21,168	40,862	(19,694)	-48%	164,754

MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M03 - September

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		46,306	5,090	-	74,259	5,090
Short term Investments		-	-	-	-	-
Trade and other receivables from exchange transactions		1,362,999	684,274	-	2,532,045	684,274
Receivables from non-exchange transactions		283,117	132,865	-	303,884	132,865
Current portion of non-current receivables		-	-	-	-	-
Inventory		142,257	96,365	-	157,890	96,365
VAT		1,929,651	2,419,188	-	1,042,165	2,419,188
Other current assets		0	30	-	0	30
Total current assets		3,764,329	3,337,813	-	4,110,243	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	-	1,986,687	1,817,910
Biological assets		-	-	-	-	-
Living resources		-	-	-	-	-
Heritage assets		5,431	5,431	-	5,431	5,431
Intangible assets		119	1,379	-	109	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	-	3,478,435	3,199,052
TOTAL ASSETS		7,254,688	6,536,865	-	7,588,678	6,536,865
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		397	3,612	-	397	3,612
Consumer deposits		36,056	34,715	-	36,406	34,715
Trade and other payables from exchange transactions		7,997,096	5,767,986	-	8,578,537	5,767,986
Trade and other payables from non-exchange transactions		6,973	1,212	-	58,277	1,212
Provision		16,189	52,039	-	9,125	52,039
VAT		1,544,375	2,078,719	-	1,277,055	2,078,719
Other current liabilities		-	-	-	-	-
Total current liabilities		9,601,087	7,938,283	-	9,959,796	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	-	10,487,342	10,736,663
NET ASSETS	2	(2,958,642)	(4,199,798)	-	(2,898,663)	(4,199,798)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(2,958,642)	(4,199,798)	-	(2,898,663)	(4,199,798)
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(2,958,642)	(4,199,798)	-	(2,898,663)	(4,199,798)

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		384,692	407,542	-	36,021	99,238	101,886	(2,648)	-3%	407,642
Service charges		1,728,366	2,201,482	-	189,581	472,989	550,370	(77,382)	-14%	2,201,482
Other revenue		59,213	86,588	-	6,242	27,153	21,647	5,506	25%	86,588
Transfers and Subsidies - Operational		527,945	556,218	-	336	223,143	235,853	(12,710)	-5%	556,218
Transfers and Subsidies - Capital		115,977	107,609	-	-	50,696	64,834	(14,138)	-22%	107,609
Interest		24,630	238,877	-	3,193	8,385	59,719	(51,335)	-86%	238,877
Dividends		-	20	-	-	-	5	(5)	-100%	20
Payments										
Suppliers and employees		(1,754,543)	(3,280,614)	-	(129,092)	(584,145)	(815,153)	251,009	-31%	(3,280,614)
Interest		-	(222,949)	-	-	-	(55,737)	55,737	-100%	(222,949)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,086,282	114,773	-	105,280	317,458	163,423	(154,035)	-94%	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)	-	(11,599)	(44,233)	(46,992)	2,759	-6%	(189,467)
Retention (Capital)		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(203,172)	(189,467)	-	(11,599)	(44,233)	(46,992)	2,759	(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)	-	93,681	273,225	116,431			(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	-		319,531	196,885			(28,388)

PART 2: SUPPORTING DOCUMENTATION**6. Debtors' Analysis**

The total debtors book balance as at 30 September 2026 amounts to R 4 366 046 000. 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 **69%**, indicating that just under one-third of billed revenue remains uncollected for the period.

MP307 Govan Mbeki - Supporting Table SC2 Monthly Budget Statement - M03 - September

Description	NT Code	Budget Year 2026/27								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Dye	181 Dye-1 Yr	Over 1Yr				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	59 060	74 789	32 632	28 303	23 203	20 601	24 569	1 114 708	1 374 896	1 209 415	(7 765)	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	64 853	18 599	14 607	12 060	11 235	10 096	10 272	416 791	558 502	480 444	(2 763)	-
Receivables from Non-exchange Transactions - Property Rates	1400	32 797	12 405	11 544	9 692	9 281	9 269	9 128	352 283	446 430	388 682	(2 515)	-
Receivables from Exchange Transactions - Waste Water Management	1500	16 790	10 615	9 037	8 559	8 090	7 371	9 041	424 840	494 342	457 900	(2 681)	-
Receivables from Exchange Transactions - Waste Management	1600	16 192	9 140	8 966	8 342	7 534	7 314	7 670	388 960	453 916	419 719	(2 608)	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	757	854	232	250	222	167	193	12 047	14 472	12 818	-	-
Interest on Arrear Debtor Accounts	1810	25 105	52 852	22 356	20 650	18 421	16 459	20 041	827 668	1 003 574	903 260	(7)	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 876	3 051	2 414	1 161	487	354	755	9 752	19 914	12 559	(3 161)	-
Total By Income Source	2000	216 444	182 116	101 688	87 016	76 472	71 660	81 678	3 546 970	4 366 046	3 865 798	(21 530)	-
2025/26 - totals only		249 961	288 351	93 481	97 082	78 069	73 785	73 458	3 299 000	4 233 217	3 621 424	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	9 151	3 279	1 968	1 562	1 562	1 269	1 256	40 184	60 330	45 943	-	-
Commercial	2300	57 767	11 894	9 602	5 869	7 011	6 502	7 185	285 225	371 564	292 302	(761)	-
Households	2400	149 527	166 943	90 128	78 595	89 910	63 860	73 228	3 241 551	3 934 151	3 527 554	(20 780)	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	216 444	182 116	101 688	87 016	76 472	71 660	81 678	3 546 970	4 366 046	3 865 798	(21 530)	-

Debtors Movement rate

	September	August
Debtors Opening Balance	4,347,439,000.00	4,258,902,000.00
Add: Billing for the Month	248,354,440.60	236,463,131.50
Less: Debtors Write-off	21,530,000.00	3,998,000.00
Less: Debtors Closing Balance	4,366,046,000.00	4,347,439,000.00
Movement on Debtors Aging	239,386,131.50	163,815,440.60
Movement rate	69%	70%

Reason for current performance in debtor's book movement of 69% 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 **33.4 million** towards the total collection.
- Debt incentive commenced on the 7th of September 2026 and the total contribution was **2 million** towards total collection. Revenue aims to have a targeting approach which will encompass awareness campaigns on the debt incentive in order to increase the number of applicants.

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	397,018.03	705,975.76	-	-	-	-	705,975.76	-
Deposits	242,841.35	83,540.00	-	-	-	-	83,540.00	-
Agreements	59,220.47	-	-	-	-	-	-	-
Indigent Flat Credit	11,876.18	-3,151,739.41	-	-	-	77,116.29	-3,228,855.70	-
Water	48,964,417.72	115,146,001.79	114,706,536.55	72,812,463.73	-705,318.52	42,599,391.34	439,465.24	43
Electricity	51,439,599.08	63,108,182.85	62,880,608.84	63,864,948.71	-1,558,397.80	574,057.93	227,574.01	82
Rates	31,363,325.72	39,121,600.36	39,117,533.71	39,094,183.79	-124,026.28	147,376.20	4,066.65	80
Annual Rates	23,694.53	-	-	-	-	-	-	-
Refuse	6,635,493.94	14,134,186.39	14,041,194.52	14,042,542.26	-19,920.83	18,573.09	92,991.87	47
Sewerage	7,261,706.67	14,997,592.77	14,864,357.48	14,891,361.69	-59,263.58	32,259.37	133,235.29	49
Miscellaneous	464,343.13	-39,193,023.04	-42,016,762.26	332,316.08	42,445,988.34	96,910.00	2,823,739.22	-1
Miscellaneous(No Vat)	557,344.10	557,481.93	557,481.93	655,055.43	-106,342.25	8,768.75	-	100
Vat	17,669,993.59	24,647,481.00	24,637,479.74	24,862,097.97	-352,114.76	127,496.53	10,001.26	72
Interest	1,835,680.44	19,488,893.80	19,488,893.80	19,630,904.32	33,868,896.52	33,726,886.00	-	9
Payment Advanced	4,994,160.27	-	-	-	-	-	-	-
	171,126,679.16	249,646,174.20	248,354,440.60	250,185,873.98	79,240,268.88	77,408,835.50	1,291,733.60	69

In August, the municipality billed **R234 396 844.23** and collected **R157 204 933.57**, resulting in a payment rate of 67 percent.

In September, net billing increased by R13 957 596.37 to R248 354 440.60 and collections increased by R13 921 745.59 to R171 126 679.16. Consequently, the payment rate increased by 2 percentage, from 67 % in August to 69 % in September. All collection figures exclude prepaid electricity sales.

Reasons for the decline in the collection rate

- Billing increased from August to September following the implementation of tariff increases for the 2026/2027 financial year. The higher billed amount brings a higher revenue base of 162 million on average for the quarter. Although a slight increase in collection may be noted from the norm of 60% to 65%, the norm has slightly moved to 67% and 70%.

Efforts remain in place to ensure major customers continue to pay, customers with existing payment arrangements are encouraged to avoid defaults, government accounts are followed up monthly, poor customers are segregated from customers who can afford services.

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:1

When comparing the two periods, Billing increased by **R13.9 million**, and collections has increased by **R13.9 million**.

Prepaid sales for September amounted to R **31 897 357.78**, increasing total revenue collected to R **203 024 036.94**. When prepaid sales are included, the overall payment rate improves to **69 percent**.

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 **78 percent**.

Total prepaid revenue received decreased by **R10.3 million** from August to September.

Actual Billing for September	248,354,440.60
Pre-Paid Sales for September	31,897,357.78
Total Collection Including Pre-Paid Sales Received	203,024,036.94
Payment Rate (Billing vs Collection)	69%
Pre-Paid Sales Performance September	43,259,780.48
Region 1	8,140,865.51
Region 2 & 3	35,118,914.97

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%
Sept-26	250,185,874	- 1,831,433	1,291,734	249,646,174	248,354,441	171,126,679	69%
Total	698,629,778	734,055	- 1,169,658,102	- 470,294,270	699,363,832	488,239,635	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	53,870,782	14,982,735	38,888,047	28%
0600 CHARL CILLIERS	766,200	171,449	594,751	22%
0800 EMZINONI	12,069,748	2,350,713	9,719,035	19%
0900 EENDRACHT	1,094,059	319,191	774,868	29%
1100 LEBOHANG	13,022,120	396,410	12,625,710	3%
1500 BETHAL RAND	325,150	120,719	204,430	37%
2000 SORRENTO PARK	31,635	16	31,619	0%
RES1 RESIDENTIAL	41,623	8,512	33,111	20%

Soft Block Analysis

As at end of September 2026, the municipality implemented soft blocking of prepaid meters as part of the revenue enhancement strategy. To date, **1,253 meters have been soft-blocked**, with a total outstanding balance of **R67,755,650.62** linked to these accounts.

From this intervention:

- **R2,918,001.71** has been collected, and
- **R15,249,588.84** has been placed on payment arrangements.

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

SEPTEMBER PAYMENT RATE PER AREA

Area	Total Levied (Incl Adjustments)	Total Receipts	Amount not collected	%
0100 SECUNDA	80,708,200	75,745,573	4,962,627	94%
0200 EMBALENHLE	53,870,782	14,982,735	38,888,047	28%
0300 KINROSS	24,645,921	21,376,327	3,269,594	87%
0400 TRICHARDT	9,344,244	8,663,257	680,987	93%
0500 EVANDER	14,947,967	12,002,694	2,945,273	80%
0700 BETHAL	20,032,304	15,452,180	4,580,124	77%
0800 EMZINONI	12,069,748	2,350,713	9,719,035	19%

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 19% and Embalenhle showing 28%.

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 August payment rate Embalenhle and Emzinoni township displayed a slight increase. There is a decline below 80% in Bethal, while a notable improvement to 87% in Kinross as compared to previous month

The proportion of outstanding amounts placed under arrangements is 22.50% compared to 5.97% in August 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 period 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 September 2026 amounted to R8 229 796 000, 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.

Description	NT Code	Budget Year 2026/27							
		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									Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	100	124,782	183,209	154,875	178,521	551,845	128,455	72,901	5,878,217
Bulk Water	200	64,950	20,300	-	6,588	-	66	-	754,132
PAYE deductions	300	-	-	-	-	-	-	-	-
VAT (output less input)	400	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	500	-	-	-	-	-	-	-	-
Loan repayments	600	-	-	-	-	-	-	-	-
Trade Creditors	700	36,237	18,378	1,417	34,824	19,041	-	-	-
Auditor General	800	943	-	-	-	115	-	-	-
Other	900	-	-	-	-	-	-	-	-
	1000	226,912	221,887	156,292	219,933	571,001	128,521	72,901	6,632,349
									8,229,796

8. Investment portfolio analysis

The following table displays the investments portfolio and indicates a closing balance of **R69 677 680.77** invested (including long-term investments).

	Account Nr	Date of Investment	Opening Balance 01/09/2026	Investments Made	Investment Withdrawals	Fair Value Adjustment	Interest Capitalized/ Accrued	Closing Balance 30/09/2026	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 Account	038787024(003)	26/11/2014	581,645.86	-	-	-	3,174.17	584,840.03	Standard Bank MoneyMarket Call Account
Standard Bank TieredRate Call Account	038787024(008)	13/08/2014	26,299,884.76	20,000,000.00	-	-	191,510.42	48,491,395.18	Standard Bank TieredRate Call Account
Standard Bank MoneyMarket Call Account	038787024(009)	05/06/2016	54,647,957.66	10,000,000.00	64,000,000.00	-	239,096.63	887,054.29	Standard Bank MoneyMarket Call Account
Standard Bank Retention Call Account	038787024(010)	01/08/2025	20,195,715.68	-	-	-	113,566.32	20,309,283.00	Standard Bank Retention Call Account
			101,725,024.96	30,000,000.00	64,000,000.00	-	547,347.54	68,272,372.50	
			103,130,333.23	30,000,000.00	64,000,000.00	-	547,347.54	69,677,680.77	

9. DISTRIBUTION LOSSES

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

Service	Purchased	Sold	Current % Loss	Average 25/26	Average 24/25
Electricity	37,708,240	24,953,353	-33.83%	-38.53%	-47.99%
Water	2,602,901	1,519,525	-41.62%	-39.85%	-53.47%

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

Service	Purchased	Sold	Current % Loss	Average 25/26	Average 24/25
Electricity	118,468,178	74,605,003	-37.03%	-38.53%	-47.99%
Water	7,847,943	5,089,278	-35.15%	-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 September sitting at 33.83%

Water

Due to the timely response to pipe bursts and effective management of reservoir overflows during September 2026, the Municipality has successfully reduced water losses by 4.7% compared to the previous financial year cumulative.

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	5,476,035.34	25,219,964.66	8%
Municipal Disaster Recovery Grant	-	3,498,100.00	-	-	-	0%
Total	107,609,000.00	3,965,944.15	50,696,000.00	16,971,965.73	33,724,034.27	16%

- 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 8% of its 2026/2027 MIG allocation to date. The low expenditure is mainly attributable to the following:

- The Leandra Bulk Pipeline and Reservoir Project have been completed, while the Embalenhle Bulk Pipeline Replacement Project is nearing completion, resulting in reduced expenditure.
- The Emzinoni Bulk Water Supply Project is at the mobilisation and site establishment stage following the contractor's appointment on 26 August 2026.
- The Municipality is facilitating approval of a session agreement for direct payment to material suppliers under the Emzinoni project to accelerate procurement and improve MIG expenditure.
- A purchase order for specialised waste management vehicles was issued on 2 September 2026, with expenditure expected upon delivery and payment. The lead time for the delivered of material is estimated to be 4 to 6 weeks.
- Lebohang Stadium Phase 2 is approximately 79% complete and remains a major contributor to current expenditure.
- **Approximately R15 million has been committed for October 2026**, with invoices for completed work already being processed for payment.
- **Material Procurement:** The Municipality will finalise the session agreement for the Emzinoni Bulk Water Supply Project to enable direct payments to material suppliers, accelerate procurement and improve expenditure.

- **Specialised Vehicle Procurement:** The Municipality will closely engage with the appointed supplier to ensure delivery of specialised waste management vehicles within the anticipated 4–6-week period and expedite payment upon delivery and verification.
- **Accelerated Construction:** The Municipality will engage contractors to accelerate construction activities, particularly on the Emzinoni Bulk Water Supply and Lebohang Stadium Phase 2 projects, to improve physical and financial progress.
- **Project Close-Out:** The Municipality will expedite the completion, certification and payment of outstanding work on the Embalenhle Bulk Pipeline Replacement and Leandra Bulk Pipeline and Reservoir projects.
- **Expenditure Monitoring:** The Municipality will conduct weekly progress monitoring and monthly expenditure reviews against approved cash-flow projections to identify implementation delays and take corrective action.
- MIG expenditure is expected to improve significantly during the next quarter through payment of outstanding invoices, accelerated construction activities and delivery of procured assets.
- 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.
- 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	YTD Receipts	YTD Expenditure	Unspent 2026/2027	YTD %
Extended Public works Programme	2,859,000.00	194,000.00	714,000.00	2,859,000.00	- 1,951,000.00	100%
Financial Management Grants	3,500,000.00	-	3,500,000.00	239,206.47	3,260,793.53	7%

Infrastructure Grant	Skills Development	24,000,000.00	-	13,000,000.00	13,000,000.00	-	0.00	54%
LG Seta	-	443,819.12		490,337.22	13,564.22		920,592.12	3%
Point Duty Officer (SASOL)	-	47,673.38		-	848,384.40	-	800,711.02	1780%
Economic Development and Tourism	-	313,901.00		-	-	-	-	0%
Gert Sibande District Municipality	-	8,035.02		-	-	-	-	0%
Energy Efficiency Demand Grant	-	2,000,000.00		-	-	-	2,000,000.00	0%
Equitable share		523,359,000.00		218,066,000.00	218,066,000.00		-	42%
Total		553,718,000.00	3,007,428.52	235,770,337.22	235,026,155.09		3,429,674.63	42%

- 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.
- Sasol point duty officer's grant is reflecting 1780% due to payments still outstanding from Sasol after invoices were sent for point duty officer's stipend

11. Capital programme performance

Project Name	Funding	2026-2027 Budget	Original	Monthly Expenditure September 2026	YTD Expenditure Excl VAT	Available Balance as at September 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	19,621,799.79
Electrification of Emzinoni Extension 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		802,436.70	2,612,849.97	1,734,976.03
Embalenhle Bulk Replacement/Upgrade (Phase1)	MIG	6,956,522.00		1,813,720.00	1,813,720.00	5,142,802.00

Project Name	Funding	2026-2027 Original Budget	Monthly Expenditure September 2026	YTD Expenditure Excl VAT	Available Balance as at September 2026
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	368,291.68	368,291.68	7,457,795.32
Firearms	Revenue	869,562.00	-	-	869,562.00
Fencing of pump stations and WWTW	Revenue	4,347,826.00	248,000.00	248,000.00	4,099,826.00
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	-	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	59,935.00	59,935.00	113,978.00
Furniture & Equipment (Community Services)	Revenue	173,913.00	-	-	173,913.00
Jaws of life (Capital)	Revenue	434,782.61	-	-	434,782.61
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	-
Mobile Toilet	Revenue	-	-	252,169.57	-

Project Name	Funding	2026-2027 Budget	Original	Monthly Expenditure September 2026	YTD Expenditure Excl VAT	Available Balance as at September 2026
TOTAL		164,753,864.44		3,292,383.38	21,168,154.43	143,585,710.01

12. Councillor, Section 57 Managers allowances and Employee benefits for September 2026

Total staff compliment	1219 (Permanent)
Staff resignations	6
Staff Appointments	17

13. Other supporting documents

See Attached Annexure C

14. Conclusion

The financial performance for September 2026 reflects some improvement in revenue collection, with the payment rate increased from 67 % in August to 69% in September, 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 R23.33 million, representing a 12 percent underperformance against the year-to-date budget.

The municipality remains under serious financial pressure. The debtors' book amounted to R4.36 billion, while creditors totalled R8.22 billion, of which 97 percent was outstanding for more than 30 days. Eskom and Rand Water remain the municipality's largest creditors. The 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.

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
R527,918,576.75	25%	R265,163,654.76	13%	R262,754,921.99

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 30 September 2026 is 13 % 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 265 163 654.76 has been collected to date.

15. Annexure A: C-schedules attached

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

Summary of August Compliance Assessment Report

National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003										Province									
Code		District		Code Description															
MP267		Gert Sibande		Govan Mbeki															

Monthly Performance Report																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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DE		Part DF		Part DG		Part DH		Part DI		Part DJ		Part DK		Part DL		Part DM		Part DN		Part DO		Part DP		Part DQ		Part DR		Part DS		Part DT		Part DU		Part DV		Part DW		Part DX		Part DY		Part DZ		Part EA		Part EB		Part EC		Part ED		Part EE		Part EF		Part EG		Part EH		Part EI		Part EJ		Part EK		Part EL		Part EM		Part EN		Part EO		Part EP		Part EQ		Part ER		Part ES		Part ET		Part EU		Part EV		Part EW		Part EX		Part EY		Part EZ		Part FA		Part FB		Part FC		Part FD		Part FE		Part FF		Part FG		Part FH		Part FI		Part FJ		Part FK		Part FL		Part FM		Part FN		Part FO		Part FP		Part FQ		Part FR		Part FS		Part FT		Part FU		Part FV		Part FW		Part FX		Part FY		Part FZ		Part GA		Part GB		Part GC		Part GD		Part GE		Part GF		Part GG		Part GH		Part GI		Part GJ		Part GK		Part GL		Part GM		Part GN		Part GO		Part GP		Part GQ		Part GR		Part GS		Part GT		Part GU		Part GV		Part GW		Part GX		Part GY		Part GZ		Part HA		Part HB		Part HC		Part HD		Part HE		Part HF		Part HG		Part HH		Part HI		Part HJ		Part HK		Part HL		Part HM		Part HN		Part HO		Part HP		Part HQ		Part HR		Part HS		Part HT		Part HU		Part HV		Part HW		Part HX		Part HY		Part HZ		Part IA		Part IB		Part IC		Part ID		Part IE		Part IF		Part IG		Part IH		Part II		Part IJ		Part IK		Part IL		Part IM		Part IN		Part IO		Part IP		Part IQ		Part IR		Part IS		Part IT		Part IU		Part IV		Part IW		Part IX		Part IY		Part IZ		Part JA		Part JB		Part JC		Part JD		Part JE		Part JF		Part JG		Part JH		Part JI		Part JJ		Part JK		Part JL		Part JM		Part JN		Part JO		Part JP		Part JQ		Part JR		Part JS		Part JT		Part JU		Part JV		Part JW		Part JX		Part JY		Part JZ		Part KA		Part KB		Part KC		Part KD		Part KE		Part KF		Part KG		Part KH		Part KI		Part KJ		Part KK		Part KL		Part KM		Part KN		Part KO		Part KP		Part KQ		Part KR		Part KS		Part KT		Part KU		Part KV		Part KW		Part KX		Part KY		Part KZ		Part LA		Part LB		Part LC		Part LD		Part LE		Part LF		Part LG		Part LH		Part LI		Part LJ		Part LK		Part LL		Part LM		Part LN		Part LO		Part LP		Part LQ		Part LR		Part LS		Part LT		Part LU		Part LV		Part LW		Part LX		Part LY		Part LZ		Part MA		Part MB		Part MC		Part MD		Part ME		Part MF		Part MG		Part MH		Part MI		Part MJ		Part MK		Part ML		Part MM		Part MN		Part MO		Part MP		Part MQ		Part MR		Part MS		Part MT		Part MU		Part MV		Part MW		Part MX		Part MY		Part MZ		Part NA		Part NB		Part NC		Part ND		Part NE		Part NF		Part NG		Part NH		Part NI		Part NJ		Part NK		Part NL		Part NM		Part NN		Part NO		Part NP		Part NQ		Part NR		Part NS		Part NT		Part NU		Part NV		Part NW		Part NX		Part NY		Part NZ		Part OA		Part OB		Part OC		Part OD		Part OE		Part OF		Part OG		Part OH		Part OI		Part OJ		Part OK		Part OL		Part OM		Part ON		Part OO		Part OP		Part OQ		Part OR		Part OS		Part OT		Part OU		Part OV		Part OW		Part OX		Part OY		Part OZ		Part PA		Part PB		Part PC		Part PD		Part PE		Part PF		Part PG		Part PH		Part PI		Part PJ		Part PK		Part PL		Part PM		Part PN		Part PO		Part PP		Part PQ		Part PR		Part PS		Part PT		Part PU		Part PV		Part PW		Part PX		Part PY		Part PZ		Part QA		Part QB		Part QC		Part QD		Part QE		Part QF		Part QG		Part QH		Part QI		Part QJ		Part QK		Part QL		Part QM		Part QN		Part QO		Part QP		Part QQ		Part QR		Part QS		Part QT		Part QU		Part QV		Part QW		Part QX		Part QY		Part QZ		Part RA		Part RB		Part RC		Part RD		Part RE		Part RF		Part RG		Part RH		Part RI		Part RJ		Part RK		Part RL		Part RM		Part RN		Part RO		Part RP		Part RQ		Part RR		Part RS		Part RT		Part RU		Part RV		Part RW		Part RX		Part RY		Part RZ		Part SA		Part SB		Part SC		Part SD		Part SE		Part SF		Part SG		Part SH		Part SI		Part SJ		Part SK		Part SL		Part SM		Part SN		Part SO		Part SP		Part SQ		Part SR		Part SS		Part ST		Part SU		Part SV		Part SW		Part SX		Part SY		Part SZ		Part TA		Part TB		Part TC		Part TD		Part TE		Part TF		Part TG		Part TH		Part TI		Part TJ		Part TK		Part TL		Part TM		Part TN		Part TO		Part TP		Part TQ		Part TR		Part TS		Part TT		Part TU		Part TV		Part TW		Part TX		Part TY		Part TZ		Part UA		Part UB		Part UC		Part UD		Part UE		Part UF		Part UG		Part UH		Part UI		Part UJ		Part UK		Part UL		Part UM		Part UN		Part UO		Part UP		Part UQ		Part UR		Part US		Part UT		Part UV		Part UW		Part UX		Part UY		Part UZ		Part VA		Part VB		Part VC		Part VD		Part VE		Part VF		Part VG		Part VH		Part VI		Part VJ		Part VK		Part VL		Part VM		Part VN		Part VO		Part VP		Part VQ		Part VR		Part VS		Part VT		Part VU		Part VV		Part VW		Part VX		Part VY		Part VZ		Part WA		Part WB		Part WC		Part WD		Part WE		Part WF		Part WG		Part WH		Part WI		Part WJ		Part WK		Part WL		Part WM		Part WN		Part WO		Part WP		Part WQ		Part WR		Part WS		Part WT		Part WU		Part WV		Part WW		Part WX		Part WY		Part WZ		Part XA		Part XB		Part XC		Part XD		Part XE		Part XF		Part XG		Part XH		Part XI		Part XJ		Part XK		Part XL		Part XM		Part XN		Part XO		Part XP		Part XQ		Part XR		Part XS		Part XT		Part XU		Part XV		Part VX		Part VY		Part VZ		Part YA		Part YB		Part YC		Part YD		Part YE		Part YF		Part YG		Part YH		Part YI		Part YJ		Part YK		Part YL		Part YM		Part YN		Part YO		Part YP		Part YQ		Part YR		Part YS		Part YT		Part YU		Part YV		Part YW		Part YX		Part YY		Part YZ		Part ZA		Part ZB		Part ZC		Part ZD		Part ZE		Part ZF		Part ZG		Part ZH		Part ZI		Part ZJ		Part ZK		Part ZL		Part ZM		Part ZN		Part ZO		Part ZP		Part ZQ		Part ZR		Part ZS		Part ZT		Part ZU		Part ZV		Part ZW		Part ZX		Part ZY		Part ZZ		Part AA		Part AB		Part AC		Part AD		Part AE		Part AF		Part AG		Part AH		Part AI		Part AJ		Part AK		Part AL		Part AM		Part AN		Part AO		Part AP		Part AQ		Part AR		Part AS		Part AT		Part AU		Part AV		Part AW		Part AX		Part AY		Part AZ		Part BA		Part BB		Part BC		Part BD		Part BE		Part BF		Part BG		Part BH		Part BI		Part BJ		Part BK		Part BL		Part BM		Part BN		Part BO		Part BP		Part BQ		Part BR		Part BS		Part BT		Part BU		Part BV		Part BW		Part BX		Part BY		Part BZ		Part CA		Part CB		Part CC		Part CD		Part CE		Part CF		Part CG		Part CH		Part CI		Part CJ		Part CK		Part CL		Part CM		Part CN		Part CO		Part CP		Part CQ		Part CR		Part CS		Part CT		Part CU		Part CV		Part CW		Part CX		Part CY		Part CZ		Part DA		Part DB		Part DC		Part DD		Part DE		Part DF		Part DG		Part DH		Part DI		Part DJ		Part DK		Part DL		Part DM		Part DN		Part DO		Part DP		Part DQ		Part DR		Part DS		Part DT		Part DU		Part DV		Part DW		Part DX		Part DY		Part DZ		Part EA		Part EB		Part EC		Part ED		Part EE		Part EF		Part EG		Part EH		Part EI		Part EJ		Part EK		Part EL		Part EM		Part EN		Part EO		Part EP		Part EQ		Part ER		Part ES		Part ET		Part EU		Part EV		Part EW		Part EX		Part EY		Part EZ		Part FA		Part FB		Part FC		Part FD		Part FE		Part FG		Part FH		Part FI		Part FJ		Part FK		Part FL		Part FM		Part FN		Part FO		Part FP		Part FQ		Part FR		Part FS		Part FT		Part FU		Part FV		Part FW		Part FX		Part FY		Part FZ		Part GA		Part GB		Part GC		Part GD		Part GE		Part GF		Part GG		Part GH		Part GI		Part GJ		Part GK		Part GL		Part GM		Part GN		Part GO		Part GP		Part GQ		Part GR		Part GS		Part GT		Part GU		Part GV		Part GW		Part GX		Part GY		Part GZ		Part HA		Part HB		Part HC		Part HD		Part HE		Part HF		Part HG		Part HH		Part HI		Part HJ		Part HK		Part HL		Part HM		Part HN		Part HO		Part HP		Part HQ		Part HR		Part HS		Part HT		Part HU		Part HV		Part HW		Part HX		Part HY		Part HZ		Part IA		Part IB		Part IC		Part ID		Part IE		Part IF		Part IG		Part IH		Part II		Part IJ		Part IK		Part IL		Part IM		Part IN		Part IO		Part IP		Part IQ		Part IR		Part IS		Part IT		Part IU		Part IV		Part IW		Part IX		Part IY		Part IZ		Part JA		Part JB		Part JC		Part JD		Part JE		Part JF		Part JG		Part JH		Part JI		Part JJ		Part JK		Part JL		Part JM		Part JN		Part JO		Part JP		Part JQ		Part JR		Part JS		Part JT		Part JU		Part JV		Part JW		Part JX		Part JY		Part JZ		Part KA		Part KB		Part KC		Part KD		Part KE		Part KF		Part KG		Part KH		Part KI		Part KJ		Part KL		Part KM		Part KN		Part KO		Part KP		Part KQ		Part KR		Part KS		Part KT		Part KU		Part KV		Part KW		Part KX		Part KY		Part KZ		Part LA		Part LB		Part LC		Part LD		Part LE		Part LF		Part LG		Part LH		Part LI		Part LJ		Part LK		Part LL		Part LM		Part LN		Part LO		Part LP		Part LQ		Part LR		Part LS		Part LT		Part LU		Part LV		Part LW		Part LX		Part LY		Part LZ		Part MA		Part MB		Part MC		Part MD		Part ME		Part MF		Part MG		Part MH		Part MI		Part MJ		Part MK		Part ML		Part MM		Part MN		Part MO		Part MP		Part MQ		Part MR		Part MS		Part MT		Part MU		Part MV		Part MW		Part MX		Part MY		Part MZ		Part NA		Part NB		Part NC		Part ND		Part NE		Part NF		Part NG		Part NH		Part NI		Part NJ		Part NK		Part NL		Part NM		Part NN		Part NO		Part NP		Part NQ		Part NR		Part NS		Part NT		Part NU		Part NV		Part NW		Part NX		Part NY		Part NZ		Part OA		Part OB		Part OC		Part OD		Part OE		Part OF		Part OG		Part OH		Part OI		Part OJ		Part OK		Part OL		Part OM		Part ON		Part OO		Part OP		Part OQ		Part OR		Part OS		Part OT		Part OU		Part OV		Part OW		Part OX		Part OY		Part OZ		Part PA		Part PB		Part PC		Part PD		Part PE		Part PF		Part PG		Part PH		Part PI		Part PJ		Part PK		Part PL		Part PM		Part PN		Part PO		Part PP		Part PQ		Part PR		Part PS		Part PT		Part PU		Part PV		Part PW		Part PX		Part PY		Part PZ		Part QA		Part QB		Part QC		Part QD		Part QE		Part QF		Part QG		Part QH		Part QI		Part QJ		Part QK		Part QL		Part QM		Part QN		Part QO		Part QP		Part QQ		Part QR		Part QS		Part QT		Part QU		Part QV		Part QW		Part QX		Part QY		Part QZ		Part RA		Part RB		Part RC		Part RD		Part RE		Part RF		Part RG		Part RH		Part RI		Part RJ		Part RK		Part RL		Part RM		Part RN		Part RO		Part RP		Part RQ		Part RR		Part RS		Part RT		Part RU		Part RV		Part RW		Part RX		Part RY		Part RZ		Part SA		Part SB		Part SC		Part SD		Part SE		Part SF		Part SG		Part SH		Part SI		Part SJ		Part SK		Part SL		Part SM		Part SN		Part SO		Part SP		Part SQ		Part SR		Part SS		Part ST		Part SU		Part SV		Part SW		Part SX		Part SY		Part SZ		Part TA		Part TB		Part TC		Part TD		Part TE		Part TF		Part TG		Part TH		Part TI		Part TJ</	

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

- Compliance status as per treasury feedback for the reporting period ending August 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 fence all service charges revenue to honor 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.
- Submit the General Valuation Roll to the LG portal and also submit quarterly progress reports.
- The municipality targets the top 100 consumers, primarily business, and implements credit control to collect from this sector.
- The municipality should adhere to the MFMA circular 128 from annexure A regarding submission of debt relief reports on the LG Portal.

17. Municipal Manager's quality certification**QUALITY CERTIFICATE**

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

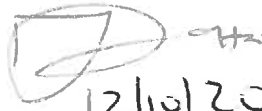
- ☐ The monthly budget statement report; and
- ☐ The supporting documentation for the month of **September 2026** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Ms. VB Nkhata

Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature:

Date:


12/10/2026

Print Name: Mr. EN Maseko

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature:

Date:



18. Recommendations

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

- 1. The monthly budget statement for the month ending 30 September 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 7 272 805 000.00 and Rand Water bulk water account R 846 036 000.00**
- 5. The unauthorized expenditure amounting to R 3 302 169.57 incurred during the quarter ending 30 September 2026**
- 6. The fruitless and wasteful expenditure incurred amounting to R100 316 146.88 for the quarter ending 30 September 2026,**