



Quarterly Budget Statement

MFMA Section 52 Report

31 MARCH 2025

Govan Mbeki Municipality

Introduction

Purpose

To comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report in a prescribed format to the Council on the implementation of the budget and financial state of affairs of the municipality.

The quarterly 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.

The report is tabled to council to in order to ensure good governance and financial viability and to provide council with the necessary information to make informed decisions

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, Section 52 and Section 75(1)k
- 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.

Section 13: Quality Certification by Accounting Officer

QUALITY CERTIFICATE

I, **E.N. Maseko**, the Municipal Manager of **Govan Mbeki Municipality**, hereby certify that: -

- The Quarterly budget statement report

And supporting documentation for the quarter of **March 2025** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: **E.N. Maseko**

Acting Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature: 

Date:

Print Name: **E.N. Maseko**

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature: 

Date:

1. DISCUSSION:

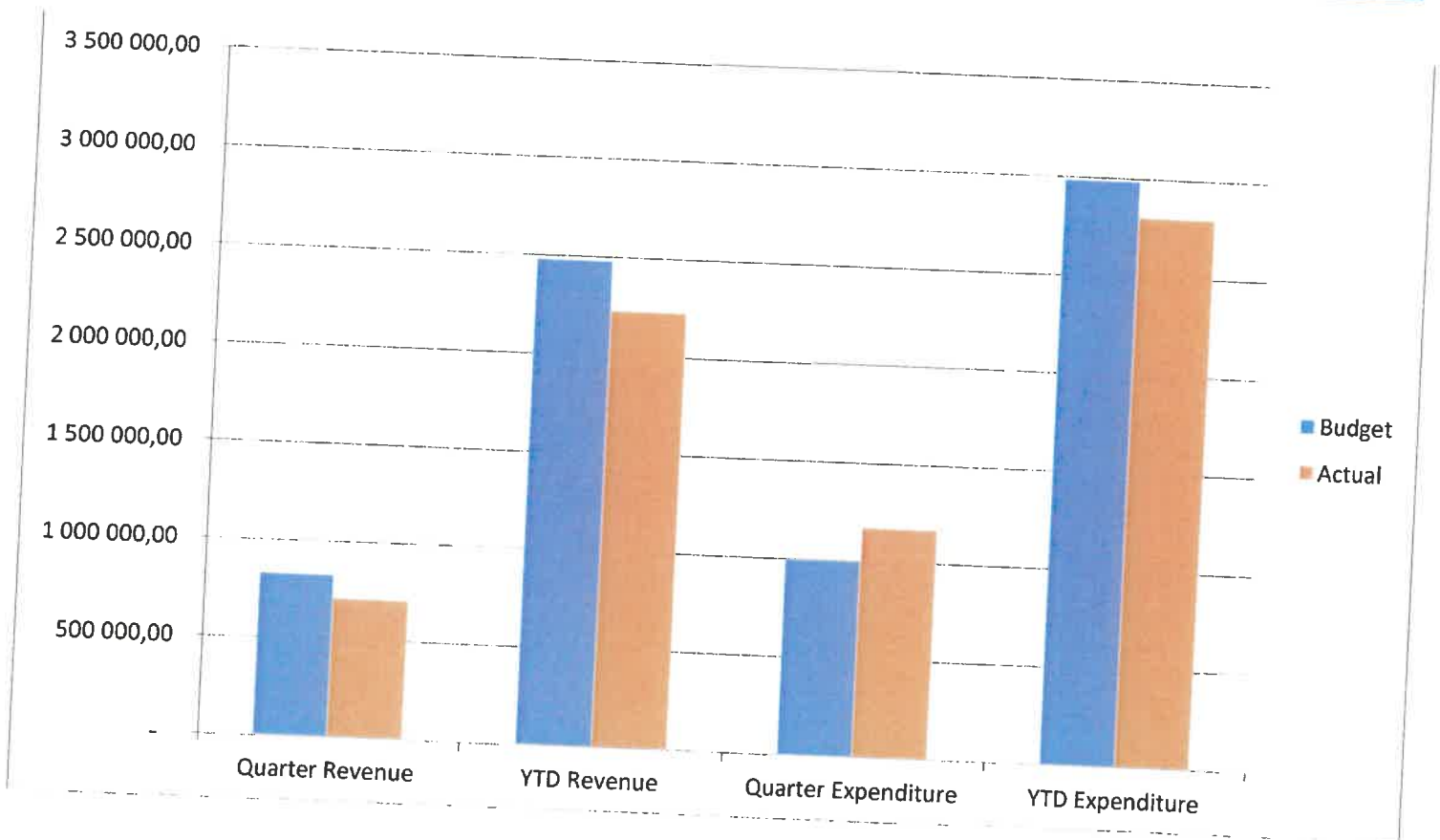
The overall financial performance indicators for the period under review are attached as ANNEXURE "A".

EXECUTIVE SUMMARY:

Operating Results:

The table below shows the Operational Revenue of R 707 885 million and Operating Expenditure of R 1 171 091 billion which resulted in a deficit of R 463 206 million before capital transfer of R 12 418 million which resulted in overall deficit of R 450 788 million.

Description	Original Budget 2024/2025	Adjustment Budget 2024/2025	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Year TD Actual	Year to Date Budget	Variance	YTD Variance %
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Total Operating Revenue	3 300 378	3 306 726	777 492	739 526	707 885	2 224 904	2 476 870	-251 967	-10%
Less Total Operating Expenditure	3 988 528	3 959 362	917 276	712 512	1 171 091	2 800 878	2 984 462	-183 584	-6%
Surplus /(Deficit) for the year before grant capital revenue	-688 150	-652 636	-139 784	27 015	-463 206	-575 975	-507 592	-68 383	13%
Grant capital revenue	117 651	126 934	36 326	55 803	12 418	104 547	90 559	13 988	15%
Surplus /(Deficit) for the year	-570 499	-525 702	-103 458	82 818	-450 788	-471 428	-417 033		
Total Capital Expenditure	273 903	342 543	46 889	71 607	26 073	147 311	217 094	-69 783	-32%



The following table provides a summary of the municipality's performance on the Capital and Operational budget as at 31 March 2025

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M09 - Quarter 3

Description	Budget Year 2024/25									
	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast	
Financial Performance										
Property rates	399 974	445 250	445 250	90 267	285 181	333 938	(48 757)	-15%	445 250	
Service charges	1 403 273	2 070 934	2 070 934	437 461	1 231 993	1 563 200	(321 217)	-21%	2 070 934	
Investment revenue	14 899	16 375	16 375	61	3 324	12 281	(8 957)	-73%	16 375	
Transfers and subsidies - Operational	458 328	492 163	493 357	109 629	476 562	369 421	107 141	29%	493 357	
Other own revenue	1 274 082	275 656	280 811	70 467	227 854	208 031	19 824	10%	-	
Total Revenue (excluding capital transfers and contributions)	3 550 557	3 300 378	3 306 726	707 885	2 224 904	2 476 870	(251 967)	-10%	3 306 726	
Employee costs	641 755	787 368	787 368	192 444	547 249	590 526	(43 277)	-7%	787 368	
Remuneration of Councilors	35 846	35 480	35 480	7 978	24 680	26 610	(1 930)	-7%	35 480	
Depreciation and amortisation	135 603	165 837	145 837	30 114	91 840	119 378	(27 537)	-23%	145 837	
Interest	631 899	140 087	170 087	64 814	156 269	112 565	43 704	39%	170 087	
Inventory consumed and bulk purchases	1 534 094	1 369 246	1 654 761	375 415	1 230 972	1 098 313	132 658	12%	1 654 761	
Transfers and subsidies	35 253	28 361	37 361	10 080	28 807	23 520	5 287	22%	37 361	
Other expenditure	1 205 693	1 462 150	1 128 470	490 246	721 061	1 013 550	(292 489)	-29%	1 128 470	
Total Expenditure	4 220 144	3 988 528	3 959 362	1 171 091	2 800 878	2 984 462	(183 584)	-6%	3 959 362	
Surplus/(Deficit)	(669 587)	(688 150)	(652 636)	(463 206)	(575 975)	(507 592)	(68 383)	13%	(652 636)	
Transfers and subsidies - capital (monetary allocations)	136 489	117 651	126 934	12 418	104 547	90 559	13 988	15%	126 934	
Transfers and subsidies - capital (in-kind)	178	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	(532 921)	(570 499)	(525 702)	(450 788)	(471 428)	(417 033)	(54 395)	13%	(525 702)	
Surplus/ (Deficit) for the year	(532 921)	(570 499)	(525 702)	(450 788)	(471 428)	(417 033)	(54 395)	13%	(525 702)	
Capital expenditure & funds sources										
Capital expenditure	318 269	273 903	342 543	26 073	147 311	217 094	(69 783)	-32%	342 543	
Capital transfers recognised	105 172	114 053	123 313	9 204	88 699	87 711	988	1%	123 313	
Borrowing	-	-	-	-	-	-	-	-	-	
Internally generated funds	25 643	159 600	219 230	15 838	57 581	129 258	(71 676)	-55%	219 230	
Total sources of capital funds	130 815	273 653	342 543	25 042	146 280	216 969	(70 689)	-33%	342 543	
Financial position										
Total current assets	2 111 860	1 244 845	1 226 500						1 226 500	
Total non current assets	3 051 392	2 936 479	3 025 119		2 458 834				3 025 119	
Total current liabilities	4 711 164	4 141 563	4 167 061		3 106 720				4 167 061	
Total non current liabilities	2 574 995	369 440	369 440		5 586 715				3 694 440	
Community wealth/Equity	(2 122 907)	(329 679)	(284 881)		2 573 173				369 440	
					(2 594 335)				(284 881)	
Cash flows										
Net cash from (used) operating	780 341	491 806	14 145	270 436	786 556	208 946	(577 610)	-276%	14 145	
Net cash from (used) investing	195 609	(192 253)	(261 277)	(32 801)	(135 768)	(216 314)	(80 546)	37%	(261 277)	
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	
Cash/cash equivalents at the month/year end	1 165 380	555 998	9 314	-	676 539	249 078	(427 461)	-172%	(221 381)	
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	164 128	96 277	82 202	80 817	73 893	75 675	72 256	3 228 500	3 873 748	
Debtors Age Analysis										
Total Creditors	164 482	46 704	178 275	38 668	76 658	96 602	116 237	5 590 459	6 308 086	

Analysis of the performance

Operating Revenue

The overall performance on the revenue component is 10% below target.

Operating Expenditure

The overall performance on the expenditure component is 6% below target.

Bulk purchases are above target by 18% and inventory consumed is above target by 2%, should the trend continue at the same rate there will be an unauthorised expenditure in these line items. The line items have been adjusted during budget adjustment and additional funds were allocated in the line items. Relatively interest on overdue accounts/finance costs is above target by 39%.

For the above transaction statement refer to page 5.

Progress on the budget funding plan

Council approved the 2024/25 Budget Funding Plan (BFP) together with the budget on the 31st of May 2024.

The progress recorded as at 31 March 2025 is at 22%. The total anticipated revenue is R1 926 713 000 of which an amount of R 428 136 799.50 has been collected to date.

Capital Expenditure

Total Capital Expenditure to date amounts to R165 292 396.18. R 28 885 039.57 relates to INEP funding, R59 757 274.10 relates to MIG funding, R13 361 391.12 relates to MDRG funding whilst 63 288 691.44 is from internally generated funds.

Grants	Funding	Original Budget	Adjusted/Final Budget	YTD Actual	Available Budget	YTD %
Integrated National Electrification Programme Grant	INEP	32 240 000.00	32 240 000.00	28 885 039.57	3 354 960.43	90%
Municipal Infrastructure Grant	MIG	73 930 300	73 547 100.00	59 757 274.10	13 789 825.90	81%
Financial Management Grants	FMG	250 000.00	250 000.00	0.00	250 000.00	0%
Municipal Disaster Recovery Grant	MDRG	7 883 000.00	15 304 126.00	13 361 391.12	1 942 734.88	87%
Water Services Infrastructure	WSIG	0.00	1 972 377.75	0.00	1 972 377.75	0%
Own Funding	Revenue	159 600 000.00	219 230 000.00	63 288 691.44	155 941 308.56	29%
Total		273 903 300.00	342 543 603.75	165 292 396.18	177 251 207.52	48%

Performance of Operational Grants

Grants	Allocation per DoRA	Received Including rollover	Expenditure as at 31 March 2025	Unspent 2024/2025	YTD %
Extended Public works Programme	1 597 000.00	1 597 000.00	1 597 000.00	0.00	100%
Financial Management Grants	3 500 000.00	3 500 000.00	1 166 286.44	2 333 713.56	33%
Infrastructure Skills Development Grant	24 400 000.00	24 400 000.00	24 400 000.00	0.00	100%
Arts and Culture	-	91 608.25	-	91 608.25	0%
LG Seta	1 200 000.00	1 153 860.68	1 079 519.20	74 341.48	90%
Economic Development and Tourism	-	313 901.00	-	313 901.00	0%
Gert Sibande District Municipality	-	274 580.00	-	274 580.00	0%
Energy Efficiency Demand Grant	-	3 469.83	-	3 469.83	0%
Point Duty Officer (SASOL)	3 400 000.00	1 861 832.00	1 861 832.00	0.00	55%
Pre-Capacity grant	-	165 007.63	72 479.00	92 528.63	0%
Equitable share	458 066 000.00	458 066 000.00	458 066 000.00	0.00	100%
Total	491 963 000.00	491 427 259.39	488 243 116.64	3 184 142.75	99%

Repairs and Maintenance Analysis

Repairs and maintenance spending per quarter (with percentage of budget spent to date)

Description	Total Budget	Adjustment Budget	Q1 Actual	Q2 Actual	Q3 Actual	Available Balance	% Spent
Community and Social Services	20 252 382.00	17 302 382.00	2 401 421.80	5 341 218.75	2 154 409.96	7 405 331.49	57%
Energy Sources	34 581 360.00	91 256 984.00	10 803 401.88	18 667 252.40	2 099 325.07	59 687 004.65	35%
Finance and Administration	2165257	745257	11 100.00	198 525.00	140 740.53	394 891.47	47%
Planning and Development	50 682.00	50 682.00	0	1 800.00	0.00	48 882.00	4%
Public Safety	1 473 820.00	933 820.00	0	177 225.00	0.00	756 595.00	19%
Road Transport	21 951 513.00	17 951 513.00	641 618.56	7 868 207.00	1 775 837.95	7 665 849.49	57%
Sport and Recreation	2 464 103.00	2 009 659.00	69 528.82	273 442.34	193 790.74	1 472 897.10	27%
Waste Management	16 500 000.00	15 000 000.00	1 275 313.12	1 918 403.05	4 217 639.85	7 588 643.98	49%
Waste Water Management	29 820 266.00	38 341 279.00	1 464 117.40	12 634 751.23	2 466 948.68	21 775 461.69	43%
Water Management	7 595 111.00	6 895 046.00	1 531 680.00	2 765 543.16	177 742.98	2 420 079.86	65%
Grand Total	136 854 494.00	190 486 622.00	18 198 181.58	49 846 367.93	13 226 435.76	109 215 636.73	43%

CASH MANAGEMENT

As of 31 March 2025 (Quarter 3), the municipality had a positive bank statement balance of R11 848 949.15 and R 1 048 804.90 in the current and traffic fines account respectively. Cash book had a negative balance of R24 552 603.63.

INVESTMENT PORTFOLIO ANALYSIS

The following table displays the investments portfolio and indicates a closing balance of R33 480 215.65 invested as at quarter ended March 2025 (Quarter 3) compared to 37 291 727.67 in (Quarter 2)

Description	Account Nr	Quarter 1	Quarter 2	Quarter 3
Long-Investments				
Old Mutual Shares C0777197766	Share nr C0777197766	27 096.93	27 096.93	27 096.93
Old Mutual Shars C0777027950	Share nr C0777027950	372 939.00	372 939.00	372 939.00
Sanlam U0063349159	Share nr U0063349159	198 415.84	198 415.84	198 415.84
Nedbank (70) Withdrawal	70 Shares	17 948.70	17 948.70	17 948.70
Nedbank (966) Withdrawal	966Shares	247 692.06	247 692.06	247 692.06
Quilter plc (624)	Share nr 1521061685	17 228.64	17 228.64	17 228.64
Quilter plc (8599)	Share nr 1521053495	237 418.39	237 418.39	237 418.39
Sub Total		1 118 739.56	1 118 739.56	1 118 739.56
Short-term Investments				
ABSA Fixed Deposit	2081676199	30 643 989.04	-	-
Standard Bank Money Market Call Account	038787024(003)	510 652.06	520 358.63	529 633.43
Standard Bank Tiered Rate Call Account	038787024(008)	29 958 272.46	16 032 287.17	12 833 986.63
Standard Bank Money Market Call Account	038787024(009)	21 211 170.77	19 620 342.31	18 997 856.03
Sub Total		82 324 084.33	36 172 988.11	32 361 476.09
Grand Total		83 442 823.89	37 291 727.67	33 480 215.65

DEBTORS MANAGEMENT

The total debtors balance for the quarter ended March 2025 (quarter 3) amounted to R 3 873 748 000 indicating an increase of R97 908 000 when compared to R 3 775 840 000 in December 2024 (quarter 2). The debtors' payment rate for the quarter is 66%.

MP307 Govan Mbeki - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 March 2025

R thousands	Description	NT Code	Budget Year 2024/25			
			QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
	Debtors Age Analysis By Income Source					
	Trade and Other Receivables from Exchange Transactions - Water	1200	1 102 260	1 147 225	1 172 801	-
	Trade and Other Receivables from Exchange Transactions - Electricity	1300	460 425	476 079	482 591	-
	Receivables from Non-exchange Transactions - Property Rates	1400	353 474	369 353	373 934	-
	Receivables from Exchange Transactions - Waste Water Management	1500	398 898	421 337	429 143	-
	Receivables from Exchange Transactions - Waste Management	1600	367 686	389 384	397 404	-
	Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-
	Interest on Arrear Debtor Accounts	1810	876 765	939 480	982 428	-
	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-
	Other	1900	33 736	32 982	35 448	-
	Total By Income Source	2000	3 593 244	3 775 840	3 873 748	-
	Debtors Age Analysis By Customer Group					
	Organs of State	2200	53 455	51 017	51 027	-
	Commercial	2300	293 765	292 338	300 469	-
	Households	2400	3 246 024	3 432 485	3 522 252	-
	Other	2500	-	-	-	-
	Total By Customer Group	2600	3 593 244	3 775 840	3 873 748	-

The following table indicates the consumer debtor's payment rate at the end of Quarter 3

	Quarter 1	Quarter 2	Quarter 3
Debtors Opening Balance	4 119 755 000.00	3 593 244 000.00	3 775 840 000.00
Add: Billing for the Quarter	646 448 279.27	551 292 375.86	546 192 960.78
Debtors Write off	(753 031 644)		(86 369 394.14)
Less: Debtors Closing Balance	3 593 244 000.00	3 775 840 000	3 873 478 000.00
	419 927 635.27	368 696 375.86	362 185 566.64
Payment rate	65%	66%	66%

The following table indicates payment rate per month.

Month	2022/23	2023/24	2024/25
July	65%	103%	69%
August	61%	82%	64%
September	61%	83%	62%
October	35%	82%	69%
November	63%	98%	66%
December	56%	67%	64%
January	56%	82%	70%
February	55%	69%	65%
March	60%	70%	62%
April	57%	64%	
May	76%	76%	
June	56%	57%	
Total Average Rate	58%	78%	66%

DISTRIBUTION LOSSES

Water and Electricity Distribution Losses: Accumulated: July 2024 to March 2025 (KL / Units)

Service	Purchased	Sold	Previous % Loss	Current % Loss	Average 23/24	Average 22/23
Electricity	420,309,421	203,468,786	-52.30%	-51.59%	-58.92%	-64.48%
Water	21,660,843	11,839,377	-45.96%	-45.34%	-46.92%	-38.38%

ACCOUNTS OWED BY COUNCILLORS AS AT 31 MARCH 2025

Account No	Account Holder	Last Payment Date	Last Payment Amount	Current	30 Days	60 Days	90 Days Plus	Total	Account Status
1003869	PHIRI (NEE: NGXONONO) YT	20250306	- 3 800.00	3 948.42	-	-	-	3 948.42	Current account
2001414	NKWANYANA AL	20250328	- 1 984.91	1 719.94	1 11.23	738.58	-	3 869.75	Account in arrears
2003056	MAHLANGU MJ	20250328	- 1 261.81	1 790.64	-	-	-	1 790.64	Current
2008379	KUBHEKA AM	20241003	- 1 632.00	615.91	583.14	353.80	43438.16	44 991.01	Account in arrears
2010079	MOFOKENG TS	20250328	- 1 385.23	1 415.72	-	-	-	1 415.72	Current
2010766	MTHEMBU BE * KM (PERS 102605)	20250328	- 3 232.47	3 724.38	-	-	-	3 724.38	Current
2101798	SIERANA MR&N	20250228	- 2 713.30	2 248.36	3 221.39	3 586.42	89 699.32	98 758.49	Account in arrears
2105266	MASITENG SM	20240105	- 1 500.00	1 040.89	1 034.26	1 034.55	42 196.59	45 306.29	Account in arrears
2109348	ZUMA NG	20250113	- 10 000.00	-	-	4 880.28	-	4 880.28	Paid in advance
2109708	NGWENYA NM	20250306	- 200.00	1 142.25	880.45	880.45	1 115.54	4 018.69	Account in arrears
2109867	SEHLALO MS	20250328	- 952.40	1 020.39	952.40	1 156.38	91 483.86	94 613.03	Account in arrears
2204337	MAKHADO TC	20250328	- 1 925.15	305.97	-	-	-	305.97	Current
2204708	THUKWANE KS	20250328	- 3 165.08	1 334.15	1 334.15	774.02	53 316.68	56 759.00	Signed AOD honoured
2205558	MAGAGAMELA FF	20250328	- 1 915.46	915.46	915.46	745.49	7 065.78	9 642.19	Account in arrears
2300071	DUMA MP	20250325	- 2 000.00	1 934.95	1 938.99	1 384.58	80 679.85	85 938.37	Account in arrears
2301068	MABIZELA TM	20250328	- 1 195.17	625.48	1 001.57	354.48	2 515.64	4 497.17	Account in arrears
2402301	CHAUKE EW	20231024	- 3 799.56	291.18	321.54	255.45	6 459.33	7 327.50	Account in arrears
2601472	MASITENG SM	20250328	- 1 076.89	1 066.01	-	-	-	1 066.01	Current
4006463	NKABINDE ER	20250328	- 2 338.49	301.32	-	-	-	301.32	Current
4007858	ZUMA NG & SG	20241206	- 6 000.00	2 235.49	3 239.90	1 725.58	82 416.63	89 617.60	AOD signed, no payment
4013182	TESNER J & C	20250326	- 2 400.00	161.56	-	-	-	161.56	Current
5508893	MPATLANYANE PM	20241224	- 2 916.06	2 284.22	1 218.44	1 283.97	1 464.01	6 250.64	Signed AOD
5555801	ZWANE PJ	20250328	- 6 188.20	6 233.69	-	-	-	6 233.69	Current
5555848	NDWANYAZA BL & PN	20250226	- 10 000.00	1 648.15	1 924.77	1 915.60	20 891.18	26 379.70	Signed AOD honoured
5555904	ZIWELE L			6 139.93	6 704.97	11 625.92	5 635.00	30 105.82	Current
6000606	ZUMA NG	20250113	- 10 000.00	617.29	-	-	-	617.29	Current
6510278	MTSHALI PD	20250328	- 654.65	281.81	-	-	-	281.81	Current
7000472	NSIBANDE ME	20250328	- 715.17	474.91	-	-	-	474.91	Current
7001671	MALUKA J	20250328	- 1 051.22	1 187.20	-	-	-	1 187.20	Current
7009206	MASEKO MA			331.33	47.70	48.03	365.93	792.99	Account in arrears
7500395	MPATLANYANE PM	20250328	- 5 010.00	1 667.23	1 526.91	874.72	7 896.53	11 965.39	Signed AOD honoured
8502782	PETTERSON J	20240403	- 802.00	548.76	548.76	548.76	344.09	1 990.37	Account in arrears
8505785	NKABINDE BJ	20250328	- 2 000.00	1 030.76	1 625.49	1 060.30	87 267.80	90 984.35	Account in arrears
TOTAL				47 308.38	30 431.52	25 466.80	624 251.92	727 458.62	

LIABILITIES

Creditors

The total creditors balance for the quarter ending March 2025 (quarter 3) amounted to R 6 308 086 000 showing an increase of R237 865 000 when compared to R 6 070 221 000 in December 2024 (quarter 2).

In terms of the MFMA all creditors should be paid within 30 days of receiving the invoice or statement. For the month of March 2025, R 6 308 billion was outstanding and of this 97% is outstanding for more than 30 days. The cash flow challenges continue to affect timeous payments to creditors.

MP307 Govan Mbeki - Supporting Table SC4 Monthly Budget Statement - aged creditors - Quarter 3

Description	NT Code	Budget year 2024/2025			
		Quarter 1 R'000	Quarter 2 R'000	Quarter 3 R'000	Quarter 4 R'000
R thousands					
Creditors Age Analysis by Customer Type					
Bulk Electricity	0100	5 074 649	5 196 638	5 311 210	—
Bulk Water	0200	825 200	794 789	750 235	—
PAYE deductions	0300	0	—	—	—
VAT (output less input)	0400	0	—	—	—
Pensions / Retirement deductions	0500	0	—	—	—
Loan repayments	0600	0	—	—	—
Trade Creditors	0700	79 286	78 739	244 933	—
Auditor General	0800	55	54	1 708	—
Other	0900	—	—	—	—
Total By Customer Type	1000	5 979 192	6 070 221	6 308 086	—

FINANCIAL RATIOS:

Current Ratio: 0.44:1

Formula: Current assets / Current Liabilities

The municipality will not be able to meet its short-term obligations as they fall due as current liabilities are not covered in full by our current assets. Ideally this ratio should always be greater than one to make sure we pay our creditors as they fall due.

Debt Ratio: 1.47:1

Formula: Total liabilities / Total assets

A lower debt ratio usually implies a more stable business with the potential of longevity, which means that lower ratio also has lower overall debt. The ratio indicates the municipality is financial unable to pay commitments as they fall due using its assets.

Cost Coverage Ratio: 0.09:1

Formula: Cash and cash equivalents (Available cash – Unspent grants + short-term investments) / fixed operating expenditure

The municipality will encounter difficulties in meeting its monthly obligation as the cost coverage ratio is below 1. This is an indication that the municipality has cash constraints and that there isn't sufficient cash to cover expenditures. Good practice will be to have a cost coverage ratio of 3:1.

Additional Reports Annexures

ANNEXURE B: Annexure is comprised of the following Appendices

C SCHEDULES as Appendix "A".

Supply Chain Management that comprises of the following items

- ✓ Deviation from Supply Chain Management process in terms of Section 36 of the regulation is attached as **Appendix "B"**;
- ✓ Disclosure of Supply Chain Management purchase above R100 000 amounting to R **73 449 147.93** as **Appendix "C"**;
- ✓ Disclosure of irregular expenditure amounting to R **16 916 271.98** as **Appendix "D"**
- ✓ Disclosure of tenders awarded for the quarter ending 31 March 2025 are as **Appendix "E"**

Insurance Claims

- 34 insurances have been lodged in the 3rd quarter, outstanding claims year to date amounts to R **1 212 547.00**
The details of insurance claims are attached as **Appendix "F"**.

Highest Debtors per Town Appendix "G"

- The table shows the 10 highest Outstanding Debtors per Town at the status as at the period ending 31 March 2025.
- Government Debtors for the quarter ending 31 March 2025 amount to R**47 691 865.44** Appendix "H"

Fruitless and Wasteful Expenditure

- For the quarter under review fruitless and wasteful expenditure is **R 44 136 272.35**, details are attached as **Appendix "I"**. This relates to interest and penalty charged by Eskom and Rand Water for late payment.

Capital Expenditure

- Disclosure of capital expenditure amounting to **R 165 292 396.18** as **Appendix "J"**

Budget Funding Plan

- Council approved the 2024/25 Budget Funding Plan (BFP) together with the budget on the 31st of May 2024
- The progress recorded as at 31 March 2025 is at **22%**. The total anticipated revenue is R1 926 713 000 of which an amount of **R 428 136 799.50** has been collected to date. **Appendix "K"**