GOVAN MBEKI MUNICIPALITY

UTLANYELWE
UKUKHULA

Budget Statement

MFMA Section 71 Report

30 NOVEMBER 2025

Govan Mbeki Municipality

DISTRIBUTION:

Executive Mayor:	**Mr. N.G. Zuma**
Municipal Manager:	**Mr. E.N. Maseko**
Acting Chief Financial Officer:	**Mr. J.M Mahlangu**
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 NOVEMBER 2025

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 NOVEMBER 2025

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 November 2025

Description	Original Budget 2025/2026	Monthly Actual	Year TD Actual	Year to Date Budget	Variance	YTD Variance %
	R'000	R'000	R'000	R'000	R'000	%
Total Operating Revenue	3,359,877	235,540	1,408,275	1,399,949	8,326	1%
Less Total Operating Expenditure	3,788,023	265,843	1,476,405	1,578,343	-101,938	-6%
Surplus /(Deficit) for the year before grant capital revenue	**-428,146**	**-30,303**	**-68,129**	**-178,394**	**110,265**	**-62%**
Add Grant capital revenue	110,975	28,553	61,046	46,240	14,806	32%
Surplus /(Deficit) for the year	**-317,171**	**-1,750**	**7,084**	**-132,155**		
Total Capital Expenditure	216,314	11,815	66,023	90,131	-24,108	-27%

Operating Revenue

Actual revenue is 1 percent above the approved budget for the period. This indicates that collections and billing performance are ahead of expectations, resulting in more income than planned at this stage of the financial year. The positive variance supports cash flow and strengthens the municipality's ability to fund operations

Operating Expenditure

Actual operating expenditure is 6 percent below the approved budget for the period. This reflects controlled spending and improved cost management. The underspending also shows that departments are operating within their allocated budgets, which supports the municipality's cash position. This is a positive outcome, especially given that the municipality is operating with an unfunded budget and must actively reduce expenditure to remain financially stable.

Capital Expenditure

CAPEX	Approved Allocation	Received Including rollover	YTD Expenditure	Unspent 2025/2026	YTD % Per Allocation
Integrated National Electrification Programme Grant	40,000,000.00	18,000,000.00	16,357,110.70	1,642,889.30	41%
Municipal Infrastructure Grant	67,426,250.00	48,146,000.00	40,282,190.73	7,863,809.27	60%
Municipal Disaster Recovery Grant	0	2,254,279.22	2,254,279.22	-	100%
Water Services Infrastructure	0	1,972,377.75	1,972,377.75	-	100%
Own Funding	108,888,000.00	0.00	36,624,398.48	-	34%
Total	**216,314,250.00**	**70,372,656.97**	**97,490,356.88**	**9,506,698.57**	**45%**

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) - M05 - November

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		872,543	994,107	–	83,558	432,437	414,211	18,226	4%	994,107
Service charges - Water		530,770	714,085	–	57,591	288,611	297,535	(8,924)	-3%	714,085
Service charges - Waste Water Management		161,189	182,706	–	13,160	68,152	76,128	(7,975)	-10%	182,706
Service charges - Waste management		156,572	180,036	–	17,607	83,811	75,015	8,796	12%	180,036
Sale of Goods and Rendering of Services		6,441	7,832	–	541	2,781	3,263	(482)	-15%	7,832
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		235,140	223,921	–	19,535	95,380	93,300	2,080	2%	223,921
Interest from Current and Non Current Assets		3,793	15,943	–	–	1,703	6,643	(4,940)	-74%	15,943
Dividends		–	25	–	–	–	11	(11)	-100%	25
Rent on Land		–	3	–	0	0	1	(1)	-95%	3
Rental from Fixed Assets		9,178	10,918	–	836	4,010	4,549	(539)	-12%	10,918
Licence and permits		–	–	–	–	4	–	4	#DIV/0!	–
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		12,260	6,567	–	396	1,028	2,736	(1,708)	-62%	6,567
Non-Exchange Revenue								–		
Property rates		376,757	456,203	–	38,319	190,329	190,085	244	0%	456,203
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		30,881	19,536	–	505	3,409	8,140	(4,730)	-58%	19,536
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		491,443	522,875	–	474	223,410	217,865	5,546	3%	522,875
Interest		33,070	22,620	–	2,819	13,210	9,425	3,785	40%	22,620
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		3,918	2,500	–	–	–	1,042	(1,042)	-100%	2,500
Other Gains		528,110	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		3,451,166	3,359,877	–	235,540	1,408,275	1,399,949	8,326	1%	3,359,877

Electricity service charge is above the target by 4%.

- The continuous rollout of installation of electricity meters partnered with removal of bypassed meters is bearing fruit thus the significant increase in billing. Illegal connections and ensuring electricity consumers are metered assists with the reduction of losses as well as increased billing.

Water service charges and wastewater service charges are below the target by 3% and 10% respectively

- The water maintenance and installation of water meters is currently underway to address the underperforming service charges.

Fines and penalties are 58 percent below target.

- The fines issued have not yet been fully integrated into the financial system. Full integration will only take effect once the AARTO implementation process is finalized.

4.2 Operating Expenditure by Type (Table C4 Financial Performance Expenditure)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 - November

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Total Revenue (excluding capital transfers and		3,451 166	3 359 877	-	235 540	1 408,275	1 399 949	8 326	1%	3 359 877
Expenditure By Type										
Employee related costs		752 563	800 000	-	64 929	329 1[illegible]	333 533	(4 185)	-1%	800 000
Remuneration of councillors		33 306	37 025	-	2 893	13,317	15 419	(2 102)	-14%	37 025
Bulk purchases - electricity		1 149 645	828 130	-	77 519	495 980	345 054	150 926	44%	828 130
Inventory consumed		520 303	576 933	-	54 784	265 978	240 389	25 589	11%	576 933
Debt impairment		15 957	526 975	-	-	-	219 573	-219 573	-100%	526 975
Depreciation and amortisation		129 064	152 108	-	8 789	46 926	63 378	(16 452)	-26%	152 108
Interest		298 802	177 400	-	23 807	138 263	73 917	64 346	87%	177 400
Contracted services		379 794	430 000	-	22 443	103 764	166 657	(62 902)	-38%	430 000
Transfers and subsidies		35 531	-	-	808	8 714	-	8 714	#DIV/0!	-
Irrecoverable debts written off		428 463	126 727	-	(263)	29 357	52 803	(23 447)	-44%	126 727
Operational costs		117 695	152 744	-	10 557	44 861	67 810	(22 949)	-34%	152 744
Losses on Disposal of Assets		8 672	-	-	-	-	-	-		-
Other Losses		433 385	-	-	-	-	-	-		-
Total Expenditure		4,311 259	3,788,023	-	265,843	1,476,405	1,578 343	(101 938)	-6%	3,788,023
Surplus/(Deficit)		(860 084)	(428 146)	-	(30,303)	(68,129)	(178,394)	110 265	62%	(428 146)
Transfers and subsidies - capital (monetary allocations)		122 958	110 975	-	23 553	61 045	46 240	14 806	32%	110 975
Transfers and subsidies - capital (in-kind)		3 917	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		(733,209)	(317,171)	-	(1,750)	(7,084)	(132 155)			(317 171)
Income Tax		-	-	-	-	-	-			-
Surplus/(Deficit) after income tax		(733 209)	(317 171)	-	(1,750)	(7,084)	(132 155)			(317 171)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality		(733 209)	(317 171)	-	(1,750)	(7,084)	(132 155)			(317 171)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		(733 209)	(317 171)	-	(1,750)	(7,084)	(132 155)			(317 171)

- Employee related cost is below target by 1%.
- Remuneration of councillors is below target by 14%.
- Electricity bulk purchases expense is above target by 44% due to winter tariffs, NERSA approved increase as well as increase of electricity consumption due to winter season.
- Contracted services expenditure is 38% below target as a response to reduce expenditure for financial recovery plan implementation.
- Operational costs are below target by 34%
- Inventory consumed including water purchases is above target by 11%
- Depreciation and impairment of asset is 26% below target due to fully depreciated assets and expired lease during the year and the fact that depreciation for the remaining month has not been processed
- Finance charges are 87% above target due to cash constraint, Eskom and Rand Water accounts are not serviced timely resulting to interest on overdue accounts.

4.3 Capital expenditure

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 - November

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Capital Expenditure - Functional Classification										
Governance and administration		18 367	12 200	-	144	3,745	5 083	(1 339)	26%	12 200
Executive and council		232	1 500	-	-	162	625	(463)	-74%	1 500
Finance and administration		18 135	10 700	-	145	3 582	4 458	(876)	-20%	10 700
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		4 571	12 588	-	-	649	5 245	-4 596	-88%	12 588
Community and social services		4 192	12 300	-	-	649	5 125	(4 476)	-87%	12 300
Sport and recreation		379	288	-	-	-	120	(120)	-100%	288
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		54 190	65 742	-	4 337	28,658	27 392	1 266	5%	65 742
Planning and development		49 223	49 842	-	2 565	16 129	20 767	(4 639)	-22%	49 842
Road transport		4 968	15 100	-	1 769	12 529	6 292	6 238	99%	15 100
Environmental protection		-	800	-	-	-	333	(333)	-100%	800
Trading services		218,882	125,785	-	7 338	32,970	52 410	(19 440)	-37%	125 785
Energy sources		92 650	83 100	-	1 816	20 988	34 625	(13 637)	-39%	83 100
Water management		31 162	25 000	-	1 594	6 095	10 417	(4 322)	-41%	25 000
Waste water management		76 914	-	-	3 927	5 887	-	5 887	#DIV/0!	-
Waste management		17 359	17 685	-	-	-	7 369	(7 369)	-100%	17 685
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	296,011	216,314	-	11,815	66,023	90 131	(24,108)	-27%	216 314
Funded by:										
National Government		167 835	107 426	-	4 384	32 312	44 761	(12 449)	-28%	107 426
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies		-	-	-	-	-	-	-		-
Transfers recognised - capital		167,835	107 426	-	4 384	32 312	44 761	(12 449)	-28%	107 426
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		112 744	108 888	-	7 430	33 710	45 370	(11 660)	-26%	108 888
Total Capital Funding		280 579	216 314	-	11 815	66 023	90 131	(24 108)	-27%	216 314

4.4 Cash flows

As of 30 November 2025, the municipality had a positive bank statement balance of R8 737 716.54 and cash book had a negative balance of R66 609 446.91. Below service charges include revenue collected from prepaid electricity (vending) of an amount of R25 979 146.89 for the reporting period.

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M05 - November

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		334,931	337,949	337,949	30,262	152,387	140,437	11,950	9%	337,949
Service charges		1,388,479	1,505,611	1,505,611	150,325	726,490	627,338	99,152	16%	1,505,611
Other revenue		56,494	122,388	122,388	2,138	23,812	50,995	(27,183)	-53%	122,388
Transfers and Subsidies - Operational		490,544	522,875	522,875	–	222,590	217,865	4,726	2%	522,875
Transfers and Subsidies - Capital		119,543	110,975	110,975	8,000	74,146	46,240	27,906	60%	110,975
Interest		12,857	16,401	16,401	1,765	9,547	6,834	2,713	40%	16,401
Dividends		–	26	26	–	–	11	(11)	-100%	26
Payments										
Suppliers and employees		(1,365,703)	(2,842,282)	(2,842,282)	(128,965)	(762,050)	(1,184,284)	422,234	-36%	(2,842,282)
Interest		–	(133,050)	133,050	–	–	(55,438)	55,438	-100%	(133,050)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,037,245**	**(360,007)**	**(93,907)**	**63,516**	**446,922**	**(150,003)**	**(596,925)**	**398%**	**(360,007)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		(175)	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		167,000	(216,314)	(216,314)	(17,050)	(91,580)	(90,131)	(1,449)	2%	(216,314)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**166,825**	**(216,314)**	**(216,314)**	**(17,050)**	**(91,580)**	**(90,131)**	**1,449**	**-2%**	**(216,314)**
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		**1,204,069**	**(576,322)**	**(310,221)**	**46,466**	**355,342**	**(240,134)**			**(576,322)**
Cash/cash equivalents at beginning:		25,751	25,751	25,751		49,823	25,751			49,823
Cash/cash equivalents at month/year end:		1,229,821	(550,570)	(284,470)		405,165	(214,383)			(526,499)

5.In-year budget statement tables

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M05 - November

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	376,757	456,203	–	38,319	190,329	190,085	244	0%	456,203
Service charges	1,720,174	2,070,934	–	172,016	873,011	862,889	10,122	1%	2,070,934
Investment revenue	3,793	15,943	–	–	1,703	6,643	(4,940)	-74%	15,943
Transfers and subsidies - Operational	491,443	522,875	–	474	223,410	217,865	5,546	3%	522,875
Other own revenue	858,999	293,923	–	24,731	119,822	122,468	(2,646)	-2%	293,923
Total Revenue (excluding capital transfers and contributions)	**3,451,166**	**3,359,877**	–	**235,540**	**1,408,275**	**1,399,949**	**8,326**	**1%**	**3,359,877**
Employee costs	752,563	800,000	–	64,929	329,146	333,333	(4,188)	-1%	800,000
Remuneration of Councillors	33,386	37,005	–	2,693	13,317	15,419	(2,102)	-14%	37,005
Depreciation and amortisation	129,064	152,108	–	8,769	46,926	63,378	(16,452)	-26%	152,108
Interest	298,802	177,400	–	23,807	138,263	73,917	64,346	87%	177,400
Inventory consumed and bulk purchases	1,668,948	1,405,063	–	132,304	761,957	585,443	176,515	30%	1,405,063
Transfers and subsidies	39,531	–	–	609	8,714	–	8,714	#DIV/0!	–
Other expenditure	1,388,956	1,216,447	–	32,733	178,082	506,853	(328,771)	-65%	1,216,447
Total Expenditure	**4,311,250**	**3,788,023**	–	**265,843**	**1,476,405**	**1,578,343**	**(101,938)**	**-6%**	**3,788,023**
Surplus/(Deficit)	**(860,084)**	**(428,146)**	–	**(30,303)**	**(68,129)**	**(178,394)**	**110,265**	**-62%**	**(428,146)**
Transfers and subsidies - capital (monetary allocations)	122,958	110,975	–	28,553	61,046	46,240	14,806	32%	110,975
Transfers and subsidies - capital (in-kind)	3,917	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**(733,209)**	**(317,171)**	–	**(1,750)**	**(7,084)**	**(132,155)**	**125,071**	**-95%**	**(317,171)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(733,209)**	**(317,171)**	–	**(1,750)**	**(7,084)**	**(132,155)**	**125,071**	**-95%**	**(317,171)**
Capital expenditure & funds sources									
Capital expenditure	**296,011**	**216,314**	–	**11,815**	**66,023**	**90,131**	**(24,108)**	**-27%**	**216,314**
Capital transfers recognised	167,835	107,426	–	4,384	32,312	44,761	(12,449)	-28%	107,426
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	112,744	108,888	–	7,430	33,710	45,370	(11,660)	-26%	108,888
Total sources of capital funds	**280,579**	**216,314**	–	**11,815**	**66,023**	**90,131**	**(24,108)**	**-27%**	**216,314**
Financial position									
Total current assets	2,857,972	1,835,007	–		3,302,116				1,835,007
Total non current assets	3,223,346	3,116,399	–		3,242,443				3,116,399
Total current liabilities	7,553,079	4,121,951	–		8,022,231				4,121,951
Total non current liabilities	1,358,643	2,578,805	–		1,358,643				2,578,805
Community wealth/Equity	(2,830,403)	(1,749,350)	–		(2,836,315)				(1,749,350)
Cash flows									
Net cash from (used) operating	1,037,245	(360,007)	(93,907)	63,516	446,922	(150,003)	(596,925)	398%	(360,007)
Net cash from (used) investing	166,825	(216,314)	(216,314)	(17,050)	(91,580)	(90,131)	1,449	-2%	(216,314)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**1,229,821**	**(550,570)**	**(284,470)**	–	**405,165**	**(214,383)**	**(619,548)**	**289%**	**(526,499)**
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	200,329	112,807	132,163	256,726	88,068	93,720	74,864	3,398,797	4,357,474
Creditors Age Analysis									
Total Creditors	197,899	197,164	172,600	195,292	124,159	350,058	149,429	5,955,279	7,341,880

MP307 Govan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M05 - November

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue - Functional										
Governance and administration		1,093,544	1,036,374	–	43,033	429,084	431,823	(2,738)	-1%	1,036,374
Executive and council		–	500	–	–	–	208	(208)	-100%	500
Finance and administration		1,093,261	1,035,874	–	43,033	429,084	431,614	(2,530)	-1%	1,035,874
Internal audit		284	–	–	–	–	–	–		–
Community and public safety		400,621	19,499	–	550	3,960	8,124	(4,165)	-51%	19,499
Community and social services		369,095	3,047	–	200	939	1,270	(330)	-26%	3,047
Sport and recreation		8	–	–	15	47	–	47	#DIV/0!	–
Public safety		31,445	16,452	–	335	2,973	6,855	(3,882)	-57%	16,452
Housing		72	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		66,071	79,302	–	26,887	49,140	33,042	16,098	49%	79,302
Planning and development		64,474	76,363	–	26,887	44,376	31,818	12,559	39%	76,363
Road transport		1,597	2,939	–	–	4,764	1,225	3,539	289%	2,939
Environmental protection		–	–	–	–	–	–	–		–
Trading services		2,017,804	2,335,677	–	193,624	987,136	973,199	13,937	1%	2,335,677
Energy sources		1,140,023	1,093,146	–	103,293	542,086	455,478	86,608	19%	1,093,146
Water management		528,997	824,420	–	59,472	290,371	343,508	(53,137)	-15%	824,420
Waste water management		174,239	212,719	–	13,160	70,406	88,633	(18,226)	-21%	212,719
Waste management		174,546	205,392	–	17,699	84,273	85,580	(1,307)	-2%	205,392
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	3,578,041	3,470,852	–	264,093	1,469,321	1,446,188	23,132	2%	3,470,852
Expenditure - Functional										
Governance and administration		1,171,902	905,681	–	66,649	369,162	377,367	(8,205)	-2%	905,681
Executive and council		90,042	113,184	–	7,939	33,669	47,160	(13,491)	-29%	113,184
Finance and administration		1,077,679	788,425	–	58,470	334,097	328,510	5,587	2%	788,425
Internal audit		4,181	4,072	–	239	1,396	1,697	(301)	-18%	4,072
Community and public safety		453,256	253,762	–	22,064	102,616	105,734	(3,118)	-3%	253,762
Community and social services		304,476	115,350	–	9,706	41,372	48,063	(6,691)	-14%	115,350
Sport and recreation		12,232	13,628	–	653	4,177	5,678	(1,502)	-26%	13,628
Public safety		126,226	112,351	–	10,866	52,969	46,813	6,156	13%	112,351
Housing		9,202	10,427	–	752	3,664	4,344	(681)	-16%	10,427
Health		1,121	2,005	–	88	434	836	(401)	-48%	2,005
Economic and environmental services		104,107	114,053	–	7,777	43,354	47,522	(4,168)	-9%	114,053
Planning and development		45,894	52,285	–	3,362	17,465	21,786	(4,321)	-20%	52,285
Road transport		58,213	61,435	–	4,415	25,889	25,598	291	1%	61,435
Environmental protection		–	332	–	–	–	138	(138)	-100%	332
Trading services		2,581,985	2,514,528	–	169,353	961,273	1,047,720	(86,447)	-8%	2,514,528
Energy sources		1,599,350	1,606,605	–	98,544	605,517	669,419	(63,902)	-10%	1,606,605
Water management		705,361	603,099	–	50,567	252,356	251,291	1,065	0%	603,099
Waste water management		138,120	172,402	–	10,070	58,625	71,834	(13,209)	-18%	172,402
Waste management		139,154	132,422	–	10,172	44,775	55,176	(10,401)	-19%	132,422
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	4,311,250	3,788,023	–	265,843	1,476,405	1,578,343	(101,938)	-6%	3,788,023
Surplus/ (Deficit) for the year		(733,209)	(317,171)	–	(1,750)	(7,084)	(132,155)	125,071	-95%	(317,171)

MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 - November

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		60,501	71,475	-	26,581	42,301	29,781	12,520	42.0%	71,475
Vote 2 - 02 Corporate Services		25,793	23,974	-	199	12,237	9,989	2,248	22.5%	23,974
Vote 3 - 03 Planning and Development		164,801	19,415	-	1,111	5,746	8,090	(2,343)	-29.0%	19,415
Vote 4 - 04 Community Services		401,072	18,243	-	507	3,847	7,601	(3,754)	-49.4%	18,243
Vote 5 - 05 Financial Services		906,995	997,873	-	42,028	413,167	415,781	(2,613)	-0.6%	997,873
Vote 6 - Technical Services		1,844,856	2,133,224	-	175,924	907,627	888,843	18,784	2.1%	2,133,224
Vote 7 - 06 Technical services Continued		-	-	-	-	-	-	-		-
Vote 8 - 01 Executive and Council continued		-	-	-	-	-	-	-		-
Vote 9 - 04 Community Services continued		174,023	206,648	-	17,743	84,394	86,104	(1,709)	-2.0%	206,648
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	**3,578,041**	**3,470,852**	-	**264,093**	**1,469,321**	**1,446,188**	**23,132**	**1.6%**	**3,470,852**
Expenditure by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		94,786	117,009	-	7,727	33,781	48,754	(14,973)	-30.7%	117,009
Vote 2 - 02 Corporate Services		145,742	193,381	-	11,109	60,577	80,576	(19,998)	-24.8%	193,381
Vote 3 - 03 Planning and Development		305,883	70,615	-	3,689	19,864	29,423	(9,559)	-32.5%	70,615
Vote 4 - 04 Community Services		455,706	259,488	-	24,378	104,501	108,120	(3,619)	-3.3%	259,488
Vote 5 - 05 Financial Services		596,807	497,667	-	40,359	240,000	207,361	32,639	15.7%	497,667
Vote 6 - Technical Services		2,523,032	2,467,447	-	165,023	954,540	1,028,103	(73,563)	-7.2%	2,467,447
Vote 7 - 06 Technical services Continued		-	-	-	-	-	-	-		-
Vote 8 - 01 Executive and Council continued		11,790	11,406	-	1,167	5,160	4,753	408	8.6%	11,406
Vote 9 - 04 Community Services continued		177,506	171,010	-	12,390	57,983	71,254	(13,272)	-18.6%	171,010
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	**4,311,250**	**3,788,023**	-	**265,843**	**1,476,405**	**1,578,343**	**(101,938)**	**-6.5%**	**3,788,023**
Surplus/ (Deficit) for the year	2	**(733,209)**	**(317,171)**	-	**(1,750)**	**(7,084)**	**(132,155)**	**125,071**	**-94.6%**	**(317,171)**

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 - November

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		872,543	994,107	–	83,658	432,437	414,211	18,226	4%	994,107
Service charges - Water		530,770	714,085	–	57,591	288,611	297,535	(8,924)	-3%	714,085
Service charges - Waste Water Management		161,189	182,706	–	13,160	68,152	76,128	(7,975)	-10%	182,706
Service charges - Waste management		155,572	180,036	–	17,607	83,811	75,015	8,796	12%	180,036
Sale of Goods and Rendering of Services		6,441	7,832	–	541	2,781	3,263	(482)	-15%	7,832
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		235,140	223,921	–	19,535	95,380	93,300	2,080	2%	223,921
Interest from Current and Non Current Assets		3,793	15,943	–	–	1,703	6,643	(4,940)	-74%	15,943
Dividends		–	26	–	–	–	11	(11)	-100%	26
Rent on Land		–	3	–	0	0	1	(1)	-95%	3
Rental from Fixed Assets		9,178	10,918	–	836	4,010	4,549	(539)	-12%	10,918
Licence and permits		–	–	–	–	4	–	4	#DIV/0!	–
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		12,260	6,567	–	395	1,328	2,736	(1,708)	-62%	6,567
Non-Exchange Revenue								–		
Property rates		376,757	456,203	–	38,319	190,329	190,085	244	0%	456,203
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		30,881	19,536	–	505	3,409	8,140	(4,730)	-58%	19,536
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		491,443	522,875	–	474	223,410	217,865	5,546	3%	522,875
Interest		33,070	22,620	–	2,819	13,210	9,425	3,785	40%	22,620
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		3,919	2,500	–	–	–	1,042	(1,042)	-100%	2,500
Other Gains		528,110	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		3,451,166	3,359,877	–	235,540	1,408,275	1,399,949	8,326	1%	3,359,877
Expenditure By Type										
Employee related costs		752,563	800,000	–	64,929	329,146	333,333	(4,188)	-1%	800,000
Remuneration of councillors		33,386	37,005	–	2,693	13,317	15,419	(2,102)	-14%	37,005
Bulk purchases - electricity		1,148,546	828,130	–	77,518	495,980	345,054	150,926	44%	828,130
Inventory consumed		520,303	576,933	–	54,786	265,978	240,389	25,589	11%	576,933
Debt impairment		19,957	526,975	–	–	–	219,573	(219,573)	-100%	526,975
Depreciation and amortisation		129,064	152,108	–	8,769	46,926	63,378	(16,452)	-26%	152,108
Interest		298,802	177,400	–	23,807	138,263	73,917	64,346	87%	177,400
Contracted services		379,794	400,000	–	22,440	103,764	166,667	(62,902)	-38%	400,000
Transfers and subsidies		39,531	–	–	509	8,714	–	8,714	#DIV/0!	–
Irrecoverable debts written off		428,463	126,727	–	(263)	29,357	52,803	(23,447)	-44%	126,727
Operational costs		117,685	152,744	–	10,557	44,961	67,810	(22,849)	-34%	152,744
Losses on Disposal of Assets		9,672	–	–	–	–	–	–		–
Other Losses		433,385	–	–	–	–	–	–		–
Total Expenditure		4,311,250	3,788,023	–	265,843	1,476,405	1,578,343	(101,938)	-6%	3,788,023
Surplus/(Deficit)		(860,084)	(428,146)	–	(30,303)	(68,129)	(178,394)	110,265	-62%	(428,146)
Transfers and subsidies - capital (monetary allocations)		122,958	110,975	–	28,553	51,046	46,240	14,806	32%	110,975
Transfers and subsidies - capital (in-kind)		3,917	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		(733,209)	(317,171)	–	(1,750)	(7,084)	(132,155)			(317,171)
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		(733,209)	(317,171)	–	(1,750)	(7,084)	(132,155)			(317,171)
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		(733,209)	(317,171)	–	(1,750)	(7,084)	(132,155)			(317,171)
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		(733,209)	(317,171)	–	(1,750)	(7,084)	(132,155)			(317,171)

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 - November

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Capital Expenditure - Functional Classification										
Governance and administration		18 367	12 200	-	148	3,745	5 083	(1 339)	-25%	12 200
Executive and council		232	1 500	-	-	162	625	(463)	-74%	1 500
Finance and administration		18 135	10 700	-	140	3 582	4 458	(876)	-20%	10 700
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		4,571	12 588	-	-	649	5 245	(4 596)	-88%	12 588
Community and social services		4 192	12 300	-	-	649	5 125	(4 476)	-87%	12 300
Sport and recreation		379	288	-	-	-	120	(120)	-100%	288
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		54 190	65 742	-	4 337	28,658	27 382	1 276	5%	65 742
Planning and development		49 223	49 842	-	2 568	16 129	20 767	(4 638)	-22%	49 842
Road transport		4 959	15 100	-	1 769	12 529	6 292	6 238	99%	15 100
Environmental protection		-	800	-	-	-	333	(333)	-100%	800
Trading services		218 882	125 785	-	7 338	32 970	52 410	(19 440)	-37%	125 785
Energy sources		92 850	83 100	-	1 816	20 988	34 625	(13 637)	-39%	83 100
Water management		31 162	25 000	-	1 594	6 095	10 417	(4 322)	-41%	25 000
Waste water management		76 514	-	-	3 927	5 887	-	5 887	#DIV/0!	-
Waste management		17 359	17 685	-	-	-	7 369	(7 369)	-100%	17 685
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	296,011	216,314	-	11 815	66,823	90 131	(24 108)	-27%	216,314
Funded by:										
National Government		167 835	107 426	-	4 384	32 312	44 761	(12 449)	-28%	107 426
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies		-	-	-	-	-	-	-		-
Transfers recognised - capital		167,835	107 426	-	4 384	32 312	44 761	(12 449)	-28%	107 426
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		112 744	108 888	-	7 431	33 710	45 370	(11 660)	-26%	108 888
Total Capital Funding		280,579	216 314	-	11 815	66 823	90 131	(24 108)	-27%	216 314

MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M05 - November

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		49,823	(341,631)	–	(11,439)	(341,631)
Trade and other receivables from exchange transactions		725,227	1,362,396	–	1,055,268	1,362,396
Receivables from non-exchange transactions		143,730	147,233	–	190,172	147,233
Current portion of non-current receivables		–	–	–	–	–
Inventory		122,774	130,810	–	115,524	130,810
VAT		1,816,419	503,217	–	1,952,590	503,217
Other current assets		0	32,982	–	0	32,982
Total current assets		**2,857,972**	**1,835,007**	–	**3,302,116**	**1,835,007**
Non current assets						
Investments		1,210	1,119	–	1,210	1,119
Investment property		1,373,123	1,297,556	–	1,373,123	1,297,556
Property, plant and equipment		1,843,422	1,811,957	–	1,862,536	1,811,957
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		5,431	5,431	–	5,431	5,431
Intangible assets		161	161	–	143	161
Trade and other receivables from exchange transactions		0	175	–	–	175
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3,223,346**	**3,116,399**	–	**3,242,443**	**3,116,399**
TOTAL ASSETS		**6,081,319**	**4,951,406**	–	**6,544,559**	**4,951,406**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		3,612	7,169	–	3,612	7,169
Consumer deposits		34,715	32,872	–	34,920	32,872
Trade and other payables from exchange transactions		5,971,232	3,874,730	–	6,311,199	3,874,730
Trade and other payables from non-exchange transactions		5,363	38,372	–	17,613	38,372
Provision		56,008	44,197	–	56,008	44,197
VAT		1,482,150	124,611	–	1,598,879	124,611
Other current liabilities		–	–	–	–	–
Total current liabilities		**7,553,079**	**4,121,951**	–	**8,022,231**	**4,121,951**
Non current liabilities						
Financial liabilities		397	2,507	–	397	2,507
Provision		401,175	358,819	–	401,175	358,819
Long term portion of trade payables		912,642	2,153,806	–	912,642	2,153,806
Other non-current liabilities		44,428	63,673	–	44,428	63,673
Total non current liabilities		**1,358,643**	**2,578,805**	–	**1,358,643**	**2,578,805**
TOTAL LIABILITIES		**8,911,722**	**6,700,756**	–	**9,380,874**	**6,700,756**
NET ASSETS	2	**(2,830,403)**	**(1,749,350)**	–	**(2,836,315)**	**(1,749,350)**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(2,830,403)	(1,749,350)	–	(2,836,315)	(1,749,350)
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**(2,830,403)**	**(1,749,350)**	–	**(2,836,315)**	**(1,749,350)**

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M05 - November

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		334,931	337,049	337,049	30,262	152,387	140,437	11,950	9%	337,049
Service charges		1,388,478	1,505,611	1,505,611	150,325	726,490	627,338	99,152	16%	1,505,611
Other revenue		56,494	122,388	122,388	2,138	23,812	50,995	(27,183)	-53%	122,388
Transfers and Subsidies - Operational		490,644	522,875	522,875	-	222,590	217,865	4,726	2%	522,875
Transfers and Subsidies - Capital		119,543	110,975	110,975	8,000	74,146	46,240	27,906	60%	110,975
Interest		12,857	16,401	16,401	1,755	9,547	6,834	2,713	40%	16,401
Dividends		-	26	26	-	-	11	(11)	-100%	26
Payments										
Suppliers and employees		(1,365,703)	(2,842,282)	(2,842,282)	(128,965)	(762,050)	(1,184,284)	422,234	-36%	(2,842,282)
Interest		-	(133,050)	133,050	-	-	(55,438)	55,438	-100%	(133,050)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,037,245**	**(360,007)**	**(93,907)**	**63,516**	**446,922**	**(150,003)**	**(596,925)**	**398%**	**(360,007)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		(175)	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		167,000	(216,314)	(216,314)	(17,050)	(91,580)	(90,131)	(1,449)	2%	(216,314)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**166,825**	**(216,314)**	**(216,314)**	**(17,850)**	**(91,580)**	**(90,131)**	**1,449**	**-2%**	**(216,314)**
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		**1,204,069**	**(576,322)**	**(310,221)**	**46,466**	**355,342**	**(240,134)**			**(576,322)**
Cash/cash equivalents at beginning:		25,751	25,751	25,751		49,823	25,751			49,823
Cash/cash equivalents at month/year end:		1,229,821	(550,570)	(284,470)		405,165	(214,383)			(526,499)

PART 2: SUPPORTING DOCUMENTATION

6.Debtors' Analysis

The total debtors book balance as at 30 November 2025 amounts to R 4 357 474 000. The del
month amounts to **61%** of the billed revenue.

MP307 Govan Mbeki - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 - November

Description	NT Code	Budget Year 2025/26						
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr
Debtors Age Analysis By Income Source								
Trade and Other Receivables from Exchange Transactions - Water	1200	64,192	36,146	46,477	76,749	21,851	27,176	21,068
Trade and Other Receivables from Exchange Transactions - Electricity	1300	47,708	16,254	16,584	33.916	13.934	10,619	10,085
Receivables from Non-exchange Transactions - Property Rates	1400	32,385	12,205	13,007	21,197	10,219	12,097	7,846
Receivables from Exchange Transactions - Waste Water Management	1500	14,220	11,451	12,407	52,072	9,457	11,534	8,774
Receivables from Exchange Transactions - Waste Management	1600	18,515	14,394	21,488	50,615	9,603	10,881	8,174
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	22,882	22,130	21,862	21,260	21,443	18,955	18,714
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–
Other	1900	428	227	337	917	1,560	2,458	202
Total By Income Source	**2000**	**200,329**	**112,887**	**132,163**	**256,726**	**88,068**	**93,720**	**74,864**
2024/25 - totals only		163,520	88,995	79,256	79,401	77,814	74,324	71,338
Debtors Age Analysis By Customer Group								
Organs of State	2200	5,694	2,548	2,263	1,741	1,350	1,200	1,163
Commercial	2300	63,799	8,792	9,289	11,275	7,262	5,612	5,199
Households	2400	130,837	101,467	120,611	243,709	79,455	86,908	68,502
Other	2500	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**200,329**	**112,807**	**132,163**	**256,726**	**88,068**	**93,720**	**74,864**

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

Type of Service	Total Settlements	Total Movement	Billing	Credit Notes	Debit Notes	Other Adjustments	Payment Rate (Billing)
PAYMENT	697,894.33	-	-	-	-	-	0
DEPOSITS	-183,944.67	780,502.49	-	-	-	780,502.49	0
AGREEMENTS	-29,719.56	-	-	-	-	-	0
INDIGENT FLAT CREDIT	-3,024.00	-562,819.43	-	-6,860.34	8,908.00	-564,867.09	0
WATER	-41,645,621.52	62,844,019.44	68,310,429.75	-583,044.96	160,994.76	-5,044,360.11	61
ELECTRICITY	-40,189,765.29	46,285,242.14	48,271,055.51	-992,240.17	570,682.56	-1,564,255.76	83
RATES	-29,784,226.78	37,279,627.71	38,084,420.56	-81,645.03	81,730.82	-804,878.64	78
ANNUAL RATES	-52,234.15	-	-	-	-	-	0
REFUSE	-6,179,466.91	16,012,318.31	17,638,365.16	-49,758.04	16,218.69	-1,592,507.50	35
SEWERAGE	-6,734,679.53	12,957,637.97	14,833,807.38	-102,779.63	4,012.84	-1,777,402.62	45
MISCELLANEOUS	-444,627.81	-5,856,520.33	348,271.23	-	-	-6,204,791.56	128
MISCELLANEOUS (NO VAT)	-551,734.88	610,008.63	610,608.63	-600.00	-	-	90
VAT	-15,079,816.30	21,601,005.28	21,756,629.47	-259,012.26	112,786.36	-9,398.29	69
INTEREST	-1,530,321.88	22,069,381.61	22,270,526.19	-201,144.58	-	-	7
PAYMENT ADVANCED	- 4,241,413.66	-	-	-	-	-	100
Total	**-145,952,702.61**	**214,020,403.82**	**232,124,113.88**	**-2,277,085.01**	**955,334.03**	**-16,781,959.08**	63

For November, the municipality billed **R232 124 113.88** and collected **R145 952 702.61** (excluding prepaid electricity sales), resulting in a payment rate of **63 percent**. In October, billing amounted to **R240 159 702.74**, with collections of **R158 435 174.90** (excluding prepaid electricity sales).

Comparison:

When comparing the two periods, both billing and collections have decreased. Billing decreased by approximately **R8.03 million**, and collections increased by **R12.48 million** from October to November. This indicates a slight decrease in revenue performance and a negative movement in customer payments during November.

Prepaid sales for October amounted to **R26 837 500.71**, increasing total revenue collected to **R185 272 675.61**. When prepaid sales are included, the overall payment rate improved to **69 percent**.

Prepaid sales for November amounted to **R25 979 146.89**, increasing total revenue collected to **R171 931 849.50**. When prepaid sales are included, the overall payment rate improves to **67 percent**.

Total prepaid revenue decreased by **R858 353.82** from October to November. This reduction may be influenced by prepaid electricity sales that are not being received consistently from Machite Vending Management.

Actual Billing for November	232,124,113.88
Pre-Paid Sales for November	25,979,146.89
Total Collection Including Pre-Paid Sales Received	171,931,849.50
Payment rate	67%

Payment Rate (Billing vs Collection)	63%

Pre-Paid Sales Performance November	36,428,348.48
Region 1	7,790,029.30
Region 2 & 3	28,638,319.18

Reporting Month	Total Billing	Total Adjustment on Billing	Revenue Movement	Revenue Collected	Collection Rate %
Jul-25	188,809,911.98	- 1,220,755,594.72	- 1,031,945,682.74	121,583,714.90	64.39%
Aug-25	193,512,740.92	- 30,222,570.47	163,290,170.45	126,786,013.62	65.52%
Sept-25	230,823,359.02	- 3,089,841.26	227,733,517.76	151,992,592.12	65.85%
Oct-25	240,159,702.74	- 427,825,380.43	- 187,665,677.69	158,435,174.90	65.97%
Nov-25	232,124,113.88	- 18,103,710.06	214,020,403.82	145,952,702.61	62.88%
Total	**1,085,429,828.54**	**- 1,699,997,096.94**	**- 614,567,268.40**	**704,750,198.15**	**64.93%**

The Table below reflects towns with low payment rate:

Name of Town	Current Collection Rate %
0200 EMBALENHLE	23%
0600 CHARL CILLIERS	28%
0800 EMZINONI	17%
0900 EENDRACHT	31%
1100 LEBOHANG	3%
1300 TERRA NOVA	29%
1400 BETHAL AH	18%

Overall Analysis

The overall payment rate has been assessed against the debtors' book to determine collection performance. Based on this assessment, the payment rate is **61 %,** indicating that just under one-third of billed revenue remains uncollected for the period.

	October	November
Debtors Opening Balance	4,233,217,000.00	4,282,121,000.00
Add: Billing for the Month	232,124,113.88	218,353,721.63
Debtors Write off	16,625,000.00	570,000.00
Less: Debtors Closing Balance	4,282,121,000.00	4,357,474,000.00
	166,595,113.88	142,430,721.63
Payment rate	**69%**	**61%**

Soft Block Analysis

Toward the end of July 2025, the municipality implemented soft blocking of prepaid meters as part of the revenue enhancement strategy. To date, **6 468 meters have been soft-blocked**, with a total outstanding balance of **R414 224 861.84** linked to these accounts.

From this intervention:

- **R15 025 533.39** has been collected, and

- **R72 704 738.45** has been placed on payment arrangements.

This reflects positive progress in encouraging consumers to settle arrears and enter into structured payment plans.

The following table indicates the impact of pre-paid meter blocking

Number of Pre-Paid Meters Blocked	6,468
Total Outstanding Linked to Each Pre-Paid Meter	414,224,861.84
Total Received	15,025,533.39
Total Amounts on Arrangements	72,704,738.45

The following table indicates payment rate per area November

Area	2025/2026
0100 Secunda	89%
0200 Embalenhle	23%
0300 Kinross	78%
0400 Trichardt	94%
0500 Evander	87%
0700 Bethal	73%
0800 Emzinoni	17%

High-performing areas such as Trichardt, Evander and Secunda recorded payment rates above 85%, while lower compliance was noted in Emzinoni with 17%, Embalenhle showing 23%.

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 85%. In comparison with the

October rate township areas like Emzinoni displayed a slight increase, while Embalenhle and Kinross recorded a decrease. which may require targeted community engagement, intensified enforcement, and a review of current credit control measures.

The proportion of outstanding amounts placed under arrangements (14.81%) suggests that while some customers are willing to settle their debt over time, the municipality will need to monitor adherence to these arrangements closely. Lessons from this phase will inform the targeting, communication, and operational approach for the second phase of soft blocking to maximise revenue recovery.

Advantages of Using Soft Blocking Over Engaging a Service Provider

The soft blocking of prepaid meters provides several operational and financial advantages for the municipality:

1. **Cost Savings:**
    - Soft blocking is implemented internally using the municipality's existing systems and staff, eliminating the need to pay external service providers.
    - This ensures that **100% of the revenue collected flows directly into the municipality's accounts**, improving cash flow and reducing revenue leakage through service provider fees.

2. **Direct Control and Oversight:**
    - The municipality retains full control over the blocking, monitoring, and reconnection process, ensuring compliance with internal credit control policies.
    - Reduces the risk of disputes or mismanagement by third parties and expenses to service providers for charging cut-offs and reconnections.

When Service Providers Are Still Needed:

While soft blocking is effective for prepaid customers, there remains a need to engage service providers in certain situations, such as:

- **Postpaid accounts** where physical disconnection is required.

- **Tampered or bridged meters** where specialised technical intervention is needed to restore proper metering and billing.

This blended approach ensures that the municipality uses the most cost-effective method for prepaid customers while still addressing technical and enforcement challenges in other account categories

7. Creditors' Analysis

The total creditors balance for the month of November 2025 amounted to R 7 341 880 000. 97% creditors are above 30 days. The major creditors are Eskom and Rand Water.

MP307 Govan Mbeki - Supporting Table SC4 Monthly Budget Statement - aged creditors – M05 November 2025

Description	NT Code	Budget Year 2025/26								
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	100	103,579	118,690	96,772	169,024	123,821	129,221	106,504	5,430,666	6,278,277
Bulk Water	200	49,811	59,197	54,235	13,220	21,166	32,878	14,375	629,093	873,975
PAYE deductions	300	–	–	–	–	–	–	–	–	–
VAT (output less input)	400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	500	–	–	–	–	–	–	–	–	–
Loan repayments	600	–	–	–	–	–	–	–	–	–
Trade Creditors	700	44,509	19,276	21,594	13,049	14,026	77,174	–	–	189,628
Auditor General	800	–	–	–	–	–	–	–	–	–
Other	900	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	197 899	197 163	172 601	195 293	159 013	239 273	120 879	6 059 759	7 341 880

8. Investment portfolio analysis

	Account Nr	Date of Investment	Opening Balance 01/11/2025	Investments Made	Investment Withdrawals	Interest Capitalized/ Accrued	Closing Balance 30/11/2025
Long-Investments							
Old Mutual Shares C0777197766	Share nr C0777197766		26,397.09	-	-	-	26,397.09
Old Mutual Shars C0777027950	Share nr C0777027950		363,307.00	-	-	-	363,307.00
Sanlam U0063349159	Share nr U0063349159		217,418.84	-	-	-	217,418.84
Nedbank (70) Withdrawal	70 Shares		17,013.50	-	-	-	17,013.50
Nedbank (966) Withdrawal	966Shares		234,786.30	-	-	-	234,786.30
Quilter plc (624)	Share nr 1521061685		23,724.48	-	-	-	23,724.48
Quilter plc (8599)	Share nr 1521053495		326,933.98	-	-	-	326,933.98
			1,209,581.19	**-**	**-**	**-**	**1,209,581.19**
Short-term Investments							
Standard Bank MoneyMarket Call Account	038787024(003)	26/11/2014	551,157.55	-	-	-	551,157.55
Standard Bank TieredRate Call Account	038787024(008)	13/08/2014	17,112,647.42	30,000,000.00	10,000,000.00	-	37,112,647.42
Standard Bank MoneyMarket Call Account	038787024(009)	05/06/2016	38,883,147.70	-	30,000,000.00	-	8,883,147.70
Standard Bank Retention Call Account	038787024(010)	01/08/2025	6,708,403.77	-	-	-	6,708,403.77
			63,255,356.44	**30,000,000.00**	**40,000,000.00**	**-**	**53,255,356.44**
TOTAL			**64,464,937.63**	**30,000,000.00**	**40,000,000.00**	**-**	**54,464,937.63**

9. DISTRIBUTION LOSSES

Water and Electricity Distribution Losses for November 2025. (KL / Units)

Service	Purchased	Sold	Previous % Loss Month	Current % Loss	Average 24/25	Average 23/24
Electricity	37,190,891	23,171,312	-39.55%	-37.70%	-47.98%	-58.92%
Water	2,938,950	1,528,452	--24.61%	-47.99%	-53.47%	-46.92%

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

Service	Purchased	Sold	Previous % Loss YTD	Current % Loss	Average 24/25	Average 23/24
Electricity	219,367,915	123,866,153	-44.73%	-43.53%	-47.98%	-58.92%
Water	13;234,472	7,810,185	-38.99%	-40.99%	-53.47%	-46.92%

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, noting the seasonal unexpected decrease from the prior month 39.55% losses for October 2025 as compared to 37.70% losses for November 2025. The electricity losses are reducing on month to month through the departmental interventions.

Water

Water losses show an increase from 24.61% in October to 47.99% in November 2025 due to difference in the number of billing days. Rand water bills the municipality on a basis of 30 days consumption, meaning the readings taken are for 30 days consumption, the same principle is applicable to municipal consumers.

The municipal October's consumption was read for a period of 35 days, instate of 30 days due to impact of rainy season, and this has caused a significant reduction of losses to 24.6%. Meaning we compared Rand water's 30 days with municipal's 35 days consumption.

The above has now resulted in a reduction of number of consumption days for the month November, meaning we now have 25 days of consumption which has caused an increase in losses. Meaning we compared Rand water's 30 days with municipal's 25 days consumption.

10. Performance of Grants and Capital Projects

10.1 Performance of Capital Grants

Grants	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2025/2026	YTD % Per Allocation
Integrated National Electrification Programme Grant	40,000,000.00	18,000,000.00	16,357,110.70	1,642,889.30	41%
Municipal Infrastructure Grant	70,975,000.00	48,146,000.00	42,942,447.12	5,203,552.88	61%
Municipal Disaster Recovery Grant	0	2,254,279.22	2,254,279.22	0.00	100%
Water Services Infrastructure	0	1,972,377.75	1,972,377.75	0.00	100%
Total	**110,975,000.00**	**70,372,656.97**	**63,526,214.79**	**6,846,442.18**	**57%**

- Above total Municipal Infrastructure Grant allocation and expenditure is inclusive of Project Management Unit operational allocation amounting to R 3 548 750.00 and R2 660 256.40 respectively. Furthermore, the Capital budget YTD reflecting on page 9 (C5 Schedule) excludes VAT thus difference.

10.2 Performance of Operational Grants

Grants	Allocation per DoRA	Received Including rollover	Expenditure as at 30 November 2025	Unspent 2025/2026	YTD %
Extended Public works Programme	2,939,000.00	735,000.00	2,939,000.00	-2,204,000.00	100%
Financial Management Grants	3,500,000.00	3,500,000.00	593,072.58	2,906,927.42	17%
Infrastructure Skills Development Grant	22,774,000.00	12,000,000.00	12,000,000.00	0.00	53%
LG Seta	1,200,000.00	874,965.88	237,360.00	637,605.88	20%
Point Duty Officer (SASOL)	0.00	639,421.50	945,057.00	-305,635.50	0%
Art and Culture	0.00	91,608.25	0.00	91,608.25	0%
Pre-capacity Grant	0.00	92,528.63	0.00	92,528.63	0%
Economic Development and Tourism	0.00	313,901.00	0.00	313,901.00	0%
Gert Sibande District Municipality	0.00	274,580.00	0.00	274,580.00	0%
Energy Efficiency Demand Grant	0.00	3,469.83	0.00	3,469.83	0%
Equitable share	492,462,000.00	205,193,000.00	205,193,000.00	0.00	42%
Total	**522,875,000.00**	**223,718,475.09**	**221,907,489.58**	**4,320,621.01**	42%

In terms of the Economic Development and Tourism grant R 313 901.00, the institution resolved to use this grant to support the development of small and micro enterprises within the jurisdiction of Govan Mbeki municipality. A notice for funding was advertised on 04 February 2025 until 14 February 2025 on all the municipality's boards, pay points and municipal web page encouraging interested companies to apply for support. Adjudication committee is waiting for the approval of terms of reference for selection of the qualifying SMMEs.

It should be noted that an amount of R2 204 000.00 is still due to the municipality from Public Works Department as per the payment schedule and approved DORA. Due to the large number of employees under the Expanded Public Works Program the total allocation of 2 939 000 has been paid out, total expenditure of R5 1430 000.00 has been paid out for the program.

Point duty grant of R305 635.50 is due to the municipality as the grant is received after payments have been made to the point duty officers.

Unspent total amount only takes into amount grants with positive balance. Grants still due are not set off against the remaining grants balances.

10.3 Capital programme performance

Project Name	Funding	Approved Total Budget	Adjusted Budget	Monthly Expenditure November 2025	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 30 November 2025
Emzinoni Substation Phase 3	INEP	40,000,000.00	40,000,000.00	1,816,180.00	272,427.00	2,088,607.00	16,357,110.70	23,642,889.30
Construction of stormwater concrete pipeline EXT22 Emba	MDRG	0.00	2,254,279.22	0.00	0.00	0.00	2,254,279.22	0.00
Kinross waste treatment plant	WSIG	0.00	1,972,377.75	0.00	0.00	0.00	1,972,377.75	0.00
Construction of Bulk water line and reservoir in Leandra	MIG	14,615,304.00	22,920,457.21	1,542,096.95	231,314.54	1,773,411.49	21,790,959.85	1,129,497.36
Embalenhle Bulk Replacement/Upgrade (Phase1)	MIG	13,731,591.00	20,468,946.22	0.00	0.00	0.00	11,755,235.89	8,713,710.33
Emzinoni Bulk water supply	MIG	11,389,538.00	6,000,000.00	0.00	0.00	0.00	0.00	6,000,000.00
Procurement of Specialised Vehicles for Waste Management	MIG	17,684,542.00	0.00	0.00	0.00	0.00	0.00	0.00
Completion of charl cilliers waste water treatment works	MIG	0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00
Installation of Sewer Reticulation; Pump Station in Eendracht	MIG	10,005,275.00	6,036,846.58	1,025,955.00	153,893.25	1,179,848.25	3,711,081.73	2,325,764.85
Upgrading of Lebohang Stadium MIG8/3/142/2019	MIG	0.00	10,000,000.00	0.00	0.00	0.00	3,024,913.25	6,975,086.75
Acquisition of Smart Meters & Meter Boxes	Revenue	30,000,000.00	30,000,000.00	0.00	0.00	0.00	7,779,405.00	22,220,595.00
Resealing of Roads	Revenue	15,000,000.00	15,000,000.00	0.00	0.00	0.00	12,321,320.80	2,678,679.20
Temper proof ground and pole mounted boxes	Revenue	10,000,000.00	10,000,000.00	0.00	0.00	0.00	0.00	10,000,000.00
Acquisition of Water Meters	Revenue	9,000,000.00	9,000,000.00	1,594,265.96	239,139.89	1,833,405.85	2,614,585.48	6,385,414.52
Replacement of Asbestos in Evander	Revenue	5,000,000.00	5,000,000.00	0.00	0.00	0.00	2,873,040.33	2,126,959.67
Replacement of Asbestos in Secunda	Revenue	5,000,000.00	-	0.00	0.00	0.00	0.00	0.00
Insurance	Revenue	5,000,000.00	5,000,000.00	0.00	0.00	0.00	0.00	5,000,000.00
Construction of stormwater concrete pipeline EXT22 Emba	Revenue	0.00	4,283,551.00	2,064,087.74	309,613.16	2,373,700.90	2,373,700.90	1,909,850.10
Rehabilitation of Chief Albert Luthuli-Emba	Revenue	0.00	3,506,387.00	1,769,332.72	265,399.91	2,034,732.63	2,034,732.63	1,471,654.37
Refurbishment on Bethal Stores & Installation of Fuel Tanks	Revenue	3,500,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Completion of Floating roof in Secunda Ext 22	Revenue	5,000,000.00	3,335,744.00	0.00	0.00	0.00	0.00	3,335,744.00
Fencing of Facilities	Revenue	3,000,000.00	3,000,000.00	0.00	0.00	0.00	0.00	3,000,000.00
Reconstruction of technical storeroom	Revenue	3,000,000.00	3,000,000.00	0.00	0.00	0.00	0.00	3,000,000.00
Cable Fault Locator (Thumper)	Revenue	3,000,000.00	3,000,000.00	0.00	0.00	0.00	0.00	3,000,000.00
Rehabilitation of road and culverts at Barney Molokwane in Trichardt	Revenue	0.00	2,874,319.00	0.00	0.00	0.00	0.00	2,874,319.00
Airconditioner	Revenue	2,000,000.00	2,000,000.00	0.00	0.00	0.00	531,692.15	1,468,307.85
Computer Equipment	Revenue	2,000,000.00	2,000,000.00	0.00	0.00	0.00	792,608.75	1,207,391.25

Project Name	Funding	Approved Total Budget	Adjusted Budget	Monthly Expenditure November 2025	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 30 November 2025
Resealing of Roof Slabs	Revenue	2,600,000.00	1,100,000.00	0.00	0.00	0.00	0.00	1,100,000.00
Lillian Ngoyi stadium sound system	Revenue	1,000,000.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
Machinery and Equipment (EPWP)	Revenue	1,000,000.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
Installation of Boreholes in GMM Farms	Revenue	1,000,000.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
Pressure management at Emba ext 15 Reservoir bulk water line	Revenue	0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
3x Falcon slashers/15 x Brush cutters/2 x JD 1445 Ride on mowers	Revenue	800,000.00	800,000.00	0.00	0.00	0.00	0.00	800,000.00
Installation of Water Storage Tanks	Revenue	500,000.00	500,000.00	0.00	0.00	0.00	0.00	500,000.00
Mobile Toilet	Revenue	288,000.00	288,000.00	0.00	0.00	0.00	0.00	288,000.00
Furniture and Equipment (Speaker)	Revenue	200,000.00	200,000.00	0.00	0.00	0.00	0.00	200,000.00
Furniture & Equipment (Corporate Services)	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	16,732.50	83,267.50
Furniture & Equipment (MM's Office)	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	186,667.56	-86,667.56
Furniture & Equipment (Community Services)	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	0.00	100,000.00
Furniture and Equipment (MM)	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	0.00	100,000.00
Procurement of books	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	0.00	100,000.00
Furniture & Equipment (Financial Services)	Revenue	100,000.00	100,000.00	139,693.81	20,954.07	160,647.88	356,090.38	-256,090.38
Furniture & Equipment (Energy)	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	0.00	100,000.00
Furniture & Equipment (Civil)	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	52,816.63	47,183.38
Furniture & Equipment (Planning and Development)	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	0.00	100,000.00
Furniture & Equipment (Executive and Council)	Revenue	100,000.00	100,000.00	0.00	0.00	0.00	0.00	100,000.00
Cleaning of GMM Reservoirs (Water Quality Improvement)	Revenue	0.00	0.00	0.00	0.00	0.00	1,086,750.00	-1,086,750.00
Furniture & Equipment (Facilities 0403)	Revenue	0.00	0.00	0.00	0.00	0.00	198,375.00	-198,375.00
Workshop Modernisation	Revenue	0.00	0.00	0.00	0.00	0.00	2,971,157.88	-2,971,157.88
Replacement of Ac Pipes	Revenue	0.00	0.00	0.00	0.00	0.00	434,722.49	-434,722.49
Total		**216,314,250.00**	**220,540,907.98**	**9,951,612.18**	**1,492,741.83**	**11,444,354.01**	**97,490,356.88**	**123,050,551.10**

11. Councillor and board member allowances and employee benefits for November 2025

Total staff compliment	1216 (Permanent)
Staff resignations	6
Staff Appointments	12

MP307 Govan Mbeki - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 - November

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		24.698	25.590	25,590	1.979	9.772	10.662	(890)	-8%	25.590
Pension and UIF Contributions		3.644	3.311	3,311	292	1.443	1.379	63	5%	3.311
Medical Aid Contributions		321	577	577	27	137	240	(104)	-43%	577
Motor Vehicle Allowance		2.008	4.288	4.288	169	847	1 787	(940)	-53%	4,288
Cellphone Allowance		2,714	3.240	3,240	226	1,118	1.350	(232)	-17%	3,240
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**33,386**	**37,005**	**37,005**	**2,693**	**13,317**	**15,419**	**(2,102)**	**-14%**	**37,005**
% increase	4		**10.8%**	**10.8%**						**10.8%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7 150	8.591	8,591	760	5 584	3 579	2,104	59%	8.591
Pension and UIF Contributions		541	825	825	132	600	344	257	75%	825
Medical Aid Contributions		250	311	311	28	123	130	(7)	-5%	311
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		718	928	928	153	556	387	169	44%	929
Cellphone Allowance		101	133	133	14	59	55	4	7%	133
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		97	153	153	12	57	64	(7)	-10%	153
Payments in lieu of leave		326	544	644	10	60	269	(209)	-78%	544
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		1.888	400	400	256	607	167	440	264%	400
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**11,080**	**11,985**	**11,985**	**1,364**	**7.745**	**4,994**	**2,752**	**55%**	**11,985**
% increase	4		**8.2%**	**8.2%**						**8.2%**
Other Municipal Staff										
Basic Salaries and Wages		410.363	440.213	440.213	36.393	180 827	183.422	(2.595)	-1%	440.213
Pension and UIF Contributions		93,274	101.252	101.252	8 195	40.930	42 188	(1.258)	-3%	101 252
Medical Aid Contributions		40.958	46.087	46,087	3.542	17.885	19.203	(1.318)	-7%	46.087
Overtime		73.612	72,407	72,407	5.512	32.802	30.169	2,833	9%	72.407
Performance Bonus		37,493	47,678	47,678	3.069	15.691	19.866	(4.175)	-21%	47,679
Motor Vehicle Allowance		19,359	20.582	20,582	1.666	8.538	8 576	62	1%	20,582
Cellphone Allowance		2,682	2,937	2,937	234	1 164	1,224	(60)	-5%	2,937
Housing Allowances		3.046	3.207	3.207	194	1.005	1,336	(332)	-25%	3,207
Other benefits and allowances		24.483	26,549	26.549	2.186	11.389	11.062	327	3%	26.549
Payments in lieu of leave		14.650	7.724	7 724	792	4 237	3.218	1,018	32%	7,724
Long service awards		2.584	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	7.017	3,898	3.898	305	1.516	1.624	(107)	-7%	3.898
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		12.250	12.566	12.566	1.347	5.053	5.236	(183)	-3%	12 566
In kind benefits		–	2.547	2.547	131	262	1.061	(799)	-75%	2.547
Sub Total - Other Municipal Staff		**741,483**	**787,649**	**787,649**	**63,565**	**321,400**	**328,187**	**(6,787)**	**-2%**	**787,649**
% increase	4		**6.2%**	**6.2%**						**6.2%**
Total Parent Municipality		**785,949**	**836,639**	**836,639**	**67,622**	**342,462**	**348,600**	**(8,137)**	**-2%**	**836,639**

12. Other supporting documents

See Attached Annexure C

13. Conclusion

12.1 Progress on Budget Funding Plan

Performance over 12 months in Financial Year 2025/2026				
Year-to-Date Target	Year-to-Date Target %	Year-to-Date Actual	Year-to-Date Actual %	Underperformance
R939 426 421.40	36%	R500 524 184.00	19%	R438 902 237.40

Overview on performance of Budget Funding Plan

Council approved the 2025/26 Budget Funding Plan (BFP) together with the budget on the 28th of May 2025.

The progress recorded as at 30 November is 19% of the full year anticipated revenue. The revised total anticipated revenue for the year is R2 633 995 000 of which an amount of R500 524 184 has been collected to date. The Budget Funding Plan has been revised to accommodate the Medium-Term Revenue and Expenditure Framework (2026-2028).

14. Annexure A: C-schedules attached

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

Summary of November Compliance Assessment Report

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Province		
MP		
Code	District	Code Description
MP307	Gert Sibande	Govan Mbeki

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF				
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11
25.July25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
26.August25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
27.September25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
28.October25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
29.November25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
30.December25	Govan Mbeki	MP307											
31.January26	Govan Mbeki	MP307											
32.February26	Govan Mbeki	MP307											
33.March26	Govan Mbeki	MP307											
34.April26	Govan Mbeki	MP307											
35.May26	Govan Mbeki	MP307											
36.June26	Govan Mbeki	MP307											
37.July26	Govan Mbeki	MP307											
38.August26	Govan Mbeki	MP307											
39.September26	Govan Mbeki	MP307											
40.October26	Govan Mbeki	MP307											
41.November26	Govan Mbeki	MP307											

Month	Part C: FRP/BFP & Tariff Assessment			Part D: Electricity and water as collection tools				Part C: Quarterly collection of property rates and services charges						
	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25
25.July25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes
26.August25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes
27.September25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes
28.October25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes		Yes
29.November25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes
30.December25														
31.January26														
32.February26														
33.March26														
34.April26														
35.May26														
36.June26														
37.July26														
38.August26														
39.September26														
40.October26														
41.November26														

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

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

Compliance status as per treasury feedback for the reporting period ending October 2025 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 honour the current bulk accounts in full monthly.
- The Municipality intensifies credit control and debt collection processes.
- The Municipality urgently submits reviewed by-laws and budget related policies that were adopted with the 2024/25 MTREF budget.
- The Council supports the implementation of credit control and revenue improvement initiatives.
- The municipality expedited the installation of smart meters for water and electricity to improve the revenue baseline and maximize revenue.
- The Municipality must submit a report on all revenue enhancement strategies to be implemented to continue participating in the Debt relief Programme.
- The municipality targets the top 100 consumers, primarily business, and implements credit control in order to collect from this sector.
- The Municipality institutionalizes the reviewed Budget Funding Plan and submits monthly progress reports to both Provincial Treasury and National Treasury.

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.

- Municipal has appointed debt collectors to assist with recovering outstanding debts from customers. About 150 residential and business accounts have been handed over to debt collectors.
- IJIMA program drive done weekly to inspect meter connection, households with rentals as an initiative of recovering lost revenues.
- The municipality's electricity and water meters rollout is still in progress and progress is reported on monthly basis.
- Municipality to ring fence all collection relating to water and electricity to honour current accounts for both Eskom and Rand water.
- Municipality has institutionalized the reviewed budget funding plan and is reporting on monthly progress to council, Provincial and National Treasury.

16. Municipal Manager's quality certification

QUALITY CERTIFICATE

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

□ The monthly budget statement report; and

□ The supporting documentation for the month of **November 2025** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: J.M Mahlangu

Acting Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature:

Date: 02/12/25

Print Name: E.N. Maseko

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature:

Date: 12/12/2025

17. Recommendations

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

1. The monthly **budget statement for the month ending 30 November 2025.**
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 16 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 6 278 277 000.00** and Rand Water bulk water account **R 873 975 000.00**