GOVAN MBEKI MUNICIPALITY

UTLANYELWE
UKUKHULA

Budget Statement

MFMA Section 71 Report

31 JANUARY 2026

Govan Mbeki Municipality

DISTRIBUTION:

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

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

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

TO: THE EXECUTIVE MAYOR

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

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

1. Purpose

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

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

2. Background

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

3. Executive summary

Summary of the Budget Performance for the reporting period ending 31 January 2026

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	117 433	1 929 708	1 959 928	-30 221	-2%
Less Total Operating Expenditure	3 788 023	685 030	2 476 005	2 209 680	266 325	12%
Surplus /(Deficit) for the year before grant capital revenue	**-428 146**	**-567 597**	**-546 298**	**-249 752**	**-296 546**	**119%**
Add Grant capital revenue	110 975	-12 612	59 786	64 735	-4 950	-8%
Surplus /(Deficit) for the year	**-317 171**	**-580 209**	**-486 512**	**-185 016**		
Total Capital Expenditure	216 314	9 938	107 119	126 183	-19 065	-15%

Table below is performance for the month of January 2026 excluding the journal process for the preparation of Interim Financial statement for the period ending January 2026. The difference between the table above and table below is further explained in page 9 and 10 of the report.

	Monthly Actual
Interest on Property Rates	2,874,224.00
Interest on debtors	19,493,449.00
Property rates	37,995,190.00
Water	63,954,307.00
Waste Water	13,808,720.00
Electricity	43,588,090.00
Refuse	17,652,816.00
Total Billed Services charges	***199,366,796.00***
Plus, other Operating revenue item	24,415,330.64
Total Operating revenue	***223,782,126.64***
Less Total Operating Expenditure excluding debt impairment journal	286,641,053.00
Deficit for the month	***- 62,858,926.36***

Operating Revenue

Actual revenue after the interim journals is 2 percent below the approved budget for the period. This indicates that collections and billing performance are slightly gone down than expectation. This below performance will have to improve to supports cash flow and strengthens the municipality's ability to fund operations.

Operating Expenditure

Actual operating expenditure is 12 percent above the approved budget for the period. Based on this performance municipality is reset to spending and improve cost management, especially given that the municipality is operating with an unfunded budget and must actively reduce expenditure to be financially stable.

Capital Expenditure

CAPEX	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2025/2026	YTD % Per Allocation
Integrated National Electrification Programme Grant	40,000,000.00	26,000,000.00	27,912,207.54	- 1,912,207.54	70%
Municipal Infrastructure Grant	67,426,250.00	60,680,000.00	44,201,862.01	16,478,138.00	66%
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	68,385,909.23		63%
Total	**216,314,250.00**	**90,906,656.97**	**144,726,635.75**	**14,565,930.46**	**67%**

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) - M07 - January

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		872,643	994,107	-	23,176	532,586	579,896	(47,310)	-8%	994,107
Service charges - Water		530,770	714,085	-	7,140	359,072	416,549	(57,478)	-14%	714,085
Service charges - Waste Water Management		161,189	182,706	-	13,735	95,674	106,579	(10,905)	-10%	182,706
Service charges - Waste management		155,572	180,036	-	(10,933)	90,488	105,021	(14,532)	-14%	180,036
Sale of Goods and Rendering of Services		6,441	7,832	-	435	4,106	4,568	(463)	-10%	7,832
Agency services		-	-	-	-	-	-	-		-
Interest		-	-	-	-	-	-	-		-
Interest earned from Receivables		235,140	223,921	-	19,418	134,066	130,620	3,446	3%	223,921
Interest from Current and Non Current Assets		3,793	15,943	-	409	2,818	9,300	(6,482)	-70%	15,943
Dividends		-	26	-	-	-	15	(15)	-100%	26
Rent on Land		-	3	-	-	0	2	(2)	-96%	3
Rental from Fixed Assets		9,178	10,918	-	757	10,663	6,369	4,295	67%	10,918
Licence and permits		-	-	-	-	4	-	4	#DIV/0!	-
Special Rating Levies		-	-	-	-	-	-	-		-
Operational Revenue		12,260	6,567	-	81	867	3,831	(2,964)	-77%	6,567
Non-Exchange Revenue								-		
Property rates		376,757	456,203	-	37,804	266,155	266,119	36	0%	456,203
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		30,881	19,536	-	22,335	26,508	11,396	15,112	133%	19,536
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		491,443	522,875	-	399	388,160	305,010	83,150	27%	522,875
Interest		33,070	22,620	-	2,443	18,305	13,195	5,110	39%	22,620
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue		-	-	-	-	-	-	-		-
Gains on disposal of Assets		3,918	2,500	-	-	-	1,458	(1,458)	-100%	2,500
Other Gains		528,110	-	-	236	236	-	236	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and		3,451,166	3,359,877	-	117,433	1,929,708	1,959,928	(30,221)	-2%	3,359,877

Electricity service charge is below the target by 8%.

- Difference is due to reversal of year end journal that was processed to recognise accrued revenue (for consumption between billing date and last day of June) and the actual billing for the month is R 43 529 611.83

Water service charges and Waste Water service charges are below the target by 14% and 10% respectively

- Differences are due to reversal of year end journal that was processed to recognise accrued revenue (for consumption between billing date and last day of June) and the actual billing for the month is R 63 219 010.09 and R13 725 056.89 respectively.

Refuse service charges is below the target by 14%

- There is an account that we adjusted, it was mistakenly linked with refuse tariff code for its property rate, we had to adjust it with over 21 million as a credit note. It was also noted that indigent rebate for refuse was posting to expenditure vote, we processed a journal from expense vote to refuse revenue vote of over 10 million. The actual billing for the month is R 17 652 816.36

Fines and penalties are 133 percent above target due to recognition of traffic fines issued for period July 2025 to January 2026.

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

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 - January

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
Expenditure By Type										
Employee related costs		752,563	800,000	-	68,637	463,493	466,667	(3,174)	-1%	800,000
Remuneration of councillors		33,386	37,005	-	2,739	18,814	21,586	(2,773)	-13%	37,005
Bulk purchases - electricity		1,148,646	828,130	-	101,032	667,782	483,076	184,707	38%	828,130
Inventory consumed		520,303	576,933	-	52,365	367,672	336,544	31,128	9%	576,933
Debt impairment		19,957	526,975	-	398,389	398,389	307,402	90,987	30%	526,975
Depreciation and amortisation		129,064	152,108	-	9,003	64,934	88,730	(23,796)	-27%	152,108
Interest		298,802	177,400	-	37,245	213,187	103,484	109,703	106%	177,400
Contracted services		379,794	400,000	-	17,137	143,958	233,333	(89,375)	-38%	400,000
Transfers and subsidies		39,531	-	-	(9,492)	-	-	-		-
Irrecoverable debts written off		428,463	126,727	-	4,179	69,382	73,924	(4,542)	-6%	126,727
Operational costs		117,685	162,744	-	3,766	68,394	94,934	(26,540)	-28%	162,744
Losses on Disposal of Assets		9,672	-	-	-	-	-	-		-
Other Losses		433,385	-	-	-	-	-	-		-
Total Expenditure		**4,311,250**	**3,788,023**	-	**685,030**	**2,476,005**	**2,209,680**	**266,325**	**12%**	**3,788,023**

- Employee related cost is below target by 1%.
- Remuneration of councillors is below target by 13%, due to upper limits still to be paid in the financial year.
- Electricity bulk purchase expenses are 38% above target due to under-budgeting in this line item. The budget was intentionally reduced in order to cap the overall budget deficit for the year. Prior month invoices of R25 619 282.80 were captured in the current month, leading to an increase in expenditure.
- Contracted services expenditure is 38% below target as a response to reduce expenditure for financial recovery plan implementation.
- Debt impairment is 30% above target due to journal of R 398 million processed for interim financial statement preparation.
- Operational costs are below target by 28%
- Inventory consumed including water purchases is above target by 9%
- Depreciation and impairment of asset is 27% 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 106% 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) - M07 - January

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		10,367	12,200	-	201	5,119	7,117	(1,998)	-28%	12,200
Executive and council		232	1,500	-	-	162	875	(713)	-81%	1,500
Finance and administration		10,135	10,700	-	201	4,957	6,242	(1,285)	-21%	10,700
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		4,571	12,588	-	8	898	7,343	(6,445)	-88%	12,588
Community and social services		4,192	12,300	-	8	898	7,175	(6,277)	-87%	12,300
Sport and recreation		379	288	-	-	-	168	(168)	-100%	288
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		54,190	65,742	-	4,161	34,846	38,349	(3,503)	-9%	65,742
Planning and development		49,223	49,842	-	4,108	22,264	29,074	(6,810)	-23%	49,842
Road transport		4,968	15,100	-	52	12,582	8,808	3,774	43%	15,100
Environmental protection		-	800	-	-	-	467	(467)	-100%	800
Trading services		218,882	125,785	-	5,568	66,255	73,374	(7,120)	-10%	125,785
Energy sources		93,850	83,100	-	4,473	38,083	48,475	(10,392)	-21%	83,100
Water management		31,160	25,000	-	1,095	18,030	14,583	3,447	24%	25,000
Waste water management		76,514	-	-	-	10,141	-	10,141	#DIV/0!	-
Waste management		17,358	17,685	-	-	-	10,316	(10,316)	-100%	17,685
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	286,911	216,314	-	9,938	107,119	126,183	(19,065)	-15%	216,314
Funded by:										
National Government		167,835	107,426	-	8,484	50,283	62,665	(12,382)	-20%	107,426
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies		-	-	-	-	-	-	-		-
Transfers recognised - capital		167,835	107,426	-	8,484	50,283	62,665	(12,382)	-20%	107,426
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		112,744	108,888	-	1,454	56,836	63,518	(6,682)	-11%	108,888
Total Capital Funding		280,579	216,314	-	9,938	107,119	126,183	(19,065)	-15%	216,314

4.4 Cash flows

As of 31 January 2026, the municipality had a positive bank statement balance of R7 300 422.21 and cash book had a negative balance of R32 832 258.91. Below service charges include revenue collected from prepaid electricity (vending) of an amount of R25 160 630.38 for the reporting period.

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M07 - January

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	33,188	215,931	196,612	19,319	10%	337,049
Service charges		1,388,478	1,505,611	1,505,611	129,410	1,003,176	878,273	124,904	14%	1,505,611
Other revenue		56,494	122,388	122,388	4,084	39,277	71,393	(32,116)	-45%	122,388
Transfers and Subsidies - Operational		490,644	522,875	522,875	10,774	399,160	305,010	94,150	31%	522,875
Transfers and Subsidies - Capital		119,543	110,975	110,975	2	86,682	64,735	21,947	34%	110,975
Interest		12,857	16,401	16,401	1,932	13,411	9,567	3,843	40%	16,401
Dividends		-	26	26	-	-	15	(15)	-100%	26
Payments										
Suppliers and employees		(1,365,703)	(2,842,282)	(2,842,282)	(115,598)	(1,068,211)	(1,657,998)	589,787	-36%	(2,842,282)
Interest		-	(133,050)	133,050	-	-	(77,613)	77,613	-100%	(133,050)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1,037,245	(360,007)	(93,907)	63,793	689,426	(218,004)	(899,430)	428%	(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)	(15,492)	(134,313)	(126,183)	(8,130)	6%	(216,314)
NET CASH FROM/(USED) INVESTING ACTIVITIES		166,825	(216,314)	(216,314)	(15,492)	(134,313)	(126,183)	8,130	-6%	(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)	48,301	555,112	(336,188)			(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)		604,935	(310,436)			(526,499)

5.In-year budget statement tables

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M07 - January

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	–	37,804	266,155	266,119	36	0%	456,203
Service charges	1,720,174	2,070,934	–	33,117	1,077,820	1,208,045	(130,225)	-11%	2,070,934
Investment revenue	3,793	15,943	–	409	2,818	9,300	(6,482)	-70%	15,943
Transfers and subsidies - Operational	491,443	522,875	–	399	388,160	305,010	83,150	27%	522,875
Other own revenue	858,999	293,923	–	45,704	194,755	171,455	23,300	14%	293,923
Total Revenue (excluding capital transfers and contributions)	3,451,166	3,359,877	–	117,433	1,929,708	1,959,928	(30,221)	-2%	3,359,877
Employee costs	752,563	800,000	–	68,637	463,493	466,667	(3,174)	-1%	800,000
Remuneration of Councillors	33,386	37,005	–	2,738	18,814	21,586	(2,773)	-13%	37,005
Depreciation and amortisation	129,064	152,108	–	9,003	64,934	88,730	(23,795)	-27%	152,108
Interest	298,802	177,400	–	37,245	213,187	103,484	109,703	106%	177,400
Inventory consumed and bulk purchases	1,668,948	1,405,063	–	153,427	1,035,454	819,620	215,835	26%	1,405,063
Transfers and subsidies	39,531	–	–	(9,492)	–	–	–		–
Other expenditure	1,388,956	1,216,447	–	423,472	680,123	709,594	(29,470)	-4%	1,216,447
Total Expenditure	4,311,250	3,788,023	–	685,030	2,476,005	2,209,680	266,325	12%	3,788,023
Surplus/(Deficit)	(860,084)	(428,146)	–	(567,597)	(546,298)	(249,752)	(296,546)	119%	(428,146)
Transfers and subsidies - capital (monetary allocations)	122,958	110,975	–	(12,612)	59,786	64,735	(4,950)	-8%	110,975
Transfers and subsidies - capital (in-kind)	3,917	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	(733,209)	(317,171)	–	(580,209)	(486,512)	(185,016)	(301,496)	163%	(317,171)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(733,209)	(317,171)	–	(580,209)	(486,512)	(185,016)	(301,496)	163%	(317,171)
Capital expenditure & funds sources									
Capital expenditure	296,011	216,314	–	9,938	107,119	126,183	(19,065)	-15%	216,314
Capital transfers recognised	167,835	107,426	–	8,484	50,283	62,665	(12,382)	-20%	107,426
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	112,744	108,888	–	1,454	56,836	63,518	(6,682)	-11%	108,888
Total sources of capital funds	280,579	216,314	–	9,938	107,119	126,183	(19,065)	-15%	216,314
Financial position									
Total current assets	2,857,972	1,835,007	–		3,035,775				1,835,007
Total non current assets	3,223,346	3,116,399	–		3,265,740				3,116,399
Total current liabilities	7,553,079	4,121,951	–		8,259,018				4,121,951
Total non current liabilities	1,358,643	2,578,805	–		1,358,246				2,578,805
Community wealth/Equity	(2,830,403)	(1,749,350)	–		(3,315,749)				(1,749,350)
Cash flows									
Net cash from (used) operating	1,037,245	(360,007)	(93,907)	63,793	689,426	(210,004)	(899,430)	428%	(360,007)
Net cash from (used) investing	166,825	(216,314)	(216,314)	(15,492)	(134,313)	(126,183)	8,130	-6%	(216,314)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	1,229,821	(550,570)	(284,470)	–	604,935	(310,436)	(915,372)	295%	(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	200,820	103,424	96,348	99,044	121,217	245,670	84,843	3,503,705	4,455,072
Creditors Age Analysis									
Total Creditors	218,662	220,103	125,443	171,372	160,985	168,786	89,965	6,347,714	7,503,030

MP307 Govan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 - January

Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD	Full Year
R thousands	1								%	
Revenue - Functional										
Governance and administration		1,093,544	1,036,374	–	42,407	683,010	604,552	78,459	13%	1,036,374
Executive and council		–	500	–	–	–	292	(292)	-100%	500
Finance and administration		1,093,261	1,035,874	–	42,407	683,010	604,260	78,750	13%	1,035,874
Internal audit		284	–	–	–	–	–	–		–
Community and public safety		400,621	19,499	–	22,228	26,997	11,374	15,623	137%	19,499
Community and social services		369,095	3,047	–	211	1,323	1,777	(454)	-26%	3,047
Sport and recreation		8	–	–	–	49	–	49	#DIV/0!	–
Public safety		31,445	16,452	–	22,017	25,624	9,597	16,028	167%	16,452
Housing		72	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		66,071	79,302	–	(16,027)	36,676	46,259	(9,583)	-21%	79,302
Planning and development		64,474	76,363	–	(16,027)	31,912	44,545	(12,633)	-28%	76,363
Road transport		1,597	2,939	–	–	4,764	1,714	3,050	178%	2,939
Environmental protection		–	–	–	–	–	–	–		–
Trading services		2,017,804	2,335,677	–	56,213	1,242,810	1,362,478	(119,669)	-9%	2,335,677
Energy sources		1,140,023	1,093,146	–	46,272	694,564	637,669	56,896	9%	1,093,146
Water management		528,997	824,420	–	7,867	359,493	480,912	(121,418)	-25%	824,420
Waste water management		174,239	212,719	–	13,735	98,434	124,086	(25,652)	-21%	212,719
Waste management		174,546	205,392	–	(11,660)	90,319	119,812	(29,493)	-25%	205,392
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	3,578,041	3,470,852	–	104,821	1,989,493	2,024,664	(35,170)	-2%	3,470,852
Expenditure - Functional										
Governance and administration		1,171,902	905,681	–	110,842	604,619	528,314	76,305	14%	905,681
Executive and council		90,042	113,184	–	8,888	49,697	66,024	(16,327)	-25%	113,184
Finance and administration		1,077,679	788,425	–	101,717	553,006	459,914	93,092	20%	788,425
Internal audit		4,181	4,072	–	238	1,916	2,375	(460)	-19%	4,072
Community and public safety		453,256	253,762	–	37,257	160,227	148,028	12,200	8%	253,762
Community and social services		304,476	115,350	–	7,897	57,244	67,288	(10,044)	-15%	115,350
Sport and recreation		12,232	13,628	–	814	5,774	7,950	(2,176)	-27%	13,628
Public safety		126,226	112,351	–	27,742	91,368	65,538	25,830	39%	112,351
Housing		9,202	10,427	–	719	5,234	6,082	(848)	-14%	10,427
Health		1,121	2,005	–	85	607	1,170	(563)	-48%	2,005
Economic and environmental services		104,107	114,053	–	8,591	61,011	66,531	(5,519)	-8%	114,053
Planning and development		45,894	52,285	–	3,661	25,220	30,500	(5,280)	-17%	52,285
Road transport		58,213	61,435	–	4,930	35,792	35,837	(45)	0%	61,435
Environmental protection		–	332	–	–	–	194	(194)	-100%	332
Trading services		2,581,985	2,514,528	–	528,339	1,650,147	1,466,808	183,339	12%	2,514,528
Energy sources		1,599,350	1,606,605	–	175,806	872,297	937,186	(64,889)	-7%	1,606,605
Water management		705,361	603,099	–	180,317	479,453	351,808	127,645	36%	603,099
Waste water management		138,120	172,402	–	84,813	158,472	100,568	57,904	58%	172,402
Waste management		139,154	132,422	–	87,403	139,926	77,246	62,680	81%	132,422
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	4,311,250	3,788,023	–	685,030	2,476,005	2,209,680	266,325	12%	3,788,023
Surplus/ (Deficit) for the year		(733,209)	(317,171)	–	(580,209)	(486,512)	(185,016)	(301,496)	163%	(317,171)

MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 - January

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	-	(16,290)	28,864	41,694	(12,829)	-30.8%	71,475
Vote 2 - 02 Corporate Services		25,793	23,974	-	353	12,683	13,985	(1,302)	-9.3%	23,974
Vote 3 - 03 Planning and Development		164,801	19,415	-	1,004	13,253	11,325	1,928	17.0%	19,415
Vote 4 - 04 Community Services		401,072	18,243	-	21,331	26,020	10,642	15,378	144.5%	18,243
Vote 5 - 05 Financial Services		906,995	997,873	-	41,312	660,110	582,093	78,017	13.4%	997,873
Vote 6 - Technical Services		1,844,856	2,133,224	-	67,873	1,157,255	1,244,381	(87,126)	-7.0%	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	-	(10,762)	91,308	120,545	(29,237)	-24.3%	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	-	104,821	1,989,493	2,024,664	(35,170)	-1.7%	3,470,852
Expenditure by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		94,786	117,009	-	9,270	50,262	68,255	(17,993)	-26.4%	117,009
Vote 2 - 02 Corporate Services		145,742	193,381	-	6,708	76,997	112,806	(35,809)	-31.7%	193,381
Vote 3 - 03 Planning and Development		305,883	70,615	-	5,405	29,654	41,192	(11,538)	-28.0%	70,615
Vote 4 - 04 Community Services		455,706	259,488	-	39,086	163,596	151,368	12,228	8.1%	259,488
Vote 5 - 05 Financial Services		596,807	497,667	-	86,231	426,314	290,306	136,008	46.8%	497,667
Vote 6 - Technical Services		2,523,032	2,467,447	-	447,051	1,560,660	1,439,344	121,317	8.4%	2,467,447
Vote 7 - 06 Technical services Continued		-	-	-	-	-	-	-		-
Vote 8 - 01 Executive and Council continued		11,790	11,406	-	927	7,089	6,654	436	6.5%	11,406
Vote 9 - 04 Community Services continued		177,506	171,010	-	90,351	161,433	99,756	61,677	61.8%	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	-	685,030	2,476,005	2,209,680	266,325	12.1%	3,788,023
Surplus/ (Deficit) for the year	2	(733,209)	(317,171)	-	(580,209)	(486,512)	(185,016)	(301,496)	163.0%	(317,171)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 - January

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		872,643	994,107	–	23,176	532,586	579,896	(47,310)	-8%	994,107
Service charges - Water		530,770	714,085	–	7,140	359,072	416,549	(57,478)	-14%	714,085
Service charges - Waste Water Management		161,189	182,706	–	13,735	95,674	106,579	(10,905)	-10%	182,706
Service charges - Waste management		155,572	180,036	–	(10,933)	90,488	105,021	(14,532)	-14%	180,036
Sale of Goods and Rendering of Services		6,441	7,832	–	435	4,106	4,568	(463)	-10%	7,832
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		235,140	223,921	–	19,418	134,066	130,620	3,446	3%	223,921
Interest from Current and Non Current Assets		3,793	15,943	–	409	2,818	9,300	(6,482)	-70%	15,943
Dividends		–	26	–	–	–	15	(15)	-100%	26
Rent on Land		–	3	–	–	0	2	(2)	-96%	3
Rental from Fixed Assets		9,178	10,918	–	757	10,663	6,369	4,295	67%	10,918
Licence and permits		–	–	–	–	4	–	4	#DIV/0!	–
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		12,260	6,567	–	81	867	3,831	(2,964)	-77%	6,567
Non-Exchange Revenue								–		
Property rates		376,757	456,203	–	37,804	266,155	266,119	36	0%	456,203
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		30,881	19,536	–	22,335	26,508	11,396	15,112	133%	19,536
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		491,443	522,875	–	399	388,160	305,010	83,150	27%	522,875
Interest		33,070	22,620	–	2,443	18,305	13,195	5,110	39%	22,620
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		3,918	2,500	–	–	–	1,458	(1,458)	-100%	2,500
Other Gains		528,110	–	–	236	236	–	236	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**3,451,166**	**3,359,877**	–	**117,433**	**1,929,708**	**1,959,928**	**(30,221)**	**-2%**	**3,359,877**
Expenditure By Type										
Employee related costs		752,563	800,000	–	68,637	463,493	466,667	(3,174)	-1%	800,000
Remuneration of councillors		33,386	37,005	–	2,738	18,814	21,586	(2,773)	-13%	37,005
Bulk purchases - electricity		1,148,646	828,130	–	101,032	667,782	483,076	184,707	38%	828,130
Inventory consumed		520,303	576,933	–	52,395	367,672	336,544	31,128	9%	576,933
Debt impairment		19,957	526,975	–	398,389	398,389	307,402	90,987	30%	526,975
Depreciation and amortisation		129,064	152,108	–	9,003	64,934	88,730	(23,795)	-27%	152,108
Interest		298,802	177,400	–	37,245	213,187	103,484	109,703	106%	177,400
Contracted services		379,794	400,000	–	17,137	143,958	233,333	(89,375)	-38%	400,000
Transfers and subsidies		39,531	–	–	(9,492)	–	–	–		–
Irrecoverable debts written off		428,463	126,727	–	4,179	69,382	73,924	(4,542)	-6%	126,727
Operational costs		117,685	162,744	–	3,766	68,394	94,934	(26,540)	-28%	162,744
Losses on Disposal of Assets		9,672	–	–	–	–	–	–		–
Other Losses		433,385	–	–	–	–	–	–		–
Total Expenditure		**4,311,250**	**3,788,023**	–	**685,030**	**2,476,005**	**2,209,680**	**266,325**	**12%**	**3,788,023**
Surplus/(Deficit)		**(860,084)**	**(428,146)**	–	**(567,597)**	**(546,298)**	**(249,752)**	**(296,546)**	**119%**	**(428,146)**
Transfers and subsidies - capital (monetary allocations)		122,958	110,975	–	(12,612)	59,786	64,735	(4,950)	-8%	110,975
Transfers and subsidies - capital (in-kind)		3,917	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(733,209)**	**(317,171)**	–	**(580,209)**	**(486,512)**	**(185,016)**			**(317,171)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**(733,209)**	**(317,171)**	–	**(580,209)**	**(486,512)**	**(185,016)**			**(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)**	–	**(580,209)**	**(486,512)**	**(185,016)**			**(317,171)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**(733,209)**	**(317,171)**	–	**(580,209)**	**(486,512)**	**(185,016)**			**(317,171)**

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 - January

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Multi-Year expenditure appropriation	2									
Vote 1 - 01 EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - 02 Corporate Services		–	–	–	–	–	–	–		–
Vote 3 - 03 Planning and Development		–	–	–	–	–	–	–		–
Vote 4 - 04 Community Services		–	–	–	–	–	–	–		–
Vote 5 - 05 Financial Services		–	–	–	–	–	–	–		–
Vote 6 - Technical Services		–	–	–	–	–	–	–		–
Vote 7 - 06 Technical services Continued		–	–	–	–	–	–	–		–
Vote 8 - 01 Executive and Council continued		–	–	–	–	–	–	–		–
Vote 9 - 04 Community Services continued		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - 01 EXECUTIVE AND COUNCIL		49,313	51,242	–	4,011	22,330	29,891	(7,561)	-25%	51,242
Vote 2 - 02 Corporate Services		4,342	2,100	–	201	890	1,225	(335)	-27%	2,100
Vote 3 - 03 Planning and Development		141	100	–	97	97	58	39	66%	100
Vote 4 - 04 Community Services		6,969	13,100	–	8	898	7,642	(6,743)	-88%	13,100
Vote 5 - 05 Financial Services		2,321	8,600	–	–	1,483	5,017	(3,534)	-70%	8,600
Vote 6 - Technical Services		217,964	123,200	–	5,621	81,420	71,867	9,554	13%	123,200
Vote 7 - 06 Technical services Continued		–	–	–	–	–	–	–		–
Vote 8 - 01 Executive and Council continued		–	–	–	–	–	–	–		–
Vote 9 - 04 Community Services continued		14,951	17,973	–	–	–	10,484	(10,484)	-100%	17,973
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	296,011	216,314	–	9,938	107,119	126,183	(19,065)	-15%	216,314
Total Capital Expenditure		296,011	216,314	–	9,938	107,119	126,183	(19,065)	-15%	216,314
Capital Expenditure - Functional Classification										
Governance and administration		18,367	12,200	–	201	5,119	7,117	(1,998)	-28%	12,200
Executive and council		232	1,500	–	–	162	875	(713)	-81%	1,500
Finance and administration		18,135	10,700	–	201	4,957	6,242	(1,285)	-21%	10,700
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		4,571	12,588	–	8	898	7,343	(6,445)	-88%	12,588
Community and social services		4,192	12,300	–	8	898	7,175	(6,277)	-87%	12,300
Sport and recreation		379	288	–	–	–	168	(168)	-100%	288
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		54,190	65,742	–	4,161	34,846	38,349	(3,503)	-9%	65,742
Planning and development		49,223	49,842	–	4,108	22,264	29,074	(6,810)	-23%	49,842
Road transport		4,968	15,100	–	52	12,582	8,808	3,774	43%	15,100
Environmental protection		–	800	–	–	–	467	(467)	-100%	800
Trading services		218,882	125,785	–	5,568	66,255	73,374	(7,120)	-10%	125,785
Energy sources		93,850	83,100	–	4,473	38,083	48,475	(10,392)	-21%	83,100
Water management		31,160	25,000	–	1,095	18,030	14,583	3,447	24%	25,000
Waste water management		76,514	–	–	–	10,141	–	10,141	#DIV/0!	–
Waste management		17,359	17,685	–	–	–	10,316	(10,316)	-100%	17,685
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	296,011	216,314	–	9,938	107,119	126,183	(19,065)	-15%	216,314
Funded by:										
National Government		167,835	107,426	–	8,484	50,283	62,665	(12,382)	-20%	107,426
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		167,835	107,426	–	8,484	50,283	62,665	(12,382)	-20%	107,426
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		112,744	108,888	–	1,454	56,836	63,518	(6,682)	-11%	108,888
Total Capital Funding		280,579	216,314	–	9,938	107,119	126,183	(19,065)	-15%	216,314

MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M07 - January

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)	–	31,220	(341,631)
Trade and other receivables from exchange transactions		725,227	1,362,396	–	696,689	1,362,396
Receivables from non-exchange transactions		143,730	147,233	–	161,766	147,233
Current portion of non-current receivables		–	–	–	–	–
Inventory		122,774	130,810	–	136,361	130,810
VAT		1,816,419	503,217	–	2,009,738	503,217
Other current assets		0	32,982	–	0	32,982
Total current assets		2,857,972	1,835,007	–	3,035,775	1,835,007
Non current assets						
Investments		1,210	1,119	–	1,419	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	–	1,885,631	1,811,957
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		5,431	5,431	–	5,431	5,431
Intangible assets		161	161	–	136	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	–	3,265,740	3,116,399
TOTAL ASSETS		6,081,319	4,951,406	–	6,301,515	4,951,406
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		3,612	7,169	–	872	7,169
Consumer deposits		34,715	32,872	–	34,924	32,872
Trade and other payables from exchange transactions		5,971,232	3,874,730	–	6,479,566	3,874,730
Trade and other payables from non-exchange transactions		5,363	38,372	–	43,228	38,372
Provision		56,008	44,197	–	56,008	44,197
VAT		1,482,150	124,611	–	1,644,420	124,611
Other current liabilities		–	–	–	–	–
Total current liabilities		7,553,079	4,121,951	–	8,259,018	4,121,951
Non current liabilities						
Financial liabilities		397	2,507	–	(0)	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	–	1,358,246	2,578,805
TOTAL LIABILITIES		8,911,722	6,700,756	–	9,617,264	6,700,756
NET ASSETS	2	(2,830,403)	(1,749,350)	–	(3,315,749)	(1,749,350)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(2,830,403)	(1,749,350)	–	(3,315,749)	(1,749,350)
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	(2,830,403)	(1,749,350)	–	(3,315,749)	(1,749,350)

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M07 - January

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	33,188	215,931	196,612	19,319	10%	337,049
Service charges		1,388,478	1,505,611	1,505,611	129,410	1,003,176	878,273	124,904	14%	1,505,611
Other revenue		56,494	122,388	122,388	4,084	39,277	71,393	(32,116)	-45%	122,388
Transfers and Subsidies - Operational		490,644	522,875	522,875	10,774	399,160	305,010	94,150	31%	522,875
Transfers and Subsidies - Capital		119,543	110,975	110,975	2	86,682	64,735	21,947	34%	110,975
Interest		12,857	16,401	16,401	1,932	13,411	9,567	3,843	40%	16,401
Dividends		–	26	26	–	–	15	(15)	-100%	26
Payments										
Suppliers and employees		(1,365,703)	(2,842,282)	(2,842,282)	(115,598)	(1,068,211)	(1,657,998)	589,787	-36%	(2,842,282)
Interest		–	(133,050)	133,050	–	–	(77,613)	77,613	-100%	(133,050)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,037,245**	**(360,007)**	**(93,907)**	**63,793**	**689,426**	**(210,004)**	**(899,430)**	**428%**	**(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)	(15,492)	(134,313)	(126,183)	(8,130)	6%	(216,314)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**166,825**	**(216,314)**	**(216,314)**	**(15,492)**	**(134,313)**	**(126,183)**	**8,130**	**-6%**	**(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)**	**48,301**	**555,112**	**(336,188)**			**(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)		604,935	(310,436)			(526,499)

PART 2: SUPPORTING DOCUMENTATION

6.Debtors' Analysis

The total debtors book balance as at 31 January 2026 amounts to R 4 455 072 000. The debtors' payment rate for the reporting month amounts to **60%** of the billed revenue.

MP307 Govan Mbeki - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 - January

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	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	70,130	31,465	27,331	33,170	44,545	74,916	21,022	1,105,046	1,407,625	1,278,699	57	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	44,426	16,336	14,840	13,430	14,596	32,392	13,300	427,386	576,705	501,104	21	-
Receivables from Non-exchange Transactions - Property Rates	1400	30,559	12,592	11,428	10,456	11,685	20,145	9,514	333,209	439,589	385,010	8	-
Receivables from Exchange Transactions - Waste Water Management	1500	14,613	10,788	10,068	10,605	11,866	50,962	9,124	413,153	531,181	495,711	22	-
Receivables from Exchange Transactions - Waste Management	1600	18,020	10,142	9,831	9,469	16,679	45,368	9,247	382,352	501,108	463,115	24	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	22,419	21,930	22,493	21,780	21,562	20,991	21,163	834,722	987,059	920,218	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	654	171	357	133	285	895	1,472	7,837	11,804	10,622	292	-
Total By Income Source	**2000**	**200,820**	**103,424**	**96,348**	**99,044**	**121,217**	**245,670**	**84,843**	**3,503,705**	**4,455,072**	**4,054,479**	**424**	-
2024/25 - totals only		159,907	91,267	80,917	80,177	75,023	76,783	75,858	3,184,171	3,824,102	3,492,011	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	5,509	3,277	2,218	1,511	1,446	1,603	1,292	37,313	54,170	43,164	-	-
Commercial	2300	64,177	9,058	8,172	7,571	8,377	10,666	6,850	241,355	356,227	274,820	-	-
Households	2400	131,134	91,089	85,958	89,962	111,394	233,400	76,701	3,225,037	4,044,675	3,736,495	424	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	**2600**	**200,820**	**103,424**	**96,348**	**99,044**	**121,217**	**245,670**	**84,843**	**3,503,705**	**4,455,072**	**4,054,479**	**424**	-

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	111,632.79	-	-	-	-	-
Deposits	- 152,151.98	579,886.65	-	-	-	579,886.65
Agreements	- 42,423.11	-	-	-	-	-
Indigent Flat Credit	- 3,024.00	- 778,228.44	-	-	10,358.00	- 788,586.44
Water	- 38,554,738.41	61,468,540.26	63,445,856.44	- 2,202,755.19	117,559.21	107,879.80
Electricity	- 34,051,662.77	46,642,106.42	46,927,928.37	- 871,718.66	520,274.53	65,622.18
Rates	- 28,332,911.69	38,048,858.59	37,999,139.26	- 719,373.42	760,734.36	8,358.39
Annual Rates	- 41,085.99	-	-	-	-	-
Refuse	- 5,888,405.60	17,627,218.03	17,647,537.76	- 82,697.87	35,634.78	26,743.36
Sewerage	- 5,697,469.69	13,680,518.84	13,702,995.30	- 74,977.39	34,481.32	18,019.61
Miscellaneous	- 366,704.22	- 33,627,015.52	341,432.26	- 9,680.00	5,062,141.67	- 39,020,909.45
Miscellaneous (No Vat)	- 426,733.35	626,346.19	626,346.19	-	-	-
Vat	- 13,352,540.30	21,123,667.88	20,656,195.29	- 412,197.46	865,513.82	14,156.23
Interest	- 1,217,251.16	21,889,168.84	22,150,010.70	- 260,841.86	-	-
Payment Advanced	- 6,305,414.99	-	-	-	-	-
Total	**- 134,320,884.47**	**187,281,067.74**	**223,497,441.57**	**- 4,634,241.85**	**7,406,697.69**	**- 38,988,829.67**

For January, the municipality billed **R223 497 441.57** and collected **R134 320 884.47** (excluding prepaid electricity sales), resulting in a payment rate of **60 percent**. In December, billing amounted to **R218 353 721.63**, with collections of **R150 888 477.52** (excluding prepaid electricity sales).

Comparison:

When comparing the two periods, billing has increased, while collection showed a decrease. Billing increased by approximately **R5 million**, and collections decreased by **R16 million** from December. This indicates a slight increase in January.

Prepaid sales for December amounted to **R25 757 706.18**, increasing total revenue collected to **R176 646 183.70**. When prepaid sales are included, the overall payment rate improves to **72 percent**.

Prepaid sales for January amounted to **R25 160 630.38**, increasing total revenue collected to **R159 481 514.85**. When prepaid sales are included, the overall payment rate improves to **71 percent**.

Total prepaid revenue decreased by **R 597 075.80** from December to January. This reduction may be influenced by prepaid electricity sales that are not being received consistently from Machite Vending Management.

Actual Billing for January	223,497,441.57
Pre-Paid Sales for January	25,160,630.38
Total Collection Including Pre-Paid Sales Received	159,481,514.85
Payment rate	71%

Payment Rate (Billing vs Collection)	60%

Pre-Paid Sales Performance January	34,496,811.81
Region 1	7,668,184.83
Region 2 & 3	26,828,626.98

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%
Dec-25	218,353,721.63	- 7,024,428.69	211,329,292.94	150,888,477.52	69.10%
Jan-26	223,497,441.57	- 36,216,373.83	187,281,067.74	134,320,884.47	60.10%
Total	**1,527,280,991.74**	**- 1,743,237,899.46**	**- 215,956,907.72**	**989,959,560.14**	**64.82%**

The Table below reflects towns with low payment rate:

Area	Total Levied (Incl Adjustments)	Total Receipts	Amount not collected	Current Collection Rate %
0200 Embalenhle	50,914,016	11,069,201	39,844,816	22%
0600 Charl Cilliers	720,672	190,407	530,264	26%
0800 Emzinoni	13,252,675	1,588,233	11,664,442	12%
0900 Eendracht	955,865	240,260	715,604	25%
1100 Lebohang	11,754,608	215,175	11,539,432	2%
1300 Terra Nova	419,813	159,898	259,915	38%
1500 Bethal Rand	303,177	107,438	195,738	35%

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 **71 %,** indicating that just under one-third of billed revenue remains uncollected for the period.

	December	January
Debtors Opening Balance	4 357 474 000.00	4,394,972,000.00
Add: Billing for the Month	223 497 441.57	220,292,176.64
Debtors Write off	38 889 000.00	424,000.00
Less: Debtors Closing Balance	**4 394 972 000.00**	**4,455,072,000.00**
	147 110 441.57	159,768,176.64
Payment rate	**67%**	**71%**

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, **9 161 meters have been soft-blocked**, with a total outstanding balance of **R812 985 206.34** linked to these accounts.

From this intervention:

- **R20 211 984.14**has been collected, and
- **R141 309 018.29** 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	9,161
Total Outstanding Linked to Each Pre-Paid Meter	812,985,206.34
Total Received	20,211,984.14
Total Amounts on Arrangements	141,309,018.29

The following table indicates payment rate per area January

Area	2025/2026
0100 Secunda	83%
0200 Embalenhle	22%
0300 Kinross	83%
0400 Trichardt	86%
0500 Evander	81%
0700 Bethal	64%
0800 Emzinoni	12%

High-performing areas such as Trichardt, Evander, Kinross and Secunda recorded payment rates above 80%, while lower compliance was noted in Emzinoni with 12% and Embalenhle showing 22%.

The results of the soft blocking exercise indicate a positive response across the municipality. Areas with historically higher payment compliance, such as Trichardt, Evander, Kinross and Secunda, responded positively to the intervention, with payment rates above 80%. In comparison with the December rate township areas like Emzinoni and Embalenhle displayed a slight decrease.

The proportion of outstanding amounts placed under arrangements (17.38%) 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 January 2026 amounted to R 7 503 030 000. 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 – M07 January 2026

Description	NT Code	Budget Year 2025/26								
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	100	138,034	97,378	103,083	114,531	96,772	–	–	5,917,396	**6,467,194**
Bulk Water	200	53,048	62,305	644	50,697	54,235	13,220	–	643,512	**877,661**
PAYE deductions	300	–	–	–	–	–	–	–	–	–
VAT (output less input)	400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	500	–	–	–	–	–	–	–	–	–
Loan repayments	600	–	–	–	–	–	–	–	–	–
Trade Creditors	700	27,288	57,582	21,696	5,180	42,200	–	–		**153,946**
Auditor General	800	292	2,838	20	964	115	–	–	–	**4,229**
Other	900	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**218 662**	**220 103**	**125 443**	**171 372**	**193 322**	**13 220**	**–**	**6 560 908**	**7 503 030**

8. Investment portfolio analysis

	Account Nr	Date of Investment	Opening Balance 01/01/2026	Investments Made	Investment Withdrawals	Fair Value Adjustment	Interest Capitalized/ Accrued	Closing Balance 31/01/2026	Description
Long-Investments									
Old Mutual Shares C0777197766	Share nr C0777197766		26,397.09	-	-	7,720.11	-	34,117.20	Old Mutual Shares(2187@15.60)
Old Mutual Shars C0777027950	Share nr C0777027950		363,307.00	-	-	106,253.00	-	469,560.00	Old Mutual Shares(30100 @15.60)
Sanlam U0063349159	Share nr U0063349159		217,418.84	-	-	30,233.16	-	247,652.00	SANLAM Shares (2452 @101.00)
Nedbank (70) Withdrawal	70 Shares		17,013.50	-	-	1,560.30	-	18,573.80	Nedbank Shares (70@265.34)
Nedbank (966) Withdrawal	966Shares		234,786.30	-	-	21,532.14	-	256,318.44	Nedbank Shares (966 @265.34)
Quilter plc (624)	Share nr 1521061685		23,724.48	-	-	2,826.72	-	26,551.20	Quilter shares (624@42.55)
Quilter plc (8599)	Share nr 1521053495		326,933.98	-	-	38,953.47	-	365,887.45	Quilter Shares (8599@42.55)
			1,209,581.19	**-**	**-**	**209,078.90**	**-**	**1,418,660.09**	
Short-term Investments									
Standard Bank MoneyMarket Call Account	038787024(003)	26/11/2014	557,101.82	-	-	-	3,004.53	560,106.35	Standard Bank MoneyMarket Call Account
Standard Bank TieredRate Call Account	038787024(008)	13/08/2014	30,426,636.23	40,000,000.00	65,000,000.00	-	163,956.68	5,590,592.91	Standard Bank TieredRate Call Account
Standard Bank MoneyMarket Call Account	038787024(009)	05/06/2016	4,728,508.22	52,000,000.00	8,000,000.00	-	204,814.21	48,933,322.43	Standard Bank MoneyMarket Call Account
Standard Bank Retention Call Account	038787024(010)	01/08/2025	6,782,445.17	-	-	-	37,442.81	6,819,887.98	Standard Bank Retention Call Account
			42,494,691.44	**92,000,000.00**	**73,000,000.00**	**-**	**409,218.23**	**61,903,909.67**	
			43,704,272.63	**92,000,000.00**	**73,000,000.00**	**209,078.90**	**409,218.23**	**63,322,569.76**	

9. DISTRIBUTION LOSSES

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

Service	Purchased	Sold	Previous % Loss Month	Current % Loss	Average 24/25	Average 23/24
Electricity	32,145,933	21,468,897	-41.03%	-33.21%	-47.98%	-58.92%
Water	2,728,847	1,656,001	-40.57%	-39.31%	-53.47%	-46.92%

Water and Electricity Distribution Losses: Accumulated: July 2025 to January 2026 (KL / Units)

Service	Purchased	Sold	Previous % Loss Month	Current % Loss	Average 24/25	Average 23/24
Electricity	287,082,397	168,193,470	-43.16%	-41.41%	-47.98%	-58.92%
Water	18,737,425	11,114,767	-40.91%	-40.68%	-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. The electricity losses are, on average, reducing through the departmental interventions from 41.03% to 33.21%

Water
The municipality is implementing the two projects which are water meter replacement which to date a total of 6443 has been replaced. The second project is replacement of asbestos pipeline at Evander in which to date the project is at 84%

These two projects have a direct impact on the water losses reduction hence the reduction on losses month to month is slightly decreased from 40.57% to 39.31%.

10. Performance of Grants and Capital Projects

10.1 Performance of Capital Grants

CAPEX	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2025/2026	YTD % Per Allocation
Integrated National Electrification Programme Grant	40,000,000.00	26,000,000.00	27,912,207.54	- 1,912,207.54	70%
Municipal Infrastructure Grant	67,426,250.00	60,680,000.00	44,201,862.01	16,478,138.00	66%
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	68,385,909.23		63%
Total	**216,314,250.00**	**90,906,656.97**	**144,726,635.75**	**14,565,930.46**	67%

- Above total Municipal Infrastructure Grant allocation and expenditure is inclusive of Project Management Unit operational allocation with a budget of R 3 548 750.00 and expenditure R3 230 172.00. Furthermore, the Capital budget YTD reflecting on page 9 (C5 Schedule) excludes VAT thus difference.

Performance of Operational Grants

Grants	Allocation per DoRA	Received Including rollover	Expenditure as at 31 January 2026	Unspent 2025/2026	YTD %
Extended Public works Programme	2,939,000.00	2,058,000.00	2,939,000.00	-881,000.00	100%
Financial Management Grants	3,500,000.00	3,500,000.00	823,502.90	2,676,497.10	24%
Infrastructure Skills Development Grant	22,774,000.00	22,774,000.00	12,000,000.00	10,774,000.00	53%
LG Seta	0	1,193,759.90	683,321.85	510,438.05	57%
Point Duty Officer (SASOL)	0	1,299,158.50	1,234,977.50	64,181.00	95%
Art and Culture	0	91,608.25	-	91,608.25	0%
Pre-capacity Grant	0	92,528.63	-	92,528.63	0%
Economic Development and Tourism	0	313,901.00	-	313,901.00	0%
Gert Sibande District Municipality	0	274,580.00	-	274,580.00	0%
Energy Efficiency Demand Grant	0	3,470.00	-	3,470.00	0%
Equitable share	492,462,000.00	369,347,000.00	369,347,000.00	0.00	75%
Total	**521,675,000.00**	**400,948,006.28**	**387,027,802.25**	**13,920,204.03**	**74%**

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 R881 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 R11 916 777.90 has been paid out for the program.

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 January 2026	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 31 January 2026
Emzinoni Substation Phase 3	INEP	40,000,000.00	40,000,000.00	4,472,863.84	670,929.58	5,143,793.42	27,912,207.54	12,087,792.46
Construction of stormwater concrete pipeline EXT22 Emba	MDRG	-	2,254,279.22	-	-	-	2,254,279.22	-
Kinross waste treatment plant	WSIG	-	1,972,377.75	-	-	-	1,972,377.75	-
Construction of Bulk water line and reservoir in Leandra	MIG	14,615,304.00	22,920,457.21	674,148.26	101,122.24	775,270.50	22,566,230.35	354,226.86
Embalenhle Bulk Replacement/Upgrade (Phase1)	MIG	13,731,591.00	20,468,946.22	839,988.00	125,998.20	965,986.20	15,052,964.68	5,415,981.54
Emzinoni Bulk water supply	MIG	11,389,538.00	6,000,000.00				-	6,000,000.00
Procurement of Specialised Vehicles for Waste Management	MIG	17,684,542.00	-				-	-
Completion of Charl Cilliers waste water treatment works	MIG	-	2,000,000.00	1,774,712.65	266,206.90	2,040,919.55	2,040,919.55	- 40,919.55
Installation of Sewer Reticulation; Pump Station in Eendracht	MIG	10,005,275.00	6,036,846.58	722,318.00	108,347.70	830,665.70	4,541,747.43	1,495,099.15
Upgrading of Lebohang Stadium MIG8/3/142/2019	MIG	-	10,000,000.00				-	10,000,000.00
Acquisition of Smart Meters & Meter Boxes	Revenue	30,000,000.00	30,000,000.00				14,297,892.50	15,702,107.50
Acquisition of Water Meters	Revenue	9,000,000.00	9,000,000.00	1,095,423.91	164,313.59	1,259,737.50	4,417,148.44	4,582,851.56
Temper proof ground and pole mounted boxes	Revenue	10,000,000.00	10,000,000.00				-	10,000,000.00
Air conditioner	Revenue	2,000,000.00	2,000,000.00	8,286.33	1,242.95	9,529.28	818,047.13	1,181,952.87
Cleaning of GMM Reservoirs (Water Quality Improvement)	Revenue	-	-				1,086,750.00	- 1,086,750.00
Replacement of Asbestos in Secunda	Revenue	5,000,000.00	-				-	-
Computer Equipment	Revenue	2,000,000.00	2,000,000.00	201,177.60	30,176.64	231,354.24	1,023,962.99	976,037.01
Construction of stormwater concrete pipeline EXT22 Emba	Revenue	-	4,283,551.00				3,689,214.05	594,336.95
Furniture & Equipment (Civil)	Revenue	100,000.00	100,000.00	52,460.00	7,869.00	60,329.00	113,145.63	- 13,145.63
Refurbishment on Bethal Stores & Installation of Fuel Tanks	Revenue	3,500,000.00	-				-	-
Completion of Floating roof in Secunda Ext 22	Revenue	5,000,000.00	3,335,744.00				-	3,335,744.00
Fencing of Facilities	Revenue	3,000,000.00	3,000,000.00				-	3,000,000.00
Reconstruction of technical storeroom	Revenue	3,000,000.00	3,000,000.00				-	3,000,000.00
Cable Fault Locator (Thumper)	Revenue	3,000,000.00	3,000,000.00				-	3,000,000.00
Rehabilitation of road and culverts at Barney Molokwane in Trichardt	Revenue	-	2,874,319.00				-	2,874,319.00
Furniture & Equipment (Community Services)	Revenue	100,000.00	100,000.00				16,732.50	83,267.50
Furniture & Equipment (Facilities 0403)	Revenue	-	-				198,375.00	- 198,375.00
Resealing of Roof Slabs	Revenue	2,600,000.00	1,100,000.00				-	1,100,000.00
Lillian Ngoyi stadium sound system	Revenue	1,000,000.00	1,000,000.00				-	1,000,000.00
Machinery and Equipment (EPWP)	Revenue	1,000,000.00	1,000,000.00				-	1,000,000.00
Furniture & Equipment (Financial Services)	Revenue	100,000.00	100,000.00				365,405.38	- 265,405.38
Pressure management at Emba ext 15 Reservoir bulk water line	Revenue	-	1,000,000.00				-	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				-	800,000.00

Project Name	Funding	Approved Total Budget	Adjusted Budget	Monthly Expenditure January 2026	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 31 January 2026
Installation of Water Storage Tanks	Revenue	500,000.00	500,000.00				-	500,000.00
Mobile Toilet	Revenue	288,000.00	288,000.00				-	288,000.00
Furniture and Equipment (Speaker)	Revenue	200,000.00	200,000.00				-	200,000.00
Furniture & Equipment (Corporate Services)	Revenue	100,000.00	100,000.00				-	100,000.00
Furniture & Equipment (MM's Office)	Revenue	100,000.00	100,000.00				186,667.56	- 86,667.56
Furniture & Equipment (Planning and Development)	Revenue	100,000.00	100,000.00	97,110.00	14,566.50	111,676.50	111,676.50	- 11,676.50
Furniture and Equipment (RMs)	Revenue	100,000.00	100,000.00				-	100,000.00
Procurement of books	Revenue	100,000.00	100,000.00				-	100,000.00
Installation of Boreholes in GMM Farms	Revenue	1,000,000.00	1,000,000.00				756,700.00	243,300.00
Furniture & Equipment (Energy)	Revenue	100,000.00	100,000.00				-	100,000.00
Insurance	Revenue	5,000,000.00	5,000,000.00				1,339,750.00	3,660,250.00
Lebohang Stadium Phase 1	Revenue	-	-				3,024,913.25	- 3,024,913.25
Furniture & Equipment (Executive and Council)	Revenue	100,000.00	100,000.00				-	100,000.00
Rehabilitation of Chief Albert Luthuli-Emba	Revenue	-	3,506,387.00				2,034,732.63	1,471,654.37
Replacement of Ac Pipes	Revenue	-	-				434,722.49	- 434,722.49
Replacement of Asbestos in Evander	Revenue	5,000,000.00	5,000,000.00				4,697,935.71	302,064.29
Resealing of Roads	Revenue	15,000,000.00	15,000,000.00				12,321,320.80	2,678,679.20
Workshop Modernisation	Revenue	-	-				2,971,157.88	- 2,971,157.88
Kinross waste treatment plant	Revenue						5,719,110.59	- 5,719,110.59
Refurbishment of Roof at Embalenhle Ext 15 Reservoir	Revenue						9,341,680.00	- 9,341,680.00
Total		**216,314,250.00**	**220,540,907.98**	**9,938,488.59**	**1,490,773.29**	**11,429,261.88**	**145,307,767.55**	**75,233,140.43**

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

Total staff compliment	1220 (Permanent)
Staff resignations	13
Staff Appointments	6

MP307 Govan Mbeki - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - December

Summary of Employee and Councillor remuneration	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		24,698	25,590	25,590	2,028	11,800	12,795	(995)	-8%	25,590
Pension and UIF Contributions		3,644	3,311	3,311	300	1,742	1,655	87	5%	3,311
Medical Aid Contributions		321	577	577	27	164	288	(124)	-43%	577
Motor Vehicle Allowance		2,008	4,288	4,288	177	1,024	2,144	(1,120)	-52%	4,288
Cellphone Allowance		2,714	3,240	3,240	227	1,345	1,620	(275)	-17%	3,240
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		33,386	37,005	37,005	2,759	16,076	18,503	(2,427)	-13%	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	765	6,449	4,295	2,154	50%	8,591
Pension and UIF Contributions		541	825	825	116	716	412	304	74%	825
Medical Aid Contributions		260	311	311	23	146	155	(10)	-6%	311
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		718	928	928	119	675	464	211	45%	928
Cellphone Allowance		101	133	133	13	72	67	5	8%	133
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		97	153	153	12	69	76	(7)	-10%	153
Payments in lieu of leave		326	644	644	–	60	322	(262)	-81%	644
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		1,888	400	400	171	778	200	578	289%	400
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		11,080	11,985	11,985	1,219	8,965	5,992	2,972	50%	11,985
% increase	4		8.2%	8.2%						8.2%
Other Municipal Staff										
Basic Salaries and Wages		410,363	440,213	440,213	36,599	217,426	220,107	(2,681)	-1%	440,213
Pension and UIF Contributions		93,274	101,252	101,252	8,248	49,176	50,626	(1,450)	-3%	101,252
Medical Aid Contributions		40,958	46,087	46,087	3,549	21,434	23,044	(1,610)	-7%	46,087
Overtime		73,612	72,407	72,407	6,175	38,977	36,203	2,774	8%	72,407
Performance Bonus		37,493	47,678	47,678	3,301	18,992	23,839	(4,847)	-20%	47,678
Motor Vehicle Allowance		19,059	20,582	20,582	1,696	10,334	10,291	43	0%	20,582
Cellphone Allowance		2,682	2,937	2,937	230	1,394	1,469	(74)	-5%	2,937
Housing Allowances		3,046	3,207	3,207	200	1,205	1,604	(399)	-25%	3,207
Other benefits and allowances		24,483	26,549	26,549	2,227	13,616	13,275	341	3%	26,549
Payments in lieu of leave		14,650	7,724	7,724	790	5,027	3,862	1,165	30%	7,724
Long service awards		2,584	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	7,017	3,898	3,898	303	1,820	1,949	(129)	-7%	3,898
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		12,260	12,566	12,566	1,044	6,097	6,283	(186)	-3%	12,566
In kind benefits		–	2,547	2,547	132	394	1,274	(879)	-69%	2,547
Sub Total - Other Municipal Staff		741,483	787,649	787,649	64,491	385,891	393,824	(7,933)	-2%	787,649
% increase	4		6.2%	6.2%						6.2%
Total Parent Municipality		785,949	836,639	836,639	68,469	410,932	418,320	(7,388)	-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
R1 311 573 632.10	50%	R602 441 188.02	23%	R709 132 448.08

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 31 January 2026 is 23% of the full year anticipated revenue. The revised total anticipated revenue for the year is R2 633 995 000 of which an amount of R602 441 188.02 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 January Compliance Assessment Report

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/BFP & Tariff Assessment			Part D: Electricity and water as collection tools			
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18
25.July25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
26.August25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
27.September25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
28.October25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29.November25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
30.December25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31.January26	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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: Quarterly collection of property rates and services charges							Maximization of Revenue Base			Part E: Oversight													Scoring and Rating	
	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	No	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	73%	[illegible]
26.August25	No	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	76%	[illegible]
27.September25	No	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	73%	[illegible]
28.October25	No	Yes	Yes	No	Yes		Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%	[illegible]
29.November25	No	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%	[illegible]
30.December25	No	Yes	Yes	No	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	[illegible]
31.January26	No	Yes	Yes	No	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	[illegible]
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 (December)

Compliance status as per treasury feedback for the reporting period ending December 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 **January 2026** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: V.B. Nkhata

Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature:

Date: 13/02/26

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

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature:

Date: 13/02/2026

17. Recommendations

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

1. The monthly **budget statement for the month ending 31 January 2026.**
2. **The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment set-out in paragraph 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 6 467 194 000.00** and Rand Water bulk water account **R 877 661 000.00**