



Budget Statement

MFMA Section 71 Report

31 JANUARY 2025

Govan Mbeki Municipality

DISTRIBUTION:

Executive Mayor: Mr. N.G Zuma

Municipal Manager: Mr. E.N Maseko

Acting Chief Financial Officer: Mr. A.B.M Mavimbela

Sector Departments: National and Provincial Departments

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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 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 31 JANUARY 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 31 January 2025

Description	Original Budget 2024/2025	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	3 300 378	222 643	1 739 661	1 925 220	-185 559	-10%
Less Total Operating Expenditure	3 988 528	324 461	1 954 249	2 326 642	-372 393	-16%
Surplus /(Deficit) for the year before grant capital revenue	-688 150	-101 819	-214 587	-401 421	186 834	-47%
Add Grant capital revenue	117 651	9 339	101 467	68 630	32 837	48%
Surplus /(Deficit) for the year	-570 499	-92 480	-113 120	-332 792		
Total Capital Expenditure	273 903	11 928	133 165	159 777	-26 612	-17%

Operating Revenue

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

Operating Expenditure

The overall performance on the expenditure component is 16% below target. The overall under performance is mainly as result of no movement on debt impairment.

Bulk purchases are above target by 44% and inventory consumed is above target by 3%, should the trend continue at the same rate there will be an unauthorised expenditure in these line items therefore budget will be adjusted during budget adjustment processes. Relatively interest on overdue accounts/finance costs is above target by 61%.

Cash Management

As of 31 January 2025, the municipality had a positive bank statement balance of R10 135 491.01 and R 866 563.90 in the current and traffic fines account respectively. Cash book had a negative balance of (R31 048 288.11).

4. Budget performance overview

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

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

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		562 205	994 107	-	98 807	481 480	579 896	(98 415)	-17%	994 107
Service charges - Water		456 094	714 085	-	37 784	290 329	416 549	(126 220)	-30%	714 085
Service charges - Waste Water Management		147 473	182 706	-	13 520	94 972	106 579	(11 607)	-11%	182 706
Service charges - Waste management		143 706	180 036	-	(3 043)	90 901	106 021	(14 120)	-13%	180 036
Sale of Goods and Rendering of Services		7 512	6 455	-	272	4 001	3 766	236	6%	6 455
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		237 020	213 599	-	19 531	141 343	124 600	16 743	13%	213 599
Interest from Current and Non Current Assets		14 911	16 375	-	213	3 476	9 552	(6 076)	-64%	16 375
Dividends		-	25	-	-	171	15	156	1071%	25
Rent on Land		-	3	-	-	-	2	(2)	-100%	3
Rental from Fixed Assets		6 630	6 699	-	652	4 745	3 324	1 421	43%	6 699
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		1 640	5 651	-	(311)	676	3 413	(2 737)	-80%	5 651
Non-Exchange Revenue										
Property rates		390 103	445 250	-	32 834	227 748	259 723	(31 982)	-12%	445 250
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4 107	19 836	-	354	4 896	11 571	(6 676)	-58%	19 836
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		459 951	492 163	-	3 145	370 077	287 095	82 982	29%	492 163
Interest		27 032	21 688	-	2 792	19 781	12 651	7 130	56%	21 688
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	2 600	-	-	-	1 459	(1 458)	-100%	2 600
Other Gains		35 669	-	-	-	5 066	5 066	#DIV/0!	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		2 499 952	3 300 378	-	222 643	1 739 661	1 925 220	(185 559)	-10%	3 300 378

Electricity service charges is below the target by 17%

- The energy department is currently installing electricity meters, which is expected to increase revenue by addressing the issue of customers receiving electricity without being billed for it. Additionally, the department is also working on removing illegal connections.

Water service charges and waste water service charges are below the target by 30% and 11% respectively

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

Fines & penalties are below target by 58%, due to traffic fines subsystem not integrated to the main financial system, and only recording traffic fines settled not the total traffic fines issued.

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	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		636 744	787 369	-	65 945	420 749	459 298	(38 549)	-8%	787 368
Remuneration of councillors		35 846	35 480	-	2 659	19 361	20 697	(1 335)	-6%	35 480
Bulk purchases - electricity		1 051 410	853 967	-	106 146	715 101	498 147	216 954	44%	853 967
Inventory consumed		617 801	515 279	-	62 945	309 546	300 580	8 966	3%	515 279
Debt impairment		-	988 750	-	-	-	576 771	(576 771)	-100%	988 750
Depreciation and amortisation		126 298	165 837	-	9 875	71 602	96 738	(25 136)	-26%	165 837
Interest		279 604	140 087	-	40 302	131 757	81 717	50 040	61%	140 087
Contracted services		329 674	329 863	-	24 594	193 539	192 420	1 119	1%	329 863
Transfers and subsidies		38 490	28 361	-	3 074	21 801	16 544	5 258	32%	28 361
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		108 744	143 537	-	8 922	65 732	83 730	(17 997)	-21%	143 537
Losses on Disposal of Assets		-	-	-	-	-	-	-		-
Other Losses		36 038	-	-	-	5 059	-	5 059	#DIV/0!	-
Total Expenditure		3 260 561	3 988 528	-	324 461	1 954 249	2 326 642	(372 393)	-16%	3 988 528

Employee related cost and Remuneration of councillors is below target by 8% and 6% respectively, due to vacant positions not yet filled and upper limit yet to be implemented.

Electricity bulk purchases expense is above target by 44%.

Contracted services are 1% above target.

Operational costs are below target by 21%, due to cashflow constraints some projects/activities are delayed.

Transfers and subsidies are 32% above target due to increase in indigent customers, adjustment will be done during adjustment budget processes

Inventory consumed which include water purchases are below target by 3%, close monitoring will be on this item, should the trend continue, this item will be overspent before end of the financial year.

Depreciation and impairment of asset is 26% below target.

Finance charges is 61% above target due to cash constraint. Eskom and Rand Water accounts are not serviced on time 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

R. thousands	Vote Description	Ref	2023/24		Adjusted	Monthly	Budget Year 2024/25		YTD	YTD %	Full Year
			Audited	Original			YearTD	YearTD actual			
		1									
	Capital Expenditure - Functional Classification										
	<i>Governance and administration</i>										
	Executive and council		6 741	37 050	-	2 673	6 089	21 613	(15 523)	-72%	37 050
	Finance and administration		740	300	-	-	33	175	(142)	-81%	300
	Internal audit		6 001	36 750	-	2 673	6 056	21 438	(15 381)	-72%	36 750
	<i>Community and public safety</i>										
	Community and social services		2 173	17 150	-	2	32	10 004	(9 972)	-100%	17 150
	Sport and recreation		1 926	10 150	-	-	30	5 921	(5 890)	-99%	10 150
	Public safety		228	7 000	-	2	2	4 083	(4 082)	-100%	7 000
	Housing		19	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-
	<i>Economic and environmental services</i>										
	Planning and development		83 649	67 426	-	2 128	37 197	39 332	(2 135)	-5%	67 426
	Road transport		63 452	57 276	-	2 044	37 088	33 411	3 677	11%	57 276
	Environmental protection		15 547	10 150	-	85	110	5 921	(5 811)	-98%	10 150
	Trading services		4 650	-	-	-	-	-	-	-	-
	Energy sources		70 289	152 277	-	7 125	89 847	88 828	1 018	1%	152 277
	Water management		40 594	67 390	-	9 702	63 403	39 311	24 093	61%	67 390
	Waste water management		17 953	30 000	-	-	78	17 500	(17 422)	-100%	30 000
	Waste management		11 342	38 983	-	66	11 753	22 215	(10 462)	-47%	38 983
	Other		-	16 804	-	(2 643)	14 612	9 803	4 810	49%	16 804
	Total Capital Expenditure - Functional Classification	3	162 652	273 903	-	11 928	133 165	159 777	(26 612)	-17%	273 903
	Funded by:										
	National Government		103 627	114 053	-	6 287	85 782	66 531	19 250	28%	114 053
	Provincial Government		5 780	-	-	-	-	-	-	-	-
	District Municipality		-	-	-	-	-	-	-	-	-
	Transfers and subsidies - capital (monetary allocations) (Nat./ Prov. Departm. Agencies)		-	-	-	-	-	-	-	-	-
	Transfers recognised - capital		109 407	114 053	-	6 287	85 782	66 531	19 250	29%	114 053
	Borrowing	6	-	-	-	-	-	-	-	-	-
	Internally generated funds		48 644	159 600	-	5 641	47 384	93 100	(45 716)	-49%	159 600
	Total Capital Funding		158 251	273 653	-	11 928	133 165	159 631	(26 466)	-17%	273 653

4.4 Cash flows

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

R thousands	Ref	Description	2023/24	Budget Year 2024/25					Full Year Forecast			
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget		YTD variance	YTD variance %	
	1	CASH FLOW FROM OPERATING ACTIVITIES										
		Receipts										
		Property rates	338 950	421 981	421 981	30 316	192 863	246 156	(53 293)	-22%	421 981	
		Service charges	1 181 476	2 206 114	2 206 114	130 660	816 417	1 286 900	(470 483)	-37%	2 206 114	
		Other revenue	60 856	37 841	37 841	2 086	35 015	22 074	12 941	59%	37 841	
		Transfers and Subsidiaries - Operational	469 698	492 163	492 163	10 705	374 017	287 065	86 922	30%	492 163	
		Transfers and Subsidiaries - Capital	143 211	117 651	117 651	-	105 101	68 630	36 471	53%	117 651	
		Interest	11 964	16 375	16 375	213	3 279	9 562	(6 273)	-66%	16 375	
		Dividends	-	25	25	-	-	15	(15)	-100%	25	
		Payments										
		Suppliers and employees	(1 423 200)	(2 800 344)	(2 800 344)	(94 762)	(931 354)	(1 633 534)	702 180	-43%	(2 800 344)	
		Interest	-	-	-	-	-	-	-	-	-	-
		Transfers and Subsidiaries	-	-	-	-	-	-	-	-	-	-
		NET CASH FROM/(USED) OPERATING ACTIVITIES	782 945	491 806	491 806	79 218	595 338	286 867	(308 452)	-108%	491 806	
		CASH FLOWS FROM INVESTING ACTIVITIES										
		Receipts										
		Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
		Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
		Decrease (increase) in non-current investments	(14 500)	-	-	-	-	-	-	-	-	-
		Payments										
		Capital assets	196 343	(192 253)	(192 253)	(15 992)	(118 959)	(112 148)	(6 811)	6%	(192 253)	
		NET CASH FROM/(USED) INVESTING ACTIVITIES	181 843	(192 253)	(192 253)	(15 992)	(118 959)	(112 148)	6 811	-6%	(192 253)	
		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	964 788	299 552	299 552	63 226	476 379	174 739			299 552	
		Cash/cash equivalents at beginning:	120 545	256 446	256 446		26 751	256 446			25 751	
		Cash/cash equivalents at month/year end:	1 085 332	555 998	555 998		502 130	431 185			325 303	

5. In-year budget statement tables

MP307 Govan Mbeki - Table C-1 Monthly Budget Statement Summary - M07 - January

Description	2023/24		Budget Year 2024/25				YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands									
Financial Performance									
Property rates	396 103	445 250	-	32 834	227 748	259 729	(31 982)	-12%	445 250
Service charges	1 309 477	2 070 934	-	163 161	957 682	1 206 045	(250 362)	-21%	2 070 934
Investment revenue	14 911	16 375	-	213	3 476	9 552	(6 076)	-64%	16 375
Transfers and subsidies - Operational	459 861	492 163	-	3 145	370 077	287 095	82 982	29%	492 163
Other own revenue	319 599	275 656	-	23 290	180 677	160 799	19 878	12%	-
Total Revenue (excluding capital transfers and contributions)	2 499 952	3 300 378	-	222 643	1 739 661	1 925 220	(185 559)	-10%	3 300 378
Employee costs	636 744	787 368	-	65 945	420 749	459 298	(38 549)	-8%	787 368
Remuneration of Councilors	35 846	35 480	-	2 659	19 361	20 697	(1 335)	-6%	35 480
Depreciation and amortisation	126 208	165 837	-	9 875	71 602	96 738	(25 136)	-26%	165 837
Interest	279 604	140 087	-	40 302	131 757	81 717	50 040	61%	140 087
Inventory consumed and bulk purchases	1 669 211	1 369 246	-	169 091	1 024 647	798 727	225 920	28%	1 369 246
Transfers and subsidies	38 490	28 361	-	3 074	21 801	16 544	5 258	32%	28 361
Other expenditure	474 457	1 462 150	-	33 515	264 330	852 921	(588 590)	-69%	1 462 150
Total Expenditure	3 260 564	3 988 528	-	324 464	1 954 240	2 326 642	(372 393)	-16%	3 988 528
Surplus/(Deficit)	(760 609)	(688 150)	-	(101 819)	(214 577)	(401 421)	186 834	-47%	(688 150)
Transfers and subsidies - capital (monetary allocations)	118 018	117 651	-	9 339	101 467	68 630	32 837	48%	117 651
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	(642 591)	(570 499)	-	(92 480)	(113 120)	(332 792)	219 672	-66%	(570 499)
Surplus/ (Deficit) for the year	(642 591)	(570 499)	-	(92 480)	(113 120)	(332 792)	219 672	-66%	(570 499)
Capital expenditure & funds sources									
Capital expenditure	162 852	273 903	-	11 928	133 165	159 777	(26 612)	-17%	273 903
Capital transfers recognised	109 407	114 053	-	6 287	85 782	66 531	19 250	29%	114 053
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	48 844	159 600	-	5 641	47 384	93 100	(45 716)	-49%	159 600
Total sources of capital funds	158 251	273 653	-	11 928	133 165	159 631	(26 466)	-17%	273 653
Financial position									
Total current assets	2 749 188	1 244 845	-	2 680 422	2 680 422	2 680 422	-	-	1 244 845
Total non current assets	2 942 622	2 936 479	-	3 112 815	3 112 815	3 112 815	-	-	2 936 479
Total current liabilities	7 551 067	4 141 563	-	5 421 048	5 421 048	5 421 048	-	-	4 141 563
Total non current liabilities	373 318	369 440	-	2 574 995	2 574 995	2 574 995	-	-	369 440
Community wealth/Equity	(2 232 575)	(329 679)	-	(2 202 806)	(2 202 806)	(2 202 806)	-	-	(329 679)
Cash flows									
Net cash from (used) operating	782 945	491 806	491 806	79 218	595 338	286 897	(308 452)	-108%	491 806
Net cash from (used) investing	181 843	(192 253)	(192 253)	(15 992)	(118 959)	(112 148)	6 811	-6%	(192 253)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	1 085 332	555 998	555 998	-	502 130	431 185	(70 946)	-16%	325 303
Debtors & creditors analysis									
Debtors Age Analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total
Total By Income Source	159 907	91 267	80 917	80 177	75 023	76 783	75 858	3 184 171	3 824 102
Creditors Age Analysis									
Total Creditors	234 328	52 945	89 230	106 794	125 209	201 147	181 891	5 232 109	6 223 653

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

R thousands	Description	Ref	2023/24		Budget Year 2024/25					Full Year		
			Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD		YTD %	
	Revenue - Functional	1										
	Governance and administration											
	Executive and council		936 182	985 052	-	36 322	621 996	574 613	47 383	8%	985 052	
	Finance and administration		465	-	-	(80)	-	-	-	-	-	
	Internal audit		935 718	985 052	-	36 402	621 713	574 613	47 099	8%	985 052	
	Community and public safety											
	Community and social services		7 708	26 569	-	650	6 360	15 498	(9 138)	#DIV/0!	26 569	
	Sport and recreation		2 094	2 485	-	177	1 166	1 450	(284)	-20%	2 485	
	Public safety		5 515	24 083	-	2	2	1 450	(284)	#DIV/0!	24 083	
	Housing		99	-	-	471	5 120	14 049	(8 929)	-64%	24 083	
	Health		-	-	-	-	72	-	72	#DIV/0!	-	
	Economic and environmental services											
	Planning and development		82 822	82 696	-	6 378	57 763	48 239	9 524	20%	82 696	
	Road transport		77 242	81 099	-	3 656	48 107	47 308	799	2%	81 099	
	Environmental protection		5 579	1 597	-	2 722	9 656	932	8 724	936%	1 597	
	Trading services		0	-	-	-	-	-	-	-	-	
	Energy sources		1 591 257	2 323 712	-	188 631	1 155 009	1 355 499	(200 490)	-15%	2 323 712	
	Water management		838 314	1 082 138	-	126 089	651 199	631 247	19 951	3%	1 082 138	
	Waste water management		490 602	817 913	-	37 704	289 776	477 116	(187 340)	-39%	817 913	
	Waste management		148 548	219 937	-	14 358	105 379	127 947	(22 567)	-18%	219 937	
	Other	4	113 794	204 324	-	10 481	108 655	119 189	(10 534)	-9%	204 324	
	Total Revenue - Functional	2	2 617 970	3 418 029	-	231 981	1 841 129	1 983 850	(152 721)	-8%	3 418 029	
	Expenditure - Functional											
	Governance and administration											
	Executive and council		850 044	1 766 780	-	85 905	461 425	1 030 622	(569 197)	-55%	1 766 780	
	Finance and administration		67 846	77 135	-	6 144	44 449	44 895	(546)	-1%	77 135	
	Internal audit		777 174	1 684 934	-	79 515	414 797	982 878	(568 081)	-58%	1 684 934	
	Community and public safety											
	Community and social services		5 024	4 711	-	246	2 179	2 748	(569)	-21%	4 711	
	Sport and recreation		208 551	224 539	-	19 880	134 259	130 981	3 278	3%	224 539	
	Public safety		72 984	78 140	-	8 836	56 414	45 581	10 832	24%	78 140	
	Housing		29 404	39 631	-	802	5 704	23 118	(17 414)	-75%	39 631	
	Health		96 690	94 941	-	9 429	65 992	55 382	10 610	19%	94 941	
	Economic and environmental services											
	Planning and development		8 501	10 691	-	731	5 438	6 236	(798)	-13%	10 691	
	Road transport		972	1 137	-	83	712	663	49	7%	1 137	
	Environmental protection		96 432	91 545	-	10 642	66 280	53 401	12 859	24%	91 545	
	Trading services		31 408	40 312	-	3 587	23 678	23 515	163	1%	40 312	
	Energy sources		64 994	47 711	-	7 055	42 582	27 832	14 751	53%	47 711	
	Water management		30	3 521	-	208 034	1 292 304	2 054	(2 054)	-100%	3 521	
	Waste water management		2 105 532	1 905 663	-	208 034	1 111 637	1 111 637	180 667	16%	1 905 663	
	Waste management		1 439 028	1 144 866	-	146 970	913 650	667 839	245 812	37%	1 144 866	
	Other		457 865	507 026	-	44 246	260 079	295 765	(35 686)	-12%	507 026	
	Total Expenditure - Functional	3	3 260 561	3 988 528	-	324 461	1 954 249	2 326 642	(372 393)	-16%	3 988 528	
	Surplus/ (Deficit) for the year		(642 591)	(570 499)	-	(92 480)	(113 120)	(332 792)	219 672	-66%	(570 499)	

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

Vote Description	Ref	2023/24 Audited	Budget Year 2024/25								
			Original	Adjusted	Monthly	YearTD	YTD	YTD %	Full Year		
R thousands											
Revenue by Vote	1										
Vote 1 - 01 EXECUTIVE AND COUNCIL		73 722	77 528	-	3 319	45 767	45 225	543	1.2%	77 528	
Vote 2 - 02 Corporate Services		24 471	25 600	-	58	14 877	14 933	(57)	-0.4%	25 600	
Vote 3 - 03 Planning and Development		10 164	12 380	-	469	7 170	7 221	(51)	-0.7%	12 380	
Vote 4 - 04 Community Services		(23 864)	25 369	-	623	6 131	14 798	(8 667)	-58.6%	25 369	
Vote 5 - 05 Financial Services		905 166	950 643	-	36 132	602 361	554 542	47 819	8.6%	950 643	
Vote 6 - Technical Services		1 483 043	2 120 986	-	180 872	1 056 010	1 237 242	(181 232)	-14.6%	2 120 986	
Vote 7 - 06 Technical services Continued		-	-	-	-	-	-	-	-	-	
Vote 8 - 01 Executive and Council continued		-	-	-	-	-	-	-	-	-	
Vote 9 - 04 Community Services continued		145 267	205 524	-	10 509	108 812	119 889	(11 077)	-9.2%	205 524	
Vote 10 -		-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	-	
Total Revenue by Vote	2	2 617 970	3 418 029	-	231 981	1 841 129	1 993 850	(152 721)	-7.7%	3 418 029	
Expenditure by Vote	1										
Vote 1 - 01 EXECUTIVE AND COUNCIL		84 046	92 090	-	6 279	45 948	53 719	(7 772)	-14.5%	92 090	
Vote 2 - 02 Corporate Services		122 734	300 269	-	11 201	85 469	175 157	(89 688)	-51.2%	300 269	
Vote 3 - 03 Planning and Development		40 788	905 881	-	3 831	28 286	528 430	(500 144)	-94.6%	905 881	
Vote 4 - 04 Community Services		215 917	239 230	-	20 265	130 812	139 551	(8 739)	-6.3%	239 230	
Vote 5 - 05 Financial Services		566 524	441 866	-	62 415	291 152	257 755	33 397	13.0%	441 866	
Vote 6 - Technical Services		2 102 670	1 863 853	-	208 258	1 292 204	1 087 248	204 956	18.9%	1 863 853	
Vote 7 - 06 Technical services Continued		-	-	-	-	-	-	-	-	-	
Vote 8 - 01 Executive and Council continued		6 728	6 613	-	920	6 295	3 857	2 438	63.2%	6 613	
Vote 9 - 04 Community Services continued		121 153	138 726	-	11 291	74 083	80 923	(6 840)	-8.5%	138 726	
Vote 10 -		-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote	2	3 260 561	3 988 528	-	324 461	1 954 249	2 326 642	(372 393)	-16.0%	3 988 528	
Surplus/ (Deficit) for the year	2	(642 591)	(570 499)	-	(92 480)	(113 120)	(332 792)	219 672	-66.0%	(570 499)	

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

R thousands	Description	Ref	2023/24		Budget Year 2024/25		YTD variance	YTD variance %	Full Year Forecast	
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual				YearTD actual
	Revenue									
	Exchange Revenue		562 206	564 107	—	98 907	481 480	879 895	(98 415)	904 107
	Service charges - Electricity		459 064	714 085	—	37 784	290 329	416 549	(126 220)	714 085
	Service charges - Water		147 473	182 706	—	13 526	94 972	108 579	(11 607)	182 706
	Service charges - Waste Management		143 036	180 036	—	13 043	90 901	105 021	(14 120)	180 036
	Sale of Goods and Rendering of Services		7 512	6 455	—	272	4 001	3 766	236	6 455
	Agency services		—	—	—	—	—	—	—	—
	Interest		—	—	—	—	—	—	—	—
	Interest earned from Receivables		237 020	213 599	—	19 531	141 343	124 600	16 743	213 599
	Interest from Current and Non Current Assets		14 911	16 375	—	213	3 476	6 652	(6 076)	16 375
	Dividends		—	25	—	—	171	15	156	25
	Rent on Land		—	3	—	—	—	2	(2)	3
	Rental from Fixed Assets		6 630	5 668	—	652	4 745	3 324	1 421	5 668
	Licence and permits		—	—	—	—	—	—	—	—
	Operational Revenue		1 640	5 851	—	(311)	676	3 413	(2 737)	5 851
	Non-Exchange Revenue		—	—	—	—	—	—	—	—
	Property rates		395 103	445 250	—	32 834	227 748	259 729	(31 982)	445 250
	Surcharges and Taxes		4 107	19 836	—	364	4 895	11 571	(6 676)	19 836
	Fines, penalties and forfeits		—	—	—	—	—	—	—	—
	Licence and permits		459 961	492 153	—	3 145	370 077	287 095	82 982	492 153
	Transfers and subsidies - Operational		27 032	21 689	—	2 792	19 781	12 651	7 130	21 689
	Interest		—	—	—	—	—	—	—	—
	Fuel Levy		—	—	—	—	—	—	—	—
	Operational Revenue		—	2 500	—	—	—	1 458	(1 458)	2 500
	Gains on disposal of Assets		—	—	—	—	—	—	—	—
	Other Gains		35 658	—	—	—	5 065	—	5 066	—
	Discontinued Operations		—	—	—	—	—	—	—	—
	Total Revenue (excluding capital transfers and Expenditure By Type)		2 495 952	3 390 378	—	222 643	1 739 661	1 925 226	(185 559)	3 300 378
	Expenditure									
	Employee related costs		639 744	787 368	—	65 945	420 749	459 299	(38 549)	787 368
	Remuneration of councillors		35 846	35 480	—	2 659	19 361	20 687	(1 335)	35 480
	Bulk purchases - electricity		1 051 410	853 967	—	103 146	715 101	498 147	216 954	853 967
	Inventory consumed		617 901	515 279	—	62 945	309 546	300 590	8 966	515 279
	Debt impairment		—	998 750	—	—	—	576 771	(576 771)	998 750
	Depreciation and amortisation		125 209	155 837	—	9 875	71 602	96 738	(25 136)	155 837
	Interest		279 904	140 087	—	40 302	131 757	81 717	50 040	140 087
	Contracted services		329 674	329 863	—	24 594	193 539	192 420	1 119	329 863
	Transfers and subsidies		39 490	28 361	—	3 074	21 801	16 544	5 258	28 361
	Irrecoverable debts written off		—	—	—	—	—	—	—	—
	Operational costs		109 744	143 537	—	8 922	65 732	83 730	(17 997)	143 537
	Losses on Disposal of Assets		—	—	—	—	—	—	—	—
	Other Losses		34 036	—	—	—	5 066	—	5 066	—
	Total Expenditure		3 260 561	3 988 528	—	324 451	1 954 249	2 326 642	(372 393)	3 988 528
	Surplus/(Deficit)		(766 609)	(888 150)	—	(101 819)	(214 587)	(401 421)	186 834	(688 150)
	Transfers and subsidies - capital (monetary allocations)		118 018	117 651	—	6 339	1 01 467	68 630	32 837	117 651
	Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—
	Surplus/(Deficit) after capital transfers & contributions		(642 591)	(570 499)	—	(92 480)	(113 120)	(332 792)	—	(570 499)
	Income Tax		—	—	—	—	—	—	—	—
	Surplus/(Deficit) after income tax		(642 591)	(570 499)	—	(92 480)	(113 120)	(332 792)	—	(570 499)
	Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—
	Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—
	Surplus/(Deficit) attributable to municipality		(642 591)	(570 499)	—	(92 480)	(113 120)	(332 792)	—	(570 499)
	Share of surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—
	Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—
	Surplus/ (Deficit) for the year		(642 591)	(570 499)	—	(92 480)	(113 120)	(332 792)	—	(570 499)

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

R thousands	Description	Ref	2023/24	Budget Year 2024/25		Full Year Forecast
			Audited Outcome	Original Budget	Adjusted Budget	
	ASSETS	1				
	Current assets					
	Cash and cash equivalents		(30 737)	581 262		581 262
	Trade and other receivables from exchange transactions		707 890	399 704		399 704
	Receivables from non-exchange transactions		434 058	110 969		110 969
	Current portion of non-current receivables		—	—		—
	Inventory		130 809	19 428		19 428
	VAT		1 504 633	133 483		133 483
	Other current assets		2 535	—		—
	Total current assets		2 749 188	1 244 845		1 244 845
	Non-current assets					
	Investments		(13 551)	—		—
	Investment property		1 304 984	1 148 475		1 148 475
	Property, plant and equipment		1 645 583	1 780 810		1 780 810
	Biological assets		—	—		—
	Living and non-living resources		—	—		—
	Heritage assets		5 431	5 431		5 431
	Intangible assets		0	951		951
	Trade and other receivables from exchange transactions		175	812		812
	Non-current receivables from non-exchange transactions		—	—		—
	Other non-current assets		—	—		—
	Total non-current assets		2 942 622	2 936 479		2 936 479
	TOTAL ASSETS		5 691 810	4 181 325		4 181 325
	LIABILITIES					
	Current liabilities					
	Bank overdraft		—	—		—
	Financial liabilities		7 028	298		295
	Consumer deposits		32 502	29 017		29 017
	Trade and other payables from exchange transactions		6 202 511	3 984 015		3 984 015
	Trade and other payables from non-exchange transactions		27 808	85 227		85 227
	Provision		49 842	43 009		43 009
	VAT		1 229 204	—		—
	Other current liabilities		2 172	—		—
	Total current liabilities		7 551 067	4 141 563		4 141 563
	Non-current liabilities					
	Financial liabilities		5 529	427		427
	Provision		327 951	327 718		327 718
	Long term portion of trade payables		—	—		—
	Other non-current liabilities		39 838	41 296		41 296
	Total non-current liabilities		373 318	369 440		369 440
	TOTAL LIABILITIES		7 924 385	4 511 003		4 511 003
	NET ASSETS		(2 232 575)	(329 679)		(329 679)
	COMMUNITY WEALTH/EQUITY	2				
	Accumulated surplus/(deficit)		(2 232 575)	(329 679)		(329 679)
	Reserves and funds		—	—		—
	Other		—	—		—
	TOTAL COMMUNITY WEALTH/EQUITY		(2 232 575)	(329 679)		(329 679)

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

The total debtors book balance as at 31 January 2025 amounts to R 3 824 102 000. Organs of state contribute 1.35% of the total outstanding debt while commercial and households contribute 7.61% and 91.03% respectively. The debtors' payment rate for the month is 70%.

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

R thousands	NT Code	Description	Budget Year 2024/25										Total	Total over 90 days
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr				
Debtors Age Analysis By Income Source														
	1200	Trade and Other Receivables from Exchange Transactions - Water	39 954	24 209	19 249	21 901	19 335	19 018	18 659	993 352	1 155 707	1 072 285		
	1300	Trade and Other Receivables from Exchange Transactions - Electricity	39 976	13 844	12 023	10 859	10 321	10 027	10 075	370 254	477 420	411 576		
	1400	Receivables from Non-exchange Transactions - Property Rates	25 051	11 376	9 755	8 818	9 294	8 087	7 869	291 080	371 341	324 149		
	1500	Receivables from Exchange Transactions - Waste Water Management	13 976	10 017	8 788	8 512	7 800	7 490	7 557	352 878	426 926	394 246		
	1600	Receivables from Exchange Transactions - Waste Management	12 950	9 418	8 597	7 778	7 415	7 282	7 077	334 652	395 179	364 215		
	1700	Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-		
	1810	Interest on Arrear Debtor Accounts	22 491	22 049	22 245	22 113	21 667	24 484	24 162	801 295	960 496	893 711		
	1820	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-		
	1900	Other	4 500	354	250	196	191	354	439	30 609	37 033	31 829		
	2000	Total By Income Source	159 907	91 267	80 917	80 177	75 023	76 783	75 858	3 184 171	3 824 102	3 492 011		
		2023/24 - totals only	154 823	101 802	96 340	83 413	81 710	77 635	164 542	3 049 859	3 810 160	3 457 190		
Debtors Age Analysis By Customer Group														
	2200	Organs of State	4 927	2 555	1 790	1 559	1 475	1 484	1 506	36 542	51 827	42 566		
	2300	Commercial	44 591	8 583	6 814	6 363	5 960	5 808	6 345	206 753	291 227	231 238		
	2400	Households	110 388	80 129	72 323	72 255	67 589	69 491	68 007	2 940 866	3 481 047	3 218 207		
	2500	Other	-	-	-	-	-	-	-	-	-	-		
	2600	Total By Customer Group	159 907	91 267	80 917	80 177	75 023	76 783	75 858	3 184 171	3 824 102	3 492 011		

7. Creditors' Analysis

The total creditors balance for the month of January 205 amounted to R6 223 653 000. 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

Description	NT Code	Budget Year 2024/25										Total				
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year							
R thousands																
Creditors Age Analysis by Customer Type																
Bulk Electricity	0100	145 099	15 468	6 375	84 301	113 008	192 456	171 404	4 602 099							5 330 210
Bulk Water	0200	14 437	-	7 582	7 627	7 190	7 469	7 324	770 150							821 779
PAYE deductions	0300															-
VAT (output less input)	0400															-
Pensions / Retirement deductions	0500															-
Loan repayments	0600															-
Trade Creditors	0700	132	28 067	25 276	6 726	11 464										71 665
Auditor General	0800															-
Other	0900															-
Total By Customer Type	1000	159 668	43 535	39 233	98 654	131 662	199 925	178 728	5 372 248							6 223 653

5. Investment portfolio analysis

Segment Description	Account Nr	Date of Investment	Opening Balance 01/01/2025	Investments Made	Investment Withdrawals/ Reversal	Interest Capitalized/ Accrued	Closing Balance 31/01/2025
Long-Investments							
Old Mutual Shares C0777197766	Share nr C0777197766		27 096.93				27 096.93
Old Mutual Shars C0777027950	Share nr C0777027950		372 939.00				372 939.00
Sanlam U0063349159	Share nr U0063349159		198 415.84				198 415.84
Nedbank (70) Withdrawal	70 Shares		17 948.70				17 948.70
Nedbank (966) Withdrawal	966Shares		247 692.06				247 692.06
Quilter plc (624)	Share nr 1521061685		17 228.64				17 228.64
Quilter plc (8599)	Share nr 1521053495		237 418.39				237 418.39
			1 118 739.56				1 118 739.56
Short-term Investments							
Standard Bank Money Market Call Acc	038787024(003)	26/11/2014	520 358.63			3 248.32	523 606.95
Standard Bank Tiered Rate Call Acc	038787024(008)	13/08/2014	16 032 287.17	5 000 000.00		107 309.75	21 139 596.92
Standard Bank Money Market Call Acc	038787024(009)	05/06/2016	19 620 342.31	10 000 000.00	24 400 000.00	102 739.89	5 323 082.20
			36 172 988.11	15 000 000.00	24 400 000.00	213 297.96	26 986 286.07
			37 291 727.67	15 000 000.00	24 400 000.00	213 297.96	28 105 025.63

Allocation and grant receipts and expenditure

Performance of Capital Grants

Grants	Allocation per DoRA	Received Including rollover	Expenditure as at 31 January 2025	Unspent/Over spending 2024/2025	YTD %
Integrated National Electrification Programme Grant	R 32 240 000.00	R 32 240 000.00	R 28 885 039.57	R 3 354 960.43	90%
Municipal Infrastructure Grant	R 77 418 000.00	R 69 285 000.00	R 59 270 956.15	R 10 014 043.85	77%
Municipal Disaster Recovery Grant	R 7 883 000.00	R 8 997 000.00	R 10 492 763.53	-R 1 495 763.53	133%
Water Services Infrastructure	R -	R 1 972 377.75	R -	R 1 972 377.75	0%
Total	R 117 541 000.00	R 112 494 377.75	R 98 648 759.25	R 13 845 618.50	70%

- Total Municipal Infrastructure Grant is inclusive of Project Management Unit operational allocation amounting to R3 870 900. Furthermore, the Capital budget YTD reflecting on page 9 (C5 Schedule) excludes VAT hence the difference of R12 867 229.43.
 - It should be noted that total Municipal Infrastructure Grant allocation has been reduced and the adjustment will be reflected on C-schedules after the February Adjustment budget.
 - WSIG the amount of R1972 377.75 was a saving that was served on the Embalenhle water project which was implemented during 2022/23 financial year. National treasury was formal requested to offset the amount against the Govan Mbeki Municipality equitable share, and this was never implemented by national treasury.
- Department of water affairs has since been engaged to allow the municipality to utilise the money to other related water and sanitation project. Proposal and motivation have been prepared and submitted to department of water and sanitation and national treasury and approval is still awaited.

Performance of Operational Grants

Grants	Allocation per DoRA	Received Including rollover	Expenditure as at 31 January 2025	Unspent/Over spending 2024/2025	YTD %
Extended Public works Programme	1 597 000.00	1 118 000.00	1 597 000.00	-	100%
Financial Management Grants	3 500 000.00	3 500 000.00	948 185.56	2 551 814.44	27%
Infrastructure Skills Development Grant	24 400 000.00	24 400 000.00	14 000 000.00	10 400 000.00	57%
Arts and Culture	-	91 608.25	-	91 608.25	0%
LG Seta	1 000 000.00	1 153 860.68	926 569.20	227 291.48	93%
Economic Development and Tourism	-	313 901.00	-	313 901.00	0%
Gerit Sibande District Municipality	-	274 580.00	-	274 580.00	0%
Energy Efficiency Demand Grant	-	3 469.83	-	3 469.83	0%

Grants	Allocation per DoRA	Received Including rollover	Expenditure as at 31 January 2025	Unspent/Over spending 2024/2025	YTD %
Point Duty Officer (SASOL)	3 400 000.00	992 525.00	1 457 933.00	-	43%
Pre-Capacity grant	-	165 007.63	72 479.00	92 528.63	44%
Equitable share	458 066 000.00	343 096 000.00	343 096 000.00	-	75%
Total	491 963 000.00	375 108 952.39	362 098 166.76	13 010 785.63	74%

- In addition to EPWP grant the municipality has also spend a R1 744 593.25 during the month of January 2025 and R9 655 812.10 to date, to realize greater and prolonged employment opportunities.
- In terms of the Economic Development and Tourism grant, 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.

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

Total staff compliment 1 243 (Full time)
 Staff resignations 1
 Staff Appointments 16

MP307 Govan Mbeki - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 - January

Summary of Employee and Councillor remuneration	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		26 917	24 545	24 545	1 948	14 339	14 318	21	0%	24 545
Pension and UIF Contributions		3 929	3 171	3 171	288	2 114	1 850	265	14%	3 171
Medical Aid Contributions		294	552	552	27	183	322	(139)	-43%	552
Motor Vehicle Allowance		1 943	4 108	4 108	170	1 145	2 398	(1 251)	-52%	4 108
Cellphone Allowance		2 843	3 103	3 103	227	1 580	1 810	(230)	-13%	3 103
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		21	-	-	-	-	-	-	-	-
Sub Total - Councillors		35 846	35 400	35 400	2 659	19 361	20 687	(1 326)	-6%	35 400
% Increase	4		-1.0%	-1.0%						-1.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		6 887	5 833	5 833	431	3 770	3 402	367	11%	5 833
Pension and UIF Contributions		836	1 350	1 350	39	300	787	(486)	-62%	1 350
Medical Aid Contributions		229	199	199	21	157	116	41	35%	199
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		944	803	803	63	449	409	(20)	-4%	803
Cellphone Allowance		128	180	180	7	63	105	(42)	-60%	180
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		130	58	58	7	80	34	46	135%	58
Payments in lieu of leave		101	787	787	-	306	459	(153)	-32%	787
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1 077	1 273	1 273	22	44	743	(699)	-94%	1 273
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 330	10 483	10 483	580	5 168	6 115	(948)	-15%	10 483
% Increase	4		1.5%	1.5%						1.5%
Other Municipal Staff										
Basic Salaries and Wages		302 109	426 784	426 784	34 904	235 411	248 967	(13 546)	-5%	426 784
Pension and UIF Contributions		69 821	103 579	103 579	7 454	51 232	60 421	(9 189)	-15%	103 579
Medical Aid Contributions		40 992	55 925	55 925	3 571	22 965	32 623	(9 658)	-30%	55 925
Overtime		56 794	33 438	33 438	7 951	43 719	19 505	24 214	124%	33 438
Performance Bonus		25 136	83 523	83 523	4 419	20 266	48 722	(28 456)	-58%	83 523
Motor Vehicle Allowance		17 947	21 687	21 687	1 540	10 954	12 651	(1 696)	-13%	21 687
Cellphone Allowance		2 534	3 339	3 339	213	1 507	1 948	(441)	-23%	3 339
Housing Allowances		2 071	11 464	11 464	1 022	2 099	6 687	(4 588)	-69%	11 464
Other benefits and allowances		94 191	19 430	19 430	2 272	14 168	11 334	2 833	25%	19 430
Payments in lieu of leave		7 552	9 163	9 163	711	4 434	5 345	(911)	-17%	9 163
Long service awards		-	477	477	-	-	279	(279)	-100%	477
Post-retirement benefit obligations		-	547	547	320	2 082	319	1 762	552%	547
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		7 268	7 529	7 529	987	6 744	4 392	2 353	54%	7 529
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		626 414	776 884	776 884	65 365	415 581	453 183	(37 602)	-8%	776 884
% Increase	4		24.0%	24.0%						24.0%
Total Parent Municipality		672 590	822 847	822 847	68 604	440 110	479 995	(39 884)	-8%	822 847
% Increase	4		22.3%	22.3%						22.3%
TOTAL SALARY, ALLOWANCES & BENEFITS		672 590	822 847	822 847	68 604	440 110	479 995	(39 884)	-8%	822 847
% Increase	4		22.3%	22.3%						22.3%
TOTAL MANAGERS AND STAFF		636 744	787 368	787 368	65 945	420 749	459 298	(38 549)	-8%	787 368

11. Material variances to the service delivery and budget implementation plan

12. Capital programme performance

Description	Funding	Original Budget 2024/2025	Monthly Expenditure Excl. VAT	VAT 15%	Monthly Expenditure VAT	YTD Expenditure	Available Balance as at 31 January 2025
Upgrading of Lebohang Stadium in Leandra (Phase 2)	MIG	10 000 000.00				0	10 000 000.00
Embalenhle Bulk Replacement/Upgrade (Phase1)	MIG	20 125 978.00				19 674 670.65	451 307.35
Emzinoni Bulk water supply	MIG	3 000 000.00				285 288.58	2 714 711.42
Upgrade of cement gravity main pipe in Kinross	MIG	1 285 832.00				0	1 285 832.00
Construction of Bulk water line and reservoir in Leandra	MIG	22 330 988.00	2 043 752.64	306 562.90	2 350 315.54	22 506 664.92	-175 696.92
Procurement of Specialised Vehicles for Waste Management	MIG	16 804 322.00		0.00		16 804 332.00	-10.00
Construction of stormwater concrete pipeline EXT22 Emba	MDRG	7 883 000.00	66 187.66	9 928.15	76 115.81	10 492 763.52	-2 609 763.52
Emzinoni Substation Phase 3	INEP	32 240 000.00	6 820 085.25	1 023 012.79	7 843 098.04	28 885 039.57	3 354 960.43
Kinross waste treatment plant	Revenue	3 000 000.00				-	3 000 000.00
Resurfacing of road	Revenue	20 000 000.00				-	20 000 000.00
Chief Albert Luthuli Road Rehabilitation	Revenue	10 000 000.00				-	10 000 000.00
Water Services	Revenue	30 000 000.00				89 731.05	29 910 268.95
Acquisition of Smart Meters	Revenue	30 000 000.00	2 881 650.00	432 247.50	3 313 897.50	44 071 746.16	-14 071 746.16
Refurbishment of Leandra Offices	Revenue	5 000 000.00				-	5 000 000.00
Refurbishment of Kinross offices	Revenue	5 000 000.00				-	5 000 000.00
Upgrading of Emzinoni Stadium	Revenue	5 000 000.00				-	5 000 000.00
Upgrading of Leandra Stadium	Revenue	2 000 000.00				-	2 000 000.00
Brendon Village Electrification	Revenue	5 000 000.00				-	5 000 000.00
Workshop Modernisation	Revenue	3 000 000.00				-	3 000 000.00
Installation of sewer network; pipeline in Eendracht	Revenue	5 200 000.00				-	5 200 000.00
Chart Cilliers sewer reticulation and pump station	Revenue	2 000 000.00				-	2 000 000.00
Furniture & Equipment (Community Services)	Revenue	150 000.00				35 006.00	114 994.00
Furniture & Equipment (Financial Services)	Revenue	150 000.00				159 076.86	-9 076.86
Furniture and OE Technical services	Revenue	150 000.00				9 430.00	140 570.00
Furniture & Equipment (Technical Services)	Revenue	150 000.00	84 500.00	12 675.00	97 175.00	125 925.00	24 075.00

Description	Funding	Original Budget 2024/2025	Monthly Expenditure Excl. VAT	VAT 15%	Monthly Expenditure Inc VAT	YTD Expenditure	Available Balance as at 31 January 2025
Furniture & Equipment (Corporate Services)	Revenue	150 000.00	29 850.00	4 477.50	34 327.50	53 348.50	96 651.50
Furniture & Equipment (Planning and Development)	Revenue	150 000.00				184 345.00	-34 345.00
Furniture & Equipment (Executive and Council)	Revenue	200 000.00				-	200 000.00
Furniture & Equipment (MM's Office)	Revenue	100 000.00				16 728.48	83 271.52
Munsoft Hardware Upgrade	Revenue	1 200 000.00				-	1 200 000.00
Insurance	Revenue	5 000 000.00				-	5 000 000.00
Acquisition of Fleet	Revenue	25 000 000.00				5 505 231.54	19 494 768.46
Computer Equipment	Revenue	2 000 000.00				1 247 019.77	752 980.23
TOTAL		273 270 100.00	11 926 025.55	1 788 903.83	13 714 929.38	150 146 347.59	123 123 752.41

- Upgrading of Lebohang stadium: The project is at the tender stage, the advert is closed
- Embalenhle bulk replacement phase one: The project is in progress
- Emzimoni bulk water supply: The project is at the tender stage.
- Upgrading of cemetery gravity main pipe in Kinross: The project is completed and was handed over.
- Construction of bulk water line and reservoir in Leandra: The project is at 38%.
- Procurement of specialised vehicle: The municipality used R16.8 m to procure vehicles which were delivered in December 2024.
- Construction of stormwater concrete pipeline of Ext 22 Embalenhle: The contractor is struggling with cashflow and municipality issued a notice of termination.
- Kinross waste water treatment works: The project is at procurement stage. SCM is finalizing the appointment.
- Resurfacing of roads: The municipality is finalizing the scope and RFQ.
- Chief Albert Thuli Road rehabilitation: The contractor is appointed and the have establishing a site.
- Water Services: Various project under the line item is at procurement stage and appointment of the contractors.
- Upgrading of Emzimoni stadium: The consultant is finalizing the design.
- Upgrading of Leandra stadium: The project is at the tender stage.

- **Installation of Network pipeline in Eendracht:** The project is at the evaluation stage.
- **Charl Cilliers sewer reticulation and pumpstation:** The consultant is appointed and busy with the design.
- **Branden electrification:** The request is with SCM for appointment of consultants for design.
- **Leandra and Kinross offices:** Awaiting plans from Town Planning

13. Other supporting documents

See Attached Annexure C

14. Conclusion

Year-to-Date Target	Year-to-Date Target %	Year-to-Date Actual	Year-to-Date Actual %	Under Performance
R 1 123 915 916.67	58.33%	R 352 242 650.61	18.%	-R 771 673 266.06

Overview on performance of Budget Funding Plan

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

The progress recorded as at 31 January 2025 is at 18%. The total anticipated revenue is R1 926 713 000 of which an amount of R 352 242 650.61 has been collected to date.

15. Annexure A: C-schedules

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

17. 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 2025** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: ABM Mavimbela

Acting Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature: 

Date: 13/2/2025

Print Name: E.N. Maseko

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature: 

Date: 13/02/2025

18. Recommendations

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

1. The monthly budget statement for the month ending 31 January 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 R5 330 209 513.00 and Rand Water bulk water account R821 778 985.00