GOVAN MBEKI MUNICIPALITY

UTLANYELWE UKUKHULA

Budget Statement

MFMA Section 71 Report

31 MAY 2025

Govan Mbeki Municipality

DISTRIBUTION:	
Executive Mayor:	**Mr. N.G. Zuma**
Municipal Manager:	**Mr. E.N. Maseko**
Acting Chief Financial Officer:	**Mr. E.N. Maseko**
Sector Departments:	**National and Provincial Departments**
	Uploaded to the National Treasury GoMuni portal

Table of Contents

List of Tables

List of Charts

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 MAY 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 MAY 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 May 2025

Description	Original Budget 2024/2025	Adjustment 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	R'000
Total Operating Revenue	3,300,378	3,306,726	224,516	2,637,741	3,030,108	-392,367	-13%
Less Total Operating Expenditure	3,988,528	3,959,362	1,036,926	3,992,131	3,635,349	-356,782	10%
Surplus /(Deficit) for the year before grant capital revenue	**-688,150**	**-652,636**	**-812,410**	**-1,354,390**	**-605,241**	**-749,149**	**124%**
Add Grant capital revenue	117,651	126,934	4,851	111,237	114,809	-3,572	-3%
Surplus /(Deficit) for the year	**-570,499**	**-525,702**	**-807,559**	**-1,243,153**	**-490,432**		
Total Capital Expenditure	273,903	342,543	9,362	176,110	307,860	-131,750	-43%

Operating Revenue

The overall performance on the revenue component is 13% below target.

Operating Expenditure

The overall performance on the expenditure component is 10% above target.

Bulk purchases, Interest and transfers and subsidies are above target, should the trend continue at the same rate there will be an unauthorised expenditure in these line items. The line items have been adjusted during budget adjustment and additional funds were allocated in the line items. Furthermore, the increase in expenditure is as result of the Irrecoverable debts written off of R652 635 000.

For the above transaction statement refer to page 8.

Capital Expenditure

Grants	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2024/2025	YTD %
Integrated National Electrification Programme Grant	32 240 000.00	32 240 000.00	32 240 000.00	0	100%
Municipal Infrastructure Grant	77 418 000.00	77 418 000.00	65 161 323.05	12 256 676.95	84%
Municipal Disaster Recovery Grant	7 883 000.00	15 304 126.00	12 843 498.78	2 460 627.22	84%
Water Services Infrastructure	-	1 972 377.75	-	1 972 377.75	0%
Total	**117 541 000.00**	**126 934 503.75**	**78 004 821.83**	**16 689 681.92**	**88%**

Cash Management

As of 31 May 2025, the municipality had a positive bank statement balance of R 8 159 721.18 and R1 217 739.91 in the current and traffic fines account respectively. Cash book had a negative balance of (40 445 763.54).

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) - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
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		615 973	994 107	994 107	72 656	750 738	911 264	(160 527)	-18%	994 107
Service charges - Water		496 548	714 085	714 085	50 149	472 290	654 578	(182 288)	-28%	714 085
Service charges - Waste Water Management		147 048	182 706	182 706	13 870	148 299	167 481	(19 182)	-11%	182 706
Service charges - Waste management		143 706	180 036	180 036	13 114	142 435	165 033	(22 597)	-14%	180 036
Sale of Goods and Rendering of Services		7 318	6 455	7 289	525	5 879	6 543	(664)	-10%	7 289
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		237 020	213 599	213 599	19 087	216 463	195 799	20 664	11%	213 599
Interest from Current and Non Current Assets		14 899	16 375	16 375	123	3 607	15 011	(11 404)	-76%	16 375
Dividends		–	25	25	–	–	23	(23)	-100%	25
Rent on Land		–	3	3	–	–	3	(3)	-100%	3
Rental from Fixed Assets		6 630	5 698	10 468	736	8 267	8 801	(534)	-6%	10 468
Licence and permits		–	–	–	–	–	–	–		–
Operational Revenue		926 014	5 851	6 508	1 306	1 965	5 856	(3 891)	-66%	6 508
Non-Exchange Revenue								–		
Property rates		399 974	445 250	445 250	32 958	351 086	408 146	(57 060)	-14%	445 250
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		25 915	19 636	18 730	16 541	23 624	17 354	6 270	36%	18 730
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		458 328	492 163	493 357	599	477 700	452 045	25 656	6%	493 357
Interest		27 029	21 688	21 688	2 853	30 322	19 880	10 442	53%	21 688
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		8 163	2 500	2 500	–	–	2 292	(2 292)	-100%	2 500
Other Gains		36 994	–	–	–	5 066	–	5 066	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**3 550 557**	**3 300 378**	**3 306 726**	**224 516**	**2 637 741**	**3 030 108**	**(392 367)**	**-13%**	**3 306 726**

Electricity service charge is below the target by 18%.

- As an intervention, 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 wastewater service charges are below the target by 28% and 11% respectively

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

Fines & penalties are above target by 36%, due to traffic fines subsystem not integrated to the main financial system the total fines issued were not captured in the financial system as and when they were issued. In the reporting month a bulk journal of all fines issued for the financial year were captured resulting in the R16 541 000 revenue as reported in the statement above.

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

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
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		641 755	787 368	787 368	63 419	674 393	721 754	(47 361)	-7%	787 368
Remuneration of councillors		35 846	35 480	35 480	2 720	30 666	32 523	(1 857)	-6%	35 480
Bulk purchases - electricity		1 025 059	853 967	1 101 613	178 664	1 013 198	968 537	44 660	5%	1 101 613
Inventory consumed		509 035	515 279	553 148	23 730	470 625	500 741	(30 116)	-6%	553 148
Debt impairment		371 045	988 750	504 766	–	416 241	543 366	(127 125)	-23%	504 766
Depreciation and amortisation		135 593	165 837	145 837	10 119	111 753	137 017	(25 264)	-18%	145 837
Interest		631 899	140 087	170 087	58 224	219 665	150 913	68 752	46%	170 087
Contracted services		329 423	329 863	454 579	32 843	265 082	397 280	(132 198)	-33%	454 579
Transfers and subsidies		35 253	28 361	37 361	3 570	35 961	32 747	3 214	10%	37 361
Irrecoverable debts written off		330 980	–	–	652 635	652 635	–	652 635	#DIV/0!	–
Operational costs		115 517	143 537	169 125	11 001	96 854	150 470	(53 616)	-36%	169 125
Losses on Disposal of Assets		14 163	–	–	–	–	–	–		–
Other Losses		44 328	–	–	–	5 059	–	5 059	#DIV/0!	–
Total Expenditure		4 219 797	3 988 528	3 959 362	1 036 926	3 992 131	3 635 349	356 782	10%	3 959 362

- Employee related cost is below target by 7%, due to vacant positions budgeted for and not yet filled.
- Remuneration of councillors is below target by 6%.
- Electricity bulk purchases expense is above target by 5% due to winter tariffs, NERSA approved increase as well as increase of electricity consumption due to winter season.
- Contracted services expenditure is 33% below target as a response to reduce expenditure for financial recovery plan implementation.
- Operational costs are below target by 36%, due to cashflow constraints some projects/activities are delayed.
- Transfers and subsidies are 10% above target due to increase in indigent customers.
- Inventory consumed which include water purchases is below target by 6%

- Depreciation and impairment of asset is 18% and 23% 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 46% 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) - M11 - May

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Capital Expenditure - Functional Classification										
Governance and administration		24 178	37 050	29 380	29	9 282	28 210	(18 928)	-67%	29 380
Executive and council		3 311	300	630	29	272	523	(250)	-48%	630
Finance and administration		20 867	36 750	28 750	–	9 010	27 688	(18 678)	-67%	28 750
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		1 688	17 150	11 550	–	402	11 521	(11 119)	-97%	11 550
Community and social services		1 460	10 150	8 000	–	23	7 692	(7 669)	-100%	8 000
Sport and recreation		228	7 000	3 500	–	379	3 792	(3 412)	-90%	3 500
Public safety		–	–	50	–	–	38	(38)	-100%	50
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		66 469	67 426	72 043	1 943	40 522	65 222	(24 699)	-38%	72 043
Planning and development		64 946	57 276	56 893	13	37 492	52 168	(14 676)	-28%	56 893
Road transport		1 523	10 150	15 150	1 930	3 031	13 054	(10 023)	-77%	15 150
Environmental protection		–	–	–	–	–	–	–		–
Trading services		225 934	152 277	229 571	7 390	125 904	202 908	(77 004)	-38%	229 571
Energy sources		162 453	67 390	101 390	–	68 653	87 274	(18 621)	-21%	101 390
Water management		43 001	30 000	69 400	7 237	28 798	62 400	(33 602)	-54%	69 400
Waste water management		20 480	38 083	41 976	153	13 840	37 829	(23 989)	-63%	41 976
Waste management		–	16 804	16 804	–	14 612	15 404	(792)	-5%	16 804
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	318 269	273 903	342 543	9 362	176 110	307 860	(131 750)	-43%	342 543
Funded by:										
National Government		105 172	114 053	123 313	153	92 571	111 446	(18 875)	-17%	123 313
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies		–	–	–	–	–	–	–		–
Transfers recognised - capital		105 172	114 053	123 313	153	92 571	111 446	(18 875)	-17%	123 313
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		25 643	159 800	219 230	9 209	82 509	196 373	(113 864)	-58%	219 230
Total Capital Funding		130 815	273 853	342 543	9 362	175 080	307 819	(132 739)	-43%	342 543

4.4 Cash flows

As of 31 May 2025, the municipality had a positive bank statement balance of R 8 159 721.18 and R1 217 739.91 in the current and traffic fines account respectively. Cash book had a negative balance of (40 445 763.54). Below service charges include revenue collected from prepaid electricity (vending) of an amount of R28 461 094.99 for the reporting period.

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
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		338 950	421 981	424 301	30 801	301 429	388 556	(87 126)	-22%	424 301
Service charges		1 181 476	2 206 114	2 206 114	119 500	1 247 295	2 022 271	(774 976)	-38%	2 206 114
Other revenue		60 864	37 841	38 849	4 094	50 712	35 443	15 268	43%	38 849
Transfers and Subsidies - Operational		469 698	492 163	492 163	180	490 456	451 149	39 307	9%	492 163
Transfers and Subsidies - Capital		143 211	117 651	117 541	–	119 543	107 764	11 779	11%	117 541
Interest		9 423	16 375	16 814	1 161	10 504	15 340	(4 836)	-32%	16 814
Dividends		–	25	25	–	–	23	(23)	-100%	25
Payments										
Suppliers and employees		(1 423 281)	(2 800 344)	(3 311 223)	(57 191)	(1 272 395)	(2 950 141)	1 677 745	-57%	(3 311 223)
Interest		–	–	30 000	–	–	(22 500)	22 500	-100%	30 000
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**780 341**	**491 806**	**14 584**	**98 545**	**947 544**	**47 906**	**(899 638)**	**-1878%**	**14 584**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		(913)	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		170	–	–	–	–	–	–		–
Payments										
Capital assets		196 335	(192 253)	(261 277)	(15 730)	(165 971)	(228 000)	62 029	-27%	(261 277)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**195 592**	**(192 253)**	**(261 277)**	**(15 730)**	**(165 971)**	**(228 000)**	**(62 029)**	**27%**	**(261 277)**
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		**975 932**	**299 552**	**(246 693)**	**82 815**	**781 573**	**(180 094)**			**(246 693)**
Cash/cash equivalents at beginning:		189 440	256 446	256 446		25 759	256 446			25 759
Cash/cash equivalents at month/year end:		1 165 372	555 998	9 753		807 332	76 352			(220 933)

5. In-year budget statement tables

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M11 - May

Description	2023/24	Budget Year 2024/25							
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	399 974	445 250	445 250	32 958	351 086	408 146	(57 060)	-14%	445 250
Service charges	1 403 273	2 070 934	2 070 934	149 787	1 513 762	1 898 356	(384 594)	-20%	2 070 934
Investment revenue	14 899	16 375	16 375	123	3 607	15 011	(11 404)	-76%	16 375
Transfers and subsidies - Operational	458 328	492 163	493 357	599	477 700	452 045	25 656	6%	493 357
Other own revenue	1 274 082	275 656	280 811	41 048	291 586	256 551	35 036	14%	–
Total Revenue (excluding capital transfers and contributions)	3 550 557	3 300 378	3 306 726	224 516	2 637 741	3 030 108	(392 367)	-13%	3 306 726
Employee costs	641 755	787 368	787 368	63 419	674 393	721 754	(47 361)	-7%	787 368
Remuneration of Councillors	35 846	35 480	35 480	2 720	30 666	32 523	(1 857)	-6%	35 480
Depreciation and amortisation	135 593	165 837	145 837	10 119	111 753	137 017	(25 264)	-18%	145 837
Interest	631 899	140 087	170 087	58 224	219 665	150 913	68 752	46%	170 087
Inventory consumed and bulk purchases	1 534 094	1 369 246	1 654 761	202 393	1 483 822	1 469 278	14 544	1%	1 654 761
Transfers and subsidies	35 253	28 361	37 361	3 570	35 961	32 747	3 214	10%	37 361
Other expenditure	1 205 356	1 462 150	1 128 470	696 479	1 435 871	1 091 116	344 754	32%	1 128 470
Total Expenditure	4 219 797	3 988 528	3 959 362	1 038 926	3 992 131	3 635 349	356 782	10%	3 959 362
Surplus/(Deficit)	(669 241)	(688 150)	(652 636)	(812 410)	(1 354 390)	(605 241)	(749 149)	124%	(652 636)
Transfers and subsidies - capital (monetary allocations)	136 489	117 651	126 934	4 851	111 237	114 809	(3 572)	-3%	126 934
Transfers and subsidies - capital (in-kind)	178	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	(532 574)	(570 499)	(525 702)	(807 559)	(1 243 153)	(490 432)	(752 721)	153%	(525 702)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(532 574)	(570 499)	(525 702)	(807 559)	(1 243 153)	(490 432)	(752 721)	153%	(525 702)
Capital expenditure & funds sources									
Capital expenditure	318 269	273 903	342 543	9 362	176 110	307 860	(131 750)	-43%	342 543
Capital transfers recognised	105 172	114 053	123 313	153	92 571	111 446	(18 875)	-17%	123 313
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	25 643	159 600	219 230	9 209	82 509	196 373	(113 864)	-58%	219 230
Total sources of capital funds	130 815	273 653	342 543	9 362	175 080	307 819	(132 739)	-43%	342 543
Financial position									
Total current assets	2 111 818	1 244 845	1 226 500		1 990 218				1 226 500
Total non current assets	3 051 402	2 936 479	3 025 119		3 115 617				3 025 119
Total current liabilities	4 710 785	4 141 563	4 167 061		5 887 716				4 167 061
Total non current liabilities	2 574 995	369 440	369 440		2 573 173				369 440
Community wealth/Equity	(2 122 907)	(329 679)	(284 881)		(3 355 054)				(284 881)
Cash flows									
Net cash from (used) operating	780 341	491 806	14 584	98 545	947 544	47 906	(899 638)	-1878%	14 584
Net cash from (used) investing	195 592	(192 253)	(261 277)	(15 730)	(165 971)	(228 000)	(62 029)	27%	(261 277)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	1 165 372	555 998	9 753	–	867 332	76 352	(730 980)	-957%	(220 933)
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	179 519	88 693	85 981	85 011	75 174	74 867	69 090	3 292 255	3 950 589
Creditors Age Analysis									
Total Creditors	316 786	55 278	144 838	35 623	168 644	29 702	74 651	5 753 375	6 578 897

MP307 Govan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		**1 882 582**	**985 052**	**991 725**	**38 468**	**876 585**	**907 969**	(31 384)	-3%	**991 725**
Executive and council		465	–	80	–	–	60	(60)	-100%	80
Finance and administration		1 882 117	985 052	991 645	38 468	876 302	907 909	(31 607)	-3%	991 645
Internal audit		–	–	–	–	284	–	284	#DIV/0!	–
Community and public safety		**21 408**	**26 569**	**22 280**	**16 817**	**25 442**	**21 138**	4 304	20%	**22 280**
Community and social services		5 419	2 485	2 939	213	1 770	2 619	(849)	-32%	2 939
Sport and recreation		157	–	92	4	8	69	(60)	-88%	92
Public safety		15 731	24 083	19 084	16 600	23 591	18 327	5 264	29%	19 084
Housing		101	–	165	–	72	124	(51)	-41%	165
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**90 284**	**82 696**	**84 776**	**843**	**53 450**	**77 365**	(23 915)	-31%	**84 776**
Planning and development		88 220	81 099	83 179	843	51 853	75 901	(24 048)	-32%	83 179
Road transport		1 900	1 597	1 597	–	1 597	1 464	133	9%	1 597
Environmental protection		164	–	–	–	–	–	–		–
Trading services		**1 692 949**	**2 323 712**	**2 334 880**	**173 238**	**1 793 501**	**2 138 445**	**(344 944)**	-16%	**2 334 880**
Energy sources		899 977	1 082 138	1 082 014	96 598	1 000 433	991 867	8 566	1%	1 082 014
Water management		489 816	817 913	819 812	50 069	471 416	751 178	(279 762)	-37%	819 812
Waste water management		147 907	219 337	228 730	13 377	161 143	208 104	(46 961)	-23%	228 730
Waste management		155 249	204 324	204 324	13 194	160 510	187 297	(26 786)	-14%	204 324
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**3 687 223**	**3 418 029**	**3 433 661**	**229 367**	**2 748 978**	**3 144 917**	**(395 939)**	**-13%**	**3 433 661**
Expenditure - Functional										
Governance and administration		**1 354 392**	**1 766 780**	**938 166**	**238 319**	**1 045 966**	**998 088**	47 878	5%	**938 166**
Executive and council		70 719	77 135	116 816	11 772	82 675	100 468	(17 793)	-18%	116 816
Finance and administration		1 278 649	1 684 934	817 387	226 276	960 067	893 863	66 204	7%	817 387
Internal audit		5 024	4 711	3 962	271	3 225	3 757	(532)	-14%	3 962
Community and public safety		**219 252**	**224 539**	**247 303**	**18 785**	**283 842**	**222 901**	60 941	27%	**247 303**
Community and social services		80 656	78 140	107 203	7 535	87 442	93 426	(5 983)	-6%	107 203
Sport and recreation		29 364	39 631	12 662	660	8 521	16 102	(7 581)	-47%	12 662
Public safety		99 757	94 941	115 987	9 832	178 552	102 813	75 738	74%	115 987
Housing		8 471	10 691	10 077	679	8 287	9 340	(1 053)	-11%	10 077
Health		1 004	1 137	1 375	79	1 041	1 220	(179)	-15%	1 375
Economic and environmental services		**111 133**	**91 545**	**111 786**	**3 378**	**88 371**	**99 097**	(10 726)	-11%	**111 786**
Planning and development		31 493	40 312	49 596	3 466	37 771	43 915	(6 144)	-14%	49 596
Road transport		79 688	47 711	62 155	(88)	50 600	54 568	(3 969)	-7%	62 155
Environmental protection		(48)	3 521	35	–	–	613	(613)	-100%	35
Trading services		**2 535 021**	**1 905 863**	**2 662 108**	**776 443**	**2 573 952**	**2 315 264**	**258 688**	11%	**2 662 108**
Energy sources		1 389 166	1 144 866	1 889 891	285 686	1 417 748	1 610 098	(192 350)	-12%	1 889 891
Water management		790 526	507 026	490 668	290 140	754 403	452 505	301 897	67%	490 668
Waste water management		174 413	144 586	164 351	108 775	218 736	147 361	71 375	48%	164 351
Waste management		180 916	109 185	117 197	91 842	183 065	105 299	77 766	74%	117 197
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**4 219 797**	**3 988 528**	**3 959 362**	**1 036 926**	**3 992 131**	**3 635 349**	**356 782**	**10%**	**3 959 362**
Surplus/ (Deficit) for the year		(532 574)	(579 499)	(525 702)	(807 559)	(1 243 153)	(490 432)	(752 721)	153%	(525 702)

MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 - May

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		84 701	77 528	77 498	487	48 244	71 045	(22 801)	-32.1%	77 498
Vote 2 - 02 Corporate Services		25 136	25 600	26 223	–	15 026	23 934	(8 908)	-37.2%	26 223
Vote 3 - 03 Planning and Development		12 893	12 380	19 414	1 035	11 545	16 624	(5 078)	-30.5%	19 414
Vote 4 - 04 Community Services		31 310	25 369	20 823	16 737	25 116	19 845	5 271	26.6%	20 823
Vote 5 - 05 Financial Services		1 848 174	950 643	951 934	37 790	853 694	872 391	(18 697)	-2.1%	951 934
Vote 6 - Technical Services		1 539 600	2 120 986	2 132 153	160 044	1 634 588	1 952 613	(318 024)	-16.3%	2 132 153
Vote 7 - 06 Technical services Continued		–	–	–	–	–	–	–		–
Vote 8 - 01 Executive and Council continued		–	–	–	–	–	–	–		–
Vote 9 - 04 Community Services continued		145 410	205 524	205 616	13 275	160 765	188 466	(27 701)	-14.7%	205 616
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	3 687 223	3 418 029	3 433 661	229 367	2 748 978	3 144 917	(395 939)	-12.6%	3 433 661
Expenditure by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		87 277	92 090	120 497	11 724	84 235	105 721	(21 486)	-20.3%	120 497
Vote 2 - 02 Corporate Services		119 751	300 269	196 288	18 678	132 311	197 261	(64 950)	-32.9%	196 288
Vote 3 - 03 Planning and Development		77 333	905 881	67 290	3 704	226 759	201 448	25 312	12.6%	67 290
Vote 4 - 04 Community Services		266 763	239 230	258 965	18 846	281 325	233 299	48 025	20.6%	258 965
Vote 5 - 05 Financial Services		1 033 987	441 866	520 049	200 003	578 799	463 681	115 118	24.8%	520 049
Vote 6 - Technical Services		2 455 655	1 863 853	2 629 854	687 694	2 460 786	2 284 901	175 884	7.7%	2 629 854
Vote 7 - 06 Technical services Continued		–	–	–	–	–	–	–		–
Vote 8 - 01 Executive and Council continued		6 710	6 613	10 817	1 071	10 353	9 215	1 139	12.4%	10 817
Vote 9 - 04 Community Services continued		172 322	138 726	155 603	95 206	217 564	139 823	77 741	55.6%	155 603
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	4 219 797	3 988 528	3 959 362	1 036 926	3 992 131	3 635 349	356 782	9.8%	3 959 362
Surplus/ (Deficit) for the year	2	(532 574)	(570 499)	(525 702)	(807 559)	(1 243 153)	(490 432)	(752 721)	153.5%	(525 702)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
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		615 973	994 107	994 107	72 655	750 738	911 264	(160 527)	-18%	994 107
Service charges - Water		496 548	714 085	714 085	50 149	472 290	654 578	(182 288)	-28%	714 085
Service charges - Waste Water Management		147 048	182 706	182 706	13 870	148 299	167 481	(19 182)	-11%	182 706
Service charges - Waste management		143 706	180 036	180 036	13 114	142 435	165 033	(22 597)	-14%	180 036
Sale of Goods and Rendering of Services		7 318	8 455	7 289	525	5 879	6 543	(664)	-10%	7 289
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		237 020	213 599	213 599	19 087	216 463	195 799	20 664	11%	213 599
Interest from Current and Non Current Assets		14 899	16 375	16 375	123	3 607	15 011	(11 404)	-76%	16 375
Dividends		–	25	25	–	–	23	(23)	-100%	25
Rent on Land		–	3	3	–	–	3	(3)	-100%	3
Rental from Fixed Assets		8 630	5 698	10 468	736	8 267	8 801	(534)	-6%	10 468
Licence and permits		–	–	–	–	–	–	–		–
Operational Revenue		926 014	5 851	6 508	1 306	1 965	5 856	(3 891)	-66%	6 508
Non-Exchange Revenue								–		
Property rates		399 974	445 250	445 250	32 958	351 086	408 146	(57 060)	-14%	445 250
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		25 915	19 836	18 730	16 541	23 624	17 354	6 270	36%	18 730
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		458 328	492 163	493 357	599	477 700	452 045	25 656	6%	493 357
Interest		27 029	21 688	21 688	2 853	30 322	19 880	10 442	53%	21 688
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		8 163	2 500	2 500	–	–	2 292	(2 292)	-100%	2 500
Other Gains		35 994	–	–	–	5 066	–	5 066	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**3 550 557**	**3 300 378**	**3 306 726**	**224 516**	**2 637 741**	**3 030 108**	**(392 367)**	**-13%**	**3 306 726**
Expenditure By Type										
Employee related costs		641 755	787 368	787 368	63 419	674 393	721 754	(47 361)	-7%	787 368
Remuneration of councillors		35 846	35 480	35 480	2 720	30 666	32 523	(1 857)	-6%	35 480
Bulk purchases - electricity		1 025 069	853 967	1 101 613	178 664	1 013 198	968 537	44 660	5%	1 101 613
Inventory consumed		509 035	515 279	553 148	23 730	470 625	500 741	(30 116)	-6%	553 148
Debt impairment		371 045	988 750	504 766	–	416 241	543 366	(127 125)	-23%	504 766
Depreciation and amortisation		126 593	166 837	145 837	10 119	111 753	137 017	(25 264)	-18%	145 837
Interest		631 899	140 087	170 087	58 224	219 665	150 913	68 752	46%	170 087
Contracted services		329 423	329 863	454 579	32 843	265 082	397 280	(132 198)	-33%	454 579
Transfers and subsidies		35 253	28 361	37 361	3 570	35 961	32 747	3 214	10%	37 361
Irrecoverable debts written off		330 880	–	–	652 635	652 635	–	652 635	#DIV/0!	–
Operational costs		115 517	143 537	169 125	11 001	96 854	150 470	(53 616)	-36%	169 125
Losses on Disposal of Assets		14 163	–	–	–	–	–	–		–
Other Losses		44 328	–	–	–	5 059	–	5 059	#DIV/0!	–
Total Expenditure		**4 219 797**	**3 988 528**	**3 959 362**	**1 036 926**	**3 992 131**	**3 635 349**	**356 782**	**10%**	**3 959 362**
Surplus/(Deficit)		**(669 241)**	**(688 150)**	**(652 636)**	**(812 410)**	**(1 354 390)**	**(605 241)**	**(749 149)**	**124%**	**(652 636)**
Transfers and subsidies - capital (monetary allocations)		136 489	117 651	126 934	4 851	111 237	114 809	(3 572)	-3%	126 934
Transfers and subsidies - capital (in-kind)		178	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(532 574)**	**(570 499)**	**(525 702)**	**(807 559)**	**(1 243 153)**	**(490 432)**			**(525 702)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**(532 574)**	**(570 499)**	**(525 702)**	**(807 559)**	**(1 243 153)**	**(490 432)**			**(525 702)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**(532 574)**	**(570 499)**	**(525 702)**	**(807 559)**	**(1 243 153)**	**(490 432)**			**(525 702)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**(532 574)**	**(570 499)**	**(525 702)**	**(807 559)**	**(1 243 153)**	**(490 432)**			**(525 702)**

MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M11 - May

Description	Ref	2023/24	Budget Year 2024/25			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		25 759	581 262	48 556	(15 500)	48 556
Trade and other receivables from exchange transactions		352 776	399 704	911 553	45 035	911 553
Receivables from non-exchange transactions		98 929	110 969	80 970	73 711	80 970
Current portion of non-current receivables		–	–	–	–	–
Inventory		130 810	19 428	51 939	110 522	51 939
VAT		1 502 289	133 483	133 483	1 776 447	133 483
Other current assets		1 253	–	–	4	–
Total current assets		2 111 818	1 244 845	1 226 500	1 990 218	1 226 500
Non current assets						
Investments		1 119	–	–	1 119	–
Investment property		1 297 556	1 148 475	1 148 475	1 297 556	1 148 475
Property, plant and equipment		1 746 919	1 780 810	1 869 492	1 811 172	1 869 492
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		5 431	5 431	5 431	5 431	5 431
Intangible assets		203	951	909	164	909
Trade and other receivables from exchange transactions		175	812	812	175	812
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		3 051 402	2 938 479	3 025 119	3 115 617	3 025 119
TOTAL ASSETS		5 163 220	4 181 325	4 251 619	5 105 835	4 251 619
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		7 169	295	295	5 409	295
Consumer deposits		32 872	29 017	29 017	34 483	29 017
Trade and other payables from exchange transactions		3 373 191	3 984 015	4 020 599	4 293 130	4 020 599
Trade and other payables from non-exchange transactions		11 319	85 227	74 140	29 877	74 140
Provision		49 313	43 009	43 009	53 123	43 009
VAT		1 233 110	–	–	1 471 695	–
Other current liabilities		3 810	–	–	–	–
Total current liabilities		4 710 785	4 141 563	4 167 061	5 887 716	4 167 061
Non current liabilities						
Financial liabilities		2 507	427	427	685	427
Provision		358 819	327 718	327 718	358 819	327 718
Long term portion of trade payables		2 153 806	–	–	2 153 806	–
Other non-current liabilities		59 864	41 296	41 296	59 854	41 296
Total non current liabilities		2 574 995	369 440	369 440	2 573 173	369 440
TOTAL LIABILITIES		7 285 780	4 511 003	4 536 501	8 460 890	4 536 501
NET ASSETS	2	(2 122 560)	(329 679)	(284 881)	(3 355 054)	(284 881)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(2 122 907)	(329 679)	(284 881)	(3 355 054)	(284 881)
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	(2 122 907)	(329 679)	(284 881)	(3 355 054)	(284 881)

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

The total debtors book balance as at 31 May 2025 amounts to R 3 950 589 000. The debtors' payment rate for the month is 72%. It should be noted that a write -off of R33 136 000 has been processed as per the council resolution *A011/01/2025. During the implementation of the resolution water service write-off was omitted, hence the write-off of receivables from exchange: water.

MP307 Govan Mbeki - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 - May

Description	NT Code	Budget Year 2024/25										
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
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	55 842	22 718	23 810	22 064	17 199	19 768	16 460	1 011 025	1 188 886	1 086 515	(33 136)
Trade and Other Receivables from Exchange Transactions - Electricity	1300	44 693	13 862	12 028	11 158	10 867	10 063	9 350	382 579	494 599	424 017	–
Receivables from Non-exchange Transactions - Property Rates	1400	27 781	11 048	9 895	9 224	8 817	8 167	7 624	301 294	383 850	335 125	–
Receivables from Exchange Transactions - Waste Water Management	1500	14 858	9 743	9 680	9 262	8 465	8 117	7 243	371 101	438 469	404 190	–
Receivables from Exchange Transactions - Waste Management	1600	13 467	9 337	8 932	8 579	8 022	7 562	7 213	342 359	405 472	373 736	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	22 061	21 798	21 489	21 045	21 325	20 887	21 024	854 690	1 004 319	938 971	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–
Other	1900	818	187	147	3 678	478	303	177	29 207	34 994	33 843	–
Total By Income Source	**2000**	**179 519**	**88 693**	**85 981**	**85 011**	**75 174**	**74 867**	**69 090**	**3 292 255**	**3 950 589**	**3 596 396**	**(33 136)**
2023/24 - totals only		158 675	98 234	93 511	81 599	84 763	82 894	82 745	3 360 755	4 043 174	3 692 755	–
Debtors Age Analysis By Customer Group												
Organs of State	2200	6 368	2 339	2 135	1 465	1 542	1 110	1 124	35 530	51 612	40 770	–
Commercial	2300	55 434	7 594	6 877	6 317	6 097	5 879	5 487	220 181	313 865	243 961	–
Households	2400	117 717	78 760	76 969	77 228	67 535	67 878	62 479	3 036 545	3 585 111	3 311 665	(33 136)
Other	2500	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**179 519**	**88 693**	**85 981**	**85 011**	**75 174**	**74 867**	**69 090**	**3 292 255**	**3 950 589**	**3 596 396**	**(33 136)**

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	872 611.92	0.00	0.00	0.00	0.00	0.00
Deposits	-166 982.64	155 927.00	0.00	0.00	0.00	155 927.00
Agreements	-278 907.51	14 571.81	0.00	0.00	0.00	14 571.81
Indigent Flat Credit	-1 640.00	-3 583 793.32	0.00	0.00	0.00	-3 583 793.32
Water	-28 264 677.18	34 973 271.28	43 485 117.09	-1 401 709.39	352 140.82	-7 462 277.24
Electricity	-34 489 228.78	39 005 534.88	41 696 936.01	-700 222.21	1 171 359.93	-3 162 538.85
Loans/Old Debt	-362.32	0.00	0.00	0.00	0.00	0.00
Rates	-25 610 795.10	32 182 616.86	32 948 329.87	-152 429.26	199 635.30	-812 919.05
Annual Rates	-71 211.53	0.00	0.00	0.00	0.00	0.00
Refuse	-5 909 260.31	10 110 151.65	13 001 092.21	-66 525.43	99 321.01	-2 923 736.14
Sewerage	-5 695 424.36	9 698 362.14	12 858 492.66	-121 738.11	92 478.95	-3 130 871.36
Miscellaneous	-245 197.52	-9 920 158.04	344 404.47	-4 258.01	50 687.24	-10 310 991.74
Miscellaneous (No Vat)	-357 828.93	571 830.47	571 830.47	0.00	0.00	0.00
Vat	-11 806 060.89	16 752 476.86	16 684 011.23	-343 861.78	211 623.30	200 704.11
Interest	-1 328 217.63	21 398 570.77	21 885 505.66	-487 151.76	216.87	0.00
Payment Advanced	-2 834 947.32	0.00	0.00	0.00	0.00	0.00
Total	**-116 188 130.10**	**151 359 362.36**	**183 475 719.67**	**-3 277 895.95**	**2 177 463.42**	**-31 015 924.78**

	April	May
Debtors Opening Balance	3,873,478,000.00	3 914 772 000.00
Add: Billing for the Month	183,475,785.55	201 172 059.15
Debtors Write off	29,141,326.60	33 136 113.94
Less: Debtors Closing Balance	3,914,772,000.00	3 950 589 000.00
	113,040,458.95	**132 218 945.21**
Payment rate	**60%**	**72%**

7. Creditors' Analysis

The total creditors balance for the month of May 2025 amounted to R6 593 146 000. 95% creditors are above 30 days. The major creditors are Eskom and Rand Water.

MP307 Govan Mbeki - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2024/25								
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	0100	249 479	1 540	92 754	19 335	126 525	15 468	63 755	5 073 553	**5 642 408**
Bulk Water	0200	59 374	36 111	39 845	6 582	14 437	–	7 582	674 137	**838 068**
PAYE deductions	0300	–	–	–	–	–	–	–	–	**–**
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	**–**
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**
Trade Creditors	0700	22 182	17 627	12 239	60 507	–	–	–	–	**112 555**
Auditor General	0800	–	–	–	115	–	–	–	–	**115**
Other	0900	–	–	–		–	–	–	–	**–**
Total By Customer Type	**1000**	**331 034**	**55 278**	**144 838**	**86 539**	**140 962**	**15 468**	**71 337**	**5 747 690**	**6 593 146**

8. Investment portfolio analysis

Segment Description	Account Nr	Date of Investment	Opening Balance 01/05/2025	Investments Made	Investment Withdrawals/ Reversal	Fair Value Adjustment	Interest Capitalized/ Accrued	Closing Balance 31/05/2025
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 Account	038787024(003)	26/11/2014	532 724.17				3 208.75	535 932.92
Standard Bank Tiered Rate Call Account	038787024(008)	13/08/2014	3 856 665.69	4 000 000.00	-	-	30 477.99	7 887 143.68
Standard Bank Money Market Call Account	038787024(009)	05/06/2016	8 898 906.27	7 000 000.00	-	-	89 446.70	15 988 352.97
			13 288 296.13	**11 000 000.00**	**-**	**-**	**123 133.44**	**24 411 429.57**

DISTRIBUTION LOSSES

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

Service	Purchased	Sold	Previous % Loss	Current % Loss	Average 23/24	Average 22/23
Electricity	41,425,772	23,470,674	-36.82%	-43.34%	-58.92%	-64.48%
Water	2,476,547	1,563,898	-47.49%	-36.85%	-46.92%	-38.38%

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

Service	Purchased	Sold	Previous % Loss	Current % Loss	Average 23/24	Average 22/23
Electricity	498,467,347	250,146,709	-50.40%	-49.82%	-58.92%	-64.48%
Water	26,703,945	14,750,870	-45.57%	-44.76%	-46.92%	-38.38%

Electricity

Distribution losses relating to electricity, the department has identified few elements which affect or cause the high percentages. Those elements include but not limited to; unmeasured connections, illegal connection and tempered meters. The department is currently attending to the said issues which to date is bearing positive results, noting the seasonal expected increase from the prior month 36.82% losses for April 2025 as compared to 43.34% losses for May 2025. The electricity losses are reducing on month to month through the departmental interventions.

Water

The water losses decreased from 47.49% in April 2025 to 36.85% in May 2025. The department is currently on the ground replacing faulty meters and uplifting meters. Losses reduced through the correction of billing on mainly commercial buildings previously under billed due to faulty meter. Billing increased by R2 855 675.66 when compared to water billing of R46 340 792.75 in April 2025.

Allocation and grant receipts and expenditure

Performance of Capital Grants

Grants	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2024/2025	YTD %
Integrated National Electrification Programme Grant	32 240 000.00	32 240 000.00	32 240 000.00	0	100%
Municipal Infrastructure Grant	77 418 000.00	77 418 000.00	65 161 323.05	12 256 676.95	84%
Municipal Disaster Recovery Grant	7 883 000.00	15 304 126.00	12 843 498.78	2 460 627.22	84%
Water Services Infrastructure	-	1 972 377.75	-	1 972 377.75	0%
Total	**117 541 000.00**	**126 934 503.75**	**78 004 821.83**	**16 689 681.92**	**88%**

- Above total Municipal Infrastructure Grant allocation is inclusive of Project Management Unit operational allocation and expenditure amounting to R3 870 900. Furthermore, the Capital budget YTD reflecting on page 9 (C5 Schedule) excludes VAT.

- WSIG the amount of R1 972 377.75 was a saving 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 utilised 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 May 2025	Unspent 2024/2025	YTD %
Extended Public works Programme	1 597 000.00	1 597 000.00	1 597 000.00	0.00	100%
Financial Management Grants	3 500 000.00	3 500 000.00	1 694 015.04	1 805 984.96	48%
Infrastructure Skills Development Grant	24 400 000.00	24 400 000.00	24 400 000.00	0.00	100%
Arts and Culture	-	91 608.25	-	91 608.25	0%
LG Seta	1 200 000.00	1 753 536.27	1 111 935.39	641 600.88	93%
Economic Development and Tourism	-	313 901.00	-	313 901.00	0%
Gert Sibande District Municipality	-	274 580.00	-	274 580.00	0%
Energy Efficiency Demand Grant	-	3 469.83	-	3 469.83	0%
Point Duty Officer (SASOL)	3 400 000.00	1 837 258.50	2 229 926.50	-392 668.00	66%
Pre-Capacity grant	-	165 007.63	72 479.00	92 528.63	0%
Equitable share	458 066 000.00	457 612 000.00	457 612 000.00	0.00	100%
Total	**491 963 000.00**	**491 548 361.48**	**488 717 355.93**	**2 831 005.55**	**99%**

In addition to EPWP grant received by the municipality, municipality has also spent R 1 276 882.40 during the month of May 2025 and year to date amounts to R 14 996 237.60

- to date for the EPWP programme, to realize greater and prolonged employment opportunities.
- 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.

9. Councillor and board member allowances and employee benefits for May 2025

Total staff compliment	1224 (Permanent)
Staff resignations	5
Staff Appointments	3

MP307 Govan Mbeki - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 - May

Summary of Employee and Councillor remuneration R thousands	Ref	2023/24 Audited Outcome	Budget Year 2024/25 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		26 817	24 545	24 545	1 996	22 703	22 500	204	1%	24 545
Pension and UIF Contributions		3 929	3 171	3 171	295	3 350	2 907	443	15%	3 171
Medical Aid Contributions		294	552	552	27	292	506	(214)	-42%	552
Motor Vehicle Allowance		1 943	4 108	4 108	175	1 833	3 765	(1 933)	-51%	4 108
Cellphone Allowance		2 843	3 103	3 103	227	2 488	2 845	(357)	-13%	3 103
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		21	–	–	–	–	–	–		–
Sub Total - Councillors		35 846	35 480	35 480	2 720	30 666	32 523	(1 857)	-6%	35 480
% increase	4		-1.0%	-1.0%						-1.0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		6 887	5 833	8 170	431	5 495	7 100	(1 606)	-23%	8 170
Pension and UIF Contributions		838	1 350	784	39	457	813	(357)	-44%	784
Medical Aid Contributions		229	199	298	21	239	255	(16)	-6%	298
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		944	803	883	53	659	796	(137)	-17%	883
Cellphone Allowance		126	180	127	7	92	125	(33)	-27%	127
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		121	58	145	7	110	119	(9)	-8%	145
Payments in lieu of leave		101	797	613	–	306	591	(284)	-48%	613
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		1 077	1 273	289	154	1 449	429	1 020	238%	289
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		10 321	10 483	11 306	712	8 806	10 227	(1 421)	-14%	11 306
% increase	4		1.6%	9.5%						9.5%
Other Municipal Staff										
Basic Salaries and Wages		302 085	425 784	447 639	34 951	375 676	406 860	(31 184)	-8%	447 639
Pension and UIF Contributions		69 821	103 579	96 293	7 927	85 392	89 483	(4 091)	-5%	96 293
Medical Aid Contributions		40 992	55 925	43 830	3 578	37 400	42 194	(4 794)	-11%	43 830
Overtime		56 794	33 438	68 860	7 943	71 257	57 218	14 039	25%	68 860
Performance Bonus		25 704	83 523	45 343	2 310	29 251	47 928	(18 677)	-39%	45 343
Motor Vehicle Allowance		17 947	21 687	19 574	1 641	17 032	18 296	(1 264)	-7%	19 574
Cellphone Allowance		2 534	3 339	2 793	231	2 443	2 652	(208)	-8%	2 793
Housing Allowances		2 071	11 464	3 050	188	2 857	4 198	(1 342)	-32%	3 050
Other benefits and allowances		94 044	19 430	25 249	2 213	22 472	22 175	297	1%	25 249
Payments in lieu of leave		8 179	9 163	7 346	433	8 123	7 037	1 086	15%	7 346
Long service awards		(656)	477	349	–	–	341	(341)	-100%	349
Post-retirement benefit obligations	2	4 650	547	3 784	311	3 311	2 929	383	13%	3 784
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		7 269	7 529	11 951	981	10 373	10 218	155	2%	11 951
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		631 434	776 884	776 062	62 708	665 587	711 527	(45 940)	-6%	776 062
% increase	4		23.0%	22.9%						22.9%
Total Parent Municipality		677 602	822 847	822 847	66 139	705 059	754 277	(49 218)	-7%	822 847

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

11. Capital programme performance

Project Name	Funding	Total Budget	Adjusted Budget	Monthly Expenditure May 2025	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 31 May 2025
Construction of stormwater concrete pipeline EXT22 Emba	MDRG	7 883 000.00	5 234 855.00				3 165 686.54	2 069 168.47
Rehabilitation of Stormwater System in Trichardt	MDRG	-	2 186 145.61				2 186 145.61	-
Rehabilitation of Stormwater System in Bethal	MDRG	-	4 240 000.00	153 435.00	23 015.25	176 450.25	4 045 360.75	194 639.25
Rehabilitation of Stormwater System in Leandra/Lebohang	MDRG	-	3 643 000.00				3 495 885.00	147 115.00
Kinross waste treatment plant	WSIG	-	1 972 378.00				-	1 972 378.00
Finance Interns Laptops	FMG	250 000.00	250 000.00				-	250 000.00
Emzinoni Substation Phase 3	INEP	32 240 000.00	32 240 000.00				33 232 345.56	- 992 345.56
Upgrading of Lebohang Stadium in Leandra (Phase 2)	MIG	10 000 000.00	10 000 000.00				-	10 000 000.00
Embalenhle Bulk Replacement/Upgrade (Phase1)	MIG	20 125 978.00	20 125 978.00				19 674 670.65	451 307.35
Emzinoni Bulk water supply	MIG	10 000 000.00	3 000 000.00				285 288.58	2 714 711.42
Upgrade of cement gravity main pipe in Kinross	MIG	-	1 285 832.00				299 295.76	986 536.24
Construction of Bulk water line and reservoir in Leandra	MIG	17 000 000.00	22 330 968.00				22 693 696.07	- 362 728.07
Procurement of Specialised Vehicles for Waste Management	MIG	16 804 322.00	16 804 322.00				16 804 322.00	-
Water Services	Revenue	30 000 000.00	0.00				-	-
Refurbishment of Trichardt Road	Revenue	-	5 000 000.00				-	5 000 000.00
Workshop Modernisation	Revenue	3 000 000.00	0.00				-	-
vehicle clamps	Revenue	-	50 000.00				-	50 000.00
Furniture & Equipment (MM's Office)	Revenue	100 000.00	100 000.00				-	100 000.00
Furniture & Equipment (Financial Services)	Revenue	150 000.00	150 000.00				158 386.86	- 8 386.86
Furniture & Equipment (Planning and Development)	Revenue	150 000.00	150 000.00	13 280.00	1 992.00	15 272.00	162 472.00	- 12 472.00
Furniture & Equipment (Community Services)	Revenue	150 000.00	150 000.00				26 208.50	123 791.50

Project Name	Funding	Total Budget	Adjusted Budget	Monthly Expenditure May 2025	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 31 May 2025
Furniture and OE Technical services	Revenue	150 000.00	150 000.00				-	150 000.00
Furniture & Equipment (Technical Services)	Revenue	150 000.00	150 000.00				29 147.90	120 852.10
Furniture & Equipment (Corporate Services)	Revenue	150 000.00	150 000.00				151 268.69	- 1 268.69
Renovations & Upgrade of Bethal Council Chamber	Revenue	-	250 000.00				-	250 000.00
Furniture & Equipment (Executive and Council)	Revenue	200 000.00	280 000.00	28 800.00	4 320.00	33 120.00	297 482.00	- 17 482.00
Furniture & Equipment (Facilities)	Revenue	-	850 000.00				-	850 000.00
Pressure management at Emba extension 15 reservoir bulk water line	Revenue	-	1 000 000.00				-	1 000 000.00
Cleaning of GMM Reservoirs (Water quality improvement)	Revenue	-	1 000 000.00				-	1 000 000.00
Munsoft Hardware Upgrade	Revenue	1 200 000.00	1 200 000.00				862 189.50	337 810.50
Drilling of boreholes at Bethal, Emzinoni, Trichardt and eMbalenhle.	Revenue	-	1 500 000.00				-	1 500 000.00
Upgrading of Emzinoni Stadium	Revenue	5 000 000.00	1 500 000.00				407 560.00	1 092 440.00
Charl Cilliers sewer ratification and pump station	Revenue	2 000 000.00	1 500 000.00				-	1 500 000.00
Refurbishment of Leandra Offices	Revenue	5 000 000.00	2 000 000.00				-	2 000 000.00
Refurbishment of Kinross offices	Revenue	5 000 000.00	2 000 000.00				-	2 000 000.00
Upgrading of Leandra Stadium	Revenue	2 000 000.00	2 000 000.00				-	2 000 000.00
Computer Equipment	Revenue	2 000 000.00	2 000 000.00				2 498 919.48	- 498 919.48
Kinross waste treatment plant	Revenue	3 000 000.00	3 000 000.00				-	3 000 000.00
Sijongile Ndamase refurbishment	Revenue	-	3 000 000.00				-	3 000 000.00
Refurbishment of Secunda Reservoir booster pump station	Revenue	-	3 500 000.00				-	3 500 000.00
Refurbishment of roof at eMbalenhle Ext 15 reservoir	Revenue	-	3 500 000.00				-	3 500 000.00
Insurance	Revenue	5 000 000.00	5 000 000.00				-	5 000 000.00
Brendon Village Electrification	Revenue	5 000 000.00	5 000 000.00				-	5 000 000.00
Installation of sewer network; pipeline in Eendracht	Revenue	5 200 000.00	5 200 000.00				-	5 200 000.00
Replacement and upliftment of water meters within GMM	Revenue	-	7 000 000.00				-	7 000 000.00
Refurbishment of roof at eMbalenhle Ext 15 reservoir	Revenue	-	4 500 000.00				-	4 500 000.00

Project Name	Funding	Total Budget	Adjusted Budget	Monthly Expenditure May 2025	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 31 May 2025
Replacement of Evander Water AC Pipes	Revenue	-	9 000 000.00				222 584.24	8 777 415.76
Construction of Bulk water line and reservoir in Leandra	Revenue	-	17 000 000.00	7 237 862.90	1 085 679.44	8 323 542.34	12 601 620.91	4 398 379.09
Embalenhle Bulk Replacement/Upgrade (Phase1)	Revenue	-	21 400 000.00	2 732 289.16	409 843.37	3 142 132.53	7 462 121.97	13 937 878.03
Chief Albert Luthuli Road Rehabilitation	Revenue	10 000 000.00	10 000 000.00	1 929 502.68	289 425.40	2 218 928.08	3 456 137.22	6 543 862.78
Resurfacing of road	Revenue	20 000 000.00	15 000 000.00				-	15 000 000.00
Acquisition of Fleet	Revenue	25 000 000.00	20 000 000.00				5 505 231.55	14 494 768.45
Acquisition of Smart Meters & Meter boxes	Revenue	30 000 000.00	64 000 000.00				45 145 135.92	18 854 864.08
TOTAL		**273 903 300.00**	**342 543 478.61**	**12 095 169.74**	**1 814 275.46**	**13 909 445.20**	**184 869 163.24**	**157 674 315.37**

CAPITAL PERFORMANCE REPORT

- Upgrading of Lebohang stadium in Leandra Phase 2 (R10 000 000.00): Review of design to meet Council of Sports requirements
- Emzinoni bulk water supply (R3 000 000.00): Project will be re-advertised
- Kinross Waste Water Treatment Works (R3 000 000.00): At the finalisation stage of procurement
- Resurfacing of roads (R15 000 000.00): The municipality is finalizing the scope.
- Chief Albert Thuli Road rehabilitation (R10 000 000.00): Implementation stage.
- Upgrading of Emzinoni stadium (R1 500 000.00): The consultant is appointed and busy with the design
- Upgrading of Leandra stadium (R2 000 000.00): The project is at the tender stage.
- Installation of Network pipeline in Eendracht (R5 200 000.00): The project has started – Site Establishment is complete
- Charl Cilliers sewer reticulation and pumpstation (R1 500 000.00): The consultant is appointed, and the project is at the planning and Design stage

- Branden electrification (R5 000 000.00): – The consultant has been appointed and provided prelims and construction scope. The request is with SCM for appointment of contractor to start with the construction.
- Refurbishment of Leandra offices (R2 000 000.00): Rescoping
- Refurbishment of Kinross offices (R2 000 000.00): Rescoping

12. Other supporting documents

See Attached Annexure C

13. Conclusion

14.1 Progress on Budget Funding Plan

Performance over 11 months in Financial Year 2024/2025				
Year-to-Date Target	Year-to-Date Target %	Year-to-Date Actual	Year-to-Date Actual %	Under Performance
1 766 153 583.33	92%	538 538 873.25	30%	1 227 614 710.08

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 May 2025 is at 30%. The total anticipated revenue for the year is R1 926 713 000 of which an amount of R 538 538 873.25 has been collected to date.

15. Annexure A: C-schedules attached

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

Progress on Compliance with the conditions for Municipal Debt Relief

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
1.July	Govan Mbeki	MP307	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.August	Govan Mbeki	MP307	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.Septembe	Govan Mbeki	MP307	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.October	Govan Mbeki	MP307	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.November	Govan Mbeki	MP307	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.December	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7.January	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.February	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.March	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.April	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11.May	Govan Mbeki	MP307																		
12.June	Govan Mbeki	MP307																		

Municipal Details	Part C: Quarterly collection of property rates and services charges							Maximization of Revenue Base			Part E: Oversight													Part F: Compliance Status	
Month	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	
1.July	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	85%	Non Compliance
2.August	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	93%	Non Compliance
3.Septembe	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	98%	Non Compliance
4.October	N/A	N/A	N/A	N/A	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	Complied
5.November	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes		Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No	88%	Non Compliance
6.December	No	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance
7.January	No	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance
8.February	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%	Non Compliance
9.March	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%	Non Compliance
10.April	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance
11.May																								0%	Non Compliance
12.June																								0%	Non Compliance

Compliance status as per treasury feedback for the reporting period ending April 2025 is Non-compliance. The non-compliance results from municipal debt relief conditions not fully met by the municipality.

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.
- Municipality to ring fence all collection relating to water and electricity to honour current accounts for both Eskom and Rand water.
- As per Treasury recommendation municipality has uploaded all adopted budget related policies for 2024-25 MTREF and the valuation roll and billing system reconciliation tool.

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

Print Name:

Acting Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature:

Date: 13/06/25

Print Name: E.N. Maseko

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature:

Date: 13/06/2025

18. Recommendations

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

1. The monthly budget statement for the month ending 31 May 2025.
2. The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment set-out in paragraph 16 above;
3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
    - Increase collection rate to enable the municipality to pay its Eskom current account within 30 days.
    - Continuous implementation of revenue enhancement to improve cashflow status of the municipality.
    - Initiate a cut-off drive to enforce compliance, targeting businesses & government that have not met their payment obligations to improve cashflow status of the municipality.
4. The balance of the Eskom bulk account amounting to R 5,642 408 402.00 and Rand Water bulk water account R 838 068 056.00