GOVAN MBEKI MUNICIPALITY

UTLANYELWE
UKUKHULA

Budget Statement

MFMA Section 71 Report

30 JUNE 2026

Govan Mbeki Municipality

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

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 30 JUNE 2026

TO: THE EXECUTIVE MAYOR

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

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 30 JUNE 2026

1. Purpose

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

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

2. Background

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

3. Executive summary

Summary of the Budget Performance for the reporting period ending 30 June 2026

Description	Original Budget 2025/2026	Adjustment Budget 2025/2026	Monthly Actual	Year-to-date Actual	Year-to-date Budget	Variance	YTD Variance %
	R'000	R'000	R'000	R'000	R'000	R'000	%
Total Operating Revenue	3,359,877	3,410,870	237,557	3,198,603	3,410,871	-212,268	-6%

Less Total Operating Expenditure	3,788,023	3,837,220	340,769	4,457,916	3,837,220	620,696	16%
Surplus /(Deficit) for the year before grant capital revenue	**-428,146**	**-426,349**	**-103,211**	**-1,259,313**	**-426,349**	**-832,964**	**195%**
Add Grant capital revenue	110 ,975	120,202	13,609	117,030	120,202	-3,171	-3%
Surplus /(Deficit) before Capital Expenditure	**-317,171**	**-306,147**	**-89,602**	**-1,142,283**	**-306,147**		
Total Capital Expenditure	216,314	196,387	**31,717**	171,273	196,387	-23,114	-12%
Surplus /(Deficit)	-533 485	-502 534	**-121 319**	-1 313 556	-502 534		

Operating Revenue

Actual operating revenue is 6 percent below the approved budget for the period. This indicates that collections and billing performance are slightly gone down than expectation. This below performance will have to improve to support cash flow and strengthen the municipality's ability to fund operations. Through the revenue enhancement strategies and the enforcement of credit control throughout all municipal regions' revenue is expected to improve in the near future.

Operating Expenditure

Actual operating expenditure is 16 percent above the approved budget for the period. Based on this performance municipality is reset to spending and improve cost management, especially given that the municipality is operating with an unfunded budget and must actively reduce expenditure to be financially stable.

Capital Expenditure

Performance of Capital Expenditure

CAPEX	Approved Budget	Received Including rollover	YTD Expenditure	Unspent Budget 2025/2026	YTD % Per Allocation
Integrated National Electrification Programme Grant	40,000,000.00	40,000,000.00	40,000,000.00	0.00	100%
Municipal Infrastructure Grant	67,426,250.00	67,426,250.00	67,426,250.00	0.00	100%
Municipal Disaster Recovery Grant	7,254,153.22	7,254,153.22	3,756,179.22	3,497,974.00	52%
Water Services Infrastructure	1,972,377.75	1,972,377.75	1,972,377.75	-	100%
Own Funding	108,888,000.00	0	101,681,884.20	-	93%
Total	**225,540,780.97**	**116,652,780.97**	**214,836,691.17**	**3,497,974.00**	**95%**

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) - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		872,643	994,107	1,021,146	85,640	913,809	1,021,146	(107,338)	-11%	1,021,146
Service charges - Water		530,770	714,085	714,085	61,171	652,243	714,085	(61,842)	-9%	714,085
Service charges - Waste Water Management		161,189	182,706	182,706	13,439	166,007	182,706	(16,700)	-9%	182,706
Service charges - Waste management		155,572	180,036	180,036	13,511	163,676	180,036	(16,360)	-9%	180,036
Sale of Goods and Rendering of Services		6,441	7,832	7,832	692	6,872	7,832	(960)	-12%	7,832
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		235,140	223,921	234,907	16,828	231,326	234,907	(3,581)	-2%	234,907
Interest from Current and Non Current Assets		3,793	15,943	8,000	410	4,594	8,000	(3,406)	-43%	8,000
Dividends		–	26	(0)	–	–	(0)	0	-100%	(0)
Rent on Land		–	3	3	–	0	3	(3)	-98%	3
Rental from Fixed Assets		9,178	10,918	19,813	817	14,917	19,813	(4,896)	-25%	19,813
Licence and permits		–	–	7	9	84	7	77	1099%	7
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		12,260	6,567	6,567	(29)	1,811	6,567	(4,756)	-72%	6,567
Non-Exchange Revenue								–		
Property rates		376,757	456,203	456,203	37,392	454,640	456,203	(1,563)	0%	456,203
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		30,881	19,536	19,536	837	30,452	19,536	10,917	56%	19,536
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		491,443	522,875	525,805	1,731	525,411	525,805	(394)	0%	525,805
Interest		33,070	22,620	31,724	3,104	32,520	31,724	796	3%	31,724
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		3,918	2,500	2,500	–	–	2,500	(2,500)	-100%	2,500
Other Gains		528,110	–	–	5	241	–	241	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**3,451,166**	**3,359,877**	**3,410,871**	**237,557**	**3,198,603**	**3,410,871**	**(212,268)**	**-6%**	**3,410,871**

Electricity service charge is below the target by 11%.

- Material difference is due to a reversal of year end journal that was processed to recognise accrued revenue (for consumption between billing date and last day of June) this will affect billing from January 2026 to year-end. Furthermore, electricity movement for current month on budget statement is increased by the debtor that has been raised for Vending Management supplier of R37,657,635.34 for period November 2025 to March 2026. The actual billing on electricity excluding said journal amounts to R69 308 520.83 including pre-paid sales.

Water service charges and Waste Water service charges are below the target by 9% and 9% respectively

- Differences are due to reversal of year end journal that was processed to recognise accrued revenue (for consumption between billing date and last day of June) this journal will affect billing year-to date for the rest of the year.
- Refuse service charges is below the target by 9%, this reflects an over budgeting on the line item. Billing is accurate.

Interest on external investments are below target by 43%, this is due to no fixed investments in the current year and less cash on short term investment accounts as results of cash constraints. Furthermore, dividends budget has been reduced to zero as municipality has not been receiving any dividends in more than 3 consecutive years on the long-term investments.

Fines and penalties are 56% above target. This reflects under budgeting on this revenue item.

4.2 Operating Expenditure by Type (Table 4: C4 Financial Performance Expenditure)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		752 563	800 000	800 000	68 644	792 024	800 000	(7 977)	-1%	800 000
Remuneration of councillors		33 386	37 005	37 005	2 841	33 723	37 005	(3 282)	-9%	37 005
Bulk purchases - electricity		1 148 646	828 130	828 130	114 151	1 092 449	828 130	264 320	32%	828 130
Inventory consumed		520 303	576 933	586 182	72 738	614 284	586 182	28 102	5%	586 182
Debt impairment		19 957	526 975	526 975	-	398 389	526 975	(128 586)	-24%	526 975
Depreciation and amortisation		129 064	152 108	134 209	8 606	108 483	134 209	(25 726)	-19%	134 209
Interest		298 802	177 400	197 400	25 142	374 710	197 400	177 310	90%	197 400
Contracted services		379 794	400 000	438 560	73 448	328 056	438 560	(110 504)	-25%	438 560
Transfers and subsidies		39 531	-	-	2 773	19 472	-	19 472	#DIV/0!	-
Irrecoverable debts written off		428 463	126 727	126 727	(41 170)	579 374	126 727	452 646	357%	126 727
Operational costs		117 685	162 744	162 031	13 489	116 818	162 031	(45 213)	-28%	162 031
Losses on Disposal of Assets		11 027	-	-	-	0	-	0	#DIV/0!	-
Other Losses		433 385	-	-	106	133	-	133	#DIV/0!	-
Total Expenditure		**4,312,605**	**3,788,023**	**3,837,220**	**340,789**	**4,457,916**	**3,837,220**	**620,696**	**16%**	**3,837,220**

- Employee Related Costs are below target by 1%.
- Remuneration of councillors is below target by 9%, This implies an over budget on the line item.
- Electricity bulk purchase expenses are 32% above target due to under-budgeting in this line item.The reduction of electricity distribution loss has also showed a positive impact in the reduction of electricity bill. The municipality has reduced bulk purchases by more than R55 million at year-end when comparing to prior year electricity bill.
- Contracted services expenditure is 25% below target as a response to reduce expenditure for financial recovery plan implementation. This shows that the municipality is reducing reliance on contractors and utilising municipal workforce as part of cost containment strategy.
- Debt impairment is 24% below target, year-end journals for debt impairment have not been recognised, this expenditure is expected to change.
- Operational costs are below target by 28%, due to cashflow difficulties expenditures are controlled within municipalities means.
- Depreciation and impairment of asset is 19% below target. This is due to fully depreciated assets, which were budgeted for to be depreciated and expired lease during the year.
- Irrecoverable debt written off is above target by 357% due to the amount of miscellaneous write off authorised by council during the financial year, as well as write-offs for customers that have come forth to participate on the Rand to Rand/ Arrangement revenue campaigns.
- Finance charges are 90% above target due to cash constraint, Eskom and Rand Water accounts which are not serviced timely resulting to interest on overdue accounts. It should be noted that Rand Water arrangement will help cap this expenditure, as of 30 June 2026 Rand Water will not be

charging the Municipality interest on the historical debt as per the arrangement entered into with the department.

4.3 Capital expenditure

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 - June

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Capital Expenditure - Functional Classification										
Governance and administration		18 367	12 200	11 518	386	6 870	11 518	(4 548)	-40%	11 518
Executive and council		232	1 500	590	205	539	590	(51)	-9%	590
Finance and administration		18 135	10 700	10 928	182	6 332	10 928	(4 597)	-42%	10 928
Internal audit		–	–	–	–	–	–	-		–
Community and public safety		4 571	12 588	5 295	908	4 542	5 295	(752)	-14%	5 295
Community and social services		4 192	12 300	2 213	908	2 001	2 213	(212)	-10%	2 213
Sport and recreation		379	288	3 082	–	2 541	3 082	(540)	-18%	3 082
Public safety		–	–	–	–	–	–	-		–
Housing		–	–	–	–	–	–	-		–
Health		–	–	–	–	–	–	-		–
Economic and environmental services		54 190	65 742	78 379	16 812	60 104	78 379	(18 274)	23%	78 379
Planning and development		49 223	49 842	59 032	9 967	43 083	56 032	(15 948)	-32%	59 032
Road transport		4 968	15 100	18 692	6 845	20 020	18 692	1 328	7%	18 692
Environmental protection		–	800	656	–	–	656	(656)	-100%	656
Trading services		218 882	125 785	101 195	13 610	102 097	101 195	903	1%	101 195
Energy sources		93 850	83 100	67 238	8 657	61 585	67 238	(5 553)	-8%	67 238
Water management		31 160	25 000	17 861	2 504	27 822	17 861	9 961	56%	17 861
Waste water management		76 514	–	16 096	2 449	12 590	16 096	(3 506)	-22%	16 096
Waste management		17 359	17 685	–	–	–	–	-		–
Other		–	–	–	–	–	–	-		–
Total Capital Expenditure - Functional Classification	3	**296 011**	**218 314**	**196 387**	**31 717**	**173 614**	**196 387**	**(22 773)**	**-12%**	**196 387**
Funded by:										
National Government		107 835	107 426	101 437	13 299	78 362	101 437	(23 075)	-23%	101 437
Provincial Government		–	–	–	–	120	–	120	#DIV/0!	–
District Municipality		–	–	–	–	–	–	-		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies		–	–	–	–	–	–	-		–
Transfers recognised - capital		**107 835**	**107 426**	**101 437**	**13 299**	**78 483**	**101 437**	**(22 955)**	**-23%**	**101 437**
Borrowing	6	–	–	–	–	–	–	-		–
Internally generated funds		112 744	108 888	94 950	18 418	94 790	94 950	(159)	0%	94 950
Total Capital Funding		**280 579**	**216 314**	**196 387**	**31 717**	**173 273**	**196 387**	**(23 114)**	**-12%**	**196 387**

4.4 Cash flows

As of 30 June 2026, the municipality had a positive bank statement balance of R 18 377 803.76 and cash book had a positive balance of R18 311 485.76. Below service charges include revenue collected from prepaid electricity (vending) of an amount of R36 892 045.29 for the reporting period.

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	337,049	337,049	38,942	384,692	337,049	47,643	14%	337,049
Service charges		-	1,505,611	1,552,597	198,941	1,728,366	1,552,597	175,770	11%	1,552,597
Other revenue		-	122,388	131,491	4,650	59,213	131,491	(72,278)	-55%	131,491
Transfers and Subsidies - Operational		-	522,875	525,668	161	527,945	525,668	2,277	0%	525,668
Transfers and Subsidies - Capital		-	110,975	115,975	-	115,977	115,975	2	0%	115,975
Interest		-	16,401	168,959	2,704	24,630	168,959	(144,328)	-85%	168,959
Dividends		-	26	(0)	-	-	(0)	0	-100%	(0)
Payments										
Suppliers and employees		-	(2,842,282)	(2,894,882)	(103,875)	(1,733,125)	(2,894,882)	1,161,757	-40%	(2,894,882)
Interest		-	(133,050)	153,050	-	-	(153,050)	153,050	-100%	153,050
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	(360,007)	89,907	141,522	1,107,706	(216,193)	(1,323,893)	612%	89,907
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		(175)	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		91	-	-	(102)	107	-	107	#DIV/0!	-
Payments										
Capital assets		167,000	(216,314)	(220,540)	(18,414)	(203,367)	(220,540)	17,172	-8%	(220,540)
NET CASH FROM/(USED) INVESTING ACTIVITIES		166,916	(216,314)	(220,540)	(18,515)	(203,260)	(220,540)	(17,280)	8%	(220,540)
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		166,916	(576,322)	(130,632)	123,006	904,440	(436,733)			(130,632)
Cash/cash equivalents at beginning:		25,751	25,751	49,823		49,823	49,823			49,823
Cash/cash equivalents at month/year end:		192,667	(550,570)	(80,810)		954,262	(386,910)			(80,810)

5. In-year budget statement tables

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M12 - June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	376,757	456,203	456,203	37,392	454,640	456,203	(1,563)	0%	456,203
Service charges	1,720,174	2,070,934	2,097,973	173,761	1,895,734	2,097,973	(202,239)	-10%	2,097,973
Investment revenue	3,793	15,943	8,000	410	4,594	8,000	(3,406)	-43%	8,000
Transfers and subsidies - Operational	491,443	522,875	525,805	1,731	525,411	525,805	(394)	0%	525,805
Other own revenue	858,999	293,923	322,889	24,263	318,223	322,889	(4,666)	-1%	322,889
Total Revenue (excluding capital transfers and contributions)	**3,451,166**	**3,359,877**	**3,410,871**	**237,557**	**3,198,603**	**3,410,871**	**(212,268)**	**-6%**	**3,410,871**
Employee costs	752,563	800,000	800,000	68,644	792,024	800,000	(7,977)	-1%	800,000
Remuneration of Councillors	33,386	37,005	37,005	2,841	33,723	37,005	(3,282)	-9%	37,005
Depreciation and amortisation	129,064	152,108	134,209	8,606	108,483	134,209	(25,725)	-19%	134,209
Interest	298,802	177,400	197,400	25,142	374,710	197,400	177,310	90%	197,400
Inventory consumed and bulk purchases	1,668,948	1,405,063	1,414,312	186,889	1,706,733	1,414,312	292,421	21%	1,414,312
Transfers and subsidies	39,531	–	–	2,773	19,472	–	19,472	#DIV/0!	–
Other expenditure	1,390,311	1,216,447	1,254,293	45,874	1,422,770	1,254,293	168,477	13%	1,254,293
Total Expenditure	**4,312,605**	**3,788,023**	**3,837,220**	**340,769**	**4,457,916**	**3,837,220**	**620,696**	**16%**	**3,837,220**
Surplus/(Deficit)	**(861,439)**	**(428,146)**	**(426,349)**	**(103,211)**	**(1,259,313)**	**(426,349)**	**(832,964)**	**195%**	**(426,349)**
Transfers and subsidies - capital (monetary allocations)	122,958	110,975	120,202	13,609	117,030	120,202	(3,171)	-3%	120,202
Transfers and subsidies - capital (in-kind)	3,917	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**(734,564)**	**(317,171)**	**(306,147)**	**(89,602)**	**(1,142,283)**	**(306,147)**	**(836,136)**	**273%**	**(306,147)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(734,564)**	**(317,171)**	**(306,147)**	**(89,602)**	**(1,142,283)**	**(306,147)**	**(836,136)**	**273%**	**(306,147)**
Capital expenditure & funds sources									
Capital expenditure	**296,011**	**216,314**	**196,387**	**31,717**	**173,614**	**196,387**	**(22,773)**	**-12%**	**196,387**
Capital transfers recognised	167,835	107,426	101,437	13,299	78,483	101,437	(22,955)	-23%	101,437
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	112,744	108,888	94,950	18,418	94,790	94,950	(159)	0%	94,950
Total sources of capital funds	**280,579**	**216,314**	**196,387**	**31,717**	**173,273**	**196,387**	**(23,114)**	**-12%**	**196,387**
Financial position									
Total current assets	2,857,972	1,835,007	3,115,045		2,922,035				3,115,045
Total non current assets	3,209,993	3,116,399	3,286,025		3,275,231				3,286,025
Total current liabilities	7,553,079	4,121,951	8,106,559		8,825,060				8,106,559
Total non current liabilities	1,358,643	2,578,805	1,358,643		1,358,246				1,358,643
Community wealth/Equity	(2,842,401)	(1,749,350)	(3,064,132)		(3,986,040)				(3,064,132)
Cash flows									
Net cash from (used) operating	–	(360,007)	89,907	141,522	1,107,700	(216,193)	########	612%	89,907
Net cash from (used) investing	166,916	(216,314)	(220,540)	(18,515)	(203,260)	(220,540)	(17,280)	8%	(220,540)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**192,667**	**(550,570)**	**(80,810)**	–	**954,262**	**(386,910)**	**########**	**347%**	**(80,810)**
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	212,015	100,848	94,281	88,209	80,898	76,648	76,455	3,441,163	4,170,518
Creditors Age Analysis									
Total Creditors	350,891	169,145	151,376	98,694	96,434	110,186	152,033	6,926,344	8,055,103

MP307 Govan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		1,087,635	1,036,374	1,044,066	43,169	1,030,834	1,044,066	(13,232)	-1%	1,044,066
Executive and council		–	500	500	–	–	500	(500)	-100%	500
Finance and administration		1,087,351	1,035,874	1,043,566	43,169	1,030,215	1,043,566	(13,351)	-1%	1,043,566
Internal audit		284	–	–	–	619	–	619	#DIV/0!	–
Community and public safety		400,621	19,499	21,701	1,616	32,947	21,701	11,246	52%	21,701
Community and social services		369,095	3,047	2,892	648	2,659	2,892	(233)	-8%	2,892
Sport and recreation		8	–	111	–	203	111	91	82%	111
Public safety		31,445	16,452	18,606	897	30,015	18,606	11,409	61%	18,606
Housing		72	–	93	71	71	93	(22)	-23%	93
Health		–	–	–	–	–	–	–		–
Economic and environmental services		66,071	79,302	79,623	9,628	78,455	79,623	(1,167)	-1%	79,623
Planning and development		64,474	76,363	76,677	9,620	75,432	76,677	(1,244)	-2%	76,677
Road transport		1,597	2,939	2,946	9	3,023	2,946	77	3%	2,946
Environmental protection		–	–	–	–	–	–	–		–
Trading services		2,023,714	2,335,677	2,385,682	196,753	2,173,396	2,385,682	(212,286)	-9%	2,385,682
Energy sources		1,140,023	1,093,146	1,221,924	93,942	1,117,939	1,221,924	(103,985)	-9%	1,221,924
Water management		528,997	824,420	774,392	68,870	694,110	774,392	(80,282)	-10%	774,392
Waste water management		174,239	212,719	200,973	17,776	184,248	200,973	(16,725)	-8%	200,973
Waste management		180,455	205,392	188,392	16,165	177,098	188,392	(11,294)	-6%	188,392
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	3,578,041	3,470,852	3,531,072	251,167	3,315,633	3,531,072	(215,439)	-6%	3,531,072
Expenditure - Functional										
Governance and administration		1,171,902	905,681	929,954	(268,000)	1,218,227	929,954	288,273	31%	929,954
Executive and council		90,042	113,184	106,113	8,727	92,699	106,113	(13,414)	-13%	106,113
Finance and administration		1,077,679	788,425	819,562	(277,427)	1,121,135	819,562	301,572	37%	819,562
Internal audit		4,181	4,072	4,279	699	4,393	4,279	115	3%	4,279
Community and public safety		454,611	253,762	270,046	24,027	267,881	270,046	(2,165)	-1%	270,046
Community and social services		305,831	115,350	111,570	10,745	101,065	111,570	(10,505)	-9%	111,570
Sport and recreation		12,232	13,628	12,747	709	9,123	12,747	(3,623)	-28%	12,747
Public safety		126,226	112,351	133,780	11,246	147,105	133,780	13,326	10%	133,780
Housing		9,202	10,427	10,610	1,243	9,552	10,610	(1,059)	-10%	10,610
Health		1,121	2,005	1,339	84	1,035	1,339	(304)	-23%	1,339
Economic and environmental services		104,107	114,053	111,647	16,351	105,463	111,647	(6,184)	-6%	111,647
Planning and development		45,894	52,285	49,628	4,205	42,157	49,628	(7,471)	-15%	49,628
Road transport		58,213	61,435	61,687	12,145	63,306	61,687	1,619	3%	61,687
Environmental protection		–	332	332	–	–	332	(332)	-100%	332
Trading services		2,581,985	2,514,528	2,525,573	568,391	2,866,346	2,525,573	340,772	13%	2,525,573
Energy sources		1,599,350	1,606,605	1,596,872	221,728	1,504,769	1,596,872	(92,103)	-6%	1,596,872
Water management		705,361	603,099	593,223	75,389	714,057	593,223	120,834	20%	593,223
Waste water management		138,120	172,402	200,726	85,338	289,022	200,726	88,296	44%	200,726
Waste management		139,154	132,422	134,753	185,937	358,499	134,753	223,746	166%	134,753
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	4,312,605	3,788,023	3,837,220	340,769	4,457,916	3,837,220	620,696	16%	3,837,220
Surplus/ (Deficit) for the year		(734,564)	(317,171)	(306,147)	(89,602)	(1,142,283)	(306,147)	(836,136)	273%	(306,147)

MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 - June

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		8	500	520	–	111	520	(408)	-78.6%	520
Vote 2 - 02 CORPORATE SERVICES		25,793	23,974	23,974	113	23,945	23,974	(29)	-0.1%	23,974
Vote 3 - 03 PLANNING AND DEVELOPMENT		164,801	19,415	26,435	1,328	19,423	26,435	(7,012)	-26.5%	26,435
Vote 4 - 04 COMMUNITY SERVICES		400,541	19,495	21,586	1,543	32,760	21,586	11,174	51.8%	21,586
Vote 5 - 05 FINANCIAL SERVICES		901,085	997,873	998,952	42,210	991,868	998,952	(7,083)	-0.7%	998,952
Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING		1,140,023	1,093,146	1,221,924	93,942	1,117,939	1,221,924	(103,985)	-8.5%	1,221,924
Vote 7 - 07 CIVIL ENGINEERING		765,050	1,111,053	1,049,286	95,862	951,840	1,049,286	(97,446)	-9.3%	1,049,286
Vote 8 - 01 EXECUTIVE AND COUNCIL continued		284	–	–	–	619	–	619	#DIV/0!	–
Vote 9 - 04 COMMUNITY SERVICES continued		180,455	205,396	188,396	16,169	177,127	188,396	(11,269)	-6.0%	188,396
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	3,578,041	3,470,852	3,531,072	251,167	3,315,633	3,531,072	(215,439)	-6.1%	3,531,072
Expenditure by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		100,414	123,725	116,086	9,372	100,960	116,086	(15,125)	-13.0%	116,086
Vote 2 - 02 CORPORATE SERVICES		166,610	215,282	198,551	19,756	163,684	198,551	(34,867)	-17.6%	198,551
Vote 3 - 03 PLANNING AND DEVELOPMENT		305,883	70,615	68,055	4,663	48,693	68,055	(19,362)	-28.5%	68,055
Vote 4 - 04 COMMUNITY SERVICES		427,921	226,266	239,645	20,976	237,374	239,645	(2,270)	-0.9%	239,645
Vote 5 - 05 FINANCIAL SERVICES		596,807	497,667	536,351	(308,672)	885,891	536,351	349,540	65.2%	536,351
Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING		1,599,350	1,606,605	1,596,872	221,728	1,504,769	1,596,872	(92,103)	-5.8%	1,596,872
Vote 7 - 07 CIVIL ENGINEERING		911,392	845,995	863,488	173,357	1,073,380	863,488	209,892	24.3%	863,488
Vote 8 - 01 EXECUTIVE AND COUNCIL continued		4,220	4,178	4,385	707	4,433	4,385	49	1.1%	4,385
Vote 9 - 04 COMMUNITY SERVICES continued		200,008	197,691	213,789	198,882	438,732	213,789	224,943	105.2%	213,789
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	4,312,605	3,788,023	3,837,220	340,769	4,457,916	3,837,220	620,696	16.2%	3,837,220
Surplus/ (Deficit) for the year	2	(734,564)	(317,171)	(306,147)	(89,602)	(1,142,283)	(306,147)	(836,136)	273.1%	(306,147)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		872,643	994,107	1,021,146	85,640	913,809	1,021,146	(107,338)	-11%	1,021,146
Service charges - Water		530,770	714,085	714,085	61,171	652,243	714,085	(61,842)	-9%	714,085
Service charges - Waste Water Management		161,189	182,706	182,706	13,439	166,007	182,706	(16,700)	-9%	182,706
Service charges - Waste management		155,572	180,036	180,036	13,511	163,676	180,036	(16,360)	-9%	180,036
Sale of Goods and Rendering of Services		6,441	7,832	7,832	692	6,872	7,832	(960)	-12%	7,832
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		235,140	223,921	234,907	18,828	231,326	234,907	(3,581)	-2%	234,907
Interest from Current and Non Current Assets		3,799	15,943	8,000	410	4,594	8,000	(3,406)	-43%	8,000
Dividends		–	26	(0)	–	–	(0)	0	-100%	(0)
Rent on Land		–	3	3	–	0	3	(3)	-98%	3
Rental from Fixed Assets		9,178	10,918	19,813	817	14,917	19,813	(4,896)	-25%	19,813
Licence and permits		–	–	7	9	84	7	77	1099%	7
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		12,260	6,567	6,567	(29)	1,911	6,567	(4,756)	-72%	6,567
Non-Exchange Revenue								–		
Property rates		376,757	456,203	456,203	37,392	454,640	456,203	(1,563)	0%	456,203
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		30,881	19,536	19,536	837	30,452	19,536	10,917	56%	19,536
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		491,443	522,875	525,805	1,731	525,411	525,805	(394)	0%	525,805
Interest		33,070	22,620	31,724	3,104	32,520	31,724	796	3%	31,724
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		3,918	2,500	2,500	–	–	2,500	(2,500)	-100%	2,500
Other Gains		528,110	–	–	5	241	–	241	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**3,451,166**	**3,359,877**	**3,410,871**	**237,557**	**3,198,603**	**3,410,871**	**(212,268)**	**-6%**	**3,410,871**
Expenditure By Type										
Employee related costs		752,563	800,000	800,000	68,644	792,024	800,000	(7,977)	-1%	800,000
Remuneration of councillors		33,386	37,005	37,005	2,841	33,723	37,005	(3,282)	-9%	37,005
Bulk purchases - electricity		1,148,646	828,130	828,130	114,151	1,092,449	828,130	264,320	32%	828,130
Inventory consumed		520,303	576,933	586,182	72,739	614,284	586,182	28,102	5%	586,182
Debt impairment		19,957	526,975	526,975	–	398,389	526,975	(128,586)	-24%	526,975
Depreciation and amortisation		129,064	152,108	134,209	8,606	108,483	134,209	(25,725)	-19%	134,209
Interest		298,802	177,400	197,400	25,142	374,710	197,400	177,310	90%	197,400
Contracted services		379,794	400,000	438,560	73,448	328,056	438,560	(110,504)	-25%	438,560
Transfers and subsidies		39,531	–	–	2,773	19,472	–	19,472	#DIV/0!	–
Irrecoverable debts written off		428,463	126,727	126,727	(41,170)	579,374	126,727	452,646	357%	126,727
Operational costs		117,685	162,744	162,031	13,489	116,818	162,031	(45,213)	-28%	162,031
Losses on Disposal of Assets		11,027	–	–	–	0	–	0	#DIV/0!	–
Other Losses		433,385	–	–	106	133	–	133	#DIV/0!	–
Total Expenditure		**4,312,605**	**3,788,023**	**3,837,220**	**340,769**	**4,457,916**	**3,837,220**	**620,696**	**16%**	**3,837,220**
Surplus/(Deficit)		**(861,439)**	**(428,146)**	**(426,349)**	**(103,211)**	**(1,259,313)**	**(426,349)**	**(832,964)**	**195%**	**(426,349)**
Transfers and subsidies - capital (monetary allocations)		122,958	110,975	120,202	13,609	117,030	120,202	(3,171)	-3%	120,202
Transfers and subsidies - capital (in-kind)		3,917	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(734,564)**	**(317,171)**	**(306,147)**	**(89,602)**	**(1,142,283)**	**(306,147)**			**(306,147)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**(734,564)**	**(317,171)**	**(306,147)**	**(89,602)**	**(1,142,283)**	**(306,147)**			**(306,147)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**(734,564)**	**(317,171)**	**(306,147)**	**(89,602)**	**(1,142,283)**	**(306,147)**			**(306,147)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**(734,564)**	**(317,171)**	**(306,147)**	**(89,602)**	**(1,142,283)**	**(306,147)**			**(306,147)**

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 - June

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - 01 EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - 02 CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 3 - 03 PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–		–
Vote 4 - 04 COMMUNITY SERVICES		–	–	–	–	–	–	–		–
Vote 5 - 05 FINANCIAL SERVICES		–	–	–	–	–	–	–		–
Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING		–	–	–	–	–	–	–		–
Vote 7 - 07 CIVIL ENGINEERING		–	–	–	–	–	–	–		–
Vote 8 - 01 EXECUTIVE AND COUNCIL continued		–	–	–	–	–	–	–		–
Vote 9 - 04 COMMUNITY SERVICES continued		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - 01 EXECUTIVE AND COUNCIL		798	1,500	3,381	205	3,080	3,381	(301)	-9%	3,381
Vote 2 - 02 CORPORATE SERVICES		15,814	2,100	6,180	59	4,526	6,180	(1,655)	-27%	6,180
Vote 3 - 03 PLANNING AND DEVELOPMENT		141	100	400	84	181	400	(219)	-55%	400
Vote 4 - 04 COMMUNITY SERVICES		4,005	13,388	3,159	908	2,001	3,159	(1,158)	-37%	3,159
Vote 5 - 05 FINANCIAL SERVICES		2,321	8,600	4,748	123	1,806	4,748	(2,942)	-62%	4,748
Vote 6 - 06 ENERGY & MECHANICAL ENGINEERING		93,850	83,100	67,238	8,657	61,685	67,238	(5,553)	-8%	67,238
Vote 7 - 07 CIVIL ENGINEERING		151,723	89,842	111,280	21,681	100,335	111,280	(10,945)	-10%	111,280
Vote 8 - 01 EXECUTIVE AND COUNCIL continued		–	–	–	–	–	–	–		–
Vote 9 - 04 COMMUNITY SERVICES continued		17,359	17,685	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	296,011	216,314	196,387	31,717	173,614	196,387	(22,773)	-12%	196,387
Total Capital Expenditure		296,011	216,314	196,387	31,717	173,614	196,387	(22,773)	-12%	196,387
Capital Expenditure - Functional Classification										
Governance and administration		18,367	12,200	11,518	386	6,870	11,518	(4,648)	-40%	11,518
Executive and council		232	1,500	590	205	539	590	(51)	-9%	590
Finance and administration		18,135	10,700	10,928	182	6,332	10,928	(4,597)	-42%	10,928
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		4,571	12,588	5,295	908	4,542	5,295	(752)	-14%	5,295
Community and social services		4,192	12,300	2,213	908	2,001	2,213	(212)	-10%	2,213
Sport and recreation		379	288	3,082	–	2,541	3,082	(540)	-18%	3,082
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		54,190	65,742	78,379	16,812	60,104	78,379	(18,276)	-23%	78,379
Planning and development		49,223	49,842	59,032	9,967	40,083	59,032	(18,948)	-32%	59,032
Road transport		4,968	15,100	18,692	6,845	20,020	18,692	1,328	7%	18,692
Environmental protection		–	800	656	–	–	656	(656)	-100%	656
Trading services		218,882	125,785	101,195	13,610	102,097	101,195	903	1%	101,195
Energy sources		93,850	83,100	67,238	8,657	61,685	67,238	(5,553)	-8%	67,238
Water management		31,160	25,000	17,861	2,504	27,822	17,861	9,961	56%	17,861
Waste water management		76,514	–	16,096	2,449	12,590	16,096	(3,505)	-22%	16,096
Waste management		17,359	17,585	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	296,011	216,314	196,387	31,717	173,614	196,387	(22,773)	-12%	196,387
Funded by:										
National Government		167,835	107,426	101,437	13,299	78,362	101,437	(23,075)	-23%	101,437
Provincial Government		–	–	–	–	120	–	120	#DIV/0!	–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		167,835	107,426	101,437	13,299	78,483	101,437	(22,955)	-23%	101,437
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		112,744	108,898	94,950	18,418	94,790	94,950	(159)	0%	94,950
Total Capital Funding		280,579	216,314	196,387	31,717	173,273	196,387	(23,114)	-12%	196,387

MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M12 - June

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		49,823	(341,631)	(172,439)	46,242	(172,439)
Trade and other receivables from exchange transactions		725,227	1,362,396	961,453	403,942	961,453
Receivables from non-exchange transactions		143,730	147,233	151,137	181,521	151,137
Current portion of non-current receivables		–	–	–	–	–
Inventory		122,774	130,810	121,274	146,827	121,274
VAT		1,816,419	503,217	2,053,621	2,143,503	2,053,621
Other current assets		0	32,982	–	0	–
Total current assets		**2,857,972**	**1,835,007**	**3,115,045**	**2,922,035**	**3,115,045**
Non current assets						
Investments		1,210	1,119	1,210	1,317	1,210
Investment property		1,359,770	1,297,556	1,373,123	1,359,770	1,373,123
Property, plant and equipment		1,843,422	1,811,957	1,906,143	1,908,594	1,906,143
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		5,431	5,431	5,431	5,431	5,431
Intangible assets		161	161	119	119	119
Trade and other receivables from exchange transactions		0	175	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3,209,993**	**3,116,399**	**3,286,025**	**3,275,231**	**3,286,025**
TOTAL ASSETS		**6,067,966**	**4,951,406**	**6,401,070**	**6,197,266**	**6,401,070**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		3,612	7,169	3,612	397	3,612
Consumer deposits		34,715	32,872	34,715	36,056	34,715
Trade and other payables from exchange transactions		5,971,232	3,874,730	6,470,526	7,049,565	6,470,526
Trade and other payables from non-exchange transactions		5,363	38,372	(69,253)	6,190	(69,253)
Provision		56,008	44,197	56,008	56,008	56,008
VAT		1,482,150	124,611	1,610,952	1,676,843	1,610,952
Other current liabilities		–	–	–	–	–
Total current liabilities		**7,553,079**	**4,121,951**	**8,106,559**	**8,825,060**	**8,106,559**
Non current liabilities						
Financial liabilities		397	2,507	397	(0)	397
Provision		401,175	358,819	401,175	401,175	401,175
Long term portion of trade payables		912,642	2,153,806	912,642	912,642	912,642
Other non-current liabilities		44,428	63,673	44,428	44,428	44,428
Total non current liabilities		**1,358,643**	**2,578,805**	**1,358,643**	**1,358,246**	**1,358,643**
TOTAL LIABILITIES		**8,911,722**	**6,700,756**	**9,465,202**	**10,183,306**	**9,465,202**
NET ASSETS	2	**(2,843,756)**	**(1,749,350)**	**(3,064,132)**	**(3,986,040)**	**(3,064,132)**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(2,842,401)	(1,749,350)	(3,064,132)	(3,986,040)	(3,064,132)
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**(2,842,401)**	**(1,749,350)**	**(3,064,132)**	**(3,986,040)**	**(3,064,132)**

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	337,049	337,049	38,942	384,692	337,049	47,643	14%	337,049
Service charges		–	1,505,611	1,552,597	198,941	1,728,366	1,552,597	175,770	11%	1,552,597
Other revenue		–	122,388	131,491	4,650	59,213	131,491	(72,278)	-55%	131,491
Transfers and Subsidies - Operational		–	522,875	525,668	161	527,945	525,668	2,277	0%	525,668
Transfers and Subsidies - Capital		–	110,975	115,975	–	115,977	115,975	2	0%	115,975
Interest		–	16,401	168,959	2,704	24,630	168,959	(144,328)	-85%	168,959
Dividends		–	26	(0)	–	–	(0)	0	-100%	(0)
Payments										
Suppliers and employees		–	(2,842,282)	(2,894,882)	(103,875)	(1,733,125)	(2,894,882)	1,161,757	-40%	(2,894,882)
Interest		–	(133,050)	153,050	–	–	(153,050)	153,050	-100%	153,050
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**(360,007)**	**89,907**	**141,522**	**1,107,700**	**(216,193)**	**(1,323,893)**	**612%**	**89,907**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		(175)	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		91	–	–	(102)	107	–	107	#DIV/0!	–
Payments										
Capital assets		167,000	(216,314)	(220,540)	(18,414)	(203,367)	(220,540)	17,172	-8%	(220,540)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**166,916**	**(216,314)**	**(220,540)**	**(18,515)**	**(203,260)**	**(220,540)**	**(17,280)**	**8%**	**(220,540)**
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		**166,916**	**(576,322)**	**(130,632)**	**123,006**	**904,440**	**(436,733)**			**(130,632)**
Cash/cash equivalents at beginning:		25,751	25,751	49,823		49,823	49,823			49,823
Cash/cash equivalents at month/year end:		192,667	(550,570)	(80,810)		954,262	(386,910)			(80,810)

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

The total debtors book balance as at 30 June 2026 amounts to R 4 170 518 000. The debtor's payment rate has been assessed against the debtors' book to determine collection performance. Based on this assessment, the debtors book movement rate is **83%,** indicating that just under one-third of billed revenue remains uncollected for the period.

MP307 Govan Mbeki - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 - June

Description	NT Code	Budget Year 2025/26											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	44,727	30,442	28,269	25,533	23,340	25,159	23,437	1,073,234	1,274,141	1,170,703	(16,423)	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	43,468	14,957	12,326	11,313	10,483	9,600	9,908	405,223	517,278	446,527	(63,103)	–
Receivables from Non-exchange Transactions - Property Rates	1400	28,521	12,565	11,716	10,461	9,829	8,776	8,996	355,598	446,361	393,559	(6,271)	–
Receivables from Exchange Transactions - Waste Water Management	1500	13,655	10,209	9,664	9,874	8,460	7,872	8,065	413,466	481,266	447,737	(53,914)	–
Receivables from Exchange Transactions - Waste Management	1600	12,544	8,763	8,504	8,235	7,866	7,489	7,435	379,475	440,312	410,501	(176,390)	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	25,029	22,923	22,791	21,983	20,178	17,660	18,573	804,692	953,829	883,086	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	44,070	989	1,011	810	743	93	141	9,475	57,332	11,261	364,191	–
Total By Income Source	**2000**	**212,015**	**100,848**	**94,281**	**88,209**	**80,898**	**76,648**	**76,455**	**3,441,163**	**4,170,518**	**3,763,375**	**48,090**	–
2024/25 - totals only		171,070	92,488	83,860	82,909	82,376	73,009	73,327	3,344,715	4,003,754	3,656,338	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	5,516	2,334	1,609	1,514	1,195	1,141	1,217	38,206	52,731	43,272	36	–
Commercial	2300	39,372	9,338	7,939	8,130	7,160	5,744	6,077	257,155	340,915	284,266	354	–
Households	2400	167,126	89,176	84,733	78,566	72,544	69,763	69,161	3,145,803	3,776,872	3,435,837	47,700	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**212,015**	**100,848**	**94,281**	**88,209**	**80,898**	**76,648**	**76,455**	**3,441,163**	**4,170,518**	**3,763,375**	**48,090**	–

Debtors Movement rate

	May	June
Debtors Opening Balance	4,558,309,000.00	4,252,552,000.00
Add: Billing for the Month	218,609,097.93	214,295,783.87
Billing Adjustments	0	14 155 388.29
Less: Debtors Write-off	380,725,000.00	48,090,000.00
Less: Debtors Closing Balance	4,252,552,000.00	4,170,518,000.00
Payment rate	71%	83%

Reason for high debtor's book movement is attributable to the following reasons

- Collection movement is affected by indigent write offs and billing adjustment journals. Between April, May and June 2026, the debtors book moved from 4 558 309 000 to 4 170 518 000 due to indigent write offs of 454 041 000. This marks the highest debt write off in the FY due to approval of deemed indigents.
- The Department of Public Works made a payment of 2.5 million and Department of Health 1.3 million. We also received 3.1 million from Schools for services.
- On business debtors we collected 92%, on government debtors we collected 111% for the month of June 2026 as they were clearing the other monthly accounts.

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

Type Of Service	Total Settlements	Total Movement	Billing	Credit Notes	Debit Notes	Other Adjustments	Payment Rate (Movement)	Payment Rate (Billing)
PAYMENT	406,268.60	439,454.75	-	-	-	439,454.75	-92.00	-
DEPOSITS	-148,408.97	119,799.38	-	-	-	119,799.38	124.00	-
AGREEMENTS	-46,459.47	-	-	-	-	-	-	-
INDIGENT FLAT CREDIT	-2,409.89	-2,830,908.69	-	-	8,992.00	-2,839,900.69	-	-
WATER	-43,265,492.68	63,969,380.17	63,961,314.13	-355,264.18	109,010.61	254,319.61	68.00	68.00
ELECTRICITY	-39,533,068.97	47,082,833.01	46,175,468.22	-622,160.05	1,539,394.35	-9,869.51	84.00	86.00
RATES	-29,673,608.70	36,845,585.07	37,749,356.20	-1,084,132.63	184,579.22	-4,217.72	81.00	79.00
ANNUAL RATES	-13,528.77	-	-	-	-	-	-	-
REFUSE	-6,070,989.63	13,440,505.34	13,484,342.54	-120,136.54	68,567.45	7,731.89	45.00	45.00
SEWERAGE	-6,509,718.28	13,990,914.41	14,030,814.74	-83,617.44	10,662.90	33,054.21	47.00	46.00
MISCELLANEOUS	-609,638.75	-474,083,261.41	353,405.60	-5,620.00	5,624.09	-474,436,671.10	-	173.00
MISCELLANEOUS (NO VAT)	-496,170.10	845,100.65	618,068.85	-	227,031.80	-	59.00	80.00
VAT	-15,170,274.36	20,733,734.27	20,674,632.96	-178,020.23	237,480.82	-359.28	73.00	73.00
INTEREST	-2,085,844.67	21,008,633.42	21,561,694.69	-553,061.27	-	-	10.00	10.00
PAYMENT ADVANCED	-2,391,400.34	-	-	-	-	-	100.00	100.00
Total	**-145,610,744.98**	**-258,438,229.63**	**218,609,097.93**	**-3,002,012.34**	**2,391,343.24**	**-476,436,658.46**	**100.00**	**67.00**

In the month of June, the municipality billed **R218 609 097.93 and** collected **R145 610 744.98** (excluding prepaid electricity sales), resulting in a payment rate of **67 percent**. In May, billing amounted to **R203 481 612.60**, with collections of **R138 669 983.62** (excluding prepaid electricity sales).

Comparison:

When comparing the two periods, Billing increased by **R12.1 million**, and collections has increased by **R6.9million**.

Prepaid sales for June amounted to R **36 892 045.29**, increasing total revenue collected to **R 182 502 790.27.** When prepaid sales are included, the overall payment rate improves to **71 percent**.

Prepaid sales for May amounted to R **37 590 696.68**, increasing total revenue collected to **R 176 260 680.30.** When prepaid sales are included, the overall payment rate improves to **73 percent**.

Total prepaid revenue received decreased by **R698 thousand** from May to June.

Actual Billing for June	218,609,097.93
Pre-Paid Sales for June	36,892,045.29
Total Collection Including Pre-Paid Sales Received	182,502,790.27
Payment rate	71%

Payment Rate (Monthly Billing vs Monthly Collection)	**67%**

Pre-Paid Sales Performance June	41,676,783.16
Region 1	8,141,494.19
Region 2 & 3	33,535,288.97

Year-to-date payment trend (Billing Vs Collection on Billing)

Reporting Month	Total Billing	Total Adjustment on Billing	Revenue Movement	Revenue Collected	Collection Rate %
Jul-25	188,809,912	- 1,220,755,595	- 1,031,945,683	121,583,715	64%
Aug-25	193,512,741	- 30,222,570	163,290,170	126,786,014	66%
Sept-25	230,823,359	- 3,089,841	227,733,518	151,992,592	66%
Oct-25	240,159,703	- 427,825,380	- 187,665,678	158,435,175	66%
Nov-25	232,124,114	- 18,103,710	214,020,404	145,952,703	63%
Dec-25	218,353,722	- 7,024,429	211,329,293	150,888,478	69%
Jan-26	223,497,442	- 36,216,374	187,281,068	134,320,884	60%
Feb-26	220,292,177	- 26,994,609	193,297,568	144,857,062	66%
Mar-26	216,914,861	- 90,438,384	126,476,477	141,316,034	65%
Apr-26	205,283,555	- 2,629,720	202,653,835	128,259,778	62%
May-26	203,481,613	- 555,966,299	- 352,484,687	138,669,984	68%
Jun-26	218,609,098	- 258,438,230	- 477,047,328	145,610,745	67%
Total	**2,591,862,296**	**- 2,677,705,141**	**- 523,061,042**	**1,688,673,162**	**65%**

Above year-to-date payment trend shows that the municipality's average payment rate is currently sitting at 65% which is below the target payment rate of 85% as per the municipal debt relief requirements. This payment rate is highly affected by the below towns with payment rates below 40%.

Towns with low payment rate:

Area	Total Levied (Incl Adjustments)	Total Receipts	Amount not collected	Payment Rate
0200 EMBALENHLE	48,279,247	13,096,832	35,182,415	27%
0600 CHARL CILLIERS	744,554	151,357	593,198	20%
0800 EMZINONI	12,388,430	1,713,107	10,675,323	14%
0900 EENDRACHT	1,012,788	221,082	791,705	22%
1100 LEBOHANG	12,549,966	489,052	12,060,914	4%
1500 BETHAL RAND	301,830	95,017	206,813	31%
2000 SORRENTO PARK	30,168	57	30,111	0%
RES1 RESIDENTIAL	39,481	6,299	33,182	16%

Soft Block Analysis

Toward the end of July 2025, the municipality implemented soft blocking of prepaid meters as part of the revenue enhancement strategy. To date, **11 299 meters have been soft-blocked**, with a total outstanding balance of **R962 536 554.55** linked to these accounts.

From this intervention:

- **R 28 636 087.09** has been collected, and
- **R 165 665 230.38** has been placed on payment arrangements.

The following table indicates payment rate per area June

Area	2025/2026
0100 SECUNDA	93%
0200 EMBALENHLE	27%
0300 KINROSS	85%
0400 TRICHARDT	90%
0500 EVANDER	86%
0700 BETHAL	83%
0800 EMZINONI	14%

High-performing areas such as Trichardt, Evander, Kinross and Secunda recorded payment rates above 80% while an improvement in Bethal is also noted. A lower compliance was noted in Emzinoni with 14% and Embalenhle showing 27%.

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

The proportion of outstanding amounts placed under arrangements (17.38%) suggests that while some customers are willing to settle their debt over time, the municipality will need to monitor adherence to these arrangements closely. Lessons from this phase will inform the targeting, communication, and operational approach for the second phase of soft blocking to maximise revenue recovery.

Advantages of Using Soft Blocking Over Engaging a Service Provider

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

1. **Cost Savings:**
   - Soft blocking is implemented internally using the municipality's existing systems and staff, eliminating the need to pay external service providers.
   - This ensures that **100% of the revenue collected flows directly into the municipality's accounts**, improving cash flow and reducing revenue leakage through service provider fees.
2. **Direct Control and Oversight:**
   - The municipality retains full control over the blocking, monitoring, and reconnection process, ensuring compliance with internal credit control policies.
   - Reduces the risk of disputes or mismanagement by third parties and expenses to service providers for charging cut-offs and reconnections.

When Service Providers Are Still Needed:

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

- **Postpaid accounts** where physical disconnection is required.
- **Tampered or bridged meters** where specialised technical intervention is needed to restore proper metering and billing.

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

7. Creditors' Analysis

The total creditors balance for the month of June 2026 amounted to R8 055 787 000, 96% of creditors are above 30 days. The major creditors remain Eskom and Rand Water. An arrangement has been signed with Rand Water to pay-off historical or legacy debt.

MP307 Govan Mbeki - Supporting Table SC4 Monthly Budget Statement - aged creditors – M12 June 2026

Description	NT Code	Budget Year 2025/26								
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis by Customer Type										
Bulk Electricity	100	156,124	127,786	128,455	72,901	81,896	95,979	112,034	6,133,533	**6,908,708**
Bulk Water	200	44,118	7,177	14,290		81,896	7,099	53,048	662,090	**869,718**
PAYE deductions	300	–	–	–	–	–	–	–	–	–
VAT (output less input)	400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	500	–	–	–	–	–	–	–	–	–
Loan repayments	600	–	–	–	–	–	–	–	–	–
Trade Creditors	700	150,648	34,184	8,630	25,792	57,422		–	–	**276,676**
Auditor General	800	52	19		4	115	–	–	–	**685**
Other	900	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**350,942**	**169,166**	**151,375**	**98,697**	**221,329**	**103,078**	**165,082**	**6,795,623**	**8,055,787**

The Municipality has fully settled the current account with Rand Water. The balances reflected in the 30-day and 60-day ageing relate solely to interest charges that had accrued prior to settlement. Per payment agreement between Rand water and the Municipality this interest was subsequently reversed through credit note during the Annual Financial Statements (AFS) preparation process.

8. Investment portfolio analysis

The following table displays the investments portfolio and indicates a closing balance of R 29 112 604.15 invested (including long-term investments).

	Account Nr	Date of Investment	Opening Balance 01/06/2026	Investments Made	Investment Withdrawals	Fair Value Adjustment	Interest Capitalized/ Accrued	Closing Balance 30/06/2026
Long-Investments								
Old Mutual Shares C0777197766	Share nr C0777197766		34,117.20	-	-	- 4,767.66	-	29,349.54
Old Mutual Shars C0777027950	Share nr C0777027950		469,560.00	-	-	- 65,618.00	-	403,942.00
Sanlam U0063349159	Share nr U0063349159		247,652.00	-	-	- 31,312.04	-	216,339.96
Nedbank (70) Withdrawal	70 Shares		18,573.80	-	-	322.70	-	18,896.50
Nedbank (966) Withdrawal	966Shares		256,318.44	-	-	4,453.26	-	260,771.70
Quilter plc (624)	Share nr 1521061685		26,551.20	-	-	- 318.24	-	26,232.96
Quilter plc (8599)	Share nr 1521053495		365,887.45	-	-	- 4,385.49	-	361,501.96
			1,418,660.09	**-**	**-**	**-101,625.47**	**-**	**1,317,034.62**
Short-term Investments								
Standard Bank MoneyMarket Call Account	038787024(003)	26/11/2014	568,823.59	-	-	-	6,177.88	575,001.47
Standard Bank TieredRate Call Account	038787024(008)	13/08/2014	3,924,548.66	5,000,000.00	-	-	90,072.08	9,014,620.74
Standard Bank MoneyMarket Call Account	038787024(009)	05/06/2016	5,963,658.71	15,000,000.00	10,000,000.00	-	236,742.49	11,200,401.20
Standard Bank Retention Call Account	038787024(010)	01/08/2025	6,928,550.09	-	-	-	76,996.03	7,005,546.12
			17,385,581.05	**20,000,000.00**	**10,000,000.00**	**-**	**409,988.48**	**27,795,569.53**
			18,804,241.14	**20,000,000.00**	**10,000,000.00**	**-101,625.47**	**409,988.48**	**29,112,604.15**

9. DISTRIBUTION LOSSES

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

Service	Purchased	Sold	Previous % Loss Month	Current % Loss	Average 24/25	Average 23/24
Electricity	38 054 525	23 804 244	-34.53%	-37.45%	-47.98%	-58.92%
Water	3 035 107	1 646 041	-36.49%	-45.77%	-53.47%	-46.92%

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

Service	Purchased	Sold	Previous % Loss Month	Current % Loss	Average 24/25	Average 23/24
Electricity	454 944 640	279 659 756	-38.63%	-38.53%	-47.98%	-58.92%
Water	31 307 427	18 830 726	-39.22%	-39.85%	-53.47%	-46.92%

Electricity

Distribution losses relating to electricity, the department has identified few elements which affect or cause the high percentages. Those elements include but not limited to; unmeasured connections, illegal connection and tempered meters. The department is currently attending to the said issues which to date is bearing positive results. Accumulated electricity losses were reduced from 38.63% to 38.53% through the implementation of departmental interventions.

Water

The municipality is implementing the two projects which are water meter replacement which to date a total of 7 822 has been replaced. The second project is replacement of asbestos pipeline at Evander in which to date the project is at 95%. These two projects have fluctuating impact on the water losses reduction hence water losses month to month is slightly increased from 36.49% to 45.77%.

10. Performance of Grants

10.1 Performance of Capital Grants

Grants	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2025/2026	YTD % Per Allocation
Integrated National Electrification Programme Grant	40,000,000.00	40,000,000.00	40,000,000.00	0.00	100%
Municipal Infrastructure Grant	70,975,000.00	70,975,000.00	70,975,000.00	0.00	100%
Municipal Disaster Recovery Grant	0	7,254,153.22	3,756,179.22	3,497,974.00	52%
Water Services Infrastructure	0	1,972,377.75	1,972,377.75	0	100%
Total	**110,975,000.00**	**120,201,530.97**	**116,703,556.97**	**3,497,974.00**	**97%**

- Above total Municipal Infrastructure Grant allocation and expenditure is inclusive of Project Management Unit operational allocation with a budget of R 3 548 750.00 and expenditure R 3 548 750.
- Furthermore, the Capital budget YTD reflecting on page 9 (C5 Schedule) excludes VAT thus budget and expenditure notable differences.

10.2 Performance of Operational Grants

Grants	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2025/2026	YTD %
Extended Public works Programme	2,939,000.00	3,133,000.00	2,939,000.00	194,000.00	94%
Financial Management Grants	3,500,000.00	3,500,000.00	3,500,000.00	0.00	100%
Infrastructure Skills Development Grant	22,774,000.00	22,774,000.00	22,774,000.00	0.00	100%
LG Seta	0	1,625,251.73	1,181,431.81	443,819.92	86%
Point Duty Officer (SASOL)	0	2,159,733.50	2,159,733.50	0.00	100%
Art and Culture	0	91,608.25	91, 608.25	0.00	100%
Pre-capacity Grant	0	92,528.63	70,966.00	21,562.63	0%
Economic Development and Tourism	0	313,901.00	0	313,901.00	0%
Gert Sibande District Municipality	0	274,580.00	231,778.24	42,801.76	0%
Energy Efficiency Demand Grant	0	2,003,470.00	3,470.00	2,000,000.00	0%
Equitable share	492,462,000.00	492,462,000.00	492,462,000.00	0.00	100%
Total	**521,675,000.00**	**527,909,432.88**	**525,322,379.55**	**3,016,085.31**	**100%**

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. The committee constituted by virtue of a council resolution set on the 15 May 2026 to consider and finalise the matter. Recommendations have been made for the successful applicants, and the report will be submitted to Council for the Procurement to commence.

Due to the large number of employees under the Expanded Public Works Program the total allocation of R2 939 000 (excluding recent receipt) has been paid out, total expenditure of R 18,937,237.40 has been paid out for the program.

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

11. Capital programme performance

Project Name	Funding	Approved Total Budget	Adjusted Budget	Monthly Expenditure (June 2026)	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at June 2026
Emzinoni Substation Phase 3	INEP	40,000,000.00	40,000,000.00	1,698,230.87	254,734.63	1,952,965.50	40,000,000.00	-
Construction of stormwater concrete channel in Emba Ext 19	MDRG		3,200,000.00				-	3,200,000.00
Construction of stormwater concrete channel in Emba Ext 16	MDRG		1,800,000.00	1,306,000.00	195,900.00	1,501,900.00	1,501,900.00	298,100.00
Construction of stormwater concrete pipeline EXT22 Emba	MDRG	-	2,254,279.22				2,254,279.22	-
Kinross waste treatment plant	WSIG	-	1,972,377.75				1,972,377.75	-
Construction of Bulk water line and reservoir in Leandra	MIG	14,615,304.00	32,920,461.20	3,033,008.16	454,951.22	3,487,959.38	32,920,461.19	0.01
Embalenhle Bulk Replacement/Upgrade (Phase1)	MIG	13,731,591.00	20,468,946.00	2,959,765.02	443,964.75	3,403,729.77	20,513,783.79	- 44,837.79
Emzinoni Bulk water supply	MIG	11,389,538.00	1,000,000.00	175,155.79	26,273.37	201,429.16	536,640.18	463,359.82
Procurement of Specialised Vehicles for Waste Management	MIG	17,684,542.00	-				-	-
Completion of Charl Cilliers waste water treatment works	MIG	-	2,000,000.00				2,040,919.55	- 40,919.55
Installation of Sewer Reticulation; Pump Station in Eendracht	MIG	10,005,275.00	6,036,846.58	127,000.70	19,050.11	146,050.81	6,072,424.34	- 35,577.76
Upgrading of Lebohang Stadium MIG8/3/142/2019	MIG	-	5,000,000.00	3,999,537.28	599,930.59	4,599,467.87	5,203,046.18	- 203,046.18
Installation of Water Storage Tanks	Revenue	500,000.00	-				-	-
Mobile devices for IGS Data collection	Revenue		200,000.00				-	200,000.00
3x Falcon slashers/15 x Brush cutters/2 x JD 1445 Ride on mowers	Revenue	800,000.00	800,000.00				-	800,000.00
Acquisition of Smart Meters & Meter Boxes	Revenue	30,000,000.00	30,000,000.00	6,927,000.00	1,039,050.00	7,966,050.00	30,901,161.25	- 901,161.25
Acquisition of Water Meters	Revenue	9,000,000.00	9,000,000.00	1,225,843.42	183,876.51	1,409,719.93	11,372,334.09	- 2,372,334.09
Air conditioner	Revenue	2,000,000.00	2,000,000.00	497,348.40	74,602.26	571,950.66	836,346.39	1,163,653.61
Brenden Village Electrification	Revenue		3,700,000.00				-	3,700,000.00
Cable Fault Locator (Thumper)	Revenue	3,000,000.00	-				-	-
Cleaning of GMM Reservoirs (Water Quality Improvement)	Revenue	-	1,100,000.00	10,014.00	1,502.10	11,516.10	1,098,266.10	1,733.90

Project Name	Funding	Approved Total Budget	Adjusted Budget	Monthly Expenditure (June 2026)	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at June 2026
Completion of Floating roof in Secunda Ext 22	Revenue	5,000,000.00	-				-	-
Computer Equipment	Revenue	2,000,000.00	3,750,000.00	58,788.50	8,818.28	67,606.78	1,076,060.35	2,673,939.66
Construction of stormwater concrete pipeline EXT22 Emba	Revenue	-	4,283,551.00				3,689,214.05	594,336.95
Fencing of Facilities	Revenue	3,000,000.00	-				-	-
Furniture & Equipment (Civil)	Revenue	100,000.00	100,000.00				113,145.63	- 13,145.63
Furniture & Equipment (Community Services)	Revenue	100,000.00	100,000.00				16,732.50	83,267.50
Furniture & Equipment (Corporate Services)	Revenue	100,000.00	137,000.00				156,745.00	- 19,745.00
Furniture & Equipment (Energy)	Revenue	100,000.00	100,000.00	32,100.00	4,815.00	36,915.00	-	100,000.00
Furniture & Equipment (Executive and Council)	Revenue	100,000.00	100,000.00				-	100,000.00
Furniture & Equipment (Facilities 0403)	Revenue	-	200,000.00				198,375.00	1,625.00
Furniture & Equipment (Financial Services)	Revenue	100,000.00	400,000.00	122,999.00	18,449.85	141,448.85	488,511.73	- 88,511.73
Furniture & Equipment (MM's Office)	Revenue	100,000.00	190,000.00				186,667.56	3,332.44
Furniture & Equipment (Planning and Development)	Revenue	100,000.00	400,000.00	83,796.00	12,569.40	96,365.40	208,041.90	191,958.10
Furniture and Equipment (RMs)	Revenue	100,000.00	100,000.00				197,524.00	- 97,524.00
Furniture and Equipment (Speaker)	Revenue	200,000.00	200,000.00	204,600.00	30,690.00	235,290.00	-	200,000.00
Installation of Boreholes in GMM Farms	Revenue	1,000,000.00	1,000,000.00				756,700.00	243,300.00
Insurance	Revenue	5,000,000.00	5,000,000.00				1,339,750.00	3,660,250.00
Kinross waste treatment plant	Revenue		5,000,000.00				3,746,732.84	1,253,267.16
Lillian Ngoyi stadium sound system	Revenue	1,000,000.00	200,000.00				-	200,000.00
Machinery and Equipment (EPWP)	Revenue	1,000,000.00	-				-	-
Mobile Toilet	Revenue	288,000.00	288,000.00				-	288,000.00
Procurement of books	Revenue	100,000.00	-				-	-
Reconstruction of technical storeroom	Revenue	3,000,000.00	-				-	-
Refurbishment on Bethal Stores & Installation of Fuel Tanks	Revenue	3,500,000.00	-				-	-

Project Name	Funding	Approved Total Budget	Adjusted Budget	Monthly Expenditure (June 2026)	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at June 2026
Refurblishment of Roof at Embalenhle Ext 15 Reservoir	Revenue		-				9,341,680.00	- 9,341,680.00
Rehabilitation of Chief Albert Luthuli-Emba	Revenue	-	3,506,387.00				2,717,265.18	789,121.82
Rehabilitation of road and culverts at Barney Molokwane in Trichardt	Revenue	-	2,874,319.00	3,118,633.00	467,794.95	3,586,427.95	-	2,874,319.00
Replacement of Ac Pipes	Revenue	-	440,000.00				434,722.49	5,277.51
Replacement of Asbestos in Evander	Revenue	5,000,000.00	9,000,000.00	1,267,935.35	190,190.30	1,458,125.65	8,991,375.94	8,624.06
Replacement of Asbestos in Secunda	Revenue	5,000,000.00	-				-	-
Resealing of Roads	Revenue	15,000,000.00	15,000,000.00	3,726,065.00	558,909.75	4,284,974.75	16,606,295.55	- 1,606,295.55
Resealing of Roof Slabs	Revenue	2,600,000.00	-	-			-	-
Temper proof ground and pole mounted boxes	Revenue	10,000,000.00	3,508,895.05	-			-	3,508,895.05
Upgrading of Leandra Stadium	Revenue	-	3,209,848.95	-			2,922,621.52	287,227.43
Workshop Modernisation	Revenue	-	3,000,000.00	-			2,971,157.88	28,842.12
Installation of sewer network; pipeline in Eendracht	Revenue			1,143,006.30	171,450.95	1,314,457.25	1,314,457.25	- 1,314,457.25
Total		**216,314,250.00**	**225,540,911.75**	**31,716,826.79**	**4,757,524.02**	**36,474,350.81**	**214,697,716.40**	**10,843,195.35**

12. Councillor and board member allowances and employee benefits for June 2026

Total staff compliment	1202 (Permanent)
Staff resignations	7
Staff Appointments	6

MP307 Govan Mbeki - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 - June

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		24,698	25,590	25,590	2,099	24,922	25,590	(668)	-3%	25,590
Pension and UIF Contributions		3,544	3,311	3,311	310	3,680	3,311	370	11%	3,311
Medical Aid Contributions		321	577	577	27	328	577	(248)	-43%	577
Motor Vehicle Allowance		2,008	4,288	4,288	177	2,087	4,288	(2,202)	-51%	4,288
Cellphone Allowance		2,714	3,240	3,240	227	2,706	3,240	(534)	-16%	3,240
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**33,386**	**37,005**	**37,005**	**2,841**	**33,723**	**37,005**	**(3,282)**	**-9%**	**37,005**
% increase	4		**10.8%**	**10.8%**						**10.8%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7,150	8,591	10,697	1,151	11,426	10,697	730	7%	10,697
Pension and UIF Contributions		541	825	1,505	185	1,480	1,505	(25)	-2%	1,505
Medical Aid Contributions		260	311	351	27	304	351	(47)	-13%	351
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	120	120	–	120	#DIV/0!	–
Motor Vehicle Allowance		718	928	1,372	123	1,410	1,372	38	3%	1,372
Cellphone Allowance		101	133	149	109	244	149	95	64%	149
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		97	153	163	0	70	163	(94)	-57%	163
Payments in lieu of leave		326	644	120	29	89	120	(31)	-26%	120
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		1,888	400	1,557	340	1,467	1,557	(89)	-6%	1,557
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**11,080**	**11,985**	**15,913**	**2,085**	**16,610**	**15,913**	**697**	**4%**	**15,913**
% increase	4		**8.2%**	**43.6%**						**43.6%**
Other Municipal Staff										
Basic Salaries and Wages		410,363	440,213	443,771	36,459	435,632	443,771	(8,139)	-2%	443,771
Pension and UIF Contributions		93,274	101,252	97,053	8,197	98,337	97,053	1,284	1%	97,053
Medical Aid Contributions		40,958	46,087	43,053	3,801	44,392	43,053	1,339	3%	43,053
Overtime		73,612	72,407	78,943	6,199	78,547	78,943	(396)	-1%	78,943
Performance Bonus		37,493	47,678	40,058	3,562	35,917	40,058	(4,142)	-10%	40,058
Motor Vehicle Allowance		19,059	20,582	20,744	1,853	20,847	20,744	104	0%	20,744
Cellphone Allowance		2,682	2,937	2,851	246	2,790	2,851	(61)	-2%	2,851
Housing Allowances		3,046	3,207	2,435	209	2,451	2,435	16	1%	2,435
Other benefits and allowances		24,483	26,549	26,964	2,344	27,595	26,964	631	2%	26,964
Payments in lieu of leave		14,650	7,724	10,067	580	8,782	10,067	(1,284)	-13%	10,067
Long service awards		2,584	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	7,017	3,898	3,640	327	3,783	3,640	143	4%	3,640
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		12,260	12,566	12,446	2,640	14,698	12,446	2,252	18%	12,446
In kind benefits		–	2,547	2,046	140	1,642	2,046	(404)	-20%	2,046
Sub Total - Other Municipal Staff		**741,483**	**787,649**	**784,071**	**66,559**	**775,414**	**784,071**	**(8,657)**	**-1%**	**784,071**
% increase	4		**6.2%**	**5.7%**						**5.7%**
Total Parent Municipality		**785,949**	**836,639**	**836,989**	**71,484**	**825,747**	**836,989**	**(11,242)**	**-1%**	**836,989**

13. Other supporting documents

See Attached Annexure C

14. Conclusion

12.1 Progress on Budget Funding Plan

Performance over 12 months in Financial Year 2025/2026				
Year-to-Date Target	Year-to-Date Target %	Year-to-Date Actual	Year-to-Date Actual %	Underperformance
R2,633,995,000.00	100%	R1,143,545,690.11	43%	R1,490,449,309.89

Overview on performance of Budget Funding Plan

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

The progress recorded as at 30 June 2026 is 43% of the full year anticipated revenue. The revised total anticipated revenue for the year is R2 633 995 000 of which an amount of R 1 143 545 690 has been collected to date. The Budget Funding Plan has been revised to accommodate the Medium-Term Revenue and Expenditure Framework (2026-2028).

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

Summary of June Compliance Assessment Report

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

Province		
MP		
Code	District	Code Description
MP307	Gert Sibande	Govan Mbeki

Monthly Performance Report

Municipal Details			Part A Eskom And Bulk water current account						Part B Compliance with a funded MTREF					Part C FRP/BFP & Tariff Assessment		
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14
25.July25	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
26.August25	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
27.September25	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
28.October25	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
29.November25	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
30.December25	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
31.January26	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
32.February26	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No
33.March26	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No
34.April26	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No
35.May26	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No
36.June26	Govan Mbel	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No

Month	Part D Electricity and water as collection tools				Part C Quarterly collection of property rates and services charges							Maximization of Revenue Base		
Month	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28
25.July25	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	No	No	No
26.August25	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	No	No	No
27.September25	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	No	No	No
28.October25	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes		Yes	No	No	No
29.November25	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	No	No	No
30.December25	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	No	No	Yes
31.January26	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	No	No	Yes
32.February26	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	N/A	Yes
33.March26	Yes	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	Yes
34.April26	Yes	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	No
35.May26	Yes	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	No
36.June26	Yes	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	No

	Part E Oversight													Scoring and Rating	
Month	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	73%	[illegible]
26.August25	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	76%	[illegible]
27.September25	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	73%	[illegible]
28.October25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	[illegible]
29.November25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	[illegible]
30.December25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	[illegible]
31.January26	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	80%	[illegible]
32.February26	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%	[illegible]
33.March26	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	78%	[illegible]
34.April26	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	[illegible]
35.May26	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%	[illegible]
36.June26	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	76%	[illegible]

Feedback on Compliance with the conditions for Municipal Debt Relief (May 2026)

Compliance status as per treasury feedback for the reporting period ending May 2026 is non-compliance. The non-compliance results from municipal debt relief conditions not fully met by the municipality.

From the feedback letter it is recommended that;

- The Municipality ring fence all service charges revenue to honour the current bulk accounts in full monthly.
- The Municipality intensifies credit control and debt collection processes.
- The Council supports the implementation of credit control and revenue improvement initiatives.

- The Municipality must submit a report on all revenue enhancement strategies to be implemented to continue participating in the Debt relief Programme.
- The municipality targets the top 100 consumers, primarily business, and implements credit control in order to collect from this sector.
- The Municipality institutionalizes the reviewed Budget Funding Plan and submits monthly progress reports to both Provincial Treasury and National Treasury.

The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:

- Increase collection rate to enable the municipality to pay its Eskom current account within 30 days.
- Continuous implementation of revenue enhancement to improve cashflow status of the municipality.
- Initiate a cut-off drive to enforce compliance, targeting businesses & government that have not met their payment obligations to improve cashflow status of the municipality.
- Municipal has appointed debt collectors to assist with recovering outstanding debts from customers. About 150 residential and business accounts have been handed over to debt collectors.
- IJIMA program drive done weekly to inspect meter connection, households with rentals as an initiative of recovering lost revenues.
- The municipality's electricity and water meters rollout is still in progress and progress is reported on monthly basis.
- Municipality to ring fence all collection relating to water and electricity to honour current accounts for both Eskom and Rand water.
- Municipality has institutionalized the reviewed budget funding plan and is reporting on monthly progress to council, Provincial and National Treasury.

16. Municipal Manager's quality certification

QUALITY CERTIFICATE

I **EN Maseko**, the Municipal Manager of **Govan Mbeki Municipality**, hereby certify that:

- The monthly budget statement report; and
- The supporting documentation for the month of **June 2026** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Ms. VB Nkhata

Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature:

Date: 14/07/2026

Print Name: Mr. EN Maseko

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature:

Date: 14/07/2026

17. Recommendations

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

1. The monthly **budget statement for the month ending 30 June 2026.**

2. **The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment set-out in paragraph 15 above;**

3. **The following remedial actions necessary and / or undertaken to** improve the municipality's monthly compliance in terms of the Debt Relief Conditions:

    - Increase collection rate to enable the municipality to pay its Eskom current account within 30 days.
    - Continuous implementation of revenue enhancement to improve cashflow status of the municipality.
    - Initiate a cut-off drive to enforce compliance, targeting businesses & government that have not met their payment obligations to improve cashflow status of the municipality.

4. The balance of the Eskom bulk account amounting to **R 6 908 708 000.00** and Rand Water bulk water account **R 869 718 000.00**