

MERAFONG MUNICIPALITY



SECTION 71 AND 52d FOR QUARTER 3 ENDING 31 MARCH 2025

• DISTRIBUTION:	
• Executive Mayor:	Ms. Nozuko Best
• Municipal Manager:	Mr. Dumisani Mabuza
• Chief Financial Officer:	Ms. Palesa Makhubela
• Sector Departments:	National and Provincial Departments
•	Uploaded to the National Treasury GoMuni portal

**PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING MARCH MONTH 09 OF 2025
FINANCIAL YEAR**

**TO: THE HONOURABLE EXECUTIVE MAYOR
FROM: BUDGET & TREASURY OFFICE**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71 AND 52 (D): IN-YEAR
MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING IN MARCH, MONTH 09 AND
QUARTER 03 2025 FINANCIAL YEAR**

**IN-YEAR BUDGET STATEMENT TABLES: MONTH ENDED 31 MARCH OF 2025 FINANCIAL
YEAR**

**The financial results for the Month ended 31 March 2025 are attached and consists of the
following tables:**

MBRR TABLES:

- 1) Table C1 Month 09 Budget Statement -Summary
- 2) Table C2: Month 09 Budget Statement - Financial Performance (Revenue and Expenditure by Functional Classification)
- 3) Table C3: Month 09 Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
- 4) Table C4: Month 09 Budget Statement – Financial Performance (Revenue and Expenditure)
- 5) Table C5: Month 09 Budget Statement – Capital Expenditure by vote, standard classification and funding
- 6) Table C6: Month 09 Budget Statement – Financial Position
- 7) Table C7: Month 09 Budget Statement – Cash Flow
- 8) Table SC3: Month 09 Budget Statement – Aged Debtors
- 9) Table SC4: Month 09 Budget Statement – Aged Creditors
- 10) Table SC5: Month 09 Budget Statement – Investment Portfolio
- 11) Table SC7: Month 09 Budget Statement – Transfer and grant expenditures

1. Purpose

To submit a report on the implementation of the budget and the financial state of affairs of the municipality for the Month of March 2025 in accordance with the provisions of Section 71 and 52d of the Municipal Finance Management Act (MFMA), Act 56 of 2003.

2. Background

This report contains the information for the Monthly section 71 which must be sent to the Executive Mayor within 10 working days.

According to Section 71 and 52 (d) the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality, and the relevant National and Provincial Treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.

For the reporting period ending **31 March 2025**, the ten working day reporting limit expired on **14 March 2025**.

■ 3. Executive summary

The Adjusted budgeted revenue for the year amounted to **R2 347 712 120**, the actual revenue as at end of March amounted to **R177 973 000** and for the 3rd Quarter amounted to **R476 098 000** including Grants received in March 2024. including Grants received in March 2025. The Adjusted budgeted expenditure for the year amounted **R 2 336 443 120.00**, the actual expenditure as at end of March amounted to **R144 755 000** and for the 3rd Quarter amounted to **R421 339 000**.

Projections are that the Adjusted expenditure will not exceed the projections that were made at the time of compiling the budget.

Expenditure incurred on Capital amounted to **R3 599 143** for the month of March which is **1.87%** of the total capital Budget amounts to **R192 423 884**.

The total projected revenue for the 2024/2025 financial year amounts to **R2 347 712 120**. This increase is due to the increase in property rates, service charges and external grants from Government.

The summary of the operating and capital budgets are as follows:

OPERATING AND CAPITAL BUDGET EXPENDITURE	2024/2025 FINAL ADJUSTED BUDGET
TOTAL OPERATING REVENUE	R2 347 723 120.00
TOTAL OPERATING EXPENDITURE	R2 336 443 120.00
TOTAL CAPITAL EXPENDITURE	R192 423 884.00
TOTAL OPEX AND CAPEX BUDGET	R2 528 867 004.00

4.1 Operating Revenue by Source

Description	Adjusted Budget Amount	March Actual	YTD Revenue	%YTD Revenue
Operating Revenue	2 347 712 120	177 973 000	1 576 988 000	67.17%
TOTAL Revenue	2 347 723 120	177 973 000	1 576 988 000	67.17%

4.2 Operating Expenditure by Type

Description	Adjusted Budget Amount	March Actual	YTD Expenditure	%YTD Expenditure
Operating Expenditure	2 336 443 120	144 755 000	1 659 158 000	71.01%
TOTAL Revenue	2 336 443 120	144 755 000	1 659 158 000	71.01%

4.3 SALARIES

Description	Adjusted Budget Amount	March Actual	YTD Expenditure	%YTD Expenditure
Employee Related Cost	436 350 069	33 566 000	330 589 000	75.76%
TOTAL	436 350 069	33 566 000	330 589 000	75.76%

4.4 REMUNERATION ON COUNCILLORS

Description	Adjusted Budget Amount	March Actual	YTD Expenditure	%YTD Expenditure
Remunerations of Councillors	25 151 401	2 204 000	20 491 000	81.47%
TOTAL	25 151 401	2 204 000	20 491 000	81.47%

STAFF OVERTIME

Summary: Overtime

Trading Services

Month	Projected	Q3 Actuals	Percentage
January	R2 211 250.25	R2 342 865.98	105.95%
February	R2 211 250.25	R1 895 122.13	85.70%
March	R2 211 250.25	R2 167 364.30	98.02%

OVERTIME EXPENDITURE FOR MAR 2025						
SERIAL NUMBER	CATEGORY OF EXPENDITURE	ANNUAL	Jan	Feb	Mar	Positive/ Negative Variance %
		Aproved Budgett				
	<u>Revenue By Source</u>					
1	INCOME	65 000.00	7 441.28	32 772.18	56 171.64	86%
2	EXPENDITURE	32 000.00	20 699.34	25 683.71	31 061.09	97%
3	BUDGET & TREASURY	30 000.00	5 786.65		16 690.88	56%
4	SUPPLY CHAIN			7 233.32		
5	FINANCE:INTERNS	30 000.00			920.16	3%
6	TRAFFIC & LICENSING	2 741 639.00	155 697.15	155 637.01	191 381.58	7%
7	SECURITY	1 200 000.00	85 292.87	112 026.03	128 240.72	11%
8	CEMETARY	100 765.00				0%
9	REFUSE REMOVAL	7 997 522.00	437 066.58	424 466.43	336 647.28	4%
10	WATER	5 764 197.00	776 281.93	421 339.94	456 043.32	8%
11	ELECTRICITY	6 515 500.00	499 102.29	344 312.69	323 378.18	5%
12	CHIEF OPERATING OFFICER			6 027.77		
13	SECRETARIAT & LEGAL	30 651.00	5 292.31	36 931.03	39 639.79	129%
14	IDP/PMS	6 760.00				0%
15	EXECUTIVE MAYOR	21 107.00	10 963.92	43 410.25	62 166.59	295%
16	SPEAKER		10 777.64	14 641.44	15 080.44	
17	S.E. SHARED SERVICES		7 112.76	7 715.54	4 822.21	
18	INTERNAL AUDIT	3 525.00				0%
19	CHIEF OF STAFF					
20	INFORMATION TECHNOLOGY	1 040.00	6 419.57		4 068.74	391%
21	MANAGER CIVIL ENGINEERING	5 200.00	11 332.20	8 197.76	8 197.76	158%
22	PUBLIC WORKS	468 480.00	45 515.11	37 669.17	183 600.51	39%
23	SE ECONOMIC DEVELOPMENT		8 800.54			
24	ROADS & STORMWATER	411 462.00	108 304.01	79 079.13	94 418.40	23%
25	PARKS	1 018 985.00	95 126.69	100 376.15	154 970.81	15%
26	MARKETING	1 040.00				0%
27	MANAGER SRACH,LIS and Parks	27 775.00	5 304.43	2 953.60	9 523.87	34%

28	SOCIAL DEVELOPMENT	5 200.00				0%
29	HR & SKILLS DEVELOPMENT	41 555.00	22 751.37	14 183.78	16 595.91	40%
30	INDUSTRIAL RELATIONS		4 536.26	5 065.50	5 708.13	
31	HOUSING ADMINISTRATION	15 600.00			14 654.65	94%
32	SPARTIAL PLANNING					
33	LIBRARIES					
34	PROJECT MANAGEMET UNIT					
35	MUNICIPAL MANAGER					
36	LED					
37	SE COMMUNITY SERVICE			8 347.21	5 424.99	
38	WATER CAREWORK		13 261.08	7 052.49	7 956.65	
	Total	26 535 003.00	2 342 865.98	1 895 122.13	2 167 364.30	14.95

Summary: Overtime

The approved overtime budget for the **2024/25** financial year is a total amount of **R26 355 003.00**. During **March 2025** overtime paid was a total amount of **R2 167 364.30** against the projected budget of **R2 211 250.25** which is **85.70%** of the monthly projected budget.

There is an indication that most of the departments have increased spending on the overtime which need management attention to control the spending. The matter will be escalated to EXCO for review.

Management of overtime is a continuous process, and overtime hours has been curbed at 40 hours for service delivery departments excluding pre-approved essential services where overtime has exceeded 40 hours. There is still room for improvement on overtime expenditure especially on non-service delivery section

4.5 PROGRESS ON IMPLIMENTATION OF FRP

Merafong City was placed under Financial Recovery Plan (FRP), the intervention was instituted in terms of S139(5) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), as read with sections 139, 140 and 146 to 149 of the MFMA.

As this is a mandatory intervention, the municipality must implement the financial recovery plan. In terms of S146(2) of the MFMA the imposed FRP binds the municipality in the exercise of both its legislative and executive authority including approval of a budget and legislative measures giving effect to the budget.

The Municipality is currently at the Rescue Phase stage of implementation of the Financial Recovery Plan. A detailed report on the following pillars is attached as **Annexure A** in the Microsoft Excel spreadsheet

- 4.5.1 Governance
- 4.5.2 Institutional
- 4.5.3 Financial Management
- 4.5.4 Service Delivery

The 2024/2025 funded budget was successfully prepared, submitted to council and adopted by council within the prescribed timeframe. The budget recorded the reduction in the deficit to a surplus, however the assessment by the Provincial Treasury indicates that the budget is unfunded. The municipality subsequently prepared the budget funding plan which is being monitored monthly.

Financial control environment has improved due to the recent appointments of the Deputy CFO, the Financial Reporting Manager, the Revenue Manager.

The 2023/24 financial statements were submitted on time to AGSA and the audit is ongoing.

The municipality revenue collection rate is below the expected rate, however measures are being implemented to increase the revenue collection through implementation of prepaid meters and implementation of debt incentive scheme.

Furthermore, the Municipality is still struggling with cashflow management resulting in poor payment of service providers against provisions of Section 65 of the MFMA whereby creditors are to be paid within 30 days.

The Municipality is still experiencing high water and electricity losses, however Sesmile appointed by Cogta has replaced over 100 meters LPU to assist in addressing the high water loss

5. In-year budget statement tables

1) Table C1 Monthly Budget Statement Summary

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M09 March

Description	2024/25	Budget Year 2025/26								Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Financial Performance										
Property rates Service charges	765 344	737 199	550 199	46 133	140 179	386 618	412 649	(26 031)	-6%	550 199 ¹
Investment revenue	887 311	1 085 779	1 132 216	62 869	199 006	682 042	849 162	(167 120)	-20%	132 216
Transfers and subsidies - Operational	19 718	15 000	15 000	745	2 295	9 021	11 250	(2 229)	-20%	15 000
Other own revenue	325 561	337 435	342 207	65 378	65 740	312 824	256 655	56 169	22%	342 207
	574 332	578 945	424 596	2 848	68 878	186 483	303 896	(117 412)	-39%	424 596
Total Revenue (excluding capital transfers and contributions)	2 572 266	2 754 357	2 464 217	177 973	476 098	1 576 988	1 833 612	(256 624)		2 464 217
Employee costs	414 513	539 316	436 350	33 566	102 629	330 589	328 736	1 853	-14%	436 350
Remuneration of Councillors	26 332	28 517	25 151	2 204	6 611	20 491	18 864	1 628	1%	25 151
Depreciation and amortisation	150 555	171 600	165 983	225	225	80 672	124 487	(43 815)	9%	165 983
Interest	197 304	153 118	166 190	18 739	54 179	143 926	124 642	19 283	-35%	166 190
Inventory consumed and bulk purchases	826 530	652 964	868 297	66 063	163 723	686 247	651 223	35 025	15%	868 297
Transfers and subsidies	748	1 102	563	40	79	347	422	(75)	5%	563
Other expenditure	390 622	1 166 747	790 404	23 919	93 893	396 886	326 461	70 425	-18%	790 404
Total Expenditure	2 006 603	2 713 365	2 452 937	144 755	421 339	1 659 158	1 574 835	84 323	22%	2 452 937
Surplus/(Deficit)	565 663	40 993	11 280	33 218	54 759	(82 170)	258 777	(340 947)	5%	11 280
Transfers and subsidies - capital (monetary allocations)	158 943	170 430	160 294	11 032	15 729	95 753	70 207	25 546	-132%	160 294
Transfers and subsidies - capital (in-kind)	(3 187)	—	—	—	—	(126)	—	(126)	36%	—
Surplus/(Deficit) after capital transfers & contributions	721 418	211 423	171 574	44 250	70 488	13 457	328 984	(315 527)	#DIV/0!	171 574
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	-96%	—
Surplus/ (Deficit) for the year	721 418	211 423	171 574	44 250	70 488	13 457	328 984	(315 527)	-96%	171 574
					—					

**GT484 Merafong City - Table C1 Monthly Budget Statement
Summary - M09 March**

Description R thousands	2024/25	Budget Year 2025/26								
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure & funds sources					–		141			3
Capital expenditure	40 531	3 100	188 768	10 273	17 384	304 245	576	162 669	115%	100
Capital transfers recognised	26 656	600	162 428	5 915	12 613	294 778	821	172 957	142%	600
Borrowing Internally generated funds	–	–	–	–	–	–	–	–		–
Total sources of capital funds	13 450	2 500	26 340	248	662	5 357	755	(14 398)	-73%	500
	40 106	3 100	188 768	6 163	13 275	300 135	576	158 559	112%	100
Financial position					–					
Total current assets	933 421	1 493 566	899 475	–	–	1 596 806				1 493 566
Total non current assets	3 445 815	3 138 950	3 330 235	–	–	3 455 447				3 138 950
Total current liabilities	(1 197 972)	2 249 860	1 886 902	–	–	2 925 834				2 249 860
Total non current liabilities	159 687	47 429	47 429	–	–	150 427				47 429
Community wealth/Equity	1 601 078	2 123 805	2 123 805	–	–	1 614 505				2 123 805
Cash flows					–		24			(83)
Net cash from (used) operating	(2 210 152)	830 473	(83 110)	(39 650)	14 471	(226 901)	940	251 841	1010%	110
Net cash from (used) investing	223 245	(209 470)	(416 904)	(4 505)	572	(112 064)	(312)	(200 614)	64%	(416 904)
Net cash from (used) financing	–	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	(1 784 882)	779 036	(341 982)	–	–	(338 965)	(129 706)	209 259	-161%	(500 014)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	0	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis					–		83		5 202 301	6 305 256
Total By Income Source	81 734	106 418	99 556	76 128	245 778	84 118	082	571 920		
Creditors Age Analysis					–		81		1 245 757	2 546 817
Total Creditors	15 458	87 839	97 392	60 215	253 877	110 975	680	847 502		

- 1.1 The total revenue of **R177 973 000** has been recognised (representing **7.19.%**) of the annual budgeted revenue. This amount is mainly contributed by revenue received from grants (National and Provincial). The municipality is mostly funded by transfers and subsidies from National and Provincial Government.
- 1.2 The total expenditure budget for the 2024/25 financial year that amounts to **R144 755 000** is inclusive of capital and operating expenditure **5.90%** of the total approve expenditure budget for the year).
- 1.3 The main cost drivers of the expenditure are Bulk Purchases and Inventory Consumed.
- 1.4 A summary statement of financial performance will be in the C4 of the C schedule on a basis of prescribed budget format, detailing revenue by source type and expenditure input

2) Table C2: Budget Statement - Financial Performance (Revenue and Expenditure by Municipal vote)

GT484 Merafong City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1										
Revenue - Functional											
Governance and administration		1 299 581	1 277 196	1 256 215	149 566	301 055	990 127	944 766	45 361	5%	1 256 215
Executive and council		10 749	561	–	–	–	1	–	1		–
Finance and administration		1 288 832	1 276 634	1 256 215	149 566	301 055	990 125	944 766	45 360	5%	1 256 215
Internal audit		–	–	–	–	–	–	–	–		–
Community and public safety		68 989	66 860	65 454	759	1 317	50 474	49 090	1 383	3%	65 454
Community and social services		15 770	23 307	29 651	46	155	23 797	22 238	1 559	7%	29 651
Sport and recreation		7	15	44	–	(1)	17	33	(15)	-47%	44
Public safety		–	–	–	–	–	–	–	–		–
Housing		53 212	43 538	35 759	713	1 163	26 659	26 819	(161)	-1%	35 759
Health		–	–	–	–	–	–	–	–		–
Economic and environmental services		4 465	21 014	42 916	(10 681)	672	4 758	32 187	(27 429)	-85%	42 916
Planning and development		4 465	18 173	8 830	310	991	5 077	6 622	(1 545)	-23%	8 830
Road transport		–	2 841	34 086	(10 991)	(320)	(320)	25 565	(25 884)	-101%	34 086
Environmental protection		–	–	–	–	–	–	–	–		–
Trading services		1 354 986	1 212 313	1 170 369	49 360	188 783	627 257	877 776	(250 519)	-29%	1 170 369
Energy sources		913 288	455 685	444 682	(1 005)	39 005	204 285	333 511	(129 227)	-39%	444 682
Water management		373 059	575 619	694 107	47 587	139 331	406 785	520 581	(113 795)	-22%	694 107
Waste water management		35 629	83 458	29 781	759	4 423	9 255	22 336	(13 081)	-59%	29 781
Waste management		33 010	97 552	1 798	2 019	6 023	6 932	1 349	5 583	414%	1 798
Other	4	–	–	(30 885)	–	–	–	–	–		(30 885)
Total Revenue - Functional	2	2 728 022	2 577 382	2 504 068	189 005	491 827	1 672 615	1 903 819	(231 204)	-12%	2 504 068

GT484 Merafong City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1										
Expenditure - Functional						–					
Governance and administration		503	927			–					
Executive and council		414	098	559 350	20 753	77 206	358 470	353 817	4 653	1%	559 350
Finance and administration	090	86	168	79 536	6 479	18 768	71 502	59 652	11 849	20%	79 536
Internal audit	596	412	753	471 455	12 738	56 317	280 898	287 896	(6 999)	-2%	471 455
Community and public safety	729	4	4	8 358	1 536	2 120	6 071	6 269	(198)	-3%	8 358
Community and social services		129	109	121 657	7 488	44 099	105 854	91 243	14 611	16%	121 657
Sport and recreation	990	85	65	72 233	4 605	36 836	74 432	54 175	20 257	37%	72 233
Public safety	913	25	33	28 017	1 859	5 286	19 941	21 013	(1 072)	-5%	28 017
Housing	515	5	1	5 617	468	936	4 086	4 213	(127)	-3%	5 617
Health	739	11	5	12 789	557	1 040	7 394	9 592	(2 197)	-23%	12 789
Economic and environmental services			3	3 000	–	–	–	2 250	(2 250)	-100%	3 000
Planning and development		157	228	200 345	10 678	25 280	133 354	150 259	(16 905)	-11%	200 345
Road transport	055	44	48	58 418	6 379	16 821	58 608	43 814	14 794	34%	58 418
Environmental protection	490	113	179	141 926	4 299	8 458	74 745	106 445	(31 699)	-30%	141 926
Trading services		1 216	1 448	1	–	–	–	–	–		1
Energy sources		486	636	540 701	105 836	274 754	1 061 480	979 516	81 964	8%	540 701
Water management	308	583	542	838 645	50 113	143 262	539 884	621 863	(81 979)	-13%	838 645
Waste water management	923	520	682	585 225	48 444	115 045	440 777	297 281	143 497	48%	585 225
Waste management	833	45	90	48 841	1 574	2 813	27 079	24 525	2 554	10%	48 841
Other	422	66	132	67 989	5 705	13 634	53 740	35 848	17 892	50%	67 989
Total Expenditure - Functional		–	–	30 885	–	–	–	–	–		30 885
Surplus/ (Deficit) for the year	3	2 006	2 713	2	144 755	421 339	1 659 158	1 574 835	84 323	5%	2
		603	365	452 937	44 250	70 488	13 457	328 984	(315 527)	-96%	452 937
		721	(135 983)	51 131							51 131

- 2.2.1 The overall performance for the month of March 2025 indicates that the municipality has realised a surplus of as per income and expenditure summary by municipal function. The under-collection was due low collection rate from customers and The two cost driver, Bulk Purchases and Inventory Consumed
- 2.2.2 Governance and Administration underspent the budget with the total of R353 817 000
- 2.2.3 Community and Public Safety incurred the lowest expenditure of R91 243 000
- 2.2.4 Economic and Environmental incurred expenditure of R150 259 000
- 2.2.5 The Trading Services contributes the largest year-to-date expenditure with a total of R979 516 000.

3) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue by Vote	1	8									
Vote 1 - Municipal Manager		10	61	-	-		1	-	1		-
Vote 2 - Finance		749	1 622								1
Vote 3 - Community and Social Services		1 284	808	1 338 964	149 095	299 640	976 543	939 658	36 885	3.9%	338 964
Vote 4 - Sport and Recreation		303									
Vote 4 - Sport and Recreation		15	23	29 651	46	155	23 797	22 238	1 559	7.0%	29 651
Vote 5 - Public Safety		770	307								
Vote 5 - Public Safety		7	15	44	-	(1)	17	33	(15)	-46.5%	44
Vote 6 - Housing		-	-	-	-	-	-	-	-		-
Vote 6 - Housing		-	-	-	-	-	-	-	-		-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-		-
Vote 7 - Road Transport		53	43	35 759	713	1 163	26 659	26 819	(161)	-0.6%	35 759
Vote 8 - Energy Sources		212	538								
Vote 8 - Energy Sources		-	2	34 086	(10 991)	(320)	(320)	25 565	(25 884)	101.3%	34 086
Vote 9 - Water Management		913	418	435 188	(1 005)	39 005	204 285	333 511	(129 227)	-38.7%	435 188
Vote 9 - Water Management		288	857								
Vote 10 - Waste Water Management		373	180	505 256	47 587	139 331	406 785	520 581	(113 795)	-21.9%	505 256
Vote 10 - Waste Water Management		059	469								
Vote 11 - Waste Management		35	20	13 640	759	4 423	9 255	22 336	(13 081)	-58.6%	13 640
Vote 11 - Waste Management		629	842								
Vote 12 - Internal Audit		33	19	(18 395)	2 019	6 023	6 932	1 349	5 583	414.0%	(18 395)
Vote 12 - Internal Audit		010	223								
Vote 13 - Other		-	-	-	-	-	-	-	-		-
Vote 13 - Other		4	(346)	(82 748)	472	1 415	13 582	5 107	8 475	165.9%	(82 748)
Total Revenue by Vote	2	2 723 556	1 985 787	2 291 445	188 695	490 835	1 667 537	1 897 197	(229 659)	-12.1%	2 291 445

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Expenditure by Vote	1					-					
Vote 1 - Municipal Manager		86				-					
Vote 2 - Finance	090	394	168 715	79 536	6 479	18 768	71 502	59 652	11 849	19.9%	79 536
Vote 3 - Community and Social Services	046		405 915	372 624	11 759	54 309	273 100	280 941	(7 842)	-2.8%	372 624
Vote 4 - Sport and Recreation	990	85	65 857	72 233	4 605	36 836	74 432	54 175	20 257	37.4%	72 233
Vote 4 - Sport and Recreation	913	25	33 209	28 017	1 859	5 286	19 941	21 013	(1 072)	-5.1%	28 017
Vote 5 - Public Safety	-		-	-	-	-	-	-	-		-
Vote 5 - Public Safety	515	5	1 618	5 617	468	936	4 086	4 213	(127)	-3.0%	5 617
Vote 6 - Housing	-		-	-	-	-	-	-	-		-
Vote 9 - Road Transport	739	11	5 937	12 789	557	1 040	7 394	9 592	(2 197)	-22.9%	12 789
Vote 10 - Energy Sources	490	113	179 448	141 926	4 299	8 458	74 745	106 445	(31 699)	-29.8%	141 926
Vote 11 - Water Management	308	583	542 780	838 645	50 113	143 262	539 884	621 863	(81 979)	-13.2%	838 645
Vote 12 - Waste Water Management	923	520	682 585	585 225	48 444	115 045	440 777	297 281	143 497	48.3%	585 225
Vote 13 - Waste Management	833	45	90 621	48 841	1 574	2 813	27 079	24 525	2 554	10.4%	48 841
Vote 14 - Internal Audit	422	66	132 650	67 989	5 705	13 634	53 740	35 848	17 892	49.9%	67 989
Vote 15 - Other	729	4	4 973	8 358	1 536	2 120	6 071	6 269	(198)	-3.2%	8 358
	549	18	347 496	98 831	979	2 008	7 798	6 955	843	12.1%	98 831
Total Expenditure by Vote	2	1 962 548	2 661 803	2 360 634	138 377	404 517	1 600 550	1 528 771	71 779	4.7%	2 360 634
Surplus/ (Deficit) for the year	2	761 009	(676 016)	(69 189)	50 318	86 318	66 988	368 426	(301 438)	-81.8%	(69 189)

4) Table C4: Month 09 Budget Statement – Financial Performance (Revenue and Expenditure)

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity		364 311	425 282	357 339	9 489	43 079	210 413	268 004	(57 590)	-21.49%	357 339
Service charges - Water		373 074	479 320	568 572	39 000	113 610	345 594	426 429	(80 835)	-18.96%	568 572
Service charges - Waste Water Management		69 135	83 542	112 703	6 136	18 599	56 311	84 527	(28 216)	-33.38%	112 703
Service charges - Waste management		80 791	97 635	93 603	8 244	23 719	69 724	70 202	(478)	-0.68%	93 603
Sale of Goods and Rendering of Services		2 044	4 846	5 085	53	546	2 188	3 814	(1 626)	-42.63%	5 085
Agency services		10 991	–	18 500	(10 991)	–	6 911	13 875	(6 964)	-50.19%	18 500
Interest earned from Receivables		–	–	–	–	–	–	–	–	–	–
Interest from Current and Non Current Assets		310 770	239 231	197 161	(410)	26 496	67 730	147 871	(80 141)	-54.20%	197 161
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	0	–	305	619	791	–	791	#DIV/0!	–
Rental from Fixed Assets		2 904	1 614	3 668	237	713	2 302	2 751	(449)	-16.33%	3 668
Licence and permits		1	13 568	1 008	–	0	4	756	(752)	-99.44%	1 008
Operational Revenue		51	10 615	9 717	2	4	9 390	(7 264)	16 653	229.27%	9 717
Non-Exchange Revenue											
Property rates		–	–	–	–	–	–	–	–	–	–
Surcharges and Taxes		765 344	737 199	550 199	46 133	140 179	386 618	412 649	(26 031)	-6.31%	550 199
Fines, penalties and forfeits		–	16 247	–	–	–	–	–	–	–	–
Licence and permits		34 365	2 176	34 317	179	(92)	130	25 738	(25 608)	-99.49%	34 317
Transfers and subsidies - Operational		–	–	–	–	–	–	–	–	–	–
Interest		325 561	337 435	342 207	65 378	65 740	312 824	256 655	56 169	21.89%	342 207
		–	290 647	155 138	13 473	593	97 037	116 354	(19 317)	-16.60%	155 138

Fuel Levy		-	-	-	-	-	-	-	-		-
Operational Revenue		-	-	-	-	-	-	-	-		-
Gains on disposal of Assets		-	-	-	-	-	-	-	-		-
Other Gains Discontinued Operations		213 207	-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		2 572 266	2 754 357	2 464 217	177 973	098	1 576 988	1 833 612	(256 624)	-14.00%	2 464 217

Variance reporting: Revenue

Revenue Description	YTD Actual	YTD Budget	Variance +over/(-under)	Comments
Property Rates	386 618 000	412 649 000	(26 031 000)	Town Planning Scheme
Electricity revenue	210 413 000	263 004 000	(57 590 000)	Prepaid Electricity not pulling through the C Schedule, this will be fixed in the next report
Water Revenue	345 647 000	426 429 000	(80 872 000)	Biling of Water is not understated
Wastewater management	56 311 000	84 257 000	(28 216 000)	Waste water in not understated
Waste Management	66 724 000	70 202 000	(478 000)	Not all areas have Willy bins
Sale of Goods	2 188 000	3 814 000	(1 626 000)	Seasonal usage of Halls, Lapas and Swimming pool.
Interest from Receivable	94 646 000	147 871 000	(53 407 000)	Interest charged for the Outstanding debtors
Interest from Current and Non-Current Assets	9 021 000	11 250 000	(2 229 000)	Interest earned from Main Bank account and Call Account
Rental from Fixed Assets	2 302 000	2 751 000	(449 000)	Interest earned from Main Bank account and Call Account
Licences	4	756 000	(752 000)	Calculated only at year end
Operational revenue	9 390 000	(7 264 000)	16 553 000	Less revenue received from internal sources
Transfer and Subsidies	312 824 000	256 655 000	56 169 000	Government subsidies
Fines	130 000	25 738 000	(25 608 000)	Calculated only at year end
Interest	97 037 000	116 354 000	(19 317 000)	Interest Received

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description R thousands	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type	-					-					
Employee related costs		414 513	539 316	436 350	33 566	102 629	330 589	328 736	1 853	0.56 %	436 350
Remuneration of councillors		26 332	28 517	25 151	2 204	6 611	20 491	18 864	1 628	8.63 %	25 151
Bulk purchases - electricity		466 244	431 007	642 564	34 078	95 266	392 714	481 923	(89 209)	- 18.51 %	642 564
Inventory consumed		360 286	221 957	225 733	31 985	68 457	293 533	169 300	124 234	73.38 %	225 733
Debt impairment		-	805 859	238 628	-	-	-	-	-	-	238 628
Depreciation and amortisation		150 555	171 600	165 983	225	225	80 672	124 487	(43 815)	- 35.20 %	165 983
Interest		197 304	153 118	166 190	18 739	54 179	143 926	124 642	19 283	15.47 %	166 190
Contracted services		252 125	157 224	304 396	19 992	71 844	277 586	228 297	49 289	21.59 %	304 396
Transfers and subsidies		748	1 102	563	40	79	347	422	(75)	- 17.67 %	563
Irrecoverable debts written off		60 395	-	50 000	996	6 051	43 240	37 500	5 740	15.31 %	50 000
Operational costs		78 102	89 195	80 886	2 931	15 998	76 060	60 664	15 395	25.38 %	80 886
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	114 469	116 494	-	-	-	-	-	-	116 494
Total Expenditure		2 006 603	2 713 365	2 452 937	144 755	421 339	1 659 158	1 574 835	84 323	5.35 %	2 452 937
Surplus/(Deficit)		565 663	40 993	11 280	33 218	54 759	(82 170)	258 777	(340 947)	- 131.75 %	11 280
Transfers and subsidies - capital (monetary allocations)		158 943	170 430	160 294	11 032	15 729	95 753	70 207	25 546	36.39 %	160 294
Transfers and subsidies - capital (in-kind)		(3 187)	-	-	-	-	(126)	-	(126)	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions		721 418	211 423	171 574	44 250	70 488	13 457	328 984			171 574
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		721 418	211 423	171 574	44 250	70 488	13 457	328 984			171 574
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-			-
Share of Surplus/Deficit		-	-	-	-	-	-	-			-

attributable to Minorities											
Surplus/(Deficit) attributable to municipality		721 418	211 423	171 574	44 250	488	457	13 984			171 574
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-			-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-			-
Surplus/(Deficit) for the year		721 418	211 423	171 574	44 250	488	457	13 984			171 574

Additional comments on expenditure performance

Expenditure Description	YTD Actual	YTD Budget	Variance +over/(-under)	Comments
Employee related costs	330 589 000	328 589 000	1 853 000	Employee cost still within threshold
Remuneration of councillors	20 491 000	18 864 000	1 628 000	Employee cost still within threshold
Bulk Purchases	392 714 000	481 923 000	(89 209 000)	Seasonal consumption of electricity
Inventory Consumed				Seasonal consumption of Water
Debt impairment				Impairment only at the end of the Year
Depreciation & asset impairment	80 672 000	124 487 000	(43 815 000)	Impairment only at the end of the Year
Interest	138 075 000	124 642 000	13 433 000	interest paid on Eskom, Rand Water and other leases
Contracted Services	275 419 000	228 297 000	47 123 000	Repairs and maintenance
Irrecoverable Debt	43 104 000	37 500 000	5 604 000	Irrecoverable debt
Operational Cost	77 554 000	60 664 000	16 890 000	Cost containment

5) Table C5: Month 09 Budget Statement – Capital Expenditure by vote, standard classification and funding

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	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
R thousands	1									
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - Municipal Manager		–	–	2 340	–	–	1 755	(1 755)	-100%	–
Vote 2 - Finance		25 767	2 000	6 000	4 342	(3 756)	4 500	(8 256)	-183%	2 000
Vote 3 - Community and Social Services		(26 087)	–	4 000	–	22 067	3 000	19 067	636%	–
Vote 4 - Sport and Recreation		–	–	5 118	–	–	3 838	(3 838)	-100%	–
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		–	–	–	–	–	–	–		–
Vote 9 - Road Transport		32 711	600	45 617	2 236	93 460	34 213	59 247	173%	600
Vote 10 - Energy Sources		24 722	–	40 082	435	73 285	30 061	43 223	144%	–
Vote 11 - Water Management		2 934	–	36 405	213	82 473	27 304	55 169	202%	–
Vote 12 - Waste Water Management		(19 516)	–	46 707	3 031	36 643	35 030	1 613	5%	–
Vote 13 - Waste Management		–	–	–	–	–	–	–		–
Vote 14 - Internal Audit		–	–	–	–	–	–	–		–
Vote 15 - Other		–	500	2 500	15	74	1 875	(1 801)	-96%	500
Total Capital single-year expenditure	4	40 531	3 100	188 768	10 273	304 245	141 576	162 669	115%	3 100
Total Capital Expenditure		40 531	3 100	188 768	10 273	304 245	141 576	162 669	115%	3 100

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	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
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		25 767	2 500	10 840	4 358	(3 682)	8 130	(11 812)	-145%	2 500
Executive and council		—	—	2 340	—	—	1 755	(1 755)	-100%	—
Finance and administration		25 767	2 500	8 500	4 358	(3 682)	6 375	(10 057)	-158%	2 500
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		(26 087)	—	9 118	—	22 067	6 838	15 229	223%	—
Community and social services		(26 087)	—	4 000	—	22 067	3 000	19 067	636%	—
Sport and recreation		—	—	5 118	—	—	3 838	(3 838)	-100%	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		32 711	600	45 617	2 236	93 460	34 213	59 247	173%	600
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		32 711	600	45 617	2 236	93 460	34 213	59 247	173%	600
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		8 140	—	123 193	3 679	192 400	92 395	100 005	108%	—
Energy sources		24 722	—	40 082	435	73 285	30 061	43 223	144%	—
Water management		2 934	—	36 405	213	82 473	27 304	55 169	202%	—
Waste water management		(19 516)	—	46 707	3 031	36 643	35 030	1 613	5%	—
Waste management		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	3	40 531	3 100	188 768	10 273	304 245	141 576	162 669	115%	3 100
Funded by:										
National Government		22 322	600	156 428	4 611	289 141	117 321	171 820	146%	600
Provincial Government		4 333	—	6 000	1 304	5 637	4 500	1 137	25%	—
District Municipality		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
Transfers recognised - capital		26 656	600	162 428	5 915	294 778	121 821	172 957	142%	600
Borrowing	6	—	—	—	—	—	—	—	—	—
Internally generated funds		13 450	2 500	26 340	248	5 357	19 755	(14 398)	-73%	2 500
Total Capital Funding		40 106	3 100	188 768	6 163	300 135	141 576	158 559	112%	3 100

6) Table C6: Month 09 Budget Statement – Financial Position

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash and cash equivalents		165 066	794 036	(329 089)	147 136	794 036
Trade and other receivables from exchange transactions		193 092	82 673	537 003	262 996	82 673
Receivables from non-exchange transactions		108 039	310 376	311 598	644 675	310 376
Current portion of non-current receivables		–	–	–	–	–
Inventory		675	9 845	(4 843)	(32 031)	9 845
VAT		466 548	296 637	384 806	574 030	296 637
Other current assets		–	–	–	–	–
Total current assets		933 421	1 493 566	899 475	1 596 806	1 493 566
Non current assets						
Investments		–	–	–	–	–
Investment property		201 145	216 841	216 841	201 145	216 841
Property, plant and equipment		3 225 886	2 922 643	3 113 053	3 233 838	2 922 643
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		190	136	136	190	136
Intangible assets		18 593	(670)	205	20 274	(670)
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		3 445 815	3 138 950	3 330 235	3 455 447	3 138 950
TOTAL ASSETS		4 379 236	4 632 516	4 229 710	5 052 253	4 632 516

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>LIABILITIES</u>						
Current liabilities	-					
Bank overdraft		-	51 960	51 960	-	51 960
Financial liabilities		(12 773)	13 521	13 521	11 417	13 521
Consumer deposits		33 339	-	-	33 634	-
Trade and other payables from exchange transactions		(1 712 532)	1 934 984	1 563 950	2 270 893	1 934 984
Trade and other payables from non-exchange transactions		76 798	31 294	31 294	107 498	31 294
Provision		46 748	39 388	39 388	46 748	39 388
VAT		370 447	178 713	186 789	455 643	178 713
Other current liabilities		-	-	-	-	-
Total current liabilities		(1 197 972)	2 249 860	1 886 902	2 925 834	2 249 860
Non current liabilities						
Financial liabilities		7 963	17 535	17 535	(1 297)	17 535
Provision		33 564	29 894	29 894	33 564	29 894
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		118 161	-	-	118 161	-
Total non current liabilities		159 687	47 429	47 429	150 427	47 429
TOTAL LIABILITIES		(1 038 285)	2 297 289	1 934 331	3 076 261	2 297 289
NET ASSETS	2	5 417 520	2 335 228	2 295 379	1 975 992	2 335 228
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated surplus/(deficit)		(935 540)	2 123 805	2 123 805	(921 566)	2 123 805
Reserves and funds		2 536 618	-	-	2 536 071	-
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	1 601 078	2 123 805	2 123 805	1 614 505	2 123 805

7) Table C7: Month 09 Budget Statement – Cash Flow

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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		(750 319)	526 258	385 274	6 008	32 728	288 955	(256 227)	-89%	385 274 1
Service charges		–	694 462	1 124 389	16 090	178 430	843 291	(664 861)	-79%	124 389
Other revenue		–	93 393	130 418	43 015	424 803	100 373	324 431	323%	130 418
Transfers and Subsidies - Operational		–	337 435	342 207	–	248 181	256 655	(8 474)	-3%	342 207
Transfers and Subsidies - Capital		–	170 430	160 294	32 813	74 529	120 220	(45 691)	-38%	160 294
Interest		–	549 738	–	3 972	2 222	–	2 222	#DIV/0!	–
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(1 459 834)	(1 387 021)	(1 910 895)	(141 549)	(1 187 795)	(1 820 651)	(632 856)	35%	(1 910 895)
Finance charges		–	(153 118)	(314 232)	–	–	235 674	235 674	100%	(314 232)
Transfers and Subsidies		–	(1 102)	(563)	–	–	422	422	100%	(563)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(2 210 152)	830 473	(83 110)	(39 650)	(226 901)	24 940	251 841	1010%	(83 110)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non- current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non- current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		223 245	(209 470)	(416 904)	(4 505)	(112 064)	(312 678)	(200 614)	64%	(416 904)
NET CASH FROM/(USED) INVESTING ACTIVITIES		223 245	(209 470)	(416 904)	(4 505)	(112 064)	(312 678)	(200 614)	64%	(416 904)

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	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
R thousands	1									
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/(DECREASE) IN CASH HELD		(1 986 907)	621 004	(500 014)	(44 155)	(338 965)	(287 738)			(500 014)
Cash/cash equivalents at beginning:		202 026	158 032	158 032	989 466	-	158 032			-
Cash/cash equivalents at month/year end:		(1 784 882)	779 036	(341 982)		(338 965)	(129 706)			(500 014)

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

GT484 Merafong City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2024/25									
		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
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	44 334	50 228	33 815	30 720	25 793	25 016	137 033	1 135 367	1 482 307	1 353 929
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	741	616	(159)	1 389	133 331	135 918	135 918
Receivables from Non-exchange Transactions - Property Rates	1400	29 281	30 221	30 367	28 042	27 984	27 960	215 999	257 699	647 553	557 684
Receivables from Exchange Transactions - Waste Water Management	1500	3 871	3 559	3 260	3 010	3 006	3 122	16 284	23 750	59 862	49 172
Receivables from Exchange Transactions - Waste Management	1600	9 491	8 489	6 752	6 260	6 024	5 629	37 072	303 179	382 896	358 163
Receivables from Exchange Transactions - Property Rental Debtors	1700	259	231	222	214	208	226	1 171	1 444	3 974	3 262
Interest on Arrear Debtor Accounts	1810	27 383	27 480	27 064	26 607	26 743	26 310	160 975	1 120 927	1 443 488	1 361 561
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	(32 835)	(13 790)	(1 922)	(19 466)	(6 256)	(5 020)	1 998	2 226 604	2 149 312	2 197 860
Total By Income Source	2000	81 785	106 418	99 558	76 128	84 118	83 082	571 920	5 202 301	6 305 310	6 017 549
2023/24 - totals only										–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	559	467	560	395	375	365	1 960	22 148	26 829	25 243
Commercial	2300	34 080	64 891	59 408	50 275	52 840	46 550	359 931	3 041 897	3 709 871	3 551 493
Households	2400	44 971	39 219	38 458	24 430	29 852	35 169	194 310	2 081 633	2 488 042	2 365 393
Other	2500	2 175	1 840	1 133	1 028	1 050	998	15 720	56 624	80 569	75 421
Total By Customer Group	2600	81 785	106 418	99 558	76 128	84 118	83 082	571 920	5 202 301	6 305 310	6 017 549

Debtors Collection

Consumer debtors have increased due to continued non -payment

CONSUMER DEBTORS
R6 305 310 000.00

7. REVENUE MANAGEMENT

REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED FOR THE MONTH OF MARCH

	January		February		March	
Revenue Per Source	Billing	Receipts	Billing	Receipts	Billing	Receipts
Property Rates	47 055 086	22 541 120	46 990 666	16 241 000	65 431 310	44 161 120
Electricity Basic	23 119 717	14 940 210	10 385 411	6 740 210	14 565 113	20 664 110
Water Availability	31 777 301	10 184 123	42 824 482	10 084 124	36 413 133	11 694 120
Refuse Removal	6 568 854	4 846 111	5 892 782	3 846 111	16 974 611	10 946 116
Sewer Availability	7 743 283	4496438	7 730 916	4 496 438	16 541 133	10 954 131
Interest			13 515 900	7 008 000	18 419 885	11 742 503
Grand Total	116 264 241	57 008 002	127 340 157	48 815 883	168 345 185	110 162 100
	49%		38%		65%	

CREDIT CONTROL: PAYMENT LEVELS - 2024'25						
MONTH	LEVIED	PAYMENT	PERCENTAGE	BUDGET	UNDER COLLECTED/LOSS ON BUDGETED COLLECTION RATE	% UNDER COLLECTED/LOSS
Jul-24	148 955 082	71 958 659	48.31%	60%	17 414 391	11.69%
Aug-24	144 907 255	50 503 235	34.85%	60%	36 441 118	0.00%
Sep-24	134 291 630	59 052 515	43.97%	60%	21 522 463	0.00%
Quarter 1	428 153 967	181 514 408	42.39%	60%	75 377 972	17.61%
Oct-24	144 515 647	86 516 150	59.87%	60%	193 238	0.13%
Nov-24	134 014 930	74 505 402	55.59%	60%	5 903 556	4.41%
Dec-24	136 005 623	72 354 852	53.20%	60%	9 248 522	6.80%
Quarter 2	414 536 200	233 376 404	56.30%	60%	15 345 316	3.70%
Jan-25	116 264 241	57 008 002	49.03%	60%	12 750 543	10.97%
Feb-25	177 298 630	66 815 883	37.69%	60%	39 563 295	22.31%
Mar-25	168 345 185	110 162 100	65.44%	60%	-9 154 989	-5.44%
Quarter 3	461 908 056	233 985 985	50.66%	60%	43 158 849	9.34%
TOTAL	1 304 598 223	648 876 798	49.74%	60%	133 882 136	10.26%

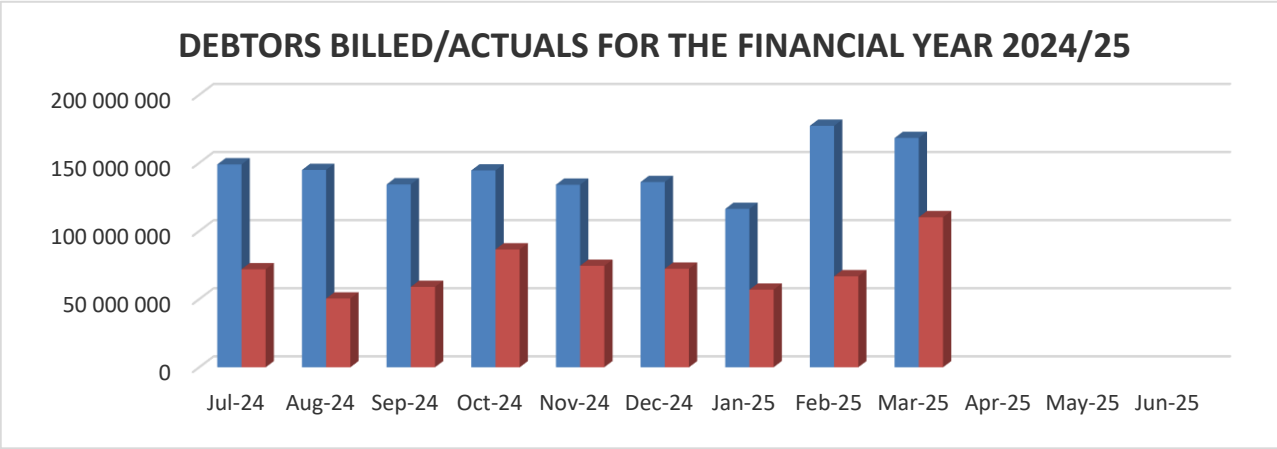
The collection rate for the month of March is **65%**, the average collection rate for the 3rd Quarter ending march is **50.66%**

Collection Per Ward

Ward	Billing	Collections	Percentage
Ward 1	2 859 931.26	588 622.62	20.58%
Ward 10	733 630.96	20 760.68	2.83%
Ward 11	729 787.92	112 764.01	15.45%
Ward 12	3 730 953.96	1 081 409.43	28.98%
Ward 13	2 654 906.63	769 069.35	28.97%
Ward 14	9 638 830.39	1 892 095.46	19.63%
Ward 15	524 154.91	250 510.18	47.79%
Ward 16	5 001 697.86	3 909 179.14	78.16%
Ward 17	7 358 633.55	4 781 522.04	64.98%
Ward 18	15 285 930.45	9 651 454.47	63.14%
Ward 19	2 513 327.67	456 480.22	18.16%
Ward 2	7 952 457.30	79 240.77	1.00%
Ward 20	2 234 385.38	67 250.18	3.01%
Ward 21	10 848 330.67	7 868 195.32	72.53%
Ward 22	7 369 596.64	124 893.73	1.69%
Ward 23	1 282 664.43	171 858.48	13.40%
Ward 24	2 218 702.08	1 063 688.64	47.94%
Ward 25	1 694 326.39	32 662.69	1.93%
Ward 26	2 186 208.60	314 557.97	14.39%
Ward 27	9 754 841.50	865 970.15	8.88%
Ward 28	7 995 712.33	6 057 129.37	75.75%
Ward 3	362 118.88	15 556.77	4.30%
Ward 4	428 611.53	10 462.07	2.44%
Ward 5	17 803 610.06	49 455.55	0.28%
Ward 6	711 001.46	50 468.16	7.10%
Ward 7	1 498 007.89	108 001.09	7.21%
Ward 8	591 527.97	12 502.94	2.11%
Ward 9	320 833.08	8 664.71	2.70%
Other	18 435 704.44	18 833 843.36	102.16%

The billing vs payment per area report only considers service charge and does not consider interest billed and receipts that relate to interest charged, hence the difference in the two-collection rate.

	BILLED(Blue)	ACTUALS (Red)	%
2024/07/01	148 955 082	71 958 659	48%
2024/08/01	144 907 255	50 503 235	35%
2024/09/01	134 291 630	59 052 515	44%
2024/10/01	144 515 647	86 516 150	60%
2024/11/01	134 014 930	74 505 402	56%
2024/12/01	136 005 623	72 354 852	53%
2025/01/01	116 264 241	57 008 002	49%
2025/02/01	177 298 630	66 815 883	38%
2025/03/01	168 345 185	110 162 100	65%
2025/04/01			
2025/05/01			
2025/06/01			



■ 8. Investment portfolio analysis

■ Institution Name	Type of Account	Rate	Amount
Nedbank	Call Account		44 358 091.56
FNB	Call Account		60 808 118.21
Total			105 166 209.77

BANK BALANCE

Name of institution

NEDBANK	10 772 006.40
FNB	7 486 505.02

Council had a positive Bank Balance of R18 258 511.42

09.CREDITORS AGE ANALYSIS

Merafong Creditors as of 31 March amounted to R2 592 386 000

Creditors not paid within 30 days as at 31 March 2025:

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	TOTAL
1	ESKOM	BULK PURCHASES	R1 232 876 050.60
2	RAND WATER	BULK PURCHASES	R1 293 861 339.71
		Total	R 2 526 737 390.31

The following interventions for financial recovery and sustainability underway as directed by the Financial Recovery plan signed off the minister of finance and MEC of Finance Mr. Maile:

- Implementation of the Payment Incentive Scheme to recover R5,2b owed to the municipality from consumers, commercial properties including mines.
- Draft Financial Recovery Plan (FRP) presented to the Municipality by National Treasury.
- Audit and automated meter reading technology used on Large Power Users meters through intervention by COGTA and Kagiso Trust to ensure revenue billing completeness and accuracy on large power users
- Circular 124 Eskom Debt Relief approved by National Treasury
- Awaiting Smart meter installation national programme at National Treasury that was undertaken at to improve revenue collection and revenue base protection
- Debt collection enforcement on-going internally and also through Ncube Incorporated.
- Payment of salaries, service providers and third parties on-going utilising income generated and subsidy from equitable shares, however income is still insufficient to meet liabilities within 30 days as per section 65 of the MFMA
- Fixing of broken and tempered water and electricity meters to reduce water and electricity distribution losses above 50% respectively (NB: Norm being 10% water & 15% electricity). Creating a culture of payment within Merafong City.
- Improving revenue enhancement through - Cost Reflective tariffs studies and implementation of tariffs

- Refurbishment at WWTW plants and security to ensure, environmental compliance which also required funding for infrastructure overhaul
- Credit control action to be implemented in all areas to improve the collection to above 75%
- Proposal to enter into a special purpose Vehicle (entity) with Rand Water in order to boost capital investment of meter replacements and infrastructure refurbishment of water distribution assets within Merafong Jurisdiction in order to turnaround financial crises on lost revenue in water services.

■ 10 Debt Management

■ Merafong Municipality has 2 loans with 2 different institutions.

COMPANY NAME	DATE OF LOAN TAKEN	OPENING BALANCE 01 MARCH 2025	March 2025		CLOSING BALANCE AS AT 31 MARCH 2025
			REDEEMED OR WRITTEN OFF	INTEREST	
DBSA	01/11/2010	8 576 050.65	1 556 929.07	213 813.87	7 232 935.45
NEDBANK	21/12/2020	1 772 797.09	2 048 712.99	47 955.85	-227 960.05
TOTAL		10 348 847.74	3 605 642.06	261 770.00	7 004 975.40

■ Long-term loan expenditure for March is R7 004 975.40

■ and grant receipts and expenditure

Capital expenditure

Description	Received Grant March	March spending
INEP	17 768 000.00	153 023.62
WSIG	21 342 000.00	444 790.07
MINING TOWN		488 267.31
MIG	55 613 000.00	5 009 254.04
TOTAL	61 910 000.00	6 095 335.04

■ PERFORMANCE ON CONDITIONAL GRANTS 24/25

17. CAPEX GRANTS PENDING MARCH			
	Budget	YTD Spent	
MIG	76 910 000.00	44 484 943.39	57.82%
INEP	17 768 000.00	9 332 336.88	52.52%
WSIG	33 342 000.00	18 127 870.80	54.37%
MINING TOWN	32 242 884.46	24 934 738.97	77.33%
	160 283 884.46	96 879 890.04	60.44%

■ PERFORMANCE ON UNCONDITIONAL GRANTS

Description	Original Budget	YTD spent	Total unspent/overspent
FMG	2 800 000.00	2 264 403.64	535 596.36
HIV/AIDS	2 791 324.78	1 025 520.07	1 765 804.71
LIBRARY	23 254 000.00	15 349 919.23	7 904 080.77
EPWP(COGTA)	1 232 000.00	1 544 156.48	-312 156.48
EPWP	500 000.00	656 552.54	-156 552.54
TOTAL	30 577 324.78	20 840 551.95	9 736 772.82

12. Capital programme performance

The Capital Budget amounted to **R160 293 884.46**, and Expenditure incurred on Capital amounted to **R6 095 335.04** for the month of March while the expenditure for Q3 amounted to **R14 712 387.12** The total capital expenditure to date amounts to **R96 879 890.04** and the percentage spending is currently at **60.44%**.

MERAFONG CITY LOCAL MUNICIPALITY CAPITAL PROJECTS 2024/2025 AND APPOINTED CONTRACTORS

Project No.	WIP No.	Project Description	Ward No.	Funding Source	Allocated Funding	Consultant	Contractor	Jan	Feb	Mar	YTD Expenditure 2024/2025 (K:V)
MIG PROJECTS											
P620		P M U Operational Expenses		MIG		Project Management Unit	Operational Expenses	320 516.97	345 436.20	405 128.16	3 214 388.92
P769/ Ph8	WIP98 7	Khutsong Roads and Stormwater (Phase 8)	1,2	MIG	46 805 000	LSO Consulting Engineers (Pty) Ltd	Malindo Civil and Construction		379 331.37	391 221.95	3 518 241.61
P770/ Ph 8	WIP98 8	Kokosi Roads and Stormwater (Phase 4) (2)	24	MIG	158 369 336	Kabe Consulting Engineers (Pty) Ltd	Sivuthumlilo Trading	259 085.39	1 011 554.81	2 260 352.26	4 890 230.27
P757/ Ph 7	WIP95 9	Kokosi Roads and Stormwater (Phase 7)	22,26	MIG	41 135 500	Kutlo Consulting Engineers (Pty) Ltd Appointment 29-07-2022	Turnkey appointment 15-02-2023 Subcontractor: Kgakanoko JV Masaila				310 560.95
P771 Ph 8	WIP98 9	Kokosi Roads and Stormwater (Phase 8)				Kutlo Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Contractor - Nandzu Trade and General Projects Appointed 16-05-2024.	175 435.02		314 985.00	10 014 810.45
P758/ Ph 7	WIP96 0	Wedela Ext 3 Roads and Stormwater (Ph 7)	20,23	MIG	32 602 500	TKQ Consulting (Pty) Ltd	ATT Global Group (Pty) Ltd				4 767 953.18
P772/ Ph 8	WIP99 0	Wedela Roads and Stormwater (Phase 8)	20,23			Kago Built Environment Consultants (Pty) Ltd Appointment 01-09-2023	Contractor - Situkulwane Lesisha Construction CC Appointed on 16-05-2024				5 137 942.41
P759 STAG E 3	WIP96 1	Khutsong North Water & Sewer Reticulation Stage 3	6-10	MIG	48 213 750	Metsweding Consulting Engineers (Pty) Ltd Appointment 18-08-2022	Turnkey appointment 25-10-2022 Subcontractor: Gale Consulting				0.00
P773 STAG E 4	WIP99 1	Khutsong North Water & Sewer Reticulation Stage 4				LSO Consulting Engineers (Pty) Ltd	Malindo Civil and Construction			1 192 842.17	6 377 701.05
P774	WIP99 2	Merafong Solar Highmast Lights & Solar Streetlights		MIG	24 840 000.00	Motla Consulting Engineers (Pty) Ltd	Oakantswe Construction and Projects Appointment 22-04-2024		474 555.06	184 288.37	3 340 031.10

P775	WIP99 3	Upgrading of Wedela Recreation Club		MIG	Awaited B/plan	Kabe Consulting Engineers (Pty) Ltd	Moribo iGroup Appointment 16-05-2024				616 625.93
P776	WIP99 4	Refurbishing of Kokosi Stadium		MIG	Awaited B/plan	Mhiduve Consulting Engineers (Pty) Ltd	Buyisa Projects Appointment 30-09-2024				0.00
P781		Access Roads Kokosi WWTW		MIG	Awaited B/plan	Kutlo Consulting Engineers (Pty) Ltd Appointment 20-09-2024	-				1 031 342.37
P782		Access Roads Wedela WWTW (to be replaced with Khut Roads Ph9 project)		MIG	Awaited B/plan	Kutlo Consulting Engineers (Pty) Ltd Appointment 20-09-2024	-				0.00
P783		Merafong Roads and Stormwater Maintenance		MIG	Awaited B/plan	Not Required	Jolinkomo Trading and Projects (Pty) Ltd				0.00
P784		Merafong Water and Sanitation		MIG	Awaited B/plan	Not Required	Zacks Business Enterprise JV OPM Construction Appointment 07-10-2024				0.00
P780		Rehabilitation of Carletonville Cemetery Road		MIG	Awaited B/plan	Mayisane and Associates (Pty) Ltd	RhuoneProjects and Plant Hire Appointment 07-10-2024			260 436.13	1 265 115.15
								755 037.38	2 210 877.44	5 009 254.04	44 484 943.39

INTEGRATED NATIONAL ELECTRIFICATION PROGRAM (INEP) GRANT

P765	WIP968	2x20 MVA Frikkie Substation 44/11 (Change control to Plover)	12	INEP		LSO Consulting Engineers (Pty) Ltd	Kunjalo Kunje Trading Appointment 17-05-2024	3 811 749.46			8 211 749.46
P786		132KV - 150M Loop in-loopout Overhead Line for Plover		INEP		LSO Consulting Engineers (Pty) Ltd	Kunjalo Kunje Trading Appointment 20-09-2024		- 967 563.80	-967 563.80	0.00
Pnew		Khutsong south Ext 5,6 Electrification Change Control		INEP		='[PMU Capital and Other Projects Expenditure FEB 2025 (FY 2024-2025) SM.xlsx]Feb 2025'!\$G\$29			967 563.80	1 120 587.42	1 120 587.42
								3 811 749.46	0.00	153 023.62	9 332 336.88

WATER SERVICES INFRASTRUCTURE GRANT

P742/P763	WIP965	Upgrading & Rehabilitation of Wedela WWTW (Phase 2)	20	WSIG		Bigen Africa Services (Pty) Ltd TKQ Consulting (Pty) Ltd	Vusaken CC IPW/ New Construction appointment ZM and Nikiwenono				5 394 211.86
P764	WIP966	Structurer Rehabilitation of 007 Reservoir	18	WSIG		Morad Consulting Engineers (Pty) Ltd Appointment 29-07-2022	Bomseni Trading/Tshau Ngwako A Maloa JV 09-03-2023 CONTRACT: ID (W&S) 16/11/2023			-1 703 104.48	0.00
P779		Replacement of Manhole Covers		WSIG		JMS Projects (Pty) Ltd Appointment 21-12-2023	Implementation will be tthrough EPWP	451 122.00	409 400.00	64 928.99	2 855 289.00

P777	WIP995	Foundation Stabilisation of Addata Reservoir		WSIG		Lihuzu Projects (Pty) Ltd Appointment 02-02-2024 Name Change: LPS Consulting (Pty) Ltd	VTR Construction CC		515 036.11	2 082 965.56	5 301 545.03	
P791		Welverdiend WWTW		WSIG		TKQ Consulting (Pty) Ltd	PK Financial Consultants				774 134.07	
P789		Refurbishment Khutsong WWTW		WSIG		TKQ Consulting (Pty) Ltd	ZM and Nikiwenono Construction Appointment 09-10-2024				3 661 485.35	
P787		Installation of Zone Meters and PRV's		WSIG		Mayisane and Associates (Pty) Ltd Appointment 02-10-2024	SEBCRA (Pty) Ltd Appointment 02-10-2024				141 205.49	
									451 122.00	924 436.11	444 790.07	18 127 870.80

HUMAN SETTLEMENTS DEVELOPMENT GRANT (MINING TOWNS ALLOCATION)											
P747	WIP 929	Khutsong South Ext. 5 Outfall Sewer	1,12	GDHS	9 005 175	Pro-Plan Consulting Engineers (Pty) Ltd	Turnkey appointment dd 10-02-2022 Subcontractor: Reabusa Construction & Supplies CC				0.00
P766		Khutsong Electrcity (Frikkie Substation)		HSDG		LSO Consulting Engineers (Pty) Ltd	Kunjalo Kunje Trading			488 267.31	3 254 961.25
P778		Khutsong Rehabilitation of Sinkholes		HSDG		Lihuzu Projects (Pty) Ltd Name Change: LPS Consulting (Pty) Ltd	Jolinkomo Trading and Projects				7 987 183.98
P767		Fochville Outfall Sewer		HSDG		Lihuzu Projects (Pty) Ltd Name Change: LPS Consulting (Pty) Ltd	Kaneka Civil and Construction				7 682 914.26
P768		Kokosi Ext 6 Sewer & Water Meters		HSDG		JMS Projects (Pty) Ltd			463 829.69		6 009 679.48
P790		Khutsong Bulk Roads and Stormwater Phase 2		HSDG		Mayisane and Associates (Pty) Ltd	Shwings Construction and Projects				0.00
								0.00	463 829.69	488 267.31	24 934 738.97
Totals								5 017 908.84	3 599 143.24	6 095 335.04	96 879 890.04

13. Other supporting documents.

AUDIT FINDINGS

The Municipality received a Qualification audit opinion from Auditor General during the 2023/2024 financial year. An audit action plan is currently being addressed by all departments and also external third parties assisting the municipality

FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure				
Total				Amount R52 329 312.22

There is Fruitless and wasteful expenditure for the 3rd Quarter ending 31 March 2025 is **R52 329 312.22**

IRREGULAR EXPENDITURE

Fruitless and wasteful expenditure				
Total				Amount R19 619 603.66

The Irregular expenditure for the 3rd Quarter ending 31 March 2025 amounts to **R19 619 603.66**

14. Other supporting documents.

Status of MSCOA CCG Systems Implementation:

3.3.1 General Ledger

Milestone	Task	Status	Comment	Status date
Data Migration	Creation of New Chart Of Accounts (COA)	Completed		2024-03-15
	Recapturing of 2023/24 Original and Adjusted Budgets			2024-03-15

System Setup	Setup & Customisation of System Parameters	Completed		2024-03-15
System Testing	Testing System Processes and Transactions Processing	Completed		2024-03-29
System Training	Pre-Go Live End-user System Training	Completed		2024-06-10
Take-on Balances	Migration of Audited Take-on Trial Balance as of 30 June 2023	Completed		2024-06-10
	Bank Reconciliations Take-on	Completed		2024-06-10
Go-Live	Processing of all Fixed Assets Transactions in the System	Pending		2024-03-31

3.3.2 Supply Chain Management

Milestone	Task	Status	Comment	Status date
Data Migration	Migration of Supplier Master Files	Completed		2024-06-10
System Setup	Setup & Customisation of System Parameters	Completed		2024-06-10
System Testing	Testing System Processes and Transactions Processing	Completed		2024-04-30
System Training	Pre-Go Live End-user System Training	Completed		2024-04-30
Go Live	Purchase Requisitions and Approvals	Completed		2024-07-07
	Supply Chain Processes	Live		2024-07-07

3.3.3 Expenditure and Trade Payables

Milestone	Task	Status	Comment	
System Setup	Setup & Customisation of System Parameters	Completed		2024-03-15
System Testing	Testing System Processes and Transactions Processing	Completed		2024-03-29
System Training	Pre-Go Live End-user System Training	Completed		2024-04-19
Take-on Balances	Payables Take On Balances as of 30 June 2023	Completed		2024-08-01
Go-Live	Supplier Invoices and Payments	Live		2024-04-19

3.3.4 Billing and Revenue

Milestone	Task	Status	Comment	
Data Migration	Customer master files	completed		2024-03-29
	Consolidated Valuation roll	Completed		2024-06-10
	Meter Master Files and Meter Books through E-Billing	Completed		2024-04-15
	Rate Tariffs	Completed		2024-04-12
System Setup	Setup & Customisation of System Parameters	Completed		2024-04-12
System Testing	Testing System Processes and Transactions	Completed		2024-04-15

System Training	-Pre-Go Live End-user System Training	Completed		2024-06-10
Take-on Balances	Customers Take-on Balances as of 30 June 2023	Completed		2024-04-30
Ongoing Support	-Customer Billing Printing of Accounts and Bulk Emailing	Live		2024-06-30
	Receipting	Live		2024-04-30

3.3.5 Fixed Assets Management

Milestone	Task	Status	Comment	Status date
System Setup	Setup & Customisation of the budget module System	Pending	Implementation Date for Fixed Assets has been revised to March 2025	2024-03-31
System Testing	Testing System Processes and Transactions Processing	Pending		2024-03-31
System Training	Pre-Go Live End-user System Training	Pending		2024-03-31
Take-on Balances	Audited Fixed Assets Register as of 30 June 2024	Pending		2024-03-31
Go-Live	Processing of all Fixed Assets Transactions in the System	Pending		2024-03-31

3.3.6 Inventory Management

Milestone	Task	Status	Comment	Status date
System Setup	Setup & Customisation of System Parameters	Pending		2024-09-07
System Testing	Testing System Processes and Transactions Processing	Pending		2024-09-07
System Training	Pre-Go Live End-user System Training	Pending		2024-09-07
Take-on Balances	Inventory Valuation as of 30 June 2024	Pending		2024-09-07
Go-Live	Processing of all Inventory Transactions in the System	Pending		2024-09-07

3.3.7 Payroll Management

Milestone	Task	Status	Comment	Status date
Data Migration	Migration of Employee Master Files	Completed		2024-03-21
System Setup	Setup & Customisation of System Parameters	Completed		2024-03-21
System Testing	Testing System Processes and Transactions	Completed		2024-04-15
Take-on Balances	Financial Data Take-on (March 2023 to February 2024 Payroll Transactions)	Completed	IRP5's are ready for collection	2024-07-07
Go Live	Processing of all Payroll Transactions	Live		2024-03-21

3.3.8 Human Resources

Milestone	Task	Status	Comment	Status date
Data Migration	Migration of Employee Master Files	Completed		2024-09-06
System Setup	Setup & Customisation of System Parameters	Completed		2024-09-06
System Testing	Testing System Processes and Transactions	Completed		2024-09-06
System Training	Pre-Go Live End-user Training	Completed		2024-09-06
Take-on Balances	Leave Take-on Balances as of 28 February 2024	Completed		2024-09-06
Go Live	HR Maintenance and Management	Partial	Employee Self Service Pending.	2024-09-06

○ **Issues identified during the implementation of IFMS:**

Issue	Module	Resolution	Status	Resolution Date
Creation of Different Users for System Administrator (sa)	Administration	CCG System will do Database Administration.	Resolved	2024-03-08
Leave Management Portal (Employee Self Service) not yet available	HR and Payroll	Implementation In Progress as part of HR Modules	In Progress	2024-11-15
2022/23 FY Expenditure Transactions Posted with Current FY Dates	Expenditure and Trade Payables	Review of Transactions in Progress for correction of Transaction Dates	Resolved	2024-05-31
Errors on Transactions re-capturing (Staff Not paying attention to detail when Capturing Vouchers)	Expenditure and Trade Payables	The Municipality to find missing Vouchers	Resolved	2024-06-30
Emails for employees not provided	HR and Payroll	Emails for ESS purposes requested	Resolved	2024-09-06
Finalisation of Leave reports	HR and Payroll	Leave reports Pending	Resolved	2024-11-15
Delays on receiving of Meter Readings Information due to unavailability of the responsible Officials	Billing and Revenue HR and Payroll	The Municipality to ensure information is received timely and staff is available when information is needed	Resolved	2024-05-31
Inconsistencies and Unreliability of Section 71 Reporting Figures	Billing & Revenue, Expending and Budget & Reporting	The Municipality scheduled a Working Session with the Service Provider on the week ending 7 January 2025 to address and resolve issues raised by	In Progress	2025-01-31

		Provincial Treasury Reporting	on		
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FINANCIAL RECOVERY PLAN

In terms of the approved FRP, the municipality reports monthly to the MEC for Finance in the province on the implementation of the plan. The report is uploaded to Go-Muni portal in line with reporting prescripts.

■ 16. Conclusion

- 1) That cognizance be taken of the financial performance achievements for month 09 of the financial year ended March 2025 in accordance with Section 71.
- 2) That the revenue of the municipality be adjusted to be in line with the mid-term performance.
- 3) That stringent credit control and debt collection measures be implemented to improve the funding of the budget.
- 4) That the expenditure budget be reduced to be in line with the realistically anticipated revenue to be collected.
- 5) That the programme to reduce water be undertaken to reduce the expenditure on water purchases.
- 6) That the implementation of the capital budget from grants be accelerated to avoid funds being returned with the resultant negative impact on service delivery.
- 7) That it be noted that the progress report on implementation of the financial recovery plan is reported to Provincial Treasury

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■ 17. Recommendations

It is recommended that that the Committee meeting take note of –

- 8) The financial performance achievements for month 09 of the financial year ended March 2025 in accordance with Section 71 of the MFMA and that the Committee take note of the recommendations to improve the financial performance of the municipality:
 - That the revenue of the municipality be adjusted to be in line with the mid-term performance.
 - That stringent credit control and debt collection measures be implemented to improve the funding of the budget.

- That the expenditure budget be reduced to be in line with the realistically anticipated revenue to be collected.
 - That the programme to reduce water be undertaken to reduce the expenditure on water purchases.
 - That the implementation of the capital budget from grants be accelerated to avoid funds being returned with the resultant negative impact on service delivery.
- 9) The balance of the Eskom bulk account (and / or bulk water account if relevant) and the municipality's reconciliation of these accounts as set-out in paragraph 16.6 above.
- 10) The progress on the implementation of the Financial Recovery Plan.
- 11) 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;
- 12) The following remedial actions necessary to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:

Maintenance of the core financial system

1. The municipality has started implementing a new integrated financial system in February 2024 and the municipality will continue updating the Provincial treasury on the progress through the office of the Municipal Manager. The data relating to Revenue module, GL, Cashbook, Payroll & HR, Creditors ageing, debtors ageing, Trial Balance, Property Valuation Roll and Customer master file. The above is currently completed on migration for implementation except Inventory & stores. The municipality is working closely with CCG System and fully demonstrating full compliance to ensure that full implementation of core financial system. See annexure "A" with further progress milestones progress correspondence to National Treasury

CERTIFICATE OF COMPLIANCE – MFMA CIRCULAR NO.124 – MARCH 2025 (MERAUFONG CITY LOCAL MUNICIPALITY)

2. Herewith attached is the certificate of compliance for the month ending 31 March 2025, in relation to Meraufong City Local Municipality as guided by the MFMA Circular No.124.
3. Below are items the municipality has not complied and will address the non-compliance within the 30 days in terms of MFMA Circular No.124.

Maintenance of the core financial system

4. The municipality has started implementing a new integrated financial system in February 2024 and the municipality will continue updating the Provincial treasury on the progress through the office of the Municipal Manager. The data relating to Revenue module, GL, Cashbook, Payroll & HR, Creditors ageing, debtors ageing, Trial Balance, Property Valuation Roll and Customer master file. The above is currently completed on migration for implementation except Inventory & stores. The municipality is working closely with CCG System and fully demonstrating full compliance to ensure

that full implementation of core financial system. The municipality has furthermore appointed MSCOA Committee members and the engagement will take place on a monthly basis.

Condition 6.3 Maintaining Bulk Water Account and Maintaining the Eskom bulk account

5. The municipality has paid outstanding debt upon receipt of the equitable share that was received and will settle additional balance on April 2025. The March Eskom account was R1 232 876 050.60 with the bulk account due date in April 2025. The municipality paid for the LPU accounts before the due date. The municipality is in arrears from the September 2024 account due to financial constrain. The municipality is implementing credit control measures to improve collection rate in order to pay all creditors on time.
6. Due to cashflow constraints that the municipality has been facing the municipality has lagged in paying the Eskom Invoices and also honouring the arrangements. The municipality is one month in arrears.
7. The municipality intends to settle the outstanding debt through recoveries from long outstanding debtors from customers who have entered into debt arrangement with the municipality under the Debt Incentive Scheme. The bulk purchases and inventory consumed are high due to distribution losses averaging 53,63% on electricity and 38,08% on water as end of March 2025.

Condition 6.4 Compliance with the funded MTREF

8. The municipality has tabled a funded budget for 2024/25 MTREF and has revised it to unfunded position. The unfunded budget is based on the assumptions that the municipality only achieves minimum collection rate averaging 56,30% as end of second quarter. The municipality has put forward various strategies to ensure that this is achieved among other things implementation of smart meters, implementation of the debt incentive scheme, effective credit control and ensuring compliance with the strategies in the Financial Recovery Plan. The municipality is reporting monthly on the implementation of FRP.
9. The municipality held a Revenue enhancement strategic session relating to the challenges on the declining Revenue base and Revenue protection. The strategic session was held on the 15th of February 2025 to the 18th of February 2025 where strategies were discussed on urgent revenue recovery. It has been concluded installation of Water and Electricity smart meters must be prioritised as part of budget adjustment and non-essential expenditure be reduced downwards to accommodate meter replacement. All Departments are committed to ensure the municipality increases its revenue base.

Submission of FRP reports

10. The municipality's FRP was approved by MEC Finance on the 03 June 2024 and progress report supported by evidence-based portfolio of evidence on implementation is submitted to GPT on the 7th monthly.

Apportion and ring-fenced collections into a sub-account

11. With reference to the MFMA Circular No. 124 and Supplementary Guidance - MSCOA Ring Fencing of accounts and the different Accounting Treatments towards Condition 6.12 & 6.13, the municipality will ensure that MTREF 2024-25 budget accounts in respect of ringfencing of electricity, water and sanitation.

Condition 6.7 Maintain a minimum average quarterly collection of property rates and services charges

The municipality achieved an overall collection rate averaging 50% for the period ended February 2025 due to distribution losses and tempering of meters and ultimately the billing system challenges. The billing has since been activated and the municipality hope to increase the collection rate to be above 60%.

6.7.2.2. Khutsong North is the only area within the Municipality that is supplied by Eskom. Restrictions have not been made due to aging infrastructure and the issue of tampered meters are not adequately address.

6.7.2.3. The municipality has concluded the process of requesting Eskom SOC to enter into a Service Level Agreement (SLA) with the Merafong City Local Municipality to allow the municipality to implement and execute credit control actions and other related debt collection activities within Eskom Supplied areas of the Municipality.

Condition 6.5 (Cost Reflective Tariffs)

12. The Municipality has completed the tariff tool based on the tabled 2024/25 MTREF. Three tariffs i.e. electricity, water and refuse removal are not cost reflective.
13. Electrical tariffs are the same all year, only annual increases are implemented on standard tariff groups. The Electrical division has initiated cost of supply studies that was submitted to NERSA to conclude in 2024/25.
14. The Municipality has made a commitment to settle the Winter bills with the funds received from Equitable Share and has executed that function.
15. The municipality has applied and obtained an approval from NERSA feed-in tariff(s) for the 2024/25 MTREF to facilitate compensating consumers feeding from home / business solar systems. Furthermore, no formal application has been brought by any public member or council policy relating to solar system exemptions.

Condition 6.6 Electricity and water as collection tools.

16. The municipality, debt relief application was approved in December 2023. The 2024/25 MTREF budget demonstrates by-laws and budget related policies that electricity and water will be used as collection tools.
17. The Municipality has not complied with a number of conditions, including the payment of current accounts. The overall collection rate is below 56.30% as the result of challenges on credit control execution in the townships. Billing on electricity has not been effective due to continuous meter tempering, cable theft and load reduction implemented by Eskom. Moreover interest receivable from debtors is less than expected.

Condition 6.12 Proper Management of Resources and Condition 6.13 -Accounting Treatment

18. The municipality has not ring-fenced receipts for electricity sales and equitable share earmarked for free basic services (FBE). This is due to the fact that the municipality was in the process of financial system implementation and will comply with Condition 6.13 Accounting Treatment during 2025/26 Tabled budget in March 2025 and has budget for smart meters.

Plan to address non-compliance

19. It should be noted that the municipality has 30 days to address any non-compliance as indicated above.
20. For any further enquiries, please do not hesitate to contact us.

2) Table C1 Monthly Budget Statement Summary

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M09 March

Description	2024/25	Budget Year 2025/26								
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Financial Performance										
Property rates	765 344	737 199	550 199	46 133	140 179	386 618	412 649	(26 031)	-6%	550 199
Service charges	887 311	1 085 779	1 132 216	62 869	199 006	682 042	849 162	(167 120)	-20%	132 216
Investment revenue	19 718	15 000	15 000	745	2 295	9 021	11 250	(2 229)	-20%	15 000
Transfers and subsidies - Operational	325 561	337 435	342 207	65 378	65 740	312 824	256 655	56 169	22%	342 207
Other own revenue	574 332	578 945	424 596	2 848	68 878	186 483	303 896	(117 412)	-39%	424 596
Total Revenue (excluding capital transfers and contributions)	2 572 266	2 754 357	2 464 217	177 973	476 098	1 576 988	1 833 612	(256 624)		2 464 217
Employee costs	414 513	539 316	436 350	33 566	102 629	330 589	328 736	1 853	1%	436 350
Remuneration of Councillors	26 332	28 517	25 151	2 204	6 611	20 491	18 864	1 628	9%	25 151
Depreciation and amortisation	150 555	171 600	165 983	225	225	80 672	124 487	(43 815)	-35%	165 983
Interest	197 304	153 118	166 190	18 739	54 179	143 926	124 642	19 283	15%	166 190
Inventory consumed and bulk purchases	826 530	652 964	868 297	66 063	163 723	686 247	651 223	35 025	5%	868 297
Transfers and subsidies	748	1 102	563	40	79	347	422	(75)	-18%	563
Other expenditure	390 622	1 166 747	790 404	23 919	93 893	396 886	326 461	70 425	22%	790 404
Total Expenditure	2 006 603	2 713 365	2 452 937	144 755	421 339	1 659 158	1 574 835	84 323	5%	452 937
Surplus/(Deficit)	565 663	40 993	11 280	33 218	54 759	(82 170)	258 777	(340 947)	-132%	11 280
Transfers and subsidies - capital (monetary allocations)	158 943	170 430	160 294	11 032	15 729	95 753	70 207	25 546	36%	160 294
Transfers and subsidies - capital (in-kind)	(3 187)	—	—	—	—	(126)	—	(126)	#DIV/0!	—
Surplus/(Deficit) after capital transfers & contributions	721 418	211 423	171 574	44 250	70 488	13 457	328 984	(315 527)		171 574
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	-96%	—
Surplus/ (Deficit) for the year	721 418	211 423	171 574	44 250	70 488	13 457	328 984	(315 527)	-96%	171 574
					—					

**GT484 Merafong City - Table C1 Monthly Budget Statement
Summary - M09 March**

Description	2024/25	Budget Year 2025/26								
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure & funds sources										
Capital expenditure	40 531	3 100	188 768	10 273	17 384	304 245	576 141	162 669	115%	100 3
Capital transfers recognised	26 656	600	162 428	5 915	12 613	294 778	821 121	172 957	142%	600
Borrowing	–	–	–	–	–	–	–	–		–
Internally generated funds	13 450	2 500	26 340	248	662	5 357	755 19	(14 398)	-73%	500 2
Total sources of capital funds	40 106	3 100	188 768	6 163	13 275	300 135	576 141	158 559	112%	100 3
					–					
Financial position					–					
Total current assets	933 421	1 493 566	899 475		–	1 596 806				1 493 566
Total non current assets	3 445 815	3 138 950	3 330 235		–	3 455 447				3 138 950
Total current liabilities	(1 197 972)	2 249 860	1 886 902		–	2 925 834				2 249 860
Total non current liabilities	159 687	47 429	47 429		–	150 427				47 429
Community wealth/Equity	1 601 078	2 123 805	2 123 805		–	1 614 505				2 123 805
					–					
Cash flows					–					
Net cash from (used) operating	(2 210 152)	830 473	(83 110)	(39 650)	14 471	(226 901)	940 24	251 841	1010%	(83 110)
Net cash from (used) investing	223 245	(209 470)	(416 904)	(4 505)	(13 572)	(112 064)	(312 678)	(200 614)	64%	(416 904)
Net cash from (used) financing	–	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	(1 784 882)	779 036	(341 982)	–	–	(338 965)	(129 706)	209 259	-161%	(500 014)
					–					
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	0	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis					–					
Total By Income Source	81 734	106 418	99 556	76 128	245 778	84 118	082 83	571 920	5 202 301	6 305 256
Creditors Age Analysis					–					
Total Creditors	15 458	87 839	97 392	60 215	253 877	110 975	680 81	847 502	1 245 757	2 546 817

4) Table C2: Budget Statement - Financial Performance (Revenue and Expenditure by Municipal vote)

GT484 Merafong City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1									%	
Revenue - Functional											
Governance and administration		1 299 581	1 277 196	1 256 215	149 566	301 055	990 127	944 766	45 361	5%	1 256 215
Executive and council		10 749	561	-	-	-	1	-	1		-
Finance and administration		1 288 832	1 276 634	1 256 215	149 566	301 055	990 125	944 766	45 360	5%	1 256 215
Internal audit		-	-	-	-	-	-	-	-		-
Community and public safety		68 989	66 860	65 454	759	1 317	50 474	49 090	1 383	3%	65 454
Community and social services		15 770	23 307	29 651	46	155	23 797	22 238	1 559	7%	29 651
Sport and recreation		7	15	44	-	(1)	17	33	(15)	-47%	44
Public safety		-	-	-	-	-	-	-	-		-
Housing		53 212	43 538	35 759	713	1 163	26 659	26 819	(161)	-1%	35 759
Health		-	-	-	-	-	-	-	-		-
Economic and environmental services		4 465	21 014	42 916	(10 681)	672	4 758	32 187	(27 429)	-85%	42 916
Planning and development		4 465	18 173	8 830	310	991	5 077	6 622	(1 545)	-23%	8 830
Road transport		-	2 841	34 086	(10 991)	(320)	(320)	25 565	(25 884)	-101%	34 086
Environmental protection		-	-	-	-	-	-	-	-		-
Trading services		1 354 986	1 212 313	1 170 369	49 360	188 783	627 257	877 776	(250 519)	-29%	1 170 369

											0 36 9
Energy sources		913 288	455 685	444 682	(1 005)	39 005	204 285	333 511	(129 227)	-39%	44 4 68 2
Water management		373 059	575 619	694 107	47 587	139 331	406 785	520 581	(113 795)	-22%	69 4 10 7
Waste water management		35 629	83 458	29 781	759	4 423	9 255	22 336	(13 081)	-59%	29 78 1
Waste management		33 010	97 552	1 798	2 019	6 023	6 932	1 349	5 583	414%	1 79 8
Other	4	-	-	(30 885)	-	-	-	-	-		(3 0 88 5)
Total Revenue - Functional	2	2 728 022	2 577 382	2 504 068	189 005	491 827	1 672 615	903 819	(231 204)	-12%	2 50 4 06 8

GT484 Merafong City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09
March

Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1										
Expenditure - Functional	-					-					
Governance and administration		503 414	098 927	559 350	20 753	77 206	358 470	353 817	4 653	1%	559 350
Executive and council		86 090	168 715	79 536	6 479	18 768	71 502	59 652	11 849	20%	79 536
Finance and administration		412 596	753 410	471 455	12 738	56 317	280 898	287 896	(6 999)	-2%	471 455
Internal audit		4 729	4 973	8 358	1 536	2 120	6 071	6 269	(198)	-3%	8 358
Community and public safety		129 158	109 621	121 657	7 488	44 099	105 854	91 243	14 611	16%	121 657
Community and social services		85 990	65 857	72 233	4 605	36 836	74 432	54 175	20 257	37%	72 233
Sport and recreation		25 913	33 209	28 017	1 859	5 286	19 941	21 013	(1 072)	-5%	28 017
Public safety		5 515	1 618	5 617	468	936	4 086	4 213	(127)	-3%	5 617
Housing		11 739	5 937	12 789	557	1 040	7 394	9 592	(2 197)	-23%	12 789
Health		-	3 000	3 000	-	-	-	2 250	(2 250)	-100%	3 000
Economic and environmental services		157 546	228 009	200 345	10 678	25 280	133 354	150 259	(16 905)	-11%	200 345
Planning and development		44 055	48 561	58 418	6 379	16 821	58 608	43 814	14 794	34%	58 418
Road transport		113 490	179 448	141 926	4 299	8 458	74 745	106 445	(31 699)	-30%	141 926
Environmental protection		-	-	-	-	-	-	-	-		-
Trading services		1 216 486	1 448 636	540 701	105 836	274 754	1 061 480	979 516	81 964	8%	540 701
Energy sources		583 308	542 780	838 645	50 113	143 262	539 884	621 863	(81 979)	-13%	838 645
Water management		520 923	682 585	585 225	48 444	115 045	440 777	297 281	143 497	48%	585 225
Waste water management		45 833	90 621	48 841	1 574	2 813	27 079	24 525	2 554	10%	48 841
Waste management		66 422	132 650	67 989	5 705	13 634	53 740	35 848	17 892	50%	67 989
Other		-	-	30 885	-	-	-	-	-		30 885
Total Expenditure - Functional	3	2 006 603	2 713 365	452 937	144 755	421 339	1 659 158	1 574 835	84 323	5%	452 937
Surplus/ (Deficit) for the year		721 418	(135 983)	51 131	44 250	70 488	13 457	328 984	(315 527)	-96%	51 131

5) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue by Vote	1	8									
Vote 1 - Municipal Manager		10 749	61	–	–		1	–	1		–
Vote 2 - Finance		1 284 303	1 622 808	1 338 964	149 095	299 640	976 543	939 658	36 885	3.9%	338 964
Vote 3 - Community and Social Services		15 770	23 307	29 651	46	155	23 797	22 238	1 559	7.0%	29 651
Vote 4 - Sport and Recreation		7	15	44	–	(1)	17	33	(15)	-46.5%	44
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–	–		–
Vote 6 - Housing		53 212	43 538	35 759	713	1 163	26 659	26 819	(161)	-0.6%	35 759
Vote 9 - Road Transport		–	2 841	34 086	(10 991)	(320)	(320)	25 565	(25 884)	101.3%	34 086
Vote 10 - Energy Sources		913 288	418 857	435 188	(1 005)	39 005	204 285	333 511	(129 227)	-38.7%	435 188
Vote 11 - Water Management		373 059	180 469	505 256	47 587	139 331	406 785	520 581	(113 795)	-21.9%	505 256
Vote 12 - Waste Water Management		35 629	20 842	13 640	759	4 423	9 255	22 336	(13 081)	-58.6%	13 640
Vote 13 - Waste Management		33 010	19 223	(18 395)	2 019	6 023	6 932	1 349	5 583	414.0%	(18 395)
Vote 14 - Internal Audit		–	–	–	–	–	–	–	–		–
Vote 15 - Other		4 529	(346 174)	(82 748)	472	1 415	13 582	5 107	8 475	165.9%	(82 748)
Total Revenue by Vote	2	2 723 556	1 985 787	2 291 445	188 695	490 835	1 667 537	1 897 197	(229 659)	-12.1%	291 445

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
- M09 March

Vote Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quartely Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Expenditure by Vote	1					–					
Vote 1 - Municipal Manager		86 090	168 715	79 536	6 479	18 768	71 502	59 652	11 849	19.9%	79 536
Vote 2 - Finance		394 046	405 915	372 624	11 759	54 309	273 100	280 941	(7 842)	-2.8%	372 624
Vote 3 - Community and Social Services		85 990	65 857	72 233	4 605	36 836	74 432	54 175	20 257	37.4%	72 233
Vote 4 - Sport and Recreation		25 913	33 209	28 017	1 859	5 286	19 941	21 013	(1 072)	-5.1%	28 017
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–	–		–
Vote 5 - Public Safety		5 515	1 618	5 617	468	936	4 086	4 213	(127)	-3.0%	5 617
Vote 5 - Public Safety		–	–	–	–	–	–	–	–		–
Vote 6 - Housing		11 739	5 937	12 789	557	1 040	7 394	9 592	(2 197)	-22.9%	12 789
Vote 9 - Road Transport		113 490	179 448	141 926	4 299	8 458	74 745	106 445	(31 699)	-29.8%	141 926
Vote 10 - Energy Sources		583 308	542 780	838 645	50 113	143 262	539 884	621 863	(81 979)	-13.2%	838 645
Vote 11 - Water Management		520 923	682 585	585 225	48 444	115 045	440 777	297 281	143 497	48.3%	585 225
Vote 12 - Waste Water Management		45 833	90 621	48 841	1 574	2 813	27 079	24 525	2 554	10.4%	48 841
Vote 13 - Waste Management		66 422	132 650	67 989	5 705	13 634	53 740	35 848	17 892	49.9%	67 989
Vote 14 - Internal Audit		4 729	4 973	8 358	1 536	2 120	6 071	6 269	(198)	-3.2%	8 358
Vote 15 - Other		18 549	347 496	98 831	979	2 008	7 798	6 955	843	12.1%	98 831
Total Expenditure by Vote	2	1 962 548	2 661 803	2 360 634	138 377	404 517	1 600 550	1 528 771	71 779	4.7%	2 360 634
Surplus/ (Deficit) for the year	2	761 009	(676 016)	(69 189)	50 318	86 318	66 988	368 426	(301 438)	-81.8%	(69 189)

8) Table C4: Month 09 Budget Statement – Financial Performance (Revenue and Expenditure)

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity		364 311	425 282	357 339	9 489	43 079	210 413	268 004	(57 590)	-21.49%	357 339
Service charges - Water		373 074	479 320	568 572	39 000	113 610	345 594	426 429	(80 835)	-18.96%	568 572
Service charges - Waste Water Management		69 135	83 542	112 703	6 136	18 599	56 311	84 527	(28 216)	-33.38%	112 703
Service charges - Waste management		80 791	97 635	93 603	8 244	23 719	69 724	70 202	(478)	-0.68%	93 603
Sale of Goods and Rendering of Services		2 044	4 846	5 085	53	546	2 188	3 814	(1 626)	-42.63%	5 085
Agency services		10 991	–	18 500	(10 991)	–	6 911	13 875	(6 964)	-50.19%	18 500
Interest		–	–	–	–	–	–	–	–		–
Interest earned from Receivables		310 770	239 231	197 161	(410)	26 496	67 730	147 871	(80 141)	-54.20%	197 161
Interest from Current and Non Current Assets		19 718	15 000	15 000	745	2 295	9 021	11 250	(2 229)	-19.81%	15 000
Dividends		–	–	–	–	–	–	–	–		–
Rent on Land		–	0	–	305	619	791	–	791	#DIV/0!	–
Rental from Fixed Assets		2 904	614	3 668	237	713	2 302	2 751	(449)	-16.33%	3 668
Licence and permits		1	13 568	1 008	–	0	4	756	(752)	-99.44%	1 008
Operational Revenue		51	10 615	9 717	2	4	9 390	(7 264)	16 653	-229.27%	9 717
Non-Exchange Revenue		–	–	–	–	–	–	–	–		–
Property rates		765 344	737 199	550 199	46 133	140 179	386 618	412 649	(26 031)	-6.31%	550 199
Surcharges and Taxes		–	16 247	–	–	–	–	–	–		–
Fines, penalties and forfeits		34 365	2 176	34 317	179	(92)	130	25 738	(25 608)	-99.49%	34 317
Licence and permits		–	–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		325 561	337 435	342 207	65 378	65 740	312 824	256 655	56 169	21.89%	342 207
Interest		–	290 647	155 138	13 473	40 593	97 037	116 354	(19 317)	-16.60%	155 138
Fuel Levy		–	–	–	–	–	–	–	–		–

Operational Revenue		-	-	-	-	-	-	-	-		-
Gains on disposal of Assets		-	-	-	-	-	-	-	-		-
Other Gains Discontinued Operations		213 207	-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		2 572 266	2 754 357	2 464 217	177 973	476 098	1 576 988	1 833 612	(256 624)	-14.00%	2 464 217

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	R ef	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Expenditure By Type	-					-					
Employee related costs		414	539	436		102	330	328		0.56 %	
Remuneration of councillors		513	316	350	33 566	629	589	736	1 853		436 350
Bulk purchases - electricity		26	28	25		6	20	18		8.63 %	
Inventory consumed		332	517	151	2 204	611	491	864	1 628	-	25 151
Debt impairment		466	431	642		95	392	481	(89 209)	18.5 1%	642 564
Depreciation and amortisation		244	007	564	34 078	266	714	923		73.3 8%	225 733
Interest		360	221	225	31 985	68	293	169	124 234		
Contracted services		286	957	733	31 985	457	533	300			
Transfers and subsidies		-	805	238		-	-	-	-		238 628
Irrecoverable debts written off		150	171	165			80	124	(43 815)	-	
Operational costs		555	600	983	225	225	672	487		35.2 0%	165 983
Losses on Disposal of Assets		197	153	166		54	143	124		15.4 7%	166 190
Other		304	118	190	18 739	179	926	642	19 283	21.5 9%	304 396
Losses		252	157	304	19 992	71	277	228	49 289	-	
		125	224	396	19 992	844	586	297		17.6 7%	563
		748	102	563	40	79	347	422	(75)		
		60	-	50	996	6	43	37	5 740	15.3 1%	50 000
		78	89	80	2 931	15	76	60	15 395	25.3 8%	80 886
		102	195	886			060	664			
		-	-	-	-	-	-	-	-		-
		-	114	116	-	-	-	-	-		-
		-	469	494	-	-	-	-	-		116 494
Total Expenditure		2 006 603	2 713 365	2 452 937	144 755	339 421	1 659 158	1 574 835	84 323	5.35 %	2 452 937
Surplus/(Deficit)		565 663	40 993	11 280	33 218	54 759	(82 170)	258 777	(340 947)	- 131.75%	11 280
Transfers and subsidies - capital (monetary allocations)		158	170	160	11 032	15	95	70	25 546	36.3 9%	160 294
Transfers and subsidies - capital (in-kind)		(3 187)	-	-	-	-	(126)	-	(126)	#DIV /0!	-
Surplus/(Deficit) after capital transfers & contributions		721 418	211 423	171 574	44 250	70 488	13 457	328 984			171 574
Income Tax		-	-	-	-	-	-	-	-		-
Surplus/(Deficit) after income tax		721 418	211 423	171 574	44 250	70 488	13 457	328 984			171 574
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-			-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-			-

Surplus/(Deficit) attributable to municipality		418 721	423 211	574 171	44 250	488 70	457 13	984 328			171 574
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-			-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-			-
Surplus/(Deficit) for the year		418 721	423 211	574 171	44 250	488 70	457 13	984 328			171 574

9) Table C5: Month 09 Budget Statement – Capital Expenditure by vote, standard classification and funding

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	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
R thousands	1									
<u>Single Year expenditure appropriation</u>	2									
Vote 1 - Municipal Manager		–	–	2 340	–	–	1 755	(1 755)	-100%	–
Vote 2 - Finance		25 767	2 000	6 000	4 342	(3 756)	4 500	(8 256)	-183%	2 000
Vote 3 - Community and Social Services		(26 087)	–	4 000	–	22 067	3 000	19 067	636%	–
Vote 4 - Sport and Recreation		–	–	5 118	–	–	3 838	(3 838)	-100%	–
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		–	–	–	–	–	–	–		–
Vote 9 - Road Transport		32 711	600	45 617	2 236	93 460	34 213	59 247	173%	600
Vote 10 - Energy Sources		24 722	–	40 082	435	73 285	30 061	43 223	144%	–
Vote 11 - Water Management		2 934	–	36 405	213	82 473	27 304	55 169	202%	–
Vote 12 - Waste Water Management		(19 516)	–	46 707	3 031	36 643	35 030	1 613	5%	–
Vote 13 - Waste Management		–	–	–	–	–	–	–		–
Vote 14 - Internal Audit		–	–	–	–	–	–	–		–
Vote 15 - Other		–	500	2 500	15	74	1 875	(1 801)	-96%	500
Total Capital single-year expenditure	4	40 531	3 100	188 768	10 273	304 245	141 576	162 669	115%	3 100
Total Capital Expenditure		40 531	3 100	188 768	10 273	304 245	141 576	162 669	115%	3 100

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	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
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		25 767	2 500	10 840	4 358	(3 682)	8 130	(11 812)	-145%	2 500
Executive and council		—	—	2 340	—	—	1 755	(1 755)	-100%	—
Finance and administration		25 767	2 500	8 500	4 358	(3 682)	6 375	(10 057)	-158%	2 500
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		(26 087)	—	9 118	—	22 067	6 838	15 229	223%	—
Community and social services		(26 087)	—	4 000	—	22 067	3 000	19 067	636%	—
Sport and recreation		—	—	5 118	—	—	3 838	(3 838)	-100%	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		32 711	600	45 617	2 236	93 460	34 213	59 247	173%	600
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		32 711	600	45 617	2 236	93 460	34 213	59 247	173%	600
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		8 140	—	123 193	3 679	192 400	92 395	100 005	108%	—
Energy sources		24 722	—	40 082	435	73 285	30 061	43 223	144%	—
Water management		2 934	—	36 405	213	82 473	27 304	55 169	202%	—
Waste water management		(19 516)	—	46 707	3 031	36 643	35 030	1 613	5%	—
Waste management		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	3	40 531	3 100	188 768	10 273	304 245	141 576	162 669	115%	3 100
Funded by:										
National Government		22 322	600	156 428	4 611	289 141	117 321	171 820	146%	600
Provincial Government		4 333	—	6 000	1 304	5 637	4 500	1 137	25%	—
District Municipality		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
Transfers recognised - capital		26 656	600	162 428	5 915	294 778	121 821	172 957	142%	600
Borrowing	6	—	—	—	—	—	—	—	—	—
Internally generated funds		13 450	2 500	26 340	248	5 357	19 755	(14 398)	-73%	2 500
Total Capital Funding		40 106	3 100	188 768	6 163	300 135	141 576	158 559	112%	3 100

10)Table C6: Month 09 Budget Statement – Financial Position

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		165 066	794 036	(329 089)	147 136	794 036
Trade and other receivables from exchange transactions		193 092	82 673	537 003	262 996	82 673
Receivables from non-exchange transactions		108 039	310 376	311 598	644 675	310 376
Current portion of non-current receivables		–	–	–	–	–
Inventory		675	9 845	(4 843)	(32 031)	9 845
VAT		466 548	296 637	384 806	574 030	296 637
Other current assets		–	–	–	–	–
Total current assets		933 421	1 493 566	899 475	1 596 806	1 493 566
Non current assets						
Investments		–	–	–	–	–
Investment property		201 145	216 841	216 841	201 145	216 841
Property, plant and equipment		3 225 886	2 922 643	3 113 053	3 233 838	2 922 643
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		190	136	136	190	136
Intangible assets		18 593	(670)	205	20 274	(670)
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		3 445 815	3 138 950	3 330 235	3 455 447	3 138 950
TOTAL ASSETS		4 379 236	4 632 516	4 229 710	5 052 253	4 632 516

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>LIABILITIES</u>						
Current liabilities	-					
Bank overdraft		-	51 960	51 960	-	51 960
Financial liabilities		(12 773)	13 521	13 521	11 417	13 521
Consumer deposits		33 339	-	-	33 634	-
Trade and other payables from exchange transactions		(1 712 532)	1 934 984	1 563 950	2 270 893	1 934 984
Trade and other payables from non-exchange transactions		76 798	31 294	31 294	107 498	31 294
Provision		46 748	39 388	39 388	46 748	39 388
VAT		370 447	178 713	186 789	455 643	178 713
Other current liabilities		-	-	-	-	-
Total current liabilities		(1 197 972)	2 249 860	1 886 902	2 925 834	2 249 860
Non current liabilities						
Financial liabilities		7 963	17 535	17 535	(1 297)	17 535
Provision		33 564	29 894	29 894	33 564	29 894
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		118 161	-	-	118 161	-
Total non current liabilities		159 687	47 429	47 429	150 427	47 429
TOTAL LIABILITIES		(1 038 285)	2 297 289	1 934 331	3 076 261	2 297 289
NET ASSETS	2	5 417 520	2 335 228	2 295 379	1 975 992	2 335 228
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated surplus/(deficit)		(935 540)	2 123 805	2 123 805	(921 566)	2 123 805
Reserves and funds		2 536 618	-	-	2 536 071	-
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	1 601 078	2 123 805	2 123 805	1 614 505	2 123 805

11)Table C7: Month 09 Budget Statement – Cash Flow

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	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
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(750 319)	526 258	385 274	6 008	32 728	288 955	(256 227)	-89%	385 274 1
Service charges		–	694 462	1 124 389	16 090	178 430	843 291	(664 861)	-79%	124 389
Other revenue		–	93 393	130 418	43 015	424 803	100 373	324 431	323%	130 418
Transfers and Subsidies - Operational		–	337 435	342 207	–	248 181	256 655	(8 474)	-3%	342 207
Transfers and Subsidies - Capital		–	170 430	160 294	32 813	74 529	120 220	(45 691)	-38%	160 294
Interest		–	549 738	–	3 972	2 222	–	2 222	#DIV/0!	–
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(1 459 834)	(1 387 021)	(1 910 895)	(141 549)	(1 187 795)	(1 820 651)	(632 856)	35%	(1 910 895)
Finance charges		–	(153 118)	(314 232)	–	–	235 674	235 674	100%	(314 232)
Transfers and Subsidies		–	(1 102)	(563)	–	–	422	422	100%	(563)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(2 210 152)	830 473	(83 110)	(39 650)	(226 901)	24 940	251 841	1010%	(83 110)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		223 245	(209 470)	(416 904)	(4 505)	(112 064)	(312 678)	(200 614)	64%	(416 904)
NET CASH FROM/(USED) INVESTING ACTIVITIES		223 245	(209 470)	(416 904)	(4 505)	(112 064)	(312 678)	(200 614)	64%	(416 904)

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	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
R thousands	1									
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		(1 986 907)	621 004	(500 014)	(44 155)	(338 965)	(287 738)			(500 014)
Cash/cash equivalents at beginning:		202 026	158 032	158 032	989 466	-	158 032			-
Cash/cash equivalents at month/year end:		(1 784 882)	779 036	(341 982)		(338 965)	(129 706)			(500 014)