MERAFONG MUNICIPALITY

SECTION 71 AND 52d FOR QUARTER 1 ENDING 30 SEPTEMBER 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 SEPTEMBER MONTH 03 OF 2025/26 FINANCIAL YEAR
TO: THE HOUNERABLE 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 SEPTEMBER, MONTH 03 AND QUARTER 01 2025 FINANCIAL YEAR

IN-YEAR BUDGET STATEMENT TABLES: MONTH ENDED 30 SEPTEMBER OF 2025 FINANCIAL YEAR

The financial results for the Month ended 30 September 2025 are attached and consists of the following tables:

MBRR TABLES:

1) Table C1 Month 03 Budget Statement -Summary
2) Table C2: Month 03 Budget Statement - Financial Performance (Revenue and Expenditure by Functional Classification)
3) Table C3: Month 03 Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
4) Table C4: Month 03 Budget Statement – Financial Performance (Revenue and Expenditure)
5) Table C5: Month 03 Budget Statement – Capital Expenditure by vote, standard classification and funding
6) Table C6: Month 03 Budget Statement – Financial Position
7) Table C7: Month 03 Budget Statement – Cash Flow
8) Table SC3: Month 03 Budget Statement – Aged Debtors
9) Table SC4: Month 03 Budget Statement – Aged Creditors
10) Table SC5: Month 03 Budget Statement – Investment Portfolio
11) Table SC7: Month 03 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 September 2025 in accordance with the provisions of Section 71 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 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 **30 September 2025**, the ten working day reporting limit expired on **14 October 2025**.

3. Executive summary

The budgeted Revenue for the year has been set at an amount of **R2 898 488 757**, the actual revenue as at end of September amounted to **R139 908 000** and for the 1st Quarter amounted to **R589 590 000** including Grants received in September 2025. including Grants received in September 2025. The budgeted Expenditure for the year has been set at an amount of **R 2 762 021 079**, the actual expenditure as at end of September amounted to **R154 530 000** and for the 1st Quarter amounted to **R528 187 000.00**.

The Capital Budget for the 2025-26 Financial year is **R159 631 999.00**

Expenditure incurred on Capital amounted to **R16 717 258.20** for the month of September which is **%** of the total capital Budget and for the **1st Quarter** amounted to **R17 731 976.75** which is **11.10** of the Total Budget

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

OPERATING AND CAPITAL BUDGET EXPENDITURE	2025/2026 FINAL BUDGET
TOTAL OPERATING REVENUE	R2 898 488 757.00
TOTAL OPERATING EXPENDITURE	R2 762 021 079.00
TOTAL CAPITAL EXPENDITURE	R159 631 999.00
TOTAL OPEX AND CAPEX BUDGET	R2 921 953 078.00

4.1 Operating Revenue by Source

Description	Budget Amount	September Actual	YTD Revenue	%YTD Revenue
Operating Revenue	2 898 488 757	139 908 000	R589 590 000.00	20.34%
TOTAL Revenue	2 898 488 757	**139 908 000**	**R589 590 000.**	**20.34%**

4.2 Operating Expenditure by Type

Description	**Budget Amount**	**September Actual**	**YTD Expenditure**	**%YTD Expenditure**
Operating Expenditure	2 762 021 000	R154 530 000	R528 187 000	19.12%
TOTAL Revenue	2 762 021 000	**R154 530 000**	**R528 187 000**	**19.12%**

4.3 SALARIES

Description	**Budget Amount**	**September Actual**	**YTD Expenditure**	**%YTD Expenditure**
Employee Related Cost	466 720 835	37 496 000	R109 522 000	**23.47%**
TOTAL	**466 720 835**	**37 496 000**	**R109 522 000**	**23.47%**

4.4 REMUNERATION ON COUNCILLORS

Description	**Budget Amount**	**September Actual**	**YTD Expenditure**	**%YTD Expenditure**
Remunerations of Councillors	28 459 742	2 924 000	7 318 000	**25.71%**
TOTAL	**28 459 742**	**2 924 000**	**7 318 000**	**25.71%**

STAFF OVERTIME

Summary: Overtime

Trading Services

Month	Projected	M01 to M03 Actuals	Percentage
July	R2 194 583.58	R2 329 410.85	106.14%
August	R2 194 583.58	R1 967 131.03	89.64%
September	R2 194 583.58	R2 420 079.66	110.28%

	OVERTIME EXPENDITURE FOR SEPTEMBER 2025						
		ANNUAL					
SERIAL NUMBER	CATEGORY OF EXPENDITURE	Aproved Budgett	JULY	AUG	SEP	Tran current ytd	Positive/Negative Variamce %
	Revenue By Source						
1	INCOME	145 000.00	66 942.87	65 515.76	79 693.04	212 151.67	54.96%
2	EXPENDITURE	112 000.00	27 426.34	31 917.01	58 605.44	117 948.79	52.33%
3	BUDGET & TREASURY	140 000.00	12 055.53	20 789.76	56 012.99	88 858.28	40.01%
4	SUPPLY CHAIN				5 605.82	5 605.82	
5	FINANCE:INTERNS	95 000.00	11 772.00	2 592.00	25 653.96	40 017.96	27.00%
6	TRAFFIC & LICENSING	2 521 639.00	186 619.63	147 680.26	227 246.66	561 546.55	9.01%
7	SECURITY	1 200 000.00	123 870.59	107 595.63	113 502.80	344 969.02	9.46%
8	CEMETARY	100 765.00				-	0.00%
9	REFUSE REMOVAL	7 907 522.00	544 663.08	389 177.72	484 599.82	1 418 440.62	6.13%
10	WATER	5 654 197.00	483 397.02	461 945.13	484 796.25	1 430 138.40	8.57%
11	ELECTRICITY	6 300 500.00	388 080.18	372 638.19	358 142.68	1 118 861.05	5.68%
12	CHIEF OPERATING OFFICER			4 662.38		4 662.38	
13	SECRETARIAT & LEGAL	30 651.00	29 887.53	44 093.96	38 530.59	112 512.08	125.71%
14	IDP/PMS	6 760.00				-	0.00%
15	EXECUTIVE MAYOR	71 107.00	62 632.86	37 310.33	53 065.21	153 008.40	74.63%
16	SPEAKER		30 809.23	27 356.05	32 369.09	90 534.37	
17	S.E. SHARED SERVICES		10 705.76	10 488.31	9 041.65	30 235.72	
18	INTERNAL AUDIT	3 525.00				-	0.00%
19	CHIEF OF STAFF					-	
20	INFORMATION TECHNOLOGY	101 040.00	6 751.10	7 052.48	8 740.25	22 543.83	8.65%
21	MANAGER CIVIL ENGINEERING	55 200.00	6 751.10	5 063.33	10 126.64	21 941.07	18.35%
22	PUBLIC WORKS	468 480.00	63 934.99	61 416.92	70 286.07	195 637.98	15.00%
23	SE ECONOMIC DEVELOPMENT		8 197.76			8 197.76	
24	ROADS & STORMWATER	411 462.00	96 546.44	74 351.44	117 718.65	288 616.53	28.61%
25	PARKS	918 985.00	99 012.75	58 488.06	106 272.14	263 772.95	11.56%
26	MARKETING	1 040.00		1 356.25		1 356.25	0.00%
27	MANAGER SRACH,LIS and Parks	27 775.00	14 466.62		5 666.09	20 132.71	20.40%
28	SOCIAL DEVELOPMENT	5 200.00				-	0.00%
29	HR & SKILLS DEVELOPMENT	41 555.00	20 824.80	22 620.08	23 825.65	67 270.53	57.34%
30	INDUSTRIAL RELATIONS		1 151.08		5 640.81	6 791.89	
31	HOUSING ADMINISTRATION	15 600.00	16 395.52			16 395.52	0.00%
32	SPARTIAL PLANNING					-	
33	LIBRARIES					-	
34	PROJECT MANAGEMET UNIT					-	
35	MUNICIPAL MANAGER					-	
36	LED					-	
37	SE COMMUNITY SERVICE		7 836.09	5 063.33	7 594.98	20 494.40	
38	WATER CAREWORK		8 679.98	7 956.65	37 342.38	53 979.01	
	Total	**26 335 003.00**	**2 329 410.85**	**1 967 131.03**	**2 420 079.66**	**6 716 621.54**	

Summary: Overtime
The approved overtime budget for the **2025/26** financial year is a total amount of **R26 355 003.00.**
During **September 2025** overtime paid was a total amount of **R2 420 079.66** against the projected budget of **R2 194 583.58** which is **110.28%** 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 have 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. Governance
4.5.1 Institutional
4.5.2 Financial Management
4.5.3 Service Delivery

The 2025/2026 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 monitored quarterly.

The Control environment was strengthened by the appointments of the Deputy CFO, the Financial Reporting Manager, and the Revenue Manager.

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

The collection rate of the Debtors is of the municipality is below the prescribed rate of 85% that is set by National Treasury for the debt relief conditions. The revenue collection can be improved by credit control actions and the implementation of smart metering to take action against defaulting debtors

The working capital is the municipality is the working municipality is still not positive and it is unable to meet current obligations within 30days prescribed by the provisions of section 65 of the MFMA

5. In-year budget statement tables

1) Table C1 Monthly Budget Statement Summary

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M03 September

Description	2024/25	Budget Year 2025/26								
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance										
Property rates	525 259	582 735	–	54 595	167 814	167 814	145 684	22 130	15%	582 735
Service charges	885 064	1 329 805	–	58 426	217 580	217 580	348 430	(130 850)	-38%	1 329 805
Investment revenue	11 267	11 744	–	565	1 366	1 366	2 936	(1 570)	-53%	11 744
Transfers and subsidies - Operational	361 224	358 803	–	275	126 094	126 094	87 430	38 664	44%	358 803
Other own revenue	392 731	615 421	–	26 047	76 737	76 737	152 263	(75 527)	-50%	615 421
Total Revenue (excluding capital transfers and contributions)	**2 175 545**	**2 898 509**	**–**	**139 908**	**589 590**	**589 590**	**736 744**	**(147 153)**	**-20%**	**2 898 509**
Employee costs	439 612	466 721	–	37 496	109 522	109 522	116 680	(7 159)		466 721
Remuneration of Councillors	27 103	28 460	–	2 924	7 318	7 318	7 115	203		28 460
Depreciation and amortisation	177 586	157 984	–	–	–	–	39 496	(39 496)		157 984
Interest	285 710	116 202	–	16 838	62 610	62 610	29 050	33 560		116 202
Inventory consumed and bulk purchases	750 487	945 128	–	60 690	238 132	238 132	236 282	1 850		945 128
Transfers and subsidies	506	596	–	42	83	83	149	(66)	-44%	596
Other expenditure	587 611	1 046 930	–	36 541	110 522	110 522	69 002	41 520	60%	1 046 930
Total Expenditure	**2 268 614**	**2 762 021**	**–**	**154 530**	**528 187**	**528 187**	**497 775**	**30 413**	**6%**	**2 762 021**
Surplus/(Deficit)	**(93 070)**	**136 488**	**–**	**(14 621)**	**61 403**	**61 403**	**238 969**	**(177 566)**	**-74%**	**136 488**
Transfers and subsidies - capital (monetary allocations)	149 974	124 091	–	–	–	–	20 884	########	-100%	124 091
Transfers and subsidies - capital (in-kind)	(126)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**	**(198 450)**	**-76%**	**260 579**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**	**(198 450)**	**-76%**	**260 579**

1.1 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

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M03 September

Description	2024/25	Budget Year 2025/26								
R thousands	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										
Capital expenditure	**(6 056)**	**155 111**	**–**	**358 078**	**19 402**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**
Capital transfers recognised	15 502	124 111	–	349 927	15 473	15 473	31 028	(15 555)	-50%	124 111
Borrowing	–	–	–	–	–	–	–	–		–
Internally generated funds	**(21 133)**	**31 000**	**–**	**7 759**	**3 929**	**3 929**	**7 750**	**(3 821)**	**-49%**	**31 000**
Total sources of capital funds	**(5 631)**	**155 111**	**–**	**357 685**	**19 402**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**
Financial position										
Total current assets	2 082 901	1 311 368	–		2 471 701	2 471 701				1 311 368
Total non current assets	3 475 198	3 196 553	–		3 494 600	3 494 600				3 196 553
Total current liabilities	3 210 534	1 265 797	–		3 582 676	3 582 676				1 265 797
Total non current liabilities	169 289	959 373	–		169 289	169 289				959 373
Community wealth/Equity	**2 178 276**	**2 282 751**	**–**		2 214 335	**2 214 335**				**2 282 751**
Cash flows										
Net cash from (used) operating	(1 386 228)	516 244	–	148 927	372 301	372 301	858 300	486 000	57%	516 244
Net cash from (used) investing	217 924	(189 663)	–	(358 078)	(19 402)	(19 402)	48 916	68 318	140%	(189 663)
Net cash from (used) financing	–	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**(1 012 045)**	**484 614**	**–**	**270 151**	**770 652**	**770 652**	**1 065 248**	**294 596**	**28%**	**–**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis										
Total By Income Source	84 696	119 229	101 154	49 719	85 731	85 731	81 804	577 712	5 543 304	6 643 350
Creditors Age Analysis										
Total Creditors	72 152	177 344	158 693	151 275	99 934	99 934	94 794	701 206	1 730 553	3 185 952

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) - M03 September

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		**1 168 610**	**1 005 686**	**–**	**67 928**	**331 418**	**331 418**	**295 386**	36 032	12%	**1 005 686**
Executive and council		13 722	–	–	–	–	–	–	–		–
Finance and administration		1 154 888	1 005 686	–	67 928	331 418	331 418	295 386	36 032	12%	1 005 686
Internal audit		–	–	–	–	–	–	–	–		–
Community and public safety		**63 668**	**31 966**	**–**	**262**	**773**	**773**	**5 721**	(4 948)	-86%	**31 966**
Community and social services		28 921	28 909	–	137	403	403	4 957	(4 553)	-92%	28 909
Sport and recreation		15	46	–	–	(3)	(3)	11	(15)	-128%	46
Public safety		–	–	–	–	–	–	–	–		–
Housing		34 731	3 012	–	125	373	373	753	(380)	-51%	3 012
Health		–	–	–	–	–	–	–	–		–
Economic and environmental services		**9 362**	**7 453**	**–**	**805**	**2 875**	**2 875**	**8 904**	(6 028)	-68%	**7 453**
Planning and development		9 362	4 555	–	805	2 875	2 875	1 139	1 736	152%	4 555
Road transport		–	2 898	–	–	–	–	7 765	(7 765)	-100%	2 898
Environmental protection		–	–	–	–	–	–	–	–		–
Trading services		**1 083 753**	**1 206 572**	**–**	**70 913**	**254 524**	**254 524**	**447 617**	**(193 093)**	-43%	**1 206 572**
Energy sources		373 681	619 249	–	22 815	72 383	72 383	206 295	(133 913)	-65%	619 249
Water management		588 640	576 545	–	36 634	147 978	147 978	187 651	(39 672)	-21%	576 545
Waste water management		9 133	(757)	–	805	2 274	2 274	25 596	(23 322)	-91%	(757)
Waste management		112 300	11 535	–	10 660	31 889	31 889	28 075	3 813	14%	11 535
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**2 325 392**	**2 251 678**	**–**	**139 908**	**589 590**	**589 590**	**757 628**	**(168 037)**	**-22%**	**2 251 678**

GT484 Merafong City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

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		**554 343**	**544 255**	**–**	**35 259**	**99 564**	**99 564**	**80 369**	19 195	24%	**544 255**
Executive and council		101 723	84 165	–	9 632	28 219	28 219	21 041	7 178	34%	84 165
Finance and administration		447 331	450 840	–	25 117	70 152	70 152	57 015	13 137	23%	450 840
Internal audit		5 289	9 251	–	509	1 193	1 193	2 313	(1 119)	-48%	9 251
Community and public safety		**135 302**	**123 259**	**–**	**8 071**	**25 996**	**25 996**	**30 815**	(4 819)	-16%	**123 259**
Community and social services		87 586	73 544	–	4 967	16 573	16 573	18 386	(1 813)	-10%	73 544
Sport and recreation		27 281	29 902	–	1 953	5 969	5 969	7 475	(1 507)	-20%	29 902
Public safety		6 016	4 231	–	504	1 634	1 634	1 058	577	55%	4 231
Housing		14 419	12 447	–	646	1 820	1 820	3 112	(1 292)	-42%	12 447
Health		–	3 135	–	–	–	–	784	(784)	-100%	3 135
Economic and environmental services		**200 856**	**211 121**	**–**	**6 217**	**32 249**	**32 249**	**45 740**	(13 491)	-29%	**211 121**
Planning and development		82 251	36 019	–	1 911	14 554	14 554	9 005	5 549	62%	36 019
Road transport		118 604	175 102	–	4 306	17 695	17 695	36 735	(19 040)	-52%	175 102
Environmental protection		–	–	–	–	–	–	–	–		–
Trading services		**1 378 114**	**1 883 386**	**–**	**87 364**	**370 379**	**370 379**	**340 851**	**29 527**	9%	**1 883 386**
Energy sources		748 558	918 468	–	70 427	258 718	258 718	194 113	64 605	33%	918 468
Water management		491 664	654 481	–	10 678	81 561	81 561	120 106	(38 544)	-32%	654 481
Waste water management		59 082	142 533	–	3 003	13 646	13 646	9 848	3 798	39%	142 533
Waste management		78 810	167 904	–	3 256	16 454	16 454	16 784	(331)	-2%	167 904
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	**3**	**2 268 614**	**2 762 021**	**–**	**136 910**	**528 187**	**528 187**	**497 775**	**30 413**	**6%**	**2 762 021**
Surplus/ (Deficit) for the year		**56 778**	**(510 343)**	**–**	**2 998**	**61 403**	**61 403**	**259 853**	**(198 450)**	**-76%**	**(510 343)**

3) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) – M03 September

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2024/25	Budget Year 2025/26								
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1										
Vote 1 - Municipal Manager		13 722	–	–	–		–	–	–		–
Vote 2 - Finance		1 138 169	1 220 086	–	67 437	329 940	329 940	293 291	36 649	12.5%	1 220 086
Vote 3 - Community and Social Services		28 921	28 909	–	137	403	403	4 957	(4 553)	-91.9%	28 909
Vote 4 - Sport and Recreation		15	46	–	–	(3)	(3)	11	(15)	-128.2%	46
Vote 5 - Public Safety		–	–	–	–	–	–	–	–		–
Vote 6 - Housing		34 731	3 012	–	125	373	373	753	(380)	-50.5%	3 012
Vote 7 - Health		–	–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		9 362	4 555	–	805	2 875	2 875	1 139	1 736	152.5%	4 555
Vote 9 - Road Transport		–	2 898	–	–	–	–	7 765	(7 765)	-100.0%	2 898
Vote 10 - Energy Sources		373 681	619 249	–	22 815	72 383	72 383	206 295	(133 913)	-64.9%	619 249
Vote 11 - Water Management		588 640	576 545	–	36 634	147 978	147 978	187 651	(39 672)	-21.1%	576 545
Vote 12 - Waste Water Management		9 133	(757)	–	805	2 274	2 274	25 596	(23 322)	-91.1%	(757)
Vote 13 - Waste Management		112 300	11 535	–	10 660	31 889	31 889	28 075	3 813	13.6%	11 535
Vote 14 - Internal Audit		–	–	–	–	–	–	–	–		–
Vote 15 - Other		16 719	(214 399)	–	491	1 478	1 478	2 095	(616)	-29.4%	(214 399)
Total Revenue by Vote	2	**2 325 392**	**2 251 678**	**–**	**139 908**	**589 590**	**589 590**	**757 628**	**(168 037)**	**-22.2%**	**2 251 678**

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote	1										
Vote 1 - Municipal Manager		101 723	84 165	–	9 632	28 219	28 219	21 041	7 178	34.1%	84 165
Vote 2 - Finance		433 067	215 377	–	24 078	67 677	67 677	53 844	13 833	25.7%	215 377
Vote 3 - Community and Social Services		87 586	73 544	–	4 967	16 573	16 573	18 386	(1 813)	-9.9%	73 544
Vote 4 - Sport and Recreation		27 281	29 902	–	1 953	5 969	5 969	7 475	(1 507)	-20.2%	29 902
Vote 5 - Public Safety		6 016	4 231	–	504	1 634	1 634	1 058	577	54.5%	4 231
Vote 6 - Housing		14 419	12 447	–	646	1 820	1 820	3 112	(1 292)	-41.5%	12 447
Vote 7 - Health		–	3 135	–	–	–	–	784	(784)	-100.0%	3 135
Vote 8 - Planning and Development		82 251	36 019	–	1 911	14 554	14 554	9 005	5 549	61.6%	36 019
Vote 9 - Road Transport		118 604	175 102	–	4 306	17 695	17 695	36 735	(19 040)	-51.8%	175 102
Vote 10 - Energy Sources		748 558	918 468	–	70 427	258 718	258 718	194 113	64 605	33.3%	918 468
Vote 11 - Water Management		491 664	654 481	–	10 678	81 561	81 561	120 106	(38 544)	-32.1%	654 481
Vote 12 - Waste Water Management		59 082	142 533	–	3 003	13 646	13 646	9 848	3 798	38.6%	142 533
Vote 13 - Waste Management		78 810	167 904	–	3 256	16 454	16 454	16 784	(331)	-2.0%	167 904
Vote 14 - Internal Audit		5 289	9 251	–	509	1 193	1 193	2 313	(1 119)	-48.4%	9 251
Vote 15 - Other		14 264	235 463	–	1 039	2 475	2 475	3 171	(696)	-21.9%	235 463
Total Expenditure by Vote	2	**2 268 614**	**2 762 021**	**–**	**136 910**	**528 187**	**528 187**	**497 775**	**30 413**	**6.1%**	**2 762 021**
Surplus/ (Deficit) for the year	2	**56 778**	**(510 343)**	**–**	**2 998**	**61 403**	**61 403**	**259 853**	**(198 450)**	**-76.4%**	**(510 343)**

4) Table C4: Month 03 Budget Statement – Financial Performance (Revenue and Expenditure)

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2024/25	Budget Year 2025/26								
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue											
Exchange Revenue											
Service charges - Electricity		315 811	481 628	–	21 605	68 810	68 810	136 386	(67 576)	-50%	481 628
Service charges - Water		407 417	633 537	–	21 472	101 601	101 601	158 384	(56 783)	-36%	633 537
Service charges - Waste Water Management		67 635	102 355	–	6 550	20 784	20 784	25 589	(4 804)	-19%	102 355
Service charges - Waste management		94 201	112 285	–	8 799	26 384	26 384	28 071	(1 687)	-6%	112 285
Sale of Goods and Rendering of Services		4 241	3 646	–	357	946	946	912	34	4%	3 646
Agency services		13 125	17 695	–	–	–	–	4 424	(4 424)	-100%	17 695
Interest		–	–	–	–	–	–	–	–		–
Interest earned from Receivables		180 911	192 599	–	12 487	36 934	36 934	48 150	(11 216)	-23%	192 599
Interest from Current and Non Current Assets		11 267	11 744	–	565	1 366	1 366	2 936			11 744
Dividends		–	–	–	–	–	–	–	–		–
Rent on Land		1 350	–	–	594	1 376	1 376	–	1 376		–
Rental from Fixed Assets		3 465	3 164	–	139	413	413	791	(378)	-48%	3 164
Licence and permits		4	2 069	–	–	–	–	517	(517)	-100%	2 069
Special rating levies		–	–	–	–	–	–	–	–		–
Operational Revenue		9 520	3 201	–	2	6	6	(792)	798	-101%	3 201
Non-Exchange Revenue		–	–	–	–	–	–	–	–		–
Property rates		525 259	582 735	–	54 595	167 814	167 814	145 684	22 130	15%	582 735
Surcharges and Taxes		–	–	–	–	–	–	–	–		–
Fines, penalties and forfeits		38 739	31 290	–	77	215	215	7 823	(7 608)		31 290
Licence and permits		–	–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		361 224	358 803	–	275	126 094	126 094	87 430	38 664		358 803
Interest		141 376	152 699	–	12 391	36 847	36 847	38 175	(1 327)		152 699
Fuel Levy		–	–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–	–		–
Other Gains		–	209 059	–	–	–	–	52 265	(52 265)		209 059
Discontinued Operations		–	–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**2 175 545**	**2 898 509**	**–**	**139 908**	**589 590**	**589 590**	**736 744**	**(147 153)**	**-20%**	**2 898 509**

Variance reporting: Revenue

Revenue Description	YTD Actual	YTD Budget	Variance +over/(-under)	Comments
Property Rates	R167 814 000	R145 684 000	R22 130 000	Adjustment of the Tariffs
Electricity revenue	R68 810 000	R136 386 000	(R67 576 000)	The negative variance of electricity revenue is largely to consumption that is not paid for, the Municipality need to implement stringent measures to address the challenges of consumers who use electricity services without paying for them, the situation impacts the cash flow operations of the municipality
Water Revenue	R101 601 000	R158 384 000	(R56 783 000)	Water consumption was less that what was expected
Wastewater management	R20 784 000	R25 589 000	(R4 804 000)	Wastewater billing is still within ranger
Waste Management	R26 384 000	R28 071 000	R1 687 000)	The billing of Waste Management is expected to meet the planned amount by issuing bins to users without bins who would be billed once bins have been provided
Sale of Goods	R946 000	R912 000	R34 000	Seasonal usage of Halls, Lapas and Swimming pool.
Interest from Receivable	R36 934 000	R48 150 00	R11 216 000	Interest charged for the Outstanding debtors
Interest from Current and Non-Current Assets	R1 366 00	R2 936 000		Interest earned from Main Bank account and Call Account
Rental from Fixed Assets	R413 000	R791 000	(R378 000)	Interest earned from Main Bank account and Call Account
Licences		R517 000	(R517 000)	The data is expected from Licencing and Traffic
Operational revenue	R6000	(R792 000)	R798 000	Less revenue received from what was expected
Fines	R215 000	R7 823 000	(R7 608 000)	Revenue is dependent on fines issued
Transfer and Subsidies				Government subsidies
Interest	R36 847 000	R38 175 000	R1 327 000)	Interest Received from funds invested in call account which is dependent on the interest rates

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2024/25	Budget Year 2025/26								
R thousands		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		439 612	466 721	–	37 496	109 522	109 522	116 680	(7 159)	-6%	466 721
Remuneration of councillors		27 103	28 460	–	2 924	7 318	7 318	7 115	203	3%	28 460
Bulk purchases - electricity		556 457	589 037	–	42 932	202 044	202 044	147 259	54 785		589 037
Inventory consumed		194 030	356 090	–	17 758	36 088	36 088	89 023	(52 935)		356 090
Debt impairment		–	730 363	–	–	–	–	–	–		730 363
Depreciation and amortisation		177 586	157 984	–	–	–	–	39 496	(39 496)	-100%	157 984
Interest		285 710	116 202	–	16 838	62 610	62 610	29 050	33 560	116%	116 202
Contracted services		431 369	173 859	–	30 801	89 506	89 506	43 465	46 042	106%	173 859
Transfers and subsidies		506	596	–	42	83	83	149	(66)	-44%	596
Irrecoverable debts written off		43 685	32 079	–	101	574	574	8 020	(7 446)		32 079
Operational costs		112 556	70 071	–	5 638	20 442	20 442	17 518	2 925	17%	70 071
Losses on Disposal of Assets		–	–	–	–	–	–	–	–		–
Other Losses		–	40 559	–	–	–	–	–	–		40 559
Total Expenditure		**2 268 614**	**2 762 021**	**–**	**154 530**	**528 187**	**528 187**	**497 775**	**30 413**	**6%**	**2 762 021**
Surplus/(Deficit)		**(93 070)**	**136 488**	**–**	**(14 621)**	**61 403**	**61 403**	**238 969**	**(177 566)**	**(0)**	**136 488**
Transfers and subsidies - capital (monetary allocations)		149 974	124 091	–	–	–	–	20 884	(20 884)	**(0)**	124 091
Transfers and subsidies - capital (in-kind)		(126)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**			**260 579**
Income Tax		–	–	–	–	–	–	–			–
Surplus/(Deficit) after income tax		**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**			**260 579**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**			**260 579**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**			**260 579**

Additional comments on expenditure performance

Expenditure Description	YTD Actual	YTD Budget	Variance +over/(-under)	Comments
Employee related costs	R109 522 000	R116 680 000	R7 159 000	Employee cost still within threshold
Remuneration of councillors	R7 318 000	R7 115 000	R203 000	Employee cost still within threshold
Bulk Purchases	R202 044 000	R147 259 000	R54 785 000	Seasonal consumption of electricity
Inventory Consumed	R36 088 00	R89 023 000	(52 935 000)	Seasonal consumption of Water
Debt impairment				Impairment only at the end of the Year
Depreciation & asset impairment			39 496 000	Impairment only at the end of the Year
Interest	R62 610 000	R29 050 000	R33 560 000	interest paid on Eskom, Rand Water and other leases
Contracted Services	R89 506 000	R43 465 000	R46 042 000	Repairs and maintenance
Irrecoverable Debt	R574 000	R8 020 000	(R7 446 000)	Irrecoverable debt
Operational Cost	R20 442 000	R17 518 000	R2 925 000	Cost containment

5) Table C5: Month 03 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) - M03 September

Vote 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
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - Municipal Manager		–	3 000	–	334	334	750	(416)	-56%	3 000
Vote 2 - Finance		(19 385)	–	–	6 561	805	–	805	#DIV/0!	–
Vote 3 - Community and Social Services		(4 338)	4 000	–	13 623	568	1 000	(432)	-43%	4 000
Vote 4 - Sport and Recreation		–	2 000	–	–	–	500	(500)	-100%	2 000
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		–	–	–	–	–	–	–		–
Vote 7 - Health		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		–	–	–	–	–	–	–		–
Vote 9 - Road Transport		(18 019)	44 533	–	113 643	3 335	11 133	(7 799)	-70%	44 533
Vote 10 - Energy Sources		21 334	44 601	–	85 715	6 727	11 150	(4 423)	-40%	44 601
Vote 11 - Water Management		(10 278)	39 980	–	81 387	1 371	9 995	(8 624)	-86%	39 980
Vote 12 - Waste Water Management		24 630	10 497	–	56 816	6 081	2 624	3 457	132%	10 497
Vote 13 - Waste Management		–	6 500	–	–	–	1 625	(1 625)	-100%	6 500
Vote 14 - Internal Audit		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	182	–	182	#DIV/0!	–
Total Capital single-year expenditure	4	(6 056)	155 111	–	358 078	19 402	38 778	**(19 375)**	**-50%**	155 111
Total Capital Expenditure		**(6 056)**	**155 111**	**–**	**358 078**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote 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
Capital Expenditure - Functional Classification										
Governance and administration		**(19 385)**	**3 000**	**–**	**6 895**	**1 321**	**750**	571	76%	**3 000**
Executive and council		–	3 000	–	334	334	750	(416)	-56%	3 000
Finance and administration		(19 385)	–	–	6 561	987	–	987	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(4 338)**	**6 000**	**–**	**13 623**	**568**	**1 500**	(932)	-62%	**6 000**
Community and social services		(4 338)	4 000	–	13 623	568	1 000	(432)	-43%	4 000
Sport and recreation		–	2 000	–	–	–	500	(500)	-100%	2 000
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(18 019)**	**44 533**	**–**	**113 643**	**3 335**	**11 133**	(7 799)	-70%	**44 533**
Planning and development		–	–	–	–	–	–	–		–
Road transport		(18 019)	44 533	–	113 643	3 335	11 133	(7 799)	-70%	44 533
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**35 686**	**101 578**	**–**	**223 918**	**14 179**	**25 394**	(11 216)	-44%	**101 578**
Energy sources		21 334	44 601	–	85 715	6 727	11 150	(4 423)	-40%	44 601
Water management		(10 278)	39 980	–	81 387	1 371	9 995	(8 624)	-86%	39 980
Waste water management		24 630	10 497	–	56 816	6 081	2 624	3 457	132%	10 497
Waste management		–	6 500	–	–	–	1 625	(1 625)	-100%	6 500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**(6 056)**	**155 111**	**–**	**358 078**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote 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
Funded by:										
National Government		19 835	124 111	–	340 380	15 473	31 028	(15 555)	-50%	124 111
Provincial Government		(4 333)	–	–	9 547	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**15 502**	**124 111**	**–**	**349 927**	**15 473**	**31 028**	**(15 555)**	**-50%**	**124 111**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(21 133)	31 000	–	7 759	3 929	7 750	(3 821)	-49%	31 000
Total Capital Funding		**(5 631)**	**155 111**	**–**	**357 685**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**

6) Table C6: Month 03 Budget Statement – Financial Position

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		335 187	482 612	–	356 324	482 612
Trade and other receivables from exchange transactions		845 730	240 488	–	1 002 622	240 488
Receivables from non-exchange transactions		493 480	220 893	–	642 281	220 893
Current portion of non-current receivables		–	–	–	–	–
Inventory		(223 431)	1 062	–	(206 717)	1 062
VAT		631 936	366 314	–	677 190	366 314
Other current assets		–	–	–	–	–
Total current assets		**2 082 901**	**1 311 368**	**–**	**2 471 701**	**1 311 368**
Non current assets						
Investments		–	–	–	–	–
Investment property		223 818	217 300	–	223 818	217 300
Property, plant and equipment		3 230 284	2 978 912	–	3 249 686	2 978 912
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		190	136	–	190	136
Intangible assets		20 906	205	–	20 906	205
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3 475 198**	**3 196 553**	**–**	**3 494 600**	**3 196 553**
TOTAL ASSETS		**5 558 099**	**4 507 921**	**–**	**5 966 301**	**4 507 921**

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
LIABILITIES						
Current liabilities	-					
Bank overdraft		–	51 960	–	–	51 960
Financial liabilities		3 391	13 521	–	3 391	13 521
Consumer deposits		20 235	–	–	20 535	–
Trade and other payables from exchange transactions		2 668 551	1 072 734	–	2 930 133	1 072 734
Trade and other payables from non-exchange transactions		3 954	31 294	–	77 979	31 294
Provision		53 866	39 388	–	53 866	39 388
VAT		460 537	56 900	–	496 772	56 900
Other current liabilities		–	–	–	–	–
Total current liabilities		**3 210 534**	**1 265 797**	**–**	**3 582 676**	**1 265 797**
Non current liabilities						
Financial liabilities		4 652	17 535	–	4 652	17 535
Provision		33 291	29 894	–	33 291	29 894
Long term portion of trade payables		–	911 944	–	–	911 944
Other non-current liabilities		131 346	–	–	131 346	–
Total non current liabilities		**169 289**	**959 373**	**–**	**169 289**	**959 373**
TOTAL LIABILITIES		**3 379 823**	**2 225 170**	**–**	**3 751 966**	**2 225 170**
NET ASSETS	2	**2 178 276**	**2 282 751**	**–**	**2 214 335**	**2 282 751**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(415 355)	2 282 751	–	(379 295)	2 282 751
Reserves and funds		2 593 631	–	–	2 593 631	–
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 178 276**	**2 282 751**	**–**	**2 214 335**	**2 282 751**

7) Table C7: Month 03 Budget Statement – Cash Flow

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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		(539 965)	408 037	–	38 322	103 772	102 009	1 762	2%	408 037
Service charges		(584)	1 004 719	–	47	117	251 180	(251 063)	-100%	1 004 719
Other revenue		69 094	64 329	–	575	1 579	16 082	(14 503)	-90%	64 329
Transfers and Subsidies - Operational		–	334 256	–	95 281	181 348	95 837	85 511	89%	334 256
Transfers and Subsidies - Capital		–	124 091	–	61 387	18 166	31 023	(12 857)	-41%	124 091
Interest		333 553	11 744	–	25 444	75 147	2 936	72 211	2460%	11 744
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(1 248 326)	(1 316 135)	–	(72 128)	5 682	330 534	324 852	98%	(1 316 135)
Interest		–	(114 200)	–	–	(13 510)	28 550	42 060	147%	(114 200)
Transfers and Subsidies		–	(596)	–	–	–	149	149	100%	(596)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(1 386 228)**	**516 244**	**–**	**148 927**	**372 301**	**858 300**	**486 000**	**57%**	**516 244**

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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 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		217 924	(189 663)	–	(358 078)	(19 402)	48 916	68 318	140%	(189 663)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**217 924**	**(189 663)**	**–**	**(358 078)**	**(19 402)**	**48 916**	**68 318**	**140%**	**(189 663)**
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		**(1 168 304)**	**326 582**	**–**	**(209 151)**	**352 898**	**907 216**			**–**
Cash/cash equivalents at beginning:		156 259	158 032	–	479 303	417 754	158 032			417 754
Cash/cash equivalents at month/year end:		(1 012 045)	484 614	–	270 151	770 652	1 065 248			–

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

GT484 Merafong City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description R thousands	NT Code	Budget Year 2025/26 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
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	20 586	41 400	27 405	(4 213)	26 142	16 367	145 738	1 213 092	1 486 517	1 397 126
Trade and Other Receivables from Exchange Transactions - Electricity	1300	(1)	–	–	(17 399)	941	827	2 777	103 786	90 930	90 931
Receivables from Non-exchange Transactions - Property Rates	1400	36 218	38 902	38 779	30 139	28 591	27 930	197 491	444 144	842 192	728 294
Receivables from Exchange Transactions - Waste Water Management	1500	4 442	5 021	3 425	(3 550)	3 218	2 917	18 281	34 289	68 043	55 154
Receivables from Exchange Transactions - Waste Management	1600	10 072	9 046	7 618	6 589	6 310	6 129	38 568	330 281	414 613	387 877
Receivables from Exchange Transactions - Property Rental Debtors	1700	143	122	102	210	208	185	1 232	2 263	4 467	4 100
Interest on Arrear Debtor Accounts	1810	25 596	25 166	24 660	28 572	28 131	27 505	184 732	1 214 399	1 558 762	1 483 339
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	(11 972)	(428)	(833)	9 370	(7 809)	(56)	(11 107)	2 201 050	2 178 216	2 191 448
Total By Income Source	**2000**	**85 084**	**119 229**	**101 155**	**49 719**	**85 731**	**81 804**	**577 712**	**5 543 304**	**6 643 739**	**6 338 270**
2024/25 - totals only										–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	603	615	468	360	440	382	2 317	22 768	27 953	26 267
Commercial	2300	65 146	67 986	55 580	66 870	51 360	47 388	332 085	3 288 689	3 975 104	3 786 392
Households	2400	17 691	48 411	43 562	30 818	32 792	32 978	237 246	2 227 259	2 670 757	2 561 092
Other	2500	1 644	2 217	1 545	(48 329)	1 138	1 057	6 064	4 588	(30 075)	(35 482)
Total By Customer Group	**2600**	**85 084**	**119 229**	**101 155**	**49 719**	**85 731**	**81 804**	**577 712**	**5 543 304**	**6 643 739**	**6 338 270**

Debtors Collection

Consumer debtors have increased due to continued non -payment

CONSUMER DEBTORS
R6 643 739 000

7. REVENUE MANAGEMENT

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

	July		Aug		September	
Revenue Per Source	**Billing**	**Receipts**	**Billing**	**Receipts**	**Billing**	**Receipts**
Property Rates	54 185 000	38 249 520	59 810 000	43 951 000	61 210 000	39 391 000
Electricity Basic	24 661 000	10 821 210	21 459 960	12 946 000	23 313 000	12 446 000
Water Availability	44 489 000	17 684 123	42 089 552	23 468 420	54 589 550	23 114 420
Refuse Removal	5 852 640	6 346 111	8 552 910	7 854 030	4 427 000	7 054 030
Sewer Availability	27 801 000	8 236 236	28 529 452	11 684 610	21 878 692	9 684 610
Interest	32 451 360	15 408 000	23 658 000	14 865 400	23 445958	14 994 140
Grand Total	**189 540 552**	96 745 200	**184 100 274**	**114 769 460**	**188 864 200**	**106 684 200**
	51%		**62%**		**56%**	

CREDIT CONTROL: PAYMENT LEVELS - 2025'26						
MONTH	**LEVIED**	**PAYMENT**	**PERCENTAGE**	**BUDGET**	**UNDER COLLECTED/LOSS ON BUDGETED COLLECTION RATE**	**% UNDER COLLECTED/LOSS**
Jul-25	189 540 552	96 745 200	51.04%	60%	16 979 131	8.96%
Aug-25	184 100 274	114 769 460	62.34%	60%	-4 309 296	0.00%
Sep-25	188 864 200	106 684 200	56.49%	60%	6 634 320	0.00%
Quarter 1	**562 505 026**	**318 198 860**	**56.57%**	**60%**	**19 304 156**	**3.43%**
TOTAL	**562 505 026**	**318 198 860**	**56.57%**	**60%**	**19 304 156**	**3.43%**

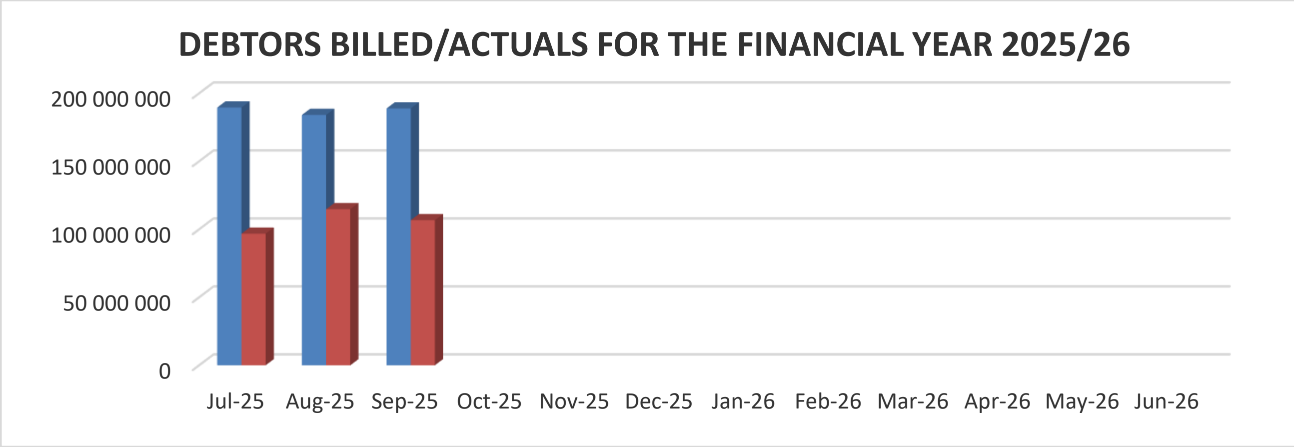
The collection rate
for the month of September is **56%**

Collection Per Ward-September 2025

Wards	Ward Names	Billing	Collection	Percentage
Ward 1	Khutsong South and Farming areas	47 500 393.42	17 095 856.49	36%
Ward 2	Khutsong South	2 741 937.84	100 539.69	4%
Ward 3	Khutsong Proper, Ext 3	965 187.11	3 336.77	0%
Ward 4	Khutsong Proper,	764 910.59	1 000.00	0%
Ward 5	Blyvoor Mining Area	21 046 165.68	473.14	0%
Ward 6	Khutsong proper	943 452.14	28 396.59	3%
Ward 7	Khutsong Proper including skopas Section	1 383 976.04	93 823.36	7%
Ward 8	Khutsong Proper including informal settlements	632 970.77	7 829.50	1%
Ward 9	Khutsong Proper including informal settlements	399 033.28	6 592.04	2%
Ward 10	Khutsong Proper	1 119 584.49	7 942.90	1%
Ward 11	Wedela and Mining areas	920 041.15	274 333.16	30%
Ward 12	Weverdiend, Mining anf farming areas, Khutsong ext 5	4 692 296.00	622 438.99	13%
Ward 13	Blybank and Mining areas	1 376 697.97	1 750 307.35	127%
Ward 14	Westen deep levels and part of Fochville	5 555 072.55	2 785 859.29	50%
Ward 15	Eastdriefontein	481 952.45	19 155.00	4%
Ward 16	Carletonville Town	3 966 248.75	2 625 321.25	66%
Ward 17	Carletonville Town and informal settlement	6 725 920.85	3 523 764.35	52%
Ward 18	Carletonville Town	11 533 086.65	12 152 284.47	105%
Ward 19	Eastdriefontein	858 470.72	1 550 274.13	181%
Ward 20	Wedela Township	2 568 856.79	56 511.59	2%
Ward 21	Greenspark	12 852 062.82	7 513 006.02	58%
Ward 22	Kokosi Ext 1	1 857 720.08	90 679.76	5%
Ward 23	Wedela Township	1 614 134.12	77 878.45	5%
Ward 24	Fochville Town and Kokosi township	3 492 402.80	1 572 225.35	45%
Ward 25	Fochville Town and Kokosi township	2 320 968.19	22 862.42	1%
Ward 26	Fochville town and part of Kokosi	2 543 756.44	38 071.18	1%
Ward 27	Blyvoor Mining	9 759 725.99	865 970.15	9%
Ward 28	Carletonville town	8 306 236.37	5 064 551.55	61%

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)	%
2025/07/01	189 540 552	96 745 200	51%
2025/08/01	184 100 274	114 769 460	62%
2025/09/01	188 864 200	106 684 200	56%
2025/10/01			
2025/11/01			
2025/12/01			
2026/01/01			
2026/02/01			
2026/03/01			
2026/04/01			
2026/05/01			
2026/06/01			



Distribution Losses
Water Losses

WATER LOSSES 2025/26

100%	UNITS PURCHASED AND SOLD			
	UNITS	**UNITS**	**%**	**% INCLUDED**
	SOLD	**PURCHASED**	**SOLD**	**LOSS**
Jul-25	**1 099 674.97**	**1 859 457.00**	59.14%	40.86%
Aug-25	**1 137 300.38**	**1 968 187.00**	57.78%	42.22%
Sep-25	**805 538.40**	**1 408 684.00**	57.18%	42.82%
AVERAGE	**2 861 167.70**	**4 621 017.00**	**61.92**	**38.08**

ELECTRICITY LOSSESS JULY 2025 TO JUNE 2026

	100			
	RAND VALUE SOLD	**RAND VALUE PURCHASED**	**% SOLD**	**% LOSS**
Jul-25	17 556 601	29 686 722	59.14	40.86
Aug-25	18 085 995	31 299 225	57.78	42.22
Sep-25	13 171 155	22 482 299	58.58	41.42
AVERAGE	**48 813 751.27**	**83 468 246.42**	**58.48**	**41.52**

The department is working on the implementation of the water turn-around strategy to address historic maintenance challenges and major water breaks, overflowing reservoirs and major leakages with difficulties.

During September 2025 the water loss is 41.42% against the norm of the industrial gazetted standard norm that is between **15%**

Distribution Losses

Electricity

ELECTRICITY LOSSESS JULY 2025 TO JUNE 2026

100

	UNIT SOLD	UNIT PURCHASED	% SOLD	% LOSS
Jul-25	7 948 547	28 075 939	28.31	71.69
Aug-25	11 192 935	25 040 016	44.70	55.30
Sep-25	9 864 511	18 749 949	52.61	47.39
AVERAGE	**29 005 992**	**71 865 903**	**40.36**	**59.64**

ELECTRICITY LOSSESS JULY 2025 TO JUNE 2026

100

	RAND VALUE SOLD	RAND VALUE PURCHASED	% SOLD	% LOSS
Jul-25	42 164 918	93 983 164	44.86	55.14
Aug-25	34 577 916	77 355 188	44.70	55.30
Sep-25	24 652 591	42 932 245	57.42	42.58
AVERAGE	**101 395 425.15**	**214 270 596.61**	**47.32**	**52.68**

The department is working on the implementation of the Electricity losses turn-around strategy to address historic maintenance challenges and major water breaks, overflowing reservoirs and major leakages with difficulties.

During September 2025 the water loss is 42.58%. against the norm of the industrial gazetted standard norm that is between **15%**

The infrastructure department is working on a strategy to reduce the Water and Electricity losses. The losses are caused by historic maintenance challenges and major water leaks and overflowing reservoir. The progress on the implementation of strategy will be reported quarterly in the budget funding plan

8. Investment portfolio analysis

Institution Name	Type of Account	Rate	Amount
Nedbank	Call Account		39 679 988.05
FNB	Call Account		52 322 501.72
Total			**92 002 489.77**

BANK BALANCE

Name of institution

NEDBANK	4 132 218.10
FNB	2 384 619.60

Council had a positive Bank Balance of R6 516 837.70

09.CREDITORS AGE ANALYSIS

Merafong Creditors as of 30 September amounted to **R3 967 204 419.48**

Creditors not paid within 30 days as at 30 September 2025:

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	TOTAL
1	ESKOM	BULK PURCHASES	R1 624 388 687.49
2	RAND WATER	BULK PURCHASES	R1 491 301 731.99
		Total	**R 3 115 690 419.48**

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 through Credit control and a service provider appointed.

- 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 sect6ion 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 a loan with the Development Bank of South Africa.

COMPANY NAME	DATE OF LOAN TAKEN	OPENING BALANCE 01 September 2025	September 2025 REDEEMED OR WRITTEN OFF	September 2025 INTEREST	CLOSING BALANCE AS AT 30 SEPTEMBER 2025
DBSA	01/10/2007	7 232 935.45	1 556 929.07	181 318.79	5 857 325.17
TOTAL		7 232 935.45	1 556 929.07	181 318.79	5 857 325.17

Long-term loan expenditure for September is R5 857 325.17

PERFORMANCE ON CONDITIONAL GRANTS 25//26

17. CAPEX GRANTS PENDING SEPTEMBER			
	Budget	YTD Spent	% Spent
MIG	90 822 000.00	12 792 490.44	14.09%
INEP	17 533 000.00	4 736 531.18	27.01%
WSIG	20 276 000.00	202 955.13	1.00%
	159 631 000.00	17 731 976.75	11.10%

PERFORMANCE ON NON CAPITAL GRANTS

Description	Original Budget	YTD spent	%Spent
FMG	2 800 000.00	258 577.54	9.23%
LIBRARY	15 744 000.00	4 792 231.22	30.44%
EPWP(COGTA)	1 553 000.00	819 478.50	52.77%
TOTAL	**20 097 000.00**	**5 8 287.26**	**29.02%**

12. Capital programme performance

The Capital Budget amounted to **R159 631 999.00,** and Expenditure incurred on Capital amounted to **R16 717 258.28** for the month of September which is **10.47%** of the Total budget and Capital expenditure to date amounted to R17 731 976.75 which is 11.10 of the total Budget.

MERAFONG CITY LOCAL MUNICIPALITY CAPITAL PROJECTS 2025/2026 AND APPOINTED CONTRACTORS

Project No.	WIP No.	Project Description	Ward No.	Funding Source	Consultant	Contractor	July	Aug	September	YTD Exp	Budget
MIG PROJECTS											
P620		P M U Operational Expenses		MIG	Project Management Unit	Operational Expenses	465 264.12	549 454.43	492 995.28	1 507 713.83	4 541 100.00
P769/ Ph8 B		Khutsong Roads and Stormwater (Phase 8) B	1,2	MIG	LSO Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Malindo Civil and Construction Appointment 02-10-2024			2 892 835.45	2 892 835.45	12 000 000.00
P795/ Ph9		Khutsong Roads and Stormwater (Phase 9)	1,2	MIG	LSO Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Malindo Civil and Construction Appointment 02-10-2024			1 714 606.12	1 714 606.12	5 000 000.00
P794/ Ph 10		Khutsong Roads and Stormwater (Phase 10)	1,2	MIG	LSO Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Malindo Civil and Construction Appointment 02-10-2024			383 762.52	383 762.52	1 500 000.00
P770/ Ph 8 B	WIP988	Kokosi Roads and Stormwater (Phase 4) (2)B	24	MIG	Kabe Consulting Engineers (Pty) Ltd Appointment 01-09-2023 (to complete Phase 4)	Sivuthumlilo Trading Appointment 16-05-2024			1 305 120.75	1 305 120.75	8 000 000.00
P771 Ph 8 B	WIP989	Kokosi Roads and Stormwater (Phase 8) B	22,26	MIG	Kutlo Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Contractor - Nandzu Trade and General Projects Appointed 16-05-2024.				-	4 000 000.00
P773 STAGE 4 B		Khutsong North Water & Sewer	3-7	MIG	LSO Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Malindo Civil and Construction			1 918 592.02	1 918 592.02	12 700 000.00

		Reticulation Stage 4 B				Appointment 24-04-2024					
P775	WIP993	Upgrading of Wedela Recreation Club		MIG	Kabe Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Moribo iGroup Appointment 16-05-2024			471 143.68	471 143.68	2 000 000.00
P776	WIP994	Refurbishing of Kokosi Stadium		MIG	Mhiduve Consulting Engineers (Pty) Ltd Appointment 01-09-2023 (Terminated) Pro-Plan Consulting Engineers (Pty) Ltd Appointment dd 20-02-2025	Buyisa Projects Appointment 30-09-2024			69 370.08	69 370.08	2 000 000.00
P780		Rehabilitation of Carletonville Cemetery Road		MIG	Mayisane and Associates (Pty) Ltd Appointment 01-09-2023	RhuoneProjects and Plant Hire Appointment 07-10-2024			394 666.38	394 666.38	10 000 000.00
P783		Merafong Roads and Stormwater Maintenance		MIG	Not Required					-	6 033 050.00
P784		Merafong Water and Sanitation Maintenance		MIG		Zacks Business Enterprise JV OPM Construction Appointment 07-10-2024			1 952 236.72	1 952 236.72	4 500 000.00
PNew		Merafong Solar Highmast Lights & Solar Street Lights (Khut Proper & Kokosi Ext 6)		MIG						-	2 047 850.00
P796		Bulk Supply line from Khutsong		MIG						-	8 000 000.00
PNew		Expansion of Carletonville Landfill Site		MIG						-	4 500 000.00
P797		Kokosi waste Buyback Centre		MIG						-	2 000 000.00
P798		Wedela Industrial Hub		MIG					182 442.89	182 442.89	2 000 000.00
							465 264.12	549 454.43	11 777 771.89	12 792 490.44	90 822 000.00

INTEGRATED NATIONAL ELECTRIFICATION PROGRAM (INEP) GRANT

P765	WIP968	2 x 40 MVA 132/11 kV Plover Substation	12	INEP	LSO Consulting Engineers (Pty) Ltd	Kunjalo Kunje Trading Appointment 17-05-2024			4 400 000.00	4 400 000.00	7 533 000.00
P792		Khutsong South Ext 5,6 Electrification Change Control		INEP	LSO Consulting Engineers (Pty) Ltd	Kunjalo Kunje Trading Appointment 20-09-2024			336 531.18	336 531.18	10 000 000.00
							-	-	4 736 531.18	4 736 531.18	17 533 000.00

WATER SERVICES INFRASTRUCTURE GRANT

P777 Ph B	WIP995	Foundation Stabilisation of Addata Reservoir	18	WSIG	Lihuzu Projects (Pty) Ltd Appointment 02-02-2024 Name Change: LPS Consulting (Pty) Ltd	VTR Construction CC Appointment 20-05-2024			202 955.13	202 955.13	7 280 281.00
P791		Welverdiend WWTW		WSIG	TKQ Consulting (Pty) Ltd Appointment 30-04-2024	PK Financial Consultants Appointment 04-10-2024				-	3 996 718.00
P789		Refurbishment Khutsong WWTW		WSIG	TKQ Consulting (Pty) Ltd Appointment 30-04-2024	ZM and Nikiwenono Construction Appointment 09-10-2024				-	9 000 000.00
							-	-	202 955.13	202 955.13	20 276 999.00
		Totals					465 264.12	549 454.43	16 717 258.20	17 731 976.75	128 631 999.00

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 R24 013 602.63**

There is Fruitless and wasteful expenditure for the month of September 2025 is **R24 013 602.63**

IRREGULAR EXPENDITURE

Irregular Expenditure		
Total		**Amount R23 950 983.63**

The Irregular expenditure for the month of September 2025 amounts to **R23 950 983.63**

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	Completed		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	**General Ledger (Journals, Cashbooks) & Sub Ledger Transactions.**	**Live**		**2024-04-30**

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 Management Processes	Live		2024-07-07

3.3.3 Expenditure and Trade Payables

Milestone	Task	Status	Comment	Status Date
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**		**2024-06-10**
Go-Live	**Supplier Invoices and Payments**	**Live**		**2024-04-19**

3.3.4 Billing and Revenue

Milestone	Item	Status	Comment	Status Date
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
Go Live	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	Revised Target Date
System Setup	Setup & Customisation of System Parameters	In progress	Implementation Date for Fixed Assets has been revised to June 2025	2024-06-30
System Testing	Testing System Processes and Transactions Processing	In progress		2024-06-30
System Training	Pre-Go Live End-user System Training	In progress		2024-06-30
Take-on Balances	Audited Fixed Assets Register as of 30 June 2024	In progress		2024-06-30
Go-Live	Processing of all Fixed Assets Transactions in the System	In progress		2024-06-30

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	**Item**	**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
System Training	Pre-Go Live End-user Training	Completed		2024-03-15
Take-on Balances	Financial Data Take-on (March 2023 to February 2024 Payroll Transactions)	Completed		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 Database Administrator	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	Resolved	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	Review of Transactions in Progress for correction of mistakes made	Resolved	2024-05-31
Missing Expenditure/Payment Vouchers	Expenditure and Trade Payables	The Municipality to find missing Vouchers	Resolved	2024-06-30

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.

CERTIFICATE OF COMPLIANCE – MFMA CIRCULAR NO.124 – SEPTEMBER 2025 (MERAFONG CITY LOCAL MUNICIPALITY)

1. Herewith attached is the certificate of compliance for the month ending 30 September 2025, in relation to Merafong City Local Municipality as guided by the MFMA Circular No.124.
2. 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

3. 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

4. The municipality has paid outstanding debt upon receipt of the equitable share that was received and will settle additional balance on December 2025. The September Eskom account was R1 560 054 389.23 with the bulk account due date in October 2025. The municipality paid for the LPU accounts before the due date. The municipality is in arrears from the May 2025 account due to financial constrain. The municipality is implementing credit control measures to improve collection rate in order to pay all creditors on time.
5. 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.
6. 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 56% on electricity and 43% on water as end of June 2025.
7. Provision of R25 million has been made in the 2025/26 budget for installation of Smart Meters, alongside a public procurement process currently in place to obtain proposals from the public to cover :
    - Infrastructure financing for the acquisition and installation of water and electricity prepaid meters.
    - Infrastructure financing development and expansion of bulk infrastructure for water, and electricity.
    - Capital raising to service outstanding accounts with Rand Water and Eskom to ensure uninterrupted utility services.

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 51% as end of third 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 municipality has concluded installation of Water and Electricity smart meters that 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.
10. Eskom Approved the municipality's Debt relief application in December 2023. As it stands now in the fourth quarter of 2024/25 financial year, the municipality is still within the Debt Relief and reports monthly pertaining the progress on the 14 conditions of the programme. The Municipality has therefore budgeted conservatively and realistically for the related benefit as reflected in the Operational Budget at an amount of R209 million and the related interest is approximately R37 million.

Submission of FRP reports

11. 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

12. 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 2025-26 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 51% for the period ended September 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)

13. 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.
14. 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.
15. The Municipality has made a commitment to settle the Winter bills with the funds received from Equitable Share and has executed that function.

16. 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.

17. 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.
18. The Municipality has not complied with a number of conditions, including the payment of current accounts. The overall collection rate is below 51% 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

19. 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 Final budget in May 2025 and has budget for smart meters.

Financial Management Grant September 2025

NATIONAL TREASURY (NT)			
MONTHLY REPORT - FINANCE MANAGEMENT GRANT (FMG) - DIVISION OF REVENUE ACT (DoRA)			
Note - Must be faxed to - 012 - 315 5230/ 086 650 5417 & emailed to fmg@treasury.gov.za. The municipality is required to confirm receipt by calling 012 315 5201/5308			
Note - Fields highlighted in yellow should be completed. Other fields are automated and reserved for comments. The Municipality is required to provide comments and supporting documentation where necessary.			
Name of Municipality	**GT484 Merafong City**		
Financial Year	**2025/26**		
Month	**M03 September**		
Section A: Previous Financial Year			
Financial Management Grant Received and Expenditure Incurred	**2024/25**	**Rand**	**Comment**
Total FMG received		2 800 000.00	
Total FMG Expenditure		2 800 000.00	
FMG unspent		0.00	**Note - If funds committed, follow process for rollover of funds. Please note that this should not be a negative amount.**
FMG unspent and returned to the National Revenue Fund			**Note - This should only be unspent FMG funds returned to the National Revenue Fund or taken off equitable share**
Total FMG unspent as at end of financial year		0.00	**Note - This should be funds that are approved by NT as rollover**
Section B: Current Financial Year	**2025/26**		
Financial Management Grant Received and Expenditure Incurred		**Rand**	**Comment**

Total FMG received for current financial year	2 800 000.00						
Total unspent FMG approved for rollover (Refer to Section A: A15)	0.00						
Total FMG received	2 800 000.00						
Total spent year -to-date (See last months return - Section B: A31)	159 947.04	**Please note for July's return, this amount would be 0.**					
Total spending this month	98 630.50	**Aggregate spending from previous months**	**Total spending to date**	**Allocation as per support plan**	**Allocation Unspent**		**Comment**
- Interns Stipend/Salary and Training	98 630.50	159 947.04	258 577.54	1 200 000.00	941 422.46		
- Training in support of Minimum Competency Regulations			-	400 000.00	400 000.00		
- Towards strengthening capacity in Budget and Treasury Office (BTO), internal audit and audit committees			-	400 000.00	400 000.00		
- Acquisition, Upgrading and Maintenance of Financial Systems			-	800 000.00	800 000.00		
Total FMG spent	**258 577.54**	159 947.04	258 577.54	2 800 000.00	2 541 422.46		
Percentage spent	**9.23%**						
Total FMG unspent for current financial year	**2 541 422.46**						

16. Conclusion

1) That cognizance be taken of the financial performance achievements for month 03 of the financial year ended September 2025 in accordance with Section 71.
2) That stringent credit control and debt collection measures be implemented to improve the funding of the budget.
3) That the expenditure budget be reduced to be in line with the realistically anticipated revenue to be collected.
4) That the programme to reduce water be undertaken to reduce the expenditure on water purchases.
5) That the implementation of the capital budget from grants be accelerated to avoid funds being returned with the resultant negative impact on service delivery.
6) That it be noted that the progress report on implementation of the financial recovery plan is reported to Provincial Treasury

17. Recommendations

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

7) The financial performance achievements for month 03 of the financial year ended September 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.
8) The balance of the Eskom bulk account (and / or bulk water account if relevant) and the municipality's reconciliation of these accounts is conducted on a monthly basis..
9) The progress on the implementation of the Financial Recovery Plan.
10) The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment is being addressed on a monthly basis.

11) The remedial actions necessary to improve the municipality's monthly compliance in terms of the Debt Relief Conditions is conducted on monthly basis.

5. In-year budget statement tables

2) Table C1 Monthly Budget Statement Summary

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M03 September

Description	2024/25	Budget Year 2025/26								
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance										
Property rates	525 259	582 735	–	54 595	167 814	167 814	145 684	22 130	15%	582 735
Service charges	885 064	1 329 805	–	58 426	217 580	217 580	348 430	(130 850)	-38%	1 329 805
Investment revenue	11 267	11 744	–	565	1 366	1 366	2 936	(1 570)	-53%	11 744
Transfers and subsidies - Operational	361 224	358 803	–	275	126 094	126 094	87 430	38 664	44%	358 803
Other own revenue	392 731	615 421	–	26 047	76 737	76 737	152 263	(75 527)	-50%	615 421
Total Revenue (excluding capital transfers and contributions)	**2 175 545**	**2 898 509**	**–**	**139 908**	**589 590**	**589 590**	**736 744**	**(147 153)**	**-20%**	**2 898 509**
Employee costs	439 612	466 721	–	37 496	109 522	109 522	116 680	(7 159)		466 721
Remuneration of Councillors	27 103	28 460	–	2 924	7 318	7 318	7 115	203		28 460
Depreciation and amortisation	177 586	157 984	–	–	–	–	39 496	(39 496)		157 984
Interest	285 710	116 202	–	16 838	62 610	62 610	29 050	33 560		116 202
Inventory consumed and bulk purchases	750 487	945 128	–	60 690	238 132	238 132	236 282	1 850		945 128
Transfers and subsidies	506	596	–	42	83	83	149	(66)	-44%	596
Other expenditure	587 611	1 046 930	–	36 541	110 522	110 522	69 002	41 520	60%	1 046 930
Total Expenditure	**2 268 614**	**2 762 021**	**–**	**154 530**	**528 187**	**528 187**	**497 775**	**30 413**	**6%**	**2 762 021**
Surplus/(Deficit)	**(93 070)**	**136 488**	**–**	**(14 621)**	**61 403**	**61 403**	**238 969**	**(177 566)**	**-74%**	**136 488**
Transfers and subsidies - capital (monetary allocations)	149 974	124 091	–	–	–	–	20 884	########	-100%	124 091
Transfers and subsidies - capital (in-kind)	(126)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**	**(198 450)**	**-76%**	**260 579**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**	**(198 450)**	**-76%**	**260 579**

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M03 September

Description R thousands	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure & funds sources										
Capital expenditure	**(6 056)**	**155 111**	**–**	**358 078**	**19 402**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**
Capital transfers recognised	15 502	124 111	–	349 927	15 473	15 473	31 028	(15 555)	-50%	124 111
Borrowing	–	–	–	–	–	–	–	–		–
Internally generated funds	**(21 133)**	**31 000**	**–**	**7 759**	**3 929**	**3 929**	**7 750**	**(3 821)**	**-49%**	**31 000**
Total sources of capital funds	**(5 631)**	**155 111**	**–**	**357 685**	**19 402**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**
Financial position										
Total current assets	2 082 901	1 311 368	–		2 471 701	2 471 701				1 311 368
Total non current assets	3 475 198	3 196 553	–		3 494 600	3 494 600				3 196 553
Total current liabilities	3 210 534	1 265 797	–		3 582 676	3 582 676				1 265 797
Total non current liabilities	169 289	959 373	–		169 289	169 289				959 373
Community wealth/Equity	**2 178 276**	**2 282 751**	**–**		2 214 335	**2 214 335**				**2 282 751**
Cash flows										
Net cash from (used) operating	(1 386 228)	516 244	–	148 927	372 301	372 301	858 300	486 000	57%	516 244
Net cash from (used) investing	217 924	(189 663)	–	(358 078)	(19 402)	(19 402)	48 916	68 318	140%	(189 663)
Net cash from (used) financing	–	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**(1 012 045)**	**484 614**	**–**	**270 151**	**770 652**	**770 652**	**1 065 248**	**294 596**	**28%**	**–**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis										
Total By Income Source	84 696	119 229	101 154	49 719	85 731	85 731	81 804	577 712	5 543 304	6 643 350
Creditors Age Analysis										
Total Creditors	72 152	177 344	158 693	151 275	99 934	99 934	94 794	701 206	1 730 553	3 185 952

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) - M03 September

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		**1 168 610**	**1 005 686**	**–**	**67 928**	**331 418**	**331 418**	**295 386**	36 032	12%	**1 005 686**
Executive and council		13 722	–	–	–	–	–	–	–		–
Finance and administration		1 154 888	1 005 686	–	67 928	331 418	331 418	295 386	36 032	12%	1 005 686
Internal audit		–	–	–	–	–	–	–	–		–
Community and public safety		**63 668**	**31 966**	**–**	**262**	**773**	**773**	**5 721**	(4 948)	-86%	**31 966**
Community and social services		28 921	28 909	–	137	403	403	4 957	(4 553)	-92%	28 909
Sport and recreation		15	46	–	–	(3)	(3)	11	(15)	-128%	46
Public safety		–	–	–	–	–	–	–	–		–
Housing		34 731	3 012	–	125	373	373	753	(380)	-51%	3 012
Health		–	–	–	–	–	–	–	–		–
Economic and environmental services		**9 362**	**7 453**	**–**	**805**	**2 875**	**2 875**	**8 904**	(6 028)	-68%	**7 453**
Planning and development		9 362	4 555	–	805	2 875	2 875	1 139	1 736	152%	4 555
Road transport		–	2 898	–	–	–	–	7 765	(7 765)	-100%	2 898
Environmental protection		–	–	–	–	–	–	–	–		–
Trading services		**1 083 753**	**1 206 572**	**–**	**70 913**	**254 524**	**254 524**	**447 617**	**(193 093)**	-43%	**1 206 572**
Energy sources		373 681	619 249	–	22 815	72 383	72 383	206 295	(133 913)	-65%	619 249
Water management		588 640	576 545	–	36 634	147 978	147 978	187 651	(39 672)	-21%	576 545
Waste water management		9 133	(757)	–	805	2 274	2 274	25 596	(23 322)	-91%	(757)
Waste management		112 300	11 535	–	10 660	31 889	31 889	28 075	3 813	14%	11 535
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**2 325 392**	**2 251 678**	**–**	**139 908**	**589 590**	**589 590**	**757 628**	**(168 037)**	**-22%**	**2 251 678**

GT484 Merafong City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

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		**554 343**	**544 255**	**–**	**35 259**	**99 564**	**99 564**	**80 369**	19 195	24%	**544 255**
Executive and council		101 723	84 165	–	9 632	28 219	28 219	21 041	7 178	34%	84 165
Finance and administration		447 331	450 840	–	25 117	70 152	70 152	57 015	13 137	23%	450 840
Internal audit		5 289	9 251	–	509	1 193	1 193	2 313	(1 119)	-48%	9 251
Community and public safety		**135 302**	**123 259**	**–**	**8 071**	**25 996**	**25 996**	**30 815**	(4 819)	-16%	**123 259**
Community and social services		87 586	73 544	–	4 967	16 573	16 573	18 386	(1 813)	-10%	73 544
Sport and recreation		27 281	29 902	–	1 953	5 969	5 969	7 475	(1 507)	-20%	29 902
Public safety		6 016	4 231	–	504	1 634	1 634	1 058	577	55%	4 231
Housing		14 419	12 447	–	646	1 820	1 820	3 112	(1 292)	-42%	12 447
Health		–	3 135	–	–	–	–	784	(784)	-100%	3 135
Economic and environmental services		**200 856**	**211 121**	**–**	**6 217**	**32 249**	**32 249**	**45 740**	(13 491)	-29%	**211 121**
Planning and development		82 251	36 019	–	1 911	14 554	14 554	9 005	5 549	62%	36 019
Road transport		118 604	175 102	–	4 306	17 695	17 695	36 735	(19 040)	-52%	175 102
Environmental protection		–	–	–	–	–	–	–	–		–
Trading services		**1 378 114**	**1 883 386**	**–**	**87 364**	**370 379**	**370 379**	**340 851**	**29 527**	9%	**1 883 386**
Energy sources		748 558	918 468	–	70 427	258 718	258 718	194 113	64 605	33%	918 468
Water management		491 664	654 481	–	10 678	81 561	81 561	120 106	(38 544)	-32%	654 481
Waste water management		59 082	142 533	–	3 003	13 646	13 646	9 848	3 798	39%	142 533
Waste management		78 810	167 904	–	3 256	16 454	16 454	16 784	(331)	-2%	167 904
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	**3**	**2 268 614**	**2 762 021**	**–**	**136 910**	**528 187**	**528 187**	**497 775**	**30 413**	**6%**	**2 762 021**
Surplus/ (Deficit) for the year		**56 778**	**(510 343)**	**–**	**2 998**	**61 403**	**61 403**	**259 853**	**(198 450)**	**-76%**	**(510 343)**

5) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) – M03 September

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2024/25	Budget Year 2025/26								
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1										
Vote 1 - Municipal Manager		13 722	–	–	–		–	–	–		–
Vote 2 - Finance		1 138 169	1 220 086	–	67 437	329 940	329 940	293 291	36 649	12.5%	1 220 086
Vote 3 - Community and Social Services		28 921	28 909	–	137	403	403	4 957	(4 553)	-91.9%	28 909
Vote 4 - Sport and Recreation		15	46	–	–	(3)	(3)	11	(15)	-128.2%	46
Vote 5 - Public Safety		–	–	–	–	–	–	–	–		–
Vote 6 - Housing		34 731	3 012	–	125	373	373	753	(380)	-50.5%	3 012
Vote 7 - Health		–	–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		9 362	4 555	–	805	2 875	2 875	1 139	1 736	152.5%	4 555
Vote 9 - Road Transport		–	2 898	–	–	–	–	7 765	(7 765)	-100.0%	2 898
Vote 10 - Energy Sources		373 681	619 249	–	22 815	72 383	72 383	206 295	(133 913)	-64.9%	619 249
Vote 11 - Water Management		588 640	576 545	–	36 634	147 978	147 978	187 651	(39 672)	-21.1%	576 545
Vote 12 - Waste Water Management		9 133	(757)	–	805	2 274	2 274	25 596	(23 322)	-91.1%	(757)
Vote 13 - Waste Management		112 300	11 535	–	10 660	31 889	31 889	28 075	3 813	13.6%	11 535
Vote 14 - Internal Audit		–	–	–	–	–	–	–	–		–
Vote 15 - Other		16 719	(214 399)	–	491	1 478	1 478	2 095	(616)	-29.4%	(214 399)
Total Revenue by Vote	2	**2 325 392**	**2 251 678**	**–**	**139 908**	**589 590**	**589 590**	**757 628**	**(168 037)**	**-22.2%**	**2 251 678**

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2024/25	Budget Year 2025/26								
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote	1										
Vote 1 - Municipal Manager		101 723	84 165	–	9 632	28 219	28 219	21 041	7 178	34.1%	84 165
Vote 2 - Finance		433 067	215 377	–	24 078	67 677	67 677	53 844	13 833	25.7%	215 377
Vote 3 - Community and Social Services		87 586	73 544	–	4 967	16 573	16 573	18 386	(1 813)	-9.9%	73 544
Vote 4 - Sport and Recreation		27 281	29 902	–	1 953	5 969	5 969	7 475	(1 507)	-20.2%	29 902
Vote 5 - Public Safety		6 016	4 231	–	504	1 634	1 634	1 058	577	54.5%	4 231
Vote 6 - Housing		14 419	12 447	–	646	1 820	1 820	3 112	(1 292)	-41.5%	12 447
Vote 7 - Health		–	3 135	–	–	–	–	784	(784)	-100.0%	3 135
Vote 8 - Planning and Development		82 251	36 019	–	1 911	14 554	14 554	9 005	5 549	61.6%	36 019
Vote 9 - Road Transport		118 604	175 102	–	4 306	17 695	17 695	36 735	(19 040)	-51.8%	175 102
Vote 10 - Energy Sources		748 558	918 468	–	70 427	258 718	258 718	194 113	64 605	33.3%	918 468
Vote 11 - Water Management		491 664	654 481	–	10 678	81 561	81 561	120 106	(38 544)	-32.1%	654 481
Vote 12 - Waste Water Management		59 082	142 533	–	3 003	13 646	13 646	9 848	3 798	38.6%	142 533
Vote 13 - Waste Management		78 810	167 904	–	3 256	16 454	16 454	16 784	(331)	-2.0%	167 904
Vote 14 - Internal Audit		5 289	9 251	–	509	1 193	1 193	2 313	(1 119)	-48.4%	9 251
Vote 15 - Other		14 264	235 463	–	1 039	2 475	2 475	3 171	(696)	-21.9%	235 463
Total Expenditure by Vote	2	**2 268 614**	**2 762 021**	**–**	**136 910**	**528 187**	**528 187**	**497 775**	**30 413**	**6.1%**	**2 762 021**
Surplus/ (Deficit) for the year	2	**56 778**	**(510 343)**	**–**	**2 998**	**61 403**	**61 403**	**259 853**	**(198 450)**	**-76.4%**	**(510 343)**

8) Table C4: Month 03 Budget Statement – Financial Performance (Revenue and Expenditure)

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2024/25	Budget Year 2025/26								
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Quarterly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue											
Exchange Revenue											
Service charges - Electricity		315 811	481 628	–	21 605	68 810	68 810	136 386	(67 576)	-50%	481 628
Service charges - Water		407 417	633 537	–	21 472	101 601	101 601	158 384	(56 783)	-36%	633 537
Service charges - Waste Water Management		67 635	102 355	–	6 550	20 784	20 784	25 589	(4 804)	-19%	102 355
Service charges - Waste management		94 201	112 285	–	8 799	26 384	26 384	28 071	(1 687)	-6%	112 285
Sale of Goods and Rendering of Services		4 241	3 646	–	357	946	946	912	34	4%	3 646
Agency services		13 125	17 695	–	–	–	–	4 424	(4 424)	-100%	17 695
Interest		–	–	–	–	–	–	–	–		–
Interest earned from Receivables		180 911	192 599	–	12 487	36 934	36 934	48 150	(11 216)	-23%	192 599
Interest from Current and Non Current Assets		11 267	11 744	–	565	1 366	1 366	2 936			11 744
Dividends		–	–	–	–	–	–	–	–		–
Rent on Land		1 350	–	–	594	1 376	1 376	–	1 376		–
Rental from Fixed Assets		3 465	3 164	–	139	413	413	791	(378)	-48%	3 164
Licence and permits		4	2 069	–	–	–	–	517	(517)	-100%	2 069
Special rating levies		–	–	–	–	–	–	–	–		–
Operational Revenue		9 520	3 201	–	2	6	6	(792)	798	-101%	3 201
Non-Exchange Revenue		–	–	–	–	–	–	–	–		–
Property rates		525 259	582 735	–	54 595	167 814	167 814	145 684	22 130	15%	582 735
Surcharges and Taxes		–	–	–	–	–	–	–	–		–
Fines, penalties and forfeits		38 739	31 290	–	77	215	215	7 823	(7 608)		31 290
Licence and permits		–	–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		361 224	358 803	–	275	126 094	126 094	87 430	38 664		358 803
Interest		141 376	152 699	–	12 391	36 847	36 847	38 175	(1 327)		152 699
Fuel Levy		–	–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–	–		–
Other Gains		–	209 059	–	–	–	–	52 265	(52 265)		209 059
Discontinued Operations		–	–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**2 175 545**	**2 898 509**	**–**	**139 908**	**589 590**	**589 590**	**736 744**	**(147 153)**	**-20%**	**2 898 509**

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2024/25	Budget Year 2025/26								
R thousands		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		439 612	466 721	–	37 496	109 522	109 522	116 680	(7 159)	-6%	466 721
Remuneration of councillors		27 103	28 460	–	2 924	7 318	7 318	7 115	203	3%	28 460
Bulk purchases - electricity		556 457	589 037	–	42 932	202 044	202 044	147 259	54 785		589 037
Inventory consumed		194 030	356 090	–	17 758	36 088	36 088	89 023	(52 935)		356 090
Debt impairment		–	730 363	–	–	–	–	–	–		730 363
Depreciation and amortisation		177 586	157 984	–	–	–	–	39 496	(39 496)	-100%	157 984
Interest		285 710	116 202	–	16 838	62 610	62 610	29 050	33 560	116%	116 202
Contracted services		431 369	173 859	–	30 801	89 506	89 506	43 465	46 042	106%	173 859
Transfers and subsidies		506	596	–	42	83	83	149	(66)	-44%	596
Irrecoverable debts written off		43 685	32 079	–	101	574	574	8 020	(7 446)		32 079
Operational costs		112 556	70 071	–	5 638	20 442	20 442	17 518	2 925	17%	70 071
Losses on Disposal of Assets		–	–	–	–	–	–	–	–		–
Other Losses		–	40 559	–	–	–	–	–	–		40 559
Total Expenditure		**2 268 614**	**2 762 021**	**–**	**154 530**	**528 187**	**528 187**	**497 775**	**30 413**	**6%**	**2 762 021**
Surplus/(Deficit)		**(93 070)**	**136 488**	**–**	**(14 621)**	**61 403**	**61 403**	**238 969**	**(177 566)**	**(0)**	**136 488**
Transfers and subsidies - capital (monetary allocations)		149 974	124 091	–	–	–	–	20 884	(20 884)	**(0)**	124 091
Transfers and subsidies - capital (in-kind)		(126)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**			**260 579**
Income Tax		–	–	–	–	–	–	–			–
Surplus/(Deficit) after income tax		**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**			**260 579**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**			**260 579**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**56 778**	**260 579**	**–**	**(14 621)**	**61 403**	**61 403**	**259 853**			**260 579**

9) Table C5: Month 03 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) - M03 September

Vote 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
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - Municipal Manager		–	3 000	–	334	334	750	(416)	-56%	3 000
Vote 2 - Finance		(19 385)	–	–	6 561	805	–	805	#DIV/0!	–
Vote 3 - Community and Social Services		(4 338)	4 000	–	13 623	568	1 000	(432)	-43%	4 000
Vote 4 - Sport and Recreation		–	2 000	–	–	–	500	(500)	-100%	2 000
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		–	–	–	–	–	–	–		–
Vote 7 - Health		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		–	–	–	–	–	–	–		–
Vote 9 - Road Transport		(18 019)	44 533	–	113 643	3 335	11 133	(7 799)	-70%	44 533
Vote 10 - Energy Sources		21 334	44 601	–	85 715	6 727	11 150	(4 423)	-40%	44 601
Vote 11 - Water Management		(10 278)	39 980	–	81 387	1 371	9 995	(8 624)	-86%	39 980
Vote 12 - Waste Water Management		24 630	10 497	–	56 816	6 081	2 624	3 457	132%	10 497
Vote 13 - Waste Management		–	6 500	–	–	–	1 625	(1 625)	-100%	6 500
Vote 14 - Internal Audit		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	182	–	182	#DIV/0!	–
Total Capital single-year expenditure	4	(6 056)	155 111	–	358 078	19 402	38 778	**(19 375)**	**-50%**	155 111
Total Capital Expenditure		**(6 056)**	**155 111**	**–**	**358 078**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote 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
Capital Expenditure - Functional Classification										
Governance and administration		**(19 385)**	**3 000**	**–**	**6 895**	**1 321**	**750**	571	76%	**3 000**
Executive and council		–	3 000	–	334	334	750	(416)	-56%	3 000
Finance and administration		(19 385)	–	–	6 561	987	–	987	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(4 338)**	**6 000**	**–**	**13 623**	**568**	**1 500**	(932)	-62%	**6 000**
Community and social services		(4 338)	4 000	–	13 623	568	1 000	(432)	-43%	4 000
Sport and recreation		–	2 000	–	–	–	500	(500)	-100%	2 000
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(18 019)**	**44 533**	**–**	**113 643**	**3 335**	**11 133**	(7 799)	-70%	**44 533**
Planning and development		–	–	–	–	–	–	–		–
Road transport		(18 019)	44 533	–	113 643	3 335	11 133	(7 799)	-70%	44 533
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**35 686**	**101 578**	**–**	**223 918**	**14 179**	**25 394**	(11 216)	-44%	**101 578**
Energy sources		21 334	44 601	–	85 715	6 727	11 150	(4 423)	-40%	44 601
Water management		(10 278)	39 980	–	81 387	1 371	9 995	(8 624)	-86%	39 980
Waste water management		24 630	10 497	–	56 816	6 081	2 624	3 457	132%	10 497
Waste management		–	6 500	–	–	–	1 625	(1 625)	-100%	6 500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**(6 056)**	**155 111**	**–**	**358 078**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote 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
Funded by:										
National Government		19 835	124 111	–	340 380	15 473	31 028	(15 555)	-50%	124 111
Provincial Government		(4 333)	–	–	9 547	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**15 502**	**124 111**	**–**	**349 927**	**15 473**	**31 028**	**(15 555)**	**-50%**	**124 111**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(21 133)	31 000	–	7 759	3 929	7 750	(3 821)	-49%	31 000
Total Capital Funding		**(5 631)**	**155 111**	**–**	**357 685**	**19 402**	**38 778**	**(19 375)**	**-50%**	**155 111**

10)Table C6: Month 03 Budget Statement – Financial Position

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		335 187	482 612	–	356 324	482 612
Trade and other receivables from exchange transactions		845 730	240 488	–	1 002 622	240 488
Receivables from non-exchange transactions		493 480	220 893	–	642 281	220 893
Current portion of non-current receivables		–	–	–	–	–
Inventory		(223 431)	1 062	–	(206 717)	1 062
VAT		631 936	366 314	–	677 190	366 314
Other current assets		–	–	–	–	–
Total current assets		**2 082 901**	**1 311 368**	**–**	**2 471 701**	**1 311 368**
Non current assets						
Investments		–	–	–	–	–
Investment property		223 818	217 300	–	223 818	217 300
Property, plant and equipment		3 230 284	2 978 912	–	3 249 686	2 978 912
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		190	136	–	190	136
Intangible assets		20 906	205	–	20 906	205
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3 475 198**	**3 196 553**	**–**	**3 494 600**	**3 196 553**
TOTAL ASSETS		**5 558 099**	**4 507 921**	**–**	**5 966 301**	**4 507 921**

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
LIABILITIES						
Current liabilities	-					
Bank overdraft		–	51 960	–	–	51 960
Financial liabilities		3 391	13 521	–	3 391	13 521
Consumer deposits		20 235	–	–	20 535	–
Trade and other payables from exchange transactions		2 668 551	1 072 734	–	2 930 133	1 072 734
Trade and other payables from non-exchange transactions		3 954	31 294	–	77 979	31 294
Provision		53 866	39 388	–	53 866	39 388
VAT		460 537	56 900	–	496 772	56 900
Other current liabilities		–	–	–	–	–
Total current liabilities		**3 210 534**	**1 265 797**	**–**	**3 582 676**	**1 265 797**
Non current liabilities						
Financial liabilities		4 652	17 535	–	4 652	17 535
Provision		33 291	29 894	–	33 291	29 894
Long term portion of trade payables		–	911 944	–	–	911 944
Other non-current liabilities		131 346	–	–	131 346	–
Total non current liabilities		**169 289**	**959 373**	**–**	**169 289**	**959 373**
TOTAL LIABILITIES		**3 379 823**	**2 225 170**	**–**	**3 751 966**	**2 225 170**
NET ASSETS	2	**2 178 276**	**2 282 751**	**–**	**2 214 335**	**2 282 751**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(415 355)	2 282 751	–	(379 295)	2 282 751
Reserves and funds		2 593 631	–	–	2 593 631	–
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 178 276**	**2 282 751**	**–**	**2 214 335**	**2 282 751**

11) Table C7: Month 03 Budget Statement – Cash Flow

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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		(539 965)	408 037	–	38 322	103 772	102 009	1 762	2%	408 037
Service charges		(584)	1 004 719	–	47	117	251 180	(251 063)	-100%	1 004 719
Other revenue		69 094	64 329	–	575	1 579	16 082	(14 503)	-90%	64 329
Transfers and Subsidies - Operational		–	334 256	–	95 281	181 348	95 837	85 511	89%	334 256
Transfers and Subsidies - Capital		–	124 091	–	61 387	18 166	31 023	(12 857)	-41%	124 091
Interest		333 553	11 744	–	25 444	75 147	2 936	72 211	2460%	11 744
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(1 248 326)	(1 316 135)	–	(72 128)	5 682	330 534	324 852	98%	(1 316 135)
Interest		–	(114 200)	–	–	(13 510)	28 550	42 060	147%	(114 200)
Transfers and Subsidies		–	(596)	–	–	–	149	149	100%	(596)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(1 386 228)**	**516 244**	**–**	**148 927**	**372 301**	**858 300**	**486 000**	**57%**	**516 244**

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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 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		217 924	(189 663)	–	(358 078)	(19 402)	48 916	68 318	140%	(189 663)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**217 924**	**(189 663)**	**–**	**(358 078)**	**(19 402)**	**48 916**	**68 318**	**140%**	**(189 663)**
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		**(1 168 304)**	**326 582**	**–**	**(209 151)**	**352 898**	**907 216**			**–**
Cash/cash equivalents at beginning:		156 259	158 032	–	479 303	417 754	158 032			417 754
Cash/cash equivalents at month/year end:		(1 012 045)	484 614	–	270 151	770 652	1 065 248			–