MERAFONG MUNICIPALITY

SECTION 71 ENDING JULY 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 JULY MONTH 01 OF 2026 FINANCIAL YEAR
TO: THE HOUNERABLE EXECUTIVE MAYOR
FROM: BUDGET & TREASURY OFFICE

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71): IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING IN JULY, MONTH 01 2025 FINANCIAL YEAR

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

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

MBRR TABLES:

1) Table C1 Month 01 Budget Statement -Summary
2) Table C2: Month 01 Budget Statement - Financial Performance (Revenue and Expenditure by Functional Classification)
3) Table C3: Month 01 Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
4) Table C4: Month 01 Budget Statement – Financial Performance (Revenue and Expenditure)
5) Table C5: Month 01 Budget Statement – Capital Expenditure by vote, standard classification and funding
6) Table C6: Month 01 Budget Statement – Financial Position
7) Table C7: Month 01 Budget Statement – Cash Flow
8) Table SC3: Month 01 Budget Statement – Aged Debtors
9) Table SC4: Month 01 Budget Statement – Aged Creditors
10) Table SC5: Month 01 Budget Statement – Investment Portfolio
11) Table SC7: Month 01 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 July 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 **31 July 2025**, the ten working day reporting limit expired on **14 August 2025**.

3. Executive summary

The budgeted Revenue for the year amounted to **R2 898 488 757**, the actual revenue as at end of July amounted to **R209 156 000** including Grants received in July 2025. including Grants received in July 2025. The budgeted Expenditure for the year amounted **R 2 762 021 079**, the actual expenditure as at end of July amounted to **R186 874 000**.

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

Expenditure incurred on Capital amounted to **R465 264.12** for the month of July which is **0.29%** of the total capital Budget.

The total projected revenue for the 2025/2026 financial year amounts to **R2 898 488 757**. This increase is due to the increase in property rates, service charges and external grants from Government.

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

OPERATING AND CAPITAL BUDGET EXPENDITURE	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	R3 058 120 756.00

4.1 Operating Revenue by Source

Description	Budget Amount	July Actual	YTD Revenue	%YTD Revenue
Operating Revenue	2 898 488 757	209 156 000	209 156 000	7.22%
TOTAL Revenue	2 898 488 757	**206 156 000**	**206 156 000**	**7.22%**

4.2 Operating Expenditure by Type

Description	Budget Amount	July Actual	YTD Expenditure	%YTD Expenditure
Operating Expenditure	2 762 021 000	186 874 000	186 874 000	**6.76**%
TOTAL Revenue	2 762 021 000	**186 874 000**	**186 874 000**	**6.76%**

4.3 SALARIES

Description	Budget Amount	July Actual	YTD Expenditure	%YTD Expenditure
Employee Related Cost	466 720 835	35 414 000	35 414 000	**7.59%**
TOTAL	**466 720 835**	**35 414 000**	**35 414 000**	**7.59%**

4.4 REMUNERATION ON COUNCILLORS

Description	Budget Amount	July Actual	YTD Expenditure	%YTD Expenditure
Remunerations of Councillors	28 459 742	2 190 000	2 190 000	**7.74%**
TOTAL	**28 459 742**	**2 190 000**	**2 190 000**	**7.74%**

STAFF OVERTIME

<u>Summary: Overtime</u>

Trading Services

Month	Projected	M01 Actuals	Percentage
July	R2 211 250.25	R2 329 410.85	105.34%

	OVERTIME EXPENDITURE FOR JULY 2025				
		ANNUAL			
SERIAL NUMBER	CATEGORY OF EXPENDITURE	Aproved Budgett	JULY	Tran current ytd	Positive/Negative Variamce %
	Revenue By Source				
1	INCOME	65 000.00	66 942.87	66 942.87	102.99%
2	EXPENDITURE	32 000.00	27 426.34	27 426.34	85.71%
3	BUDGET & TREASURY	30 000.00	12 055.53	12 055.53	40.19%
4	SUPPLY CHAIN			-	
5	FINANCE:INTERNS	30 000.00	11 772.00	11 772.00	39.24%
6	TRAFFIC & LICENSING	2 741 639.00	186 619.63	186 619.63	6.81%
7	SECURITY	1 200 000.00	123 870.59	123 870.59	10.32%
8	CEMETARY	100 765.00		-	0.00%
9	REFUSE REMOVAL	7 997 522.00	544 663.08	544 663.08	6.81%
10	WATER	5 764 197.00	483 397.02	483 397.02	8.39%
11	ELECTRICITY	6 515 500.00	388 080.18	388 080.18	5.96%
12	CHIEF OPERATING OFFICER			-	
13	SECRETARIAT & LEGAL	30 651.00	29 887.53	29 887.53	97.51%
14	IDP/PMS	6 760.00		-	0.00%
15	EXECUTIVE MAYOR	21 107.00	62 632.86	62 632.86	296.74%
16	SPEAKER		30 809.23	30 809.23	
17	S.E. SHARED SERVICES		10 705.76	10 705.76	
18	INTERNAL AUDIT	3 525.00		-	0.00%
19	CHIEF OF STAFF			-	
20	INFORMATION TECHNOLOGY	1 040.00	6 751.10	6 751.10	649.14%
21	MANAGER CIVIL ENGINEERING	5 200.00	6 751.10	6 751.10	129.83%
22	PUBLIC WORKS	468 480.00	63 934.99	63 934.99	13.65%
23	SE ECONOMIC DEVELOPMENT		8 197.76	8 197.76	
24	ROADS & STORMWATER	411 462.00	96 546.44	96 546.44	23.46%
25	PARKS	1 018 985.00	99 012.75	99 012.75	9.72%
26	MARKETING	1 040.00		-	0.00%
27	MANAGER SRACH,LIS and Parks	27 775.00	14 466.62	14 466.62	52.09%
28	SOCIAL DEVELOPMENT	5 200.00		-	0.00%
29	HR & SKILLS DEVELOPMENT	41 555.00	20 824.80	20 824.80	50.11%
30	INDUSTRIAL RELATIONS		1 151.08	1 151.08	
31	HOUSING ADMINISTRATION	15 600.00	16 395.52	16 395.52	105.10%
32	SPARTIAL PLANNING			-	
33	LIBRARIES			-	
34	PROJECT MANAGEMET UNIT			-	
35	MUNICIPAL MANAGER			-	
36	LED			-	
37	SE COMMUNITY SERVICE		7 836.09	7 836.09	
38	WATER CAREWORK		8 679.98	8 679.98	
	Total	**26 535 003.00**	**2 329 410.85**	**2 329 410.85**	8.78%

Summary: Overtime

The approved overtime budget for the **2025/26** financial year is a total amount of **R26 355 003.00.**

During **July 2025** overtime paid was a total amount of **R2 329 410.85** against the projected budget of **R2 211 250.** which is **105.34%** 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 delivery service 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 being monitored monthly.

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

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

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

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

5. In-year budget statement tables

1) Table C1 Monthly Budget Statement Summary

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M01 July

Description R thousands	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	525 370	582 735	–	56 578	56 578	48 561	8 017	17%	–
Service charges	887 064	1 329 805	–	77 018	77 018	116 143	(39 125)	-34%	–
Investment revenue	11 267	11 744	–	463	463	979	(515)	-53%	–
Transfers and subsidies - Operational	361 438	358 803	–	50 090	50 090	29 143	20 947	72%	–
Other own revenue	259 450	615 421	–	25 006	25 006	50 754	(25 749)	-51%	–
Total Revenue (excluding capital transfers and contributions)	**2 044 590**	**2 898 509**	**–**	**209 156**	**209 156**	**245 581**	**(36 425)**	-15%	**–**
Employee costs	453 356	466 721	–	35 414	35 414	38 893	(3 479)	-9%	–
Remuneration of Councillors	27 103	28 460	–	2 190	2 190	2 372	(181)	-8%	–
Depreciation and amortisation	177 556	157 984	–	–	–	13 165	(13 165)	-100%	–
Interest	270 283	116 202	–	24 721	24 721	9 683	15 038	155%	–
Inventory consumed and bulk purchases	758 814	945 128	–	99 540	99 540	78 761	20 779	26%	–
Transfers and subsidies	506	596	–	–	–	50	(50)	-100%	–
Other expenditure	586 022	1 046 930	–	25 008	25 008	23 001	2 008	9%	–
Total Expenditure	**2 273 640**	**2 762 021**	**–**	**186 874**	**186 874**	**165 925**	**20 949**	13%	**–**
Surplus/(Deficit)	**(229 050)**	**136 488**	**–**	**22 282**	**22 282**	**79 656**	**(57 375)**	-72%	**–**
Transfers and subsidies - capital (monetary allocations)	153 600	124 091	–	–	–	6 961	(6 961)	-100%	–
Transfers and subsidies - capital (in-kind)	(126)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**	**(64 336)**	-74%	**–**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**	**(64 336)**	-74%	**–**

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 - M01 July

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure & funds sources									
Capital expenditure	**(6 241)**	**155 111**	**–**	**(342 363)**	**(342 363)**	**12 926**	**(355 289)**	-2749%	**155 111**
Capital transfers recognised	15 289	124 111	–	(335 234)	(335 234)	10 343	(345 577)	-3341%	124 111
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**(21 104)**	**31 000**	**–**	**(6 735)**	**(6 735)**	**2 583**	**(9 319)**	-361%	**31 000**
Total sources of capital funds	**(5 816)**	**155 111**	**–**	**(341 970)**	**(341 970)**	**12 926**	**(354 896)**	-2746%	**155 111**
Financial position									
Total current assets	1 745 725	1 322 368	–		1 837 683				1 322 368
Total non current assets	3 339 440	3 196 553	–		3 339 979				3 196 553
Total current liabilities	(2 546 785)	1 276 797	–		3 680 881				1 276 797
Total non current liabilities	172 962	47 429	–		172 962				47 429
Community wealth/Equity	**1 314 343**	**2 022 172**	**–**		**1 324 495**				**2 022 172**
Cash flows									
Net cash from (used) operating	(1 832 777)	529 809	–	(354 468)	(318 094)	51 757	369 851	715%	–
Net cash from (used) investing	217 004	(189 063)	–	150 850	150 850	(16 255)	(167 105)	1028%	–
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**(1 463 128)**	**498 778**	**–**	**–**	**(223 948)**	**193 534**	**417 482**	216%	**(56 703)**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	115 728	105 298	116 827	85 090	91 265	90 374	562 803	5 455 124	6 622 509
Creditors Age Analysis									
Total Creditors	61 085	219 481	100 863	93 989	87 860	82 569	687 843	1 665 530	2 999 222

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) - M01 July

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
Revenue - Functional										
Governance and administration		**1 302 505**	**1 102 513**	**–**	**135 554**	**135 554**	**106 531**	29 024	27%	**–**
Executive and council		13 605	–	–	–	–	–	–		–
Finance and administration		1 288 899	1 102 513	–	135 554	135 554	106 531	29 024	27%	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**64 032**	**31 966**	**–**	**262**	**262**	**1 907**	(1 645)	-86%	**–**
Community and social services		29 251	28 909	–	141	141	1 652	(1 511)	-91%	–
Sport and recreation		15	46	–	(2)	(2)	4	(6)	-149%	–
Public safety		–	–	–	–	–	–	–		–
Housing		34 766	3 012	–	123	123	251	(128)	-51%	–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**9 292**	**7 453**	**–**	**365**	**365**	**2 968**	(2 603)	-88%	**–**
Planning and development		9 612	4 555	–	365	365	380	(15)	-4%	–
Road transport		(320)	2 898	–	–	–	2 588	(2 588)	-100%	–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**822 235**	**1 629 727**	**–**	**72 974**	**72 974**	**141 137**	**(68 163)**	-48%	**–**
Energy sources		309 086	761 265	–	18 209	18 209	68 765	(50 556)	-74%	–
Water management		480 583	750 603	–	52 185	52 185	62 550	(10 365)	-17%	–
Waste water management		19 191	102 384	–	729	729	8 532	(7 803)	-91%	–
Waste management		13 376	15 475	–	1 851	1 851	1 290	562	44%	–
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**2 198 064**	**2 771 659**	**–**	**209 156**	**209 156**	**252 543**	**(43 387)**	**-17%**	**–**

GT484 Merafong City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

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
Expenditure - Functional	-									
Governance and administration		**533 928**	**557 255**	**–**	**28 173**	**28 173**	**28 814**	(641)	-2%	**–**
Executive and council		104 900	84 165	–	7 382	7 382	7 014	368	5%	–
Finance and administration		418 735	463 840	–	20 457	20 457	21 029	(572)	-3%	–
Internal audit		10 293	9 251	–	334	334	771	(437)	-57%	–
Community and public safety		**135 029**	**122 759**	**–**	**8 627**	**8 627**	**9 572**	(944)	-10%	**–**
Community and social services		90 439	73 044	–	5 447	5 447	5 661	(214)	-4%	–
Sport and recreation		27 030	29 902	–	1 880	1 880	2 260	(379)	-17%	–
Public safety		6 016	4 231	–	649	649	353	296	84%	–
Housing		11 544	12 447	–	652	652	1 037	(386)	-37%	–
Health		–	3 135	–	–	–	261	(261)	-100%	–
Economic and environmental services		**198 820**	**212 621**	**–**	**6 874**	**6 874**	**15 372**	(8 497)	-55%	**–**
Planning and development		82 466	36 019	–	2 102	2 102	3 002	(900)	-30%	–
Road transport		116 354	176 602	–	4 773	4 773	12 370	(7 597)	-61%	–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**1 405 863**	**1 869 386**	**–**	**143 200**	**143 200**	**112 168**	**31 032**	28%	**–**
Energy sources		768 881	920 468	–	96 495	96 495	64 871	31 624	49%	–
Water management		499 688	654 481	–	35 313	35 313	39 961	(4 648)	-12%	–
Waste water management		59 082	142 533	–	5 149	5 149	3 074	2 075	67%	–
Waste management		78 212	151 904	–	6 243	6 243	4 261	1 981	46%	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	**3**	**2 273 640**	**2 762 021**	**–**	**186 874**	**186 874**	**165 925**	**20 949**	**13%**	**–**
Surplus/ (Deficit) for the year		**(75 576)**	**9 638**	**–**	**22 282**	**22 282**	**86 618**	**(64 336)**	**-74%**	**–**

3) <u>Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) – M01 July</u>

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Municipal Manager		13 605	–	–	–	–	–	–		–
Vote 2 - Finance		1 272 365	1 316 913	–	135 059	135 059	105 833	29 227	27.6%	–
Vote 3 - Community and Social Services		29 251	28 909	–	141	141	1 652	(1 511)	-91.5%	–
Vote 4 - Sport and Recreation		15	46	–	(2)	(2)	4	(6)	-149.3%	–
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		34 766	3 012	–	123	123	251	(128)	-51.0%	–
Vote 9 - Road Transport		(320)	2 898	–	–	–	2 588	(2 588)	-100.0%	–
Vote 10 - Energy Sources		309 086	619 249	–	18 209	18 209	68 765	(50 556)	-73.5%	–
Vote 11 - Water Management		480 583	576 545	–	52 185	52 185	62 550	(10 365)	-16.6%	–
Vote 12 - Waste Water Management		19 191	(757)	–	729	729	8 532	(7 803)	-91.5%	–
Vote 13 - Waste Management		13 376	(85 292)	–	1 851	1 851	1 290	562	43.6%	–
Vote 14 - Internal Audit		–	–	–	–	–	–	–		–
Vote 15 - Other		16 535	(214 399)	–	495	495	698	(203)	-29.1%	–
Total Revenue by Vote	2	**2 188 452**	**2 247 122**	**–**	**208 791**	**208 791**	**252 163**	**(43 372)**	**-17.2%**	**–**

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote	1									
Vote 1 - Municipal Manager		104 900	84 165	–	7 382	7 382	7 014	368	5.2%	–
Vote 2 - Finance		404 677	228 472	–	19 320	19 320	19 980	(661)	-3.3%	–
Vote 3 - Community and Social Services		90 439	73 044	–	5 447	5 447	5 661	(214)	-3.8%	–
Vote 4 - Sport and Recreation		27 030	29 902	–	1 880	1 880	2 260	(379)	-16.8%	–
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		6 016	4 231	–	649	649	353	296	84.0%	–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		11 544	12 447	–	652	652	1 037	(386)	-37.2%	–
Vote 9 - Road Transport		116 354	176 602	–	4 773	4 773	12 370	(7 597)	-61.4%	–
Vote 10 - Energy Sources		768 881	920 468	–	96 495	96 495	64 871	31 624	48.7%	–
Vote 11 - Water Management		499 688	654 481	–	35 313	35 313	39 961	(4 648)	-11.6%	–
Vote 12 - Waste Water Management		59 082	142 533	–	5 149	5 149	3 074	2 075	67.5%	–
Vote 13 - Waste Management		78 212	151 904	–	6 243	6 243	4 261	1 981	46.5%	–
Vote 14 - Internal Audit		10 293	9 251	–	334	334	771	(437)	-56.7%	–
Vote 15 - Other		14 058	235 368	–	1 138	1 138	1 049	89	8.4%	–
Total Expenditure by Vote	2	**2 191 174**	**2 722 867**	**–**	**184 772**	**184 772**	**162 662**	**22 110**	**13.6%**	**–**
Surplus/ (Deficit) for the year	2	**(2 722)**	**(475 744)**	**–**	**24 019**	**24 019**	**89 501**	**(65 482)**	**-73.2%**	**–**

4) Table C4: Month 01 Budget Statement – Financial Performance (Revenue and Expenditure)

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		278 227	481 628	–	17 061	17 061	45 462	(28 401)	-62.47%	–
Service charges - Water		443 113	633 537	–	44 496	44 496	52 795	(8 299)	-15.72%	–
Service charges - Waste Water Management		71 523	102 355	–	6 652	6 652	8 530	(1 877)	-22.01%	–
Service charges - Waste management		94 201	112 285	–	8 808	8 808	9 357	(549)	-5.86%	–
Sale of Goods and Rendering of Services		3 465	3 646	–	257	257	304	(46)	-15.26%	–
Agency services		6 911	17 695	–	–	–	1 475	(1 475)	-100.00%	–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		174 772	192 599	–	12 101	12 101	16 050	(3 949)	-24.60%	–
Interest from Current and Non Current Assets		11 267	11 744	–	463	463	979	(515)	-52.65%	–
Dividends		–	–	–	–	–	–	–		–
Rent on Land		1 600	–	–	271	271	–	271	#DIV/0!	–
Rental from Fixed Assets		3 463	3 164	–	136	136	264	(127)	-48.27%	–
Licence and permits		4	2 069	–	–	–	172	(172)	-100.00%	–
Operational Revenue		(72 296)	3 201	–	(9)	(9)	(264)	254	-96.43%	–
Non-Exchange Revenue		–	–	–	–	–	–	–		–
Property rates		525 370	582 735	–	56 578	56 578	48 561	8 017	16.51%	–
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		461	31 290	–	24	24	2 608	(2 584)	-99.08%	–
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		361 438	358 803	–	50 090	50 090	29 143	20 947	71.88%	–
Interest		141 070	152 699	–	12 226	12 226	12 725	(499)	-3.92%	–
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	209 059	–	–	–	17 422	(17 422)	-100.00%	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**2 044 590**	**2 898 509**	**–**	**209 156**	**209 156**	**245 581**	**(36 425)**	**-14.83%**	**–**

Variance reporting: Revenue

Revenue Description	YTD Actual	YTD Budget	Variance +over/(-under)	Comments
Property Rates	R56 578 000	R48 561 000	R8 017 000	
Electricity revenue	R17 161 000	R45 462 000	(R28 401 000)	Town Planning Scheme
Water Revenue	R43 496 000	R52 795 000	(8 299 000)	Biling of Water is not understated
Wastewater management	R6 552 000	R8 530 000	(1 877 000)	Waste water in not understated
Waste Management	R8 808 000	R9 357 000	(R549 000)	Not all areas have Willy bins
Sale of Goods	R257 000	R304 000	(46 000)	Seasonal usage of Halls, Lapas and Swimming pool.
Interest from Receivable	R12 101 000	R16 050 000	R3 949 000)	Interest charged for the Outstanding debtors
Interest from Current and Non-Current Assets	R463 000	R979 000	(R515 000)	Interest earned from Main Bank account and Call Account
Rental from Fixed Assets	R271 000	R264 000	(R27 000)	Interest earned from Main Bank account and Call Account
Licences		R172 000	(R172 000	Calculated only at year end
Operational revenue	(9 000)	(R264 000)	R254 000	Less revenue received from internal sources
Transfer and Subsidies	R50 090 000	R29 143 000	R20 947 000	Government subsidies
Fines	R24 000	R2 608 000	(R2 584 000)	Calculated only at year end
Interest	R12 226 000	R12 725 000	(499 000)	Interest Received

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type	-									
Employee related costs		453 356	466 721	–	35 414	35 414	38 893	(3 479)	-8.95%	–
Remuneration of councillors		27 103	28 460	–	2 190	2 190	2 372	(181)	-7.64%	–
Bulk purchases - electricity		556 457	589 037	–	81 757	81 757	49 086	32 670	66.56%	–
Inventory consumed		202 357	356 090	–	17 783	17 783	29 674	(11 891)	-40.07%	–
Debt impairment		–	730 363	–	–	–	–	–		–
Depreciation and amortisation		177 556	157 984	–	–	–	13 165	(13 165)	-100.00%	–
Interest		270 283	116 202	–	24 721	24 721	9 683	15 038	155.29%	–
Contracted services		428 812	173 859	–	21 700	21 700	14 488	7 212	49.78%	–
Transfers and subsidies		506	596	–	–	–	50	(50)	-100.00%	–
Irrecoverable debts written off		43 685	32 079	–	367	367	2 673	(2 306)	-86.27%	–
Operational costs		113 525	70 071	–	2 941	2 941	5 839	(2 898)	-49.63%	–
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		–	40 559	–	–	–	–	–		–
Total Expenditure		**2 273 640**	**2 762 021**	**–**	**186 874**	**186 874**	**165 925**	**20 949**	**12.63%**	**–**
Surplus/(Deficit)		**(229 050)**	**136 488**	**–**	**22 282**	**22 282**	**79 656**	**(57 375)**	**-72.03%**	**–**
Transfers and subsidies - capital (monetary allocations)		153 600	124 091	–	–	–	6 961	(6 961)	**-100.00%**	–
Transfers and subsidies - capital (in-kind)		(126)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**			**–**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**			**–**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**			**–**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**			**–**

Additional comments on expenditure performance

Expenditure Description	YTD Actual	YTD Budget	Variance +over/(-under)	Comments
Employee related costs	34 414 000	R38 893 000	R3 479 000	Employee cost still within threshold
Remuneration of councillors	2 190 000	R2 372 000	R181 000	Employee cost still within threshold
Bulk Purchases	81 757 000	R49 086 000	R32 670 000	Seasonal consumption of electricity
Inventory Consumed	17 783 000	R29 674 000	(R11 891 000)	Seasonal consumption of Water
Debt impairment				Impairment only at the end of the Year
Depreciation & asset impairment		R13 165 000	(R13 165 000)	Impairment only at the end of the Year
Interest	R24 721 000	R9 863 000	R15 038 000	interest paid on Eskom, Rand Water and other leases
Contracted Services	R20 008 000	R14 488 000	R7 212 000	Repairs and maintenance
Irrecoverable Debt	R367 000	R2 673 000	R2 306 000	Irrecoverable debt
Operational Cost	R1 761 000	R5 839 000	R2 898 000	Cost containment

5) Table C5: Month 01 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) - M01 July

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	–	–	–	250	(250)	-100%	3 000
Vote 2 - Finance		(19 356)	–	–	(5 871)	(5 871)	–	(5 871)	#DIV/0!	–
Vote 3 - Community and Social Services		(4 338)	2 000	–	(13 055)	(13 055)	167	(13 222)	-7933%	2 000
Vote 4 - Sport and Recreation		–	2 000	–	–	–	167	(167)	-100%	2 000
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		–	–	–	–	–	–	–		–
Vote 9 - Road Transport		(18 019)	44 533	–	(110 378)	(110 378)	3 711	(114 089)	-3074%	44 533
Vote 10 - Energy Sources		21 334	44 601	–	(81 596)	(81 596)	3 717	(85 313)	-2295%	44 601
Vote 11 - Water Management		(10 492)	39 980	–	(80 727)	(80 727)	3 332	(84 059)	-2523%	39 980
Vote 12 - Waste Water Management		24 630	10 497	–	(50 735)	(50 735)	875	(51 610)	-5900%	10 497
Vote 13 - Waste Management		–	8 500	–	–	–	708	(708)	-100%	8 500
Vote 14 - Internal Audit		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	(6 241)	155 111	–	(342 363)	(342 363)	12 926	**(355 289)**	**-2749%**	155 111
Total Capital Expenditure		**(6 241)**	**155 111**	**–**	**(342 363)**	**(342 363)**	**12 926**	**(355 289)**	**-2749%**	**155 111**

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

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		**(19 356)**	**3 000**	**–**	**(5 871)**	**(5 871)**	**250**	(6 121)	-2449%	**3 000**
Executive and council		–	3 000	–	–	–	250	(250)	-100%	3 000
Finance and administration		(19 356)	–	–	(5 871)	(5 871)	–	(5 871)	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(4 338)**	**4 000**	**–**	**(13 055)**	**(13 055)**	**333**	(13 388)	-4017%	**4 000**
Community and social services		(4 338)	2 000	–	(13 055)	(13 055)	167	(13 222)	-7933%	2 000
Sport and recreation		–	2 000	–	–	–	167	(167)	-100%	2 000
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(18 019)**	**44 533**	**–**	**(110 378)**	**(110 378)**	**3 711**	(114 089)	-3074%	**44 533**
Planning and development		–	–	–	–	–	–	–		–
Road transport		(18 019)	44 533	–	(110 378)	(110 378)	3 711	(114 089)	-3074%	44 533
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**35 473**	**103 578**	**–**	**(213 059)**	**(213 059)**	**8 631**	(221 690)	-2568%	**103 578**
Energy sources		21 334	44 601	–	(81 596)	(81 596)	3 717	(85 313)	-2295%	44 601
Water management		(10 492)	39 980	–	(80 727)	(80 727)	3 332	(84 059)	-2523%	39 980
Waste water management		24 630	10 497	–	(50 735)	(50 735)	875	(51 610)	-5900%	10 497
Waste management		–	8 500	–	–	–	708	(708)	-100%	8 500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**(6 241)**	**155 111**	**–**	**(342 363)**	**(342 363)**	**12 926**	**(355 289)**	**-2749%**	**155 111**

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

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		19 622	124 111	–	(325 687)	(325 687)	10 343	(336 030)	-3249%	124 111
Provincial Government		(4 333)	–	–	(9 547)	(9 547)	–	(9 547)	#DIV/0!	–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**15 289**	**124 111**	**–**	**(335 234)**	**(335 234)**	**10 343**	**(345 577)**	**-3341%**	**124 111**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(21 104)	31 000	–	(6 735)	(6 735)	2 583	(9 319)	-361%	31 000
Total Capital Funding		**(5 816)**	**155 111**	**–**	**(341 970)**	**(341 970)**	**12 926**	**(354 896)**	**-2746%**	**155 111**

References

6) Table C6: Month 01 Budget Statement – Financial Position

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M01 July

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		90 190	496 776	–	58 752	496 776
Trade and other receivables from exchange transactions		333 112	240 488	–	374 027	240 488
Receivables from non-exchange transactions		761 526	220 893	–	824 464	220 893
Current portion of non-current receivables		–	–	–	–	–
Inventory		726	1 062	–	726	1 062
VAT		560 172	363 150	–	579 714	363 150
Other current assets		–	–	–	–	–
Total current assets		**1 745 725**	**1 322 368**	**–**	**1 837 683**	**1 322 368**
Non current assets						
Investments		–	–	–	–	–
Investment property		223 818	217 300	–	223 818	217 300
Property, plant and equipment		3 101 540	2 978 912	–	3 102 079	2 978 912
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		190	136	–	190	136
Intangible assets		13 892	205	–	13 892	205
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3 339 440**	**3 196 553**	**–**	**3 339 979**	**3 196 553**
TOTAL ASSETS		**5 085 165**	**4 518 921**	**–**	**5 177 662**	**4 518 921**

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M01 July

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		(1 297)	13 521	–	1 297	13 521
Consumer deposits		33 634	–	–	33 634	–
Trade and other payables from exchange transactions		(3 071 363)	1 083 734	–	3 132 451	1 083 734
Trade and other payables from non-exchange transactions		13 900	31 294	–	21 789	31 294
Provision		55 293	39 388	–	55 293	39 388
VAT		423 048	56 900	–	436 417	56 900
Other current liabilities		–	–	–	–	–
Total current liabilities		**(2 546 785)**	**1 276 797**	**–**	**3 680 881**	**1 276 797**
Non current liabilities						
Financial liabilities		6 608	17 535	–	6 608	17 535
Provision		33 564	29 894	–	33 564	29 894
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		132 790	–	–	132 790	–
Total non current liabilities		**172 962**	**47 429**	**–**	**172 962**	**47 429**
TOTAL LIABILITIES		**(2 373 823)**	**1 324 226**	**–**	**3 853 843**	**1 324 226**
NET ASSETS	2	**7 458 988**	**3 194 695**	**–**	**1 323 819**	**3 194 695**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(1 271 689)	2 022 172	–	(1 261 537)	2 022 172
Reserves and funds		2 586 031	–	–	2 586 031	–
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 314 343**	**2 022 172**	**–**	**1 324 495**	**2 022 172**

7) Table C7: Month 01 Budget Statement – Cash Flow

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(541 280)	408 037	–	(40 470)	(40 470)	34 003	(74 473)	-219%	–
Service charges		–	1 004 719	–	(186 793)	(186 793)	83 727	(270 519)	-323%	–
Other revenue		–	64 329	–	(828 149)	(828 149)	5 361	(833 510)	-15548%	–
Transfers and Subsidies - Operational		–	334 256	–	(248 181)	(248 181)	31 946	(280 127)	-877%	–
Transfers and Subsidies - Capital		–	124 091	–	(74 529)	(74 529)	10 341	(84 870)	-821%	–
Interest		–	11 744	–	(39 336)	(2 962)	979	(3 940)	-403%	–
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(1 291 496)	(1 302 571)	–	1 062 989	1 062 989	(124 165)	(1 187 154)	956%	–
Finance charges		–	(114 200)	–	–	–	9 517	9 517	100%	–
Transfers and Subsidies		–	(596)	–	–	–	50	50	100%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(1 832 777)**	**529 809**	**–**	**(354 468)**	**(318 094)**	**51 757**	**369 851**	**715%**	**–**
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		217 004	(189 063)	–	150 850	150 850	(16 255)	(167 105)	1028%	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**217 004**	**(189 063)**	**–**	**150 850**	**150 850**	**(16 255)**	**(167 105)**	**1028%**	**–**

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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 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		**(1 615 772)**	**340 746**	**–**	**(203 619)**	**(167 245)**	**35 502**			**–**
Cash/cash equivalents at beginning:		152 644	158 032	–	(224 020)	(56 703)	158 032			(56 703)
Cash/cash equivalents at month/year end:		(1 463 128)	498 778	–		(223 948)	193 534			(56 703)

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

GT484 Merafong City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2025/26									
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	52 739	25 158	27 555	16 943	23 706	26 119	129 175	1 211 948	1 513 343	1 407 892
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	1 374	991	927	724	568	1 750	130 596	136 931	134 565
Receivables from Non-exchange Transactions - Property Rates	1400	37 837	30 225	30 172	30 157	30 143	30 142	196 078	392 162	776 916	678 682
Receivables from Exchange Transactions - Waste Water Management	1500	4 365	3 649	3 391	3 025	2 858	2 546	18 481	31 066	69 381	57 976
Receivables from Exchange Transactions - Waste Management	1600	10 069	8 212	6 965	6 503	6 286	6 119	37 959	318 986	401 098	375 851
Receivables from Exchange Transactions - Property Rental Debtors	1700	143	230	215	195	191	183	1 230	1 945	4 333	3 745
Interest on Arrear Debtor Accounts	1810	24 732	28 681	56 689	27 584	27 123	27 127	181 075	1 187 859	1 560 870	1 450 768
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	(11 976)	(14 259)	(8 953)	(116)	334	(2 412)	(2 033)	2 198 063	2 158 647	2 193 836
Total By Income Source	**2000**	**117 910**	**83 270**	**117 025**	**85 220**	**91 364**	**90 393**	**563 714**	**5 472 624**	**6 621 519**	**6 303 315**
2024/25 - totals only										**–**	**–**
Debtors Age Analysis By Customer Group											
Organs of State	2200	652	(211)	612	408	396	381	2 363	22 697	27 299	26 245
Commercial	2300	63 465	48 712	69 643	49 761	50 481	50 473	327 132	3 228 431	3 888 098	3 706 278
Households	2400	51 414	33 436	45 229	33 904	39 400	38 039	217 876	2 163 126	2 622 423	2 492 344
Other	2500	2 378	1 334	1 540	1 147	1 088	1 499	16 343	58 371	83 700	78 448
Total By Customer Group	**2600**	**117 910**	**83 270**	**117 025**	**85 220**	**91 364**	**90 393**	**563 714**	**5 472 624**	**6 621 519**	**6 303 315**

Debtors Collection

Consumer debtors have increased due to continued non -payment

CONSUMER DEBTORS
R6 621 519 000.00

7. REVENUE MANAGEMENT

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

July

Revenue Per Source	**Billing**	**Receipts**
Property Rates	54 185 000	38 249 520
Electricity Basic	24 661 000	10 821 210
Water Availability	44 489 000	17 684 123
Refuse Removal	5 852 640	6 346 111
Sewer Availability	27 801 000	8 236 236
Interest	32 451 360	15 408 000
Grand Total	**189 540 552**	96 745 200

51%

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				60%	0	0.00%
Sep-25				60%	0	0.00%
Quarter 1	**189 540 552**	**96 745 200**	**51.04%**	**60%**	**16 979 131**	**8.96%**
TOTAL	**189 540 552**	**96 745 200**	**51.04%**	**60%**	**16 979 131**	**8.96%**

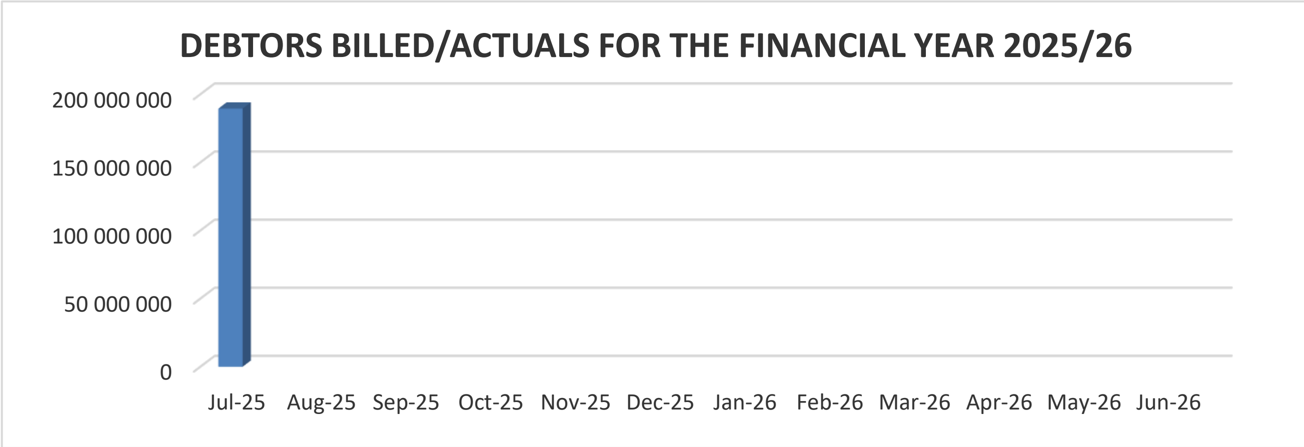
The collection rate for the month of July is **51%,**

Collection rate per Ward

Wards	Ward Names	Billing	Collection	Percentage
Ward 1	Khutsong South and Farming areas	4 133 505	516 109	12%
Ward 10	Khutsong Proper	983 850	9 570	1%
Ward 11	Wedela and Mining areas	854 736	143 298	17%
Ward 12	Welverdiend, Mining and farming areas, Khutsong Ext 5	4 252 822	1 159 934	27%
Ward 13	Blybank and Mining areas	1 612 396	125 094	8%
Ward 14	Westen deep levels and part of Fochville	5 396 274	1 862 254	35%
Ward 15	Eastdriefontein	558 111	625	0%
Ward 16	Carletonville Town	5 015 485	2 147 360	43%
Ward 17	Carletonville Town and informal settlement	7 742 537	12 806 646	165%
Ward 18	Carletonville Town	11 242 157	852 860	76%
Ward 19	Eastdriefontein	922 102	15 000	2%
Ward 2	Khutsong South	2 580 156	541 477	2%
Ward 20	Wedela Township	2 714 456	151 030	6%
Ward 21	Greenpark	12 438 430	16 333 181	131%
Ward 22	Kokosi Ext 1	1 803 655	75 815	4%
Ward 23	Wedela Township	1 889 136	116 201	6%
Ward 24	Fochville Town and Kokosi township	3 212 556	922 722	29%
Ward 25	Fochville Town and Kokosi township	2 064 360	38 033	2%
Ward 26	Fochville town and part of Kokosi	2 447 848	65 561	3%
Ward 27	Blyvoor Mining	9 759 726	846 738	9%
Ward 28	Carletonville town	7 310 484	6 667 742	91%
Ward 3	Khutsong Proper, Ext 3	433 718	350	0%
Ward 4	Khutsong Proper,	699 135	1 050	0%
Ward 5	Blyvoor Mining Area	21 177 439	472	0%
Ward 6	Khutsong proper	957 305	10 836	1%
Ward 7	Khutsong Proper including Skopas Section	1 342 707	144 553	11%
Ward 8	Khutsong Proper including informal settlements	629 086	20 536	3%
Ward 9	Khutsong Proper including informal settlements	446 584	3 535	1%

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			#DIV/0!
2025/09/01			#DIV/0!
2025/10/01			#DIV/0!
2025/11/01			#DIV/0!
2025/12/01			#DIV/0!
2026/01/01			#DIV/0!
2026/02/01			#DIV/0!
2026/03/01			#DIV/0!
2026/04/01			#DIV/0!
2026/05/01			#DIV/0!
2026/06/01			#DIV/0!



8. Investment portfolio analysis

Institution Name	Type of Account	Rate	Amount
Nedbank	Call Account		179 651.47
FNB	Call Account		42 358 494.88
Total			**42 538 146.35**

BANK BALANCE

Name of institution

NEDBANK	5 295 010.53
FNB	3 264 485.76

Council had a positive Bank Balance of R8 559 496.29

09.CREDITORS AGE ANALYSIS

Merafong Creditors as of 31 July amounted to **R3 720 479 279.35**

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

NO	SUPPLIER NAME	DESCRIPTION/ NATURE OF SERVICE	TOTAL
1	ESKOM	BULK PURCHASES	R1 495 571 609.17
2	RAND WATER	BULK PURCHASES	R1 412 550 670.18
		Total	**R 2 908 122 279.35**

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 2 loans with 2 different institutions.

COMPANY NAME	DATE OF LOAN TAKEN	OPENING BALANCE 01 JULY 2025	July 2025		CLOSING BALANCE AS AT 31 JULY 2025
			REDEEMED OR WRITTEN OFF	INTEREST	
DBSA	01/10/2007	**7 232 935.45**			**7 232 935.45**
TOTAL		**7 232 935.45**	**0**	**0**	**7232 935.45**

Long-term loan expenditure for July is R7 232 935.45

PERFORMANCE ON CONDITIONAL GRANTS 25//26

17. CAPEX GRANTS PENDING JULY			
	Budget	YTD Spent	% Spent
MIG	90 822 000.00	465 264.12	0.51%
INEP	17 533 000.00	0.00	0.00%
WSIG	20 276 000.00	0.00	0.00%
	159 631 000.00	465 264.12	0.51%

PERFORMANCE ON UNCONDITIONAL GRANTS

Description	Original Budget	YTD spent	%Spent
FMG	2 800 000.00	0.00	0.00%
HIV/AIDS		0.00	0.00%
LIBRARY	15 744 000.00	0.00	0.00%
EPWP(COGTA)	1 553 000.00	0.00	0.00%
EPWP		0.00	0.00%
TOTAL	**20 097 000.00**	0.00	0.00%

12. Capital programme performance

The Capital Budget amounted to **R159 631 999.00,** and Expenditure incurred on Capital amounted to **R465 264.12** for the month of July which is **0.29%** 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	Allocated Funding	Consultant	Contractor	July	YTD
MIG PROJECTS									
P620		P M U Operational Expenses		MIG		Project Management Unit	Operational Expenses	465 264.12	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		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		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		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		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 Reticulation Stage 4 B	3-7	MIG		LSO Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Malindo Civil and Construction Appointment 24-04-2024		12 700 000.00
P775	WIP993	Upgrading of Wedela Recreation Club		MIG		Kabe Consulting Engineers (Pty) Ltd Appointment 01-09-2023	Moribo iGroup Appointment 16-05-2024		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		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		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		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					2 000 000.00
								465 264.12	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		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		10 000 000.00
								-	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		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
								-	20 276 999.00

Totals	465 264.12	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 721 271.30**

There is Fruitless and wasteful expenditure for the month of July 2025 is **R24 721 271.30**

IRREGULAR EXPENDITURE

Irregular Expenditure		
Total		**Amount R12 624 876.26**

The Irregular expenditure for the month of July 2025 amounts to **R12 624 876.26**

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/Paymen t 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.

16. Conclusion

1) That cognizance be taken of the financial performance achievements for month 11 of the financial year ended July 2025 in accordance with Section 71.
2) That the revenue of the municipality be adjusted to be in line with the mid-term performance.
3) That stringent credit control and debt collection measures be implemented to improve the funding of the budget.
4) That the expenditure budget be reduced to be in line with the realistically anticipated revenue to be collected.
5) That the programme to reduce water be undertaken to reduce the expenditure on water purchases.
6) That the implementation of the capital budget from grants be accelerated to avoid funds being returned with the resultant negative impact on service delivery.
7) That it be noted that the progress report on implementation of the financial recovery plan is reported to Provincial Treasury

17. Recommendations

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

8) The financial performance achievements for month 11 of the financial year ended July 2025 in accordance with Section 71 of the MFMA and that the Committee take note of the recommendations to improve the financial performance of the municipality:
    - That the revenue of the municipality be adjusted to be in line with the mid-term performance.
    - That stringent credit control and debt collection measures be implemented to improve the funding of the budget.
    - That the expenditure budget be reduced to be in line with the realistically anticipated revenue to be collected.
    - That the programme to reduce water be undertaken to reduce the expenditure on water purchases.

- That the implementation of the capital budget from grants be accelerated to avoid funds being returned with the resultant negative impact on service delivery.

9) The balance of the Eskom bulk account (and / or bulk water account if relevant) and the municipality's reconciliation of these accounts as set-out in paragraph 16.6 above.
10) The progress on the implementation of the Financial Recovery Plan.
11) The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment set-out in paragraph 16 above;
12) The following remedial actions necessary to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:

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

1. Herewith attached is the certificate of compliance for the month ending 31 July 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 August 2025. The July Eskom account was R1 510 405 995.29 with the bulk account due date in August 2025. The municipality paid for the LPU accounts before the due date. The municipality is in arrears from the October 2024 account due to financial constrain. The municipality is implementing credit control measures to improve collection rate in order to pay all creditors on time.
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 53,63% on electricity and 38,08% on water as end of May 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 56,30% as end of second quarter. The municipality has put forward various strategies to ensure that this is achieved among other things implementation of smart meters, implementation of the debt incentive scheme, effective credit control and ensuring compliance with the strategies in the Financial Recovery Plan. The municipality is reporting monthly on the implementation of FRP.
9. The municipality held a Revenue enhancement strategic session relating to the challenges on the declining Revenue base and Revenue protection. The 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 2024-25 budget accounts in respect of ringfencing of electricity, water and sanitation.

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

The municipality achieved an overall collection rate averaging 50% for the period ended April 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 56.30% as the result of challenges on credit control execution in the townships. Billing on electricity has not been effective due to continuous meter tempering, cable theft and load reduction implemented by Eskom. Moreover interest receivable from debtors is less than expected.

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

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.

Plan to address non-compliance

20. It should be noted that the municipality has 30 days to address any non-compliance as indicated above.

21. For any further enquiries, please do not hesitate to contact us.

2) Table C1 Monthly Budget Statement Summary

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M01 July

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	525 370	582 735	–	56 578	56 578	48 561	8 017	17%	–
Service charges	887 064	1 329 805	–	77 018	77 018	116 143	(39 125)	-34%	–
Investment revenue	11 267	11 744	–	463	463	979	(515)	-53%	–
Transfers and subsidies - Operational	361 438	358 803	–	50 090	50 090	29 143	20 947	72%	–
Other own revenue	259 450	615 421	–	25 006	25 006	50 754	(25 749)	-51%	–
Total Revenue (excluding capital transfers and contributions)	**2 044 590**	**2 898 509**	**–**	**209 156**	**209 156**	**245 581**	**(36 425)**	-15%	**–**
Employee costs	453 356	466 721	–	35 414	35 414	38 893	(3 479)	-9%	–
Remuneration of Councillors	27 103	28 460	–	2 190	2 190	2 372	(181)	-8%	–
Depreciation and amortisation	177 556	157 984	–	–	–	13 165	(13 165)	-100%	–
Interest	270 283	116 202	–	24 721	24 721	9 683	15 038	155%	–
Inventory consumed and bulk purchases	758 814	945 128	–	99 540	99 540	78 761	20 779	26%	–
Transfers and subsidies	506	596	–	–	–	50	(50)	-100%	–
Other expenditure	586 022	1 046 930	–	25 008	25 008	23 001	2 008	9%	–
Total Expenditure	**2 273 640**	**2 762 021**	**–**	**186 874**	**186 874**	**165 925**	**20 949**	13%	**–**
Surplus/(Deficit)	**(229 050)**	**136 488**	**–**	**22 282**	**22 282**	**79 656**	**(57 375)**	-72%	**–**
Transfers and subsidies - capital (monetary allocations)	153 600	124 091	–	–	–	6 961	(6 961)	-100%	–
Transfers and subsidies - capital (in-kind)	(126)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**	**(64 336)**	-74%	**–**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**	**(64 336)**	-74%	**–**

GT484 Merafong City - Table C1 Monthly Budget Statement Summary - M01 July

Description R thousands	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure & funds sources									
Capital expenditure	**(6 241)**	**155 111**	**–**	**(342 363)**	**(342 363)**	**12 926**	**(355 289)**	-2749%	**155 111**
Capital transfers recognised	15 289	124 111	–	(335 234)	(335 234)	10 343	(345 577)	-3341%	124 111
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**(21 104)**	**31 000**	**–**	**(6 735)**	**(6 735)**	**2 583**	**(9 319)**	-361%	**31 000**
Total sources of capital funds	**(5 816)**	**155 111**	**–**	**(341 970)**	**(341 970)**	**12 926**	**(354 896)**	-2746%	**155 111**
Financial position									
Total current assets	1 745 725	1 322 368	–		1 837 683				1 322 368
Total non current assets	3 339 440	3 196 553	–		3 339 979				3 196 553
Total current liabilities	(2 546 785)	1 276 797	–		3 680 881				1 276 797
Total non current liabilities	172 962	47 429	–		172 962				47 429
Community wealth/Equity	**1 314 343**	**2 022 172**	**–**		**1 324 495**				**2 022 172**
Cash flows									
Net cash from (used) operating	(1 832 777)	529 809	–	(354 468)	(318 094)	51 757	369 851	715%	–
Net cash from (used) investing	217 004	(189 063)	–	150 850	150 850	(16 255)	(167 105)	1028%	–
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**(1 463 128)**	**498 778**	**–**	**–**	**(223 948)**	**193 534**	**417 482**	216%	**(56 703)**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	115 728	105 298	116 827	85 090	91 265	90 374	562 803	5 455 124	6 622 509
Creditors Age Analysis									
Total Creditors	61 085	219 481	100 863	93 989	87 860	82 569	687 843	1 665 530	2 999 222

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) - M01 July

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
Revenue - Functional										
Governance and administration		**1 302 505**	**1 102 513**	**–**	**135 554**	**135 554**	**106 531**	29 024	27%	**–**
Executive and council		13 605	–	–	–	–	–	–		–
Finance and administration		1 288 899	1 102 513	–	135 554	135 554	106 531	29 024	27%	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**64 032**	**31 966**	**–**	**262**	**262**	**1 907**	(1 645)	-86%	**–**
Community and social services		29 251	28 909	–	141	141	1 652	(1 511)	-91%	–
Sport and recreation		15	46	–	(2)	(2)	4	(6)	-149%	–
Public safety		–	–	–	–	–	–	–		–
Housing		34 766	3 012	–	123	123	251	(128)	-51%	–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**9 292**	**7 453**	**–**	**365**	**365**	**2 968**	(2 603)	-88%	**–**
Planning and development		9 612	4 555	–	365	365	380	(15)	-4%	–
Road transport		(320)	2 898	–	–	–	2 588	(2 588)	-100%	–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**822 235**	**1 629 727**	**–**	**72 974**	**72 974**	**141 137**	**(68 163)**	-48%	**–**
Energy sources		309 086	761 265	–	18 209	18 209	68 765	(50 556)	-74%	–
Water management		480 583	750 603	–	52 185	52 185	62 550	(10 365)	-17%	–
Waste water management		19 191	102 384	–	729	729	8 532	(7 803)	-91%	–
Waste management		13 376	15 475	–	1 851	1 851	1 290	562	44%	–
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**2 198 064**	**2 771 659**	**–**	**209 156**	**209 156**	**252 543**	**(43 387)**	**-17%**	**–**

GT484 Merafong City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

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
Expenditure - Functional	-									
Governance and administration		**533 928**	**557 255**	**–**	**28 173**	**28 173**	**28 814**	(641)	-2%	**–**
Executive and council		104 900	84 165	–	7 382	7 382	7 014	368	5%	–
Finance and administration		418 735	463 840	–	20 457	20 457	21 029	(572)	-3%	–
Internal audit		10 293	9 251	–	334	334	771	(437)	-57%	–
Community and public safety		**135 029**	**122 759**	**–**	**8 627**	**8 627**	**9 572**	(944)	-10%	**–**
Community and social services		90 439	73 044	–	5 447	5 447	5 661	(214)	-4%	–
Sport and recreation		27 030	29 902	–	1 880	1 880	2 260	(379)	-17%	–
Public safety		6 016	4 231	–	649	649	353	296	84%	–
Housing		11 544	12 447	–	652	652	1 037	(386)	-37%	–
Health		–	3 135	–	–	–	261	(261)	-100%	–
Economic and environmental services		**198 820**	**212 621**	**–**	**6 874**	**6 874**	**15 372**	(8 497)	-55%	**–**
Planning and development		82 466	36 019	–	2 102	2 102	3 002	(900)	-30%	–
Road transport		116 354	176 602	–	4 773	4 773	12 370	(7 597)	-61%	–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**1 405 863**	**1 869 386**	**–**	**143 200**	**143 200**	**112 168**	**31 032**	28%	**–**
Energy sources		768 881	920 468	–	96 495	96 495	64 871	31 624	49%	–
Water management		499 688	654 481	–	35 313	35 313	39 961	(4 648)	-12%	–
Waste water management		59 082	142 533	–	5 149	5 149	3 074	2 075	67%	–
Waste management		78 212	151 904	–	6 243	6 243	4 261	1 981	46%	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	**3**	**2 273 640**	**2 762 021**	**–**	**186 874**	**186 874**	**165 925**	**20 949**	**13%**	**–**
Surplus/ (Deficit) for the year		**(75 576)**	**9 638**	**–**	**22 282**	**22 282**	**86 618**	**(64 336)**	**-74%**	**–**

5) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) – M01 July

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Municipal Manager		13 605	–	–	–	–	–	–		–
Vote 2 - Finance		1 272 365	1 316 913	–	135 059	135 059	105 833	29 227	27.6%	–
Vote 3 - Community and Social Services		29 251	28 909	–	141	141	1 652	(1 511)	-91.5%	–
Vote 4 - Sport and Recreation		15	46	–	(2)	(2)	4	(6)	-149.3%	–
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		34 766	3 012	–	123	123	251	(128)	-51.0%	–
Vote 9 - Road Transport		(320)	2 898	–	–	–	2 588	(2 588)	-100.0%	–
Vote 10 - Energy Sources		309 086	619 249	–	18 209	18 209	68 765	(50 556)	-73.5%	–
Vote 11 - Water Management		480 583	576 545	–	52 185	52 185	62 550	(10 365)	-16.6%	–
Vote 12 - Waste Water Management		19 191	(757)	–	729	729	8 532	(7 803)	-91.5%	–
Vote 13 - Waste Management		13 376	(85 292)	–	1 851	1 851	1 290	562	43.6%	–
Vote 14 - Internal Audit		–	–	–	–	–	–	–		–
Vote 15 - Other		16 535	(214 399)	–	495	495	698	(203)	-29.1%	–
Total Revenue by Vote	2	**2 188 452**	**2 247 122**	**–**	**208 791**	**208 791**	**252 163**	**(43 372)**	**-17.2%**	**–**

GT484 Merafong City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote	1									
Vote 1 - Municipal Manager		104 900	84 165	–	7 382	7 382	7 014	368	5.2%	–
Vote 2 - Finance		404 677	228 472	–	19 320	19 320	19 980	(661)	-3.3%	–
Vote 3 - Community and Social Services		90 439	73 044	–	5 447	5 447	5 661	(214)	-3.8%	–
Vote 4 - Sport and Recreation		27 030	29 902	–	1 880	1 880	2 260	(379)	-16.8%	–
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		6 016	4 231	–	649	649	353	296	84.0%	–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		11 544	12 447	–	652	652	1 037	(386)	-37.2%	–
Vote 9 - Road Transport		116 354	176 602	–	4 773	4 773	12 370	(7 597)	-61.4%	–
Vote 10 - Energy Sources		768 881	920 468	–	96 495	96 495	64 871	31 624	48.7%	–
Vote 11 - Water Management		499 688	654 481	–	35 313	35 313	39 961	(4 648)	-11.6%	–
Vote 12 - Waste Water Management		59 082	142 533	–	5 149	5 149	3 074	2 075	67.5%	–
Vote 13 - Waste Management		78 212	151 904	–	6 243	6 243	4 261	1 981	46.5%	–
Vote 14 - Internal Audit		10 293	9 251	–	334	334	771	(437)	-56.7%	–
Vote 15 - Other		14 058	235 368	–	1 138	1 138	1 049	89	8.4%	–
Total Expenditure by Vote	2	**2 191 174**	**2 722 867**	**–**	**184 772**	**184 772**	**162 662**	**22 110**	**13.6%**	**–**
Surplus/ (Deficit) for the year	2	**(2 722)**	**(475 744)**	**–**	**24 019**	**24 019**	**89 501**	**(65 482)**	**-73.2%**	**–**

8) Table C4: Month 01 Budget Statement – Financial Performance (Revenue and Expenditure)

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		278 227	481 628	–	17 061	17 061	45 462	(28 401)	-62.47%	–
Service charges - Water		443 113	633 537	–	44 496	44 496	52 795	(8 299)	-15.72%	–
Service charges - Waste Water Management		71 523	102 355	–	6 652	6 652	8 530	(1 877)	-22.01%	–
Service charges - Waste management		94 201	112 285	–	8 808	8 808	9 357	(549)	-5.86%	–
Sale of Goods and Rendering of Services		3 465	3 646	–	257	257	304	(46)	-15.26%	–
Agency services		6 911	17 695	–	–	–	1 475	(1 475)	-100.00%	–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		174 772	192 599	–	12 101	12 101	16 050	(3 949)	-24.60%	–
Interest from Current and Non Current Assets		11 267	11 744	–	463	463	979	(515)	-52.65%	–
Dividends		–	–	–	–	–	–	–		–
Rent on Land		1 600	–	–	271	271	–	271	#DIV/0!	–
Rental from Fixed Assets		3 463	3 164	–	136	136	264	(127)	-48.27%	–
Licence and permits		4	2 069	–	–	–	172	(172)	-100.00%	–
Operational Revenue		(72 296)	3 201	–	(9)	(9)	(264)	254	-96.43%	–
Non-Exchange Revenue		–	–	–	–	–	–	–		–
Property rates		525 370	582 735	–	56 578	56 578	48 561	8 017	16.51%	–
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		461	31 290	–	24	24	2 608	(2 584)	-99.08%	–
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		361 438	358 803	–	50 090	50 090	29 143	20 947	71.88%	–
Interest		141 070	152 699	–	12 226	12 226	12 725	(499)	-3.92%	–
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	209 059	–	–	–	17 422	(17 422)	-100.00%	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**2 044 590**	**2 898 509**	**–**	**209 156**	**209 156**	**245 581**	**(36 425)**	**-14.83%**	**–**

GT484 Merafong City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type	-									
Employee related costs		453 356	466 721	–	35 414	35 414	38 893	(3 479)	-8.95%	–
Remuneration of councillors		27 103	28 460	–	2 190	2 190	2 372	(181)	-7.64%	–
Bulk purchases - electricity		556 457	589 037	–	81 757	81 757	49 086	32 670	66.56%	–
Inventory consumed		202 357	356 090	–	17 783	17 783	29 674	(11 891)	-40.07%	–
Debt impairment		–	730 363	–	–	–	–	–		–
Depreciation and amortisation		177 556	157 984	–	–	–	13 165	(13 165)	-100.00%	–
Interest		270 283	116 202	–	24 721	24 721	9 683	15 038	155.29%	–
Contracted services		428 812	173 859	–	21 700	21 700	14 488	7 212	49.78%	–
Transfers and subsidies		506	596	–	–	–	50	(50)	-100.00%	–
Irrecoverable debts written off		43 685	32 079	–	367	367	2 673	(2 306)	-86.27%	–
Operational costs		113 525	70 071	–	2 941	2 941	5 839	(2 898)	-49.63%	–
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		–	40 559	–	–	–	–	–		–
Total Expenditure		**2 273 640**	**2 762 021**	**–**	**186 874**	**186 874**	**165 925**	**20 949**	**12.63%**	**–**
Surplus/(Deficit)		**(229 050)**	**136 488**	**–**	**22 282**	**22 282**	**79 656**	**(57 375)**	**-72.03%**	**–**
Transfers and subsidies - capital (monetary allocations)		153 600	124 091	–	–	–	6 961	(6 961)	**-100.00%**	–
Transfers and subsidies - capital (in-kind)		(126)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(75 576)**	**260 579**	**–**	**282**	**22 282**	**86 618**			**–**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**			**–**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**			**–**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(75 576)**	**260 579**	**–**	**22 282**	**22 282**	**86 618**			**–**

9) Table C5: Month 01 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) - M01 July

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	–	–	–	250	(250)	-100%	3 000
Vote 2 - Finance		(19 356)	–	–	(5 871)	(5 871)	–	(5 871)	#DIV/0!	–
Vote 3 - Community and Social Services		(4 338)	2 000	–	(13 055)	(13 055)	167	(13 222)	-7933%	2 000
Vote 4 - Sport and Recreation		–	2 000	–	–	–	167	(167)	-100%	2 000
Vote 4 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Housing		–	–	–	–	–	–	–		–
Vote 9 - Road Transport		(18 019)	44 533	–	(110 378)	(110 378)	3 711	(114 089)	-3074%	44 533
Vote 10 - Energy Sources		21 334	44 601	–	(81 596)	(81 596)	3 717	(85 313)	-2295%	44 601
Vote 11 - Water Management		(10 492)	39 980	–	(80 727)	(80 727)	3 332	(84 059)	-2523%	39 980
Vote 12 - Waste Water Management		24 630	10 497	–	(50 735)	(50 735)	875	(51 610)	-5900%	10 497
Vote 13 - Waste Management		–	8 500	–	–	–	708	(708)	-100%	8 500
Vote 14 - Internal Audit		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	(6 241)	155 111	–	(342 363)	(342 363)	12 926	**(355 289)**	**-2749%**	155 111
Total Capital Expenditure		**(6 241)**	**155 111**	**–**	**(342 363)**	**(342 363)**	**12 926**	**(355 289)**	**-2749%**	**155 111**

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

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		**(19 356)**	**3 000**	**–**	**(5 871)**	**(5 871)**	**250**	(6 121)	-2449%	**3 000**
Executive and council		–	3 000	–	–	–	250	(250)	-100%	3 000
Finance and administration		(19 356)	–	–	(5 871)	(5 871)	–	(5 871)	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(4 338)**	**4 000**	**–**	**(13 055)**	**(13 055)**	**333**	(13 388)	-4017%	**4 000**
Community and social services		(4 338)	2 000	–	(13 055)	(13 055)	167	(13 222)	-7933%	2 000
Sport and recreation		–	2 000	–	–	–	167	(167)	-100%	2 000
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(18 019)**	**44 533**	**–**	**(110 378)**	**(110 378)**	**3 711**	(114 089)	-3074%	**44 533**
Planning and development		–	–	–	–	–	–	–		–
Road transport		(18 019)	44 533	–	(110 378)	(110 378)	3 711	(114 089)	-3074%	44 533
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**35 473**	**103 578**	**–**	**(213 059)**	**(213 059)**	**8 631**	(221 690)	-2568%	**103 578**
Energy sources		21 334	44 601	–	(81 596)	(81 596)	3 717	(85 313)	-2295%	44 601
Water management		(10 492)	39 980	–	(80 727)	(80 727)	3 332	(84 059)	-2523%	39 980
Waste water management		24 630	10 497	–	(50 735)	(50 735)	875	(51 610)	-5900%	10 497
Waste management		–	8 500	–	–	–	708	(708)	-100%	8 500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**(6 241)**	**155 111**	**–**	**(342 363)**	**(342 363)**	**12 926**	**(355 289)**	**-2749%**	**155 111**

GT484 Merafong City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

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		19 622	124 111	–	(325 687)	(325 687)	10 343	(336 030)	-3249%	124 111
Provincial Government		(4 333)	–	–	(9 547)	(9 547)	–	(9 547)	#DIV/0!	–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**15 289**	**124 111**	**–**	**(335 234)**	**(335 234)**	**10 343**	**(345 577)**	**-3341%**	**124 111**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(21 104)	31 000	–	(6 735)	(6 735)	2 583	(9 319)	-361%	31 000
Total Capital Funding		**(5 816)**	**155 111**	**–**	**(341 970)**	**(341 970)**	**12 926**	**(354 896)**	**-2746%**	**155 111**

References

10)Table C6: Month 01 Budget Statement – Financial Position

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M01 July

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		90 190	496 776	–	58 752	496 776
Trade and other receivables from exchange transactions		333 112	240 488	–	374 027	240 488
Receivables from non-exchange transactions		761 526	220 893	–	824 464	220 893
Current portion of non-current receivables		–	–	–	–	–
Inventory		726	1 062	–	726	1 062
VAT		560 172	363 150	–	579 714	363 150
Other current assets		–	–	–	–	–
Total current assets		**1 745 725**	**1 322 368**	**–**	**1 837 683**	**1 322 368**
Non current assets						
Investments		–	–	–	–	–
Investment property		223 818	217 300	–	223 818	217 300
Property, plant and equipment		3 101 540	2 978 912	–	3 102 079	2 978 912
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		190	136	–	190	136
Intangible assets		13 892	205	–	13 892	205
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3 339 440**	**3 196 553**	**–**	**3 339 979**	**3 196 553**
TOTAL ASSETS		**5 085 165**	**4 518 921**	**–**	**5 177 662**	**4 518 921**

GT484 Merafong City - Table C6 Monthly Budget Statement - Financial Position - M01 July

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		(1 297)	13 521	–	1 297	13 521
Consumer deposits		33 634	–	–	33 634	–
Trade and other payables from exchange transactions		(3 071 363)	1 083 734	–	3 132 451	1 083 734
Trade and other payables from non-exchange transactions		13 900	31 294	–	21 789	31 294
Provision		55 293	39 388	–	55 293	39 388
VAT		423 048	56 900	–	436 417	56 900
Other current liabilities		–	–	–	–	–
Total current liabilities		**(2 546 785)**	**1 276 797**	**–**	**3 680 881**	**1 276 797**
Non current liabilities						
Financial liabilities		6 608	17 535	–	6 608	17 535
Provision		33 564	29 894	–	33 564	29 894
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		132 790	–	–	132 790	–
Total non current liabilities		**172 962**	**47 429**	**–**	**172 962**	**47 429**
TOTAL LIABILITIES		**(2 373 823)**	**1 324 226**	**–**	**3 853 843**	**1 324 226**
NET ASSETS	2	**7 458 988**	**3 194 695**	**–**	**1 323 819**	**3 194 695**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(1 271 689)	2 022 172	–	(1 261 537)	2 022 172
Reserves and funds		2 586 031	–	–	2 586 031	–
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 314 343**	**2 022 172**	**–**	**1 324 495**	**2 022 172**

11)Table C7: Month 01 Budget Statement – Cash Flow

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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		(541 280)	408 037	–	(40 470)	(40 470)	34 003	(74 473)	-219%	–
Service charges		–	1 004 719	–	(186 793)	(186 793)	83 727	(270 519)	-323%	–
Other revenue		–	64 329	–	(828 149)	(828 149)	5 361	(833 510)	-15548%	–
Transfers and Subsidies - Operational		–	334 256	–	(248 181)	(248 181)	31 946	(280 127)	-877%	–
Transfers and Subsidies - Capital		–	124 091	–	(74 529)	(74 529)	10 341	(84 870)	-821%	–
Interest		–	11 744	–	(39 336)	(2 962)	979	(3 940)	-403%	–
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(1 291 496)	(1 302 571)	–	1 062 989	1 062 989	(124 165)	(1 187 154)	956%	–
Finance charges		–	(114 200)	–	–	–	9 517	9 517	100%	–
Transfers and Subsidies		–	(596)	–	–	–	50	50	100%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(1 832 777)**	**529 809**	**–**	**(354 468)**	**(318 094)**	**51 757**	**369 851**	**715%**	**–**
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		217 004	(189 063)	–	150 850	150 850	(16 255)	(167 105)	1028%	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**217 004**	**(189 063)**	**–**	**150 850**	**150 850**	**(16 255)**	**(167 105)**	**1028%**	**–**

GT484 Merafong City - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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 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		**(1 615 772)**	**340 746**	**–**	**(203 619)**	**(167 245)**	**35 502**			**–**
Cash/cash equivalents at beginning:		152 644	158 032	–	(224 020)	(56 703)	158 032			(56 703)
Cash/cash equivalents at month/year end:		(1 463 128)	498 778	–		(223 948)	193 534			(56 703)