

**FS/2025 REPORT ON 2024/2025 THIRD QUARTER BUDGET
IMPLEMENTATION AND FINANCIAL STATE OF AFFAIRS**

REPORT BY THE GENERAL MANAGER: FINANCE AND SUPPLY CHAIN MANAGEMENT

STRATEGIC THRUST

Financial viability and management

OBJECTIVE

The objective of the report is to;

- (a) To inform Council about the budget implementation and the financial state of affairs of the municipality in compliance with Section 52 of the Municipal Finance Management Act, 56 of 2003; and
- (b) To inform Council about the bank withdrawals for the third quarter period of 2024/2025 ending 31 March 2025.

BACKGROUND

In accordance with Section 52 of the Municipal Finance Management Act, 56 of 2003 the Executive Mayor as part of her general responsibility is required to within 30 days of the end of each quarter, to submit a report to Council on the implementation of the budget and the financial state affairs of the municipality.

The table below provides synopsis of the budget implementation status for the third quarter of 2024/2025 ending 31 March 2025.

DC32 Ehlazeni - Table C1 Monthly Budget Statement Summary - M09 March

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	8 446	9 640	5 760	17	2 793	5 678	(2 886)	-51%	5 760
Transfers and subsidies - Operational	381 575	363 846	383 605	75 832	321 104	280 608	40 496	0	321 104
Other own revenue	3 846	6 097	4 364	169	497	3 879	(3 382)	-87%	–
Total Revenue (excluding capital transfers and contributions)	393 867	379 583	393 729	76 018	324 394	290 165	34 229	12%	331 224
Employee costs	164 727	176 965	168 885	13 367	121 797	129 200	(7 403)	-6%	168 885
Remuneration of Councillors	19 498	22 510	21 585	2 033	15 819	16 512	(694)	-4%	21 585
Depreciation and amortisation	11 982	10 241	11 890	–	9 031	8 340	690	8%	9 031
Interest	10 686	9 260	9 120	–	4 832	6 118	(1 286)	-21%	9 120
Inventory consumed and bulk purchases	4 009	1 588	2 163	70	1 660	1 546	114	7%	1 660
Transfers and subsidies	108 784	–	–	–	–	–	–	–	–
Other expenditure	102 805	94 213	104 709	8 922	80 047	75 762	4 285	6%	80 047
Total Expenditure	422 491	314 776	318 352	24 391	233 186	237 478	(4 293)	-2%	290 327
Surplus/(Deficit)	(28 624)	64 807	75 378	51 627	91 208	52 687	38 521	73%	40 897
Transfers and subsidies - capital (monetary)	2 525	2 639	2 639	–	702	1 979	(1 277)	-65%	2 639
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
	(26 099)	67 446	78 017	51 627	91 910	54 666	37 244	68%	43 536
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(26 099)	67 446	78 017	51 627	91 910	54 666	37 244	68%	43 536
Capital expenditure & funds sources									
Capital expenditure	13 003	81 617	96 440	5 648	41 435	69 876	(28 441)	-41%	95 938
Capital transfers recognised	–	54 167	73 439	2 889	24 381	48 489	(24 108)	-50%	73 439
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	13 003	27 450	23 000	2 758	17 054	21 387	(4 333)	-20%	23 000
Total sources of capital funds	13 003	81 617	96 440	5 648	41 435	69 876	(28 441)	-41%	96 440
Financial position									
Total current assets	70 266	128 029	78 076		129 793				191 996
Total non current assets	221 655	284 856	205 480		251 690				251 690
Total current liabilities	136 070	101 974	46 083		107 311				46 083
Total non current liabilities	74 039	66 589	94 236		100 577				94 236
Community wealth/Equity	181 389	176 876	65 924		195 448				65 924
Cash flows									
Net cash from (used) operating	–	96 901	115 184	51 627	102 060	86 388	(15 672)	-18%	115 184
Net cash from (used) investing	–	(81 617)	(103 007)	(5 648)	(41 435)	(72 764)	(31 329)	43%	(97 018)
Net cash from (used) financing	–	(12 105)	(12 105)	(5 851)	(5 851)	(9 079)	(3 228)	36%	–
Cash/cash equivalents at the month/year end	–	68 781	10 748	–	69 824	4 546	(65 279)	-1436%	18 166

The summary of the financial performance and position against the budget projection for the period ending March 2025 is as follows;

- The year-to-date revenue collected amounts to R324,4 million which represents 82,4% of budget revenue for the financial year;
- The year-to-date operating expenditure incurred amounts to R233,2million which represents 73,2% of total operating expenditure budget;
- The capital expenditure incurred year to date incurred amounts to R41,4 million which represents 43% of the total adjusted capital expenditure budget;
- The cash and cash equivalents as at 31 March 2025 amounts to R69,8 million

To enable better analysis of the 3rd quarter performance and the financial state of affairs of the municipality, the following financial ratios and indicators are provided:

ASSET MANAGEMENT				
Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	10% - 20%		15.09%
			Total Operating Expenditure	233,185,671
			Taxation Expense	-
			Total Capital Expenditure	41,434,889
Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	8%		2.85%
			Total Repairs and Maintenance Expenditure	6,028,865
			PPE at carrying value	211,231,095
			Investment Property at Carrying value	-
LIQUIDITY MANAGEMENT				
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	1 - 3 Months		3 Month
			Cash and cash equivalents	69,824,499
			Unspent Conditional Grants	-
			Overdraft	-
			Short Term Investments	-
			Total Annual Operational Expenditure	318,351,640
Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1		1.21
			Current Assets	129,793,123
			Current Liabilities	107,311,045
FINANCIAL PERFORMANCE				
Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	= or > 0%		28%
			Total Operating Revenue	324,393,910
			Depreciation - Revalued Portion	-
			Total Operating Expenditure	233,185,671
			Taxation Expense	-
EXPENDITURE MANAGEMENT				
Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	30 days		0
			Days	
			Trade Creditors	132,745
			Contracted Services	34,482,171
			Transfers and subsidies	-
			General expenses	43,598,814
			Bulk Purchases	-
			Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	41,434,889
Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100	25% - 40%		59.02%
			Employee/personnel related cost	121,796,969
			Councillors Remuneration	15,818,782
			Total Operating Expenditure	233,185,671
			Taxation Expense	-
Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x 100	2% - 5%		20.81%
			Contracted Services	34,482,171
			Total Operating Expenditure	233,185,671
			Taxation Expense	-
BUDGET IMPLEMENTATION				
Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	95% - 100%		42.96%
			Actual Capital Expenditure	41,434,889
			Budget Capital Expenditure	96,439,666
Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	95% - 100%		73.25%
			Actual Operating Expenditure	233,185,671
			Budget Operating Expenditure	318,351,640
Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	95% - 100%		82.39%
			Actual Operating Revenue	324,393,910
			Budget Operating Revenue	393,729,382

To enable better analysis of the budget performance and the financial state of affairs of the municipality, the following schedules and narratives are provided.

1. Operating revenue and expenditure performance

DC32 Ehlanzeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water								-		
Service charges - Waste Water Management								-		
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		-	-	70	-	66	28	38	136%	66
Agency services		-	-	500	-	-	200	(200)	-100%	500
Interest								-		
Interest earned from Receivables		607	-	-	-	-	-	-		-
Interest from Current and Non Current Assets		8 446	9 640	5 760	17	2 793	5 678	(2 886)	-51%	5 760
Dividends		183	173	203	-	-	142	(142)	-100%	203
Rent on Land								-		
Rental from Fixed Assets		198	1 613	-	-	-	565	(565)	-100%	-
Licence and permits		1 025	2 000	2 000	-	-	1 500	(1 500)	-100%	2 000
Operational Revenue		535	1 311	591	169	431	695	(264)	-38%	591
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes								-		
Fines, penalties and forfeits		661	1 000	1 000	-	-	750	(750)	-100%	1 000
Licence and permits								-		
Transfers and subsidies - Operational		381 575	363 846	383 605	75 832	321 104	280 608	40 496	14%	321 104
Interest								-		
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue								-		
Gains on disposal of Assets		636	-	-	-	0	-	0	#DIV/0!	0
Other Gains		-	-	-	-	-	-	-		-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		393 867	379 583	393 729	76 018	324 394	290 165	34 229	12%	331 224
Expenditure By Type										
Employee related costs		164 727	176 965	168 885	13 367	121 797	129 200	(7 403)	-6%	168 885
Remuneration of councillors		19 498	22 510	21 585	2 033	15 819	16 512	(694)	-4%	21 585
Bulk purchases - electricity								-		
Inventory consumed		4 009	1 588	2 163	70	1 660	1 546	114	7%	1 660
Debt impairment		268	-	-	-	-	-	-		-
Depreciation and amortisation		11 982	10 241	11 890	-	9 031	8 340	690	8%	9 031
Interest		10 686	9 260	9 120	-	4 832	6 118	(1 286)	-21%	9 120
Contracted services		45 149	44 017	45 745	3 578	34 482	33 709	773	2%	34 482
Transfers and subsidies		108 784	-	-	-	-	-	-		-
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		56 699	50 196	58 964	5 344	45 565	42 053	3 512	8%	45 565
Losses on Disposal of Assets		463	-	-	-	-	-	-		-
Other Losses		226	-	-	-	-	-	-		-
Total Expenditure		422 491	314 776	318 352	24 391	233 186	237 478	(4 293)	-2%	290 327
Surplus/(Deficit)		(28 624)	64 807	75 378	51 627	91 208	52 687	38 521	0	40 897
Transfers and subsidies - capital (monetary allocations)		2 525	2 639	2 639	-	702	1 979	(1 277)	(0)	2 639
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		(26 099)	67 446	78 017	51 627	91 910	54 666	37 244	0	43 536
Income Tax								-		
Surplus/(Deficit) after income tax		(26 099)	67 446	78 017	51 627	91 910	54 666	37 244	0	43 536
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		(26 099)	67 446	78 017	51 627	91 910	54 666	37 244	0	43 536
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions								-		
Surplus/ (Deficit) for the year		(26 099)	67 446	78 017	51 627	91 910	54 666	37 244	0	43 536

The above table reflects the detailed actual performance per revenue source and expenditure by type and the explanation of the variances on the actual performance against the approved budget projections as follows;

- The year-to-date revenue collected amounts to R324,4 million which represents 82,4% of budget revenue for the financial year. The following revenue sources have underperformed;
 - i. Interest on investment has underperformed due to non-accrual of the interest accrued on fixed deposits held with various commercial banks as the practice is to account for the interest received on maturity date of the fixed deposits;
 - ii. Licenses and permits revenue items relate to the municipal health function and this item has underperformed. The underperformance is mainly attributable to the delay of internal processes relating to the processing and reconciliation of the municipal health financial transactions and those processes will be performed as part of the year end processes.
- The actual operating expenditure incurred amounting to R233,2 million is less than 2 per cent of the projected expenditure of R237,5 million mainly due to the following items;
 - i. Savings realized on the employees related cost amounting to R7,4 million due to the delay in filling of vacant positions;
 - ii. Overspending on aggregate budgets on contracted services and operational costs due to annual software license fees paid within the first quarter and projects implemented as per the SDBIP.

2. The table reflects the operating revenue and expenditure performance per department

DC32 Ehlanzeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Council Summary		-	-	-	-	-	-	-		-
Vote 02 - Corporate Services & Municipal Relations		-	-	-	-	-	-	-		-
Vote 03 - Financial Services		396 392	382 222	396 368	76 018	325 096	292 144	32 951	11.3%	325 096
Vote 04 - Local Economic Development; Tourism And Rural Deve		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-		-
Vote 07 - Strategic And Social Services		-	-	-	-	-	-	-		-
Vote 08 - Technical Services		-	-	-	-	-	-	-		-
Vote 09 - -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	396 392	382 222	396 368	76 018	325 096	292 144	32 951	11.3%	325 096
Expenditure by Vote	1									
Vote 01 - Council Summary		53 424	54 494	52 251	3 859	37 599	39 987	(2 388)	-6.0%	52 251
Vote 02 - Corporate Services & Municipal Relations		47 894	51 691	54 613	5 818	40 833	39 837	996	2.5%	53 066
Vote 03 - Financial Services		184 966	61 140	69 359	4 376	52 276	49 202	3 074	6.2%	54 869
Vote 04 - Local Economic Development; Tourism And Rural Deve		22 394	21 677	19 862	1 579	15 163	15 530	(368)	-2.4%	17 899
Vote 05 - Community Services		44 616	50 919	48 406	3 334	35 130	37 182	(2 052)	-5.5%	47 957
Vote 06 - Office Of The Municipal Manager		26 691	28 297	27 945	2 339	20 409	21 078	(669)	-3.2%	27 200
Vote 07 - Strategic And Social Services		28 365	32 224	31 155	2 025	21 017	23 740	(2 723)	-11.5%	28 334
Vote 08 - Technical Services		14 141	14 334	14 761	1 062	10 759	10 921	(162)	-1.5%	14 745
Vote 09 - -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	422 491	314 776	318 352	24 391	233 186	237 478	(4 293)	-1.8%	296 321
Surplus/ (Deficit) for the year	2	(26 099)	67 446	78 017	51 627	91 910	54 666	37 244	68.1%	28 775

Departmental expenditure within budget projections with exception of;

- Financial Services – Annual license fees for computer application systems and annual insurance premium paid for full year in July 2024.
- Corporate Services – Expenditure more vs aggregate budget for the SETA Training and development programme and depreciation on buildings more than anticipated in the first 6 months.

3. Capital expenditure performance

DC32 Ehlanzeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council Summary		-	-	-	-	-	-	-		-
Vote 02 - Corporate Services & Municipal Relations		-	-	-	-	-	-	-		-
Vote 03 - Financial Services		-	-	-	-	-	-	-		-
Vote 04 - Local Economic Development; Tourism And Rural Devevelopment		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-		-
Vote 07 - Strategic And Social Services		-	-	-	-	-	-	-		-
Vote 08 - Technical Services		-	-	-	-	-	-	-		-
Vote 09 - -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 01 - Council Summary		1 726	-	-	-	-	-	-		-
Vote 02 - Corporate Services & Municipal Relations		3 466	3 000	5 087	32	4 616	4 384	231	5%	4 616
Vote 03 - Financial Services		7 812	7 050	5 939	599	4 318	5 343	(1 024)	-19%	5 939
Vote 04 - Local Economic Development; Tourism And Rural Devevelopment		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	1 700	500	-	-	795	(795)	-100%	500
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-		-
Vote 07 - Strategic And Social Services		-	-	-	-	-	-	-		-
Vote 08 - Technical Services		0	69 867	84 914	5 016	32 501	59 354	(26 853)	-45%	84 884
Vote 09 - -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	13 003	81 617	96 440	5 648	41 435	69 876	(28 441)	-41%	95 938
Total Capital Expenditure		13 003	81 617	96 440	5 648	41 435	69 876	(28 441)	-41%	95 938
Capital Expenditure - Functional Classification										
Governance and administration		13 003	10 050	11 026	632	8 934	9 727	(793)	-8%	11 026
Executive and council		1 726	-	-	-	-	-	-		-
Finance and administration		11 278	10 050	11 026	632	8 934	9 727	(793)	-8%	11 026
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		-	15 595	12 241	2 436	7 307	10 338	(3 031)	-29%	12 241
Planning and development		-	2 100	1 990	726	1 485	1 531	(46)	-3%	1 990
Road transport		-	11 795	9 751	1 710	5 823	8 012	(2 190)	-27%	9 751
Environmental protection		-	1 700	500	-	-	795	(795)	-100%	500
Trading services		0	55 973	73 173	2 580	25 194	49 811	(24 617)	-49%	73 142
Energy sources		-	-	-	-	-	-	-		-
Water management		0	54 373	70 420	2 580	22 471	47 853	(25 382)	-53%	70 420
Waste water management		-	1 600	2 753	-	2 723	1 958	765	39%	2 723
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	13 003	81 617	96 440	5 648	41 435	69 876	(28 441)	-41%	96 409

PROJECT DESCRIPTION	ORIGINAL BUDGET	APPOINTMENT AMOUNT	ROLL OVER AMOUNT	TOTAL BUDGET FOR 2024-2025	TOTAL SPENDING	% SPENT ON APPONTMENT	AVAILABLE vs BUDGET
Rural Road Asset Management System	R 2 294 783	R 1 635 674	R -	R 2 294 783	R 1 635 674	R 100	R 659 109
Purchase of plant and equipment	R 600 000	R 601 029	R -	R 822 900	R 601 029	R 100	R 221 871
Purchase of furniture and fittings	R 500 000	R 411 747	R -	R 600 000	R 411 747	R 100	R 188 254
Purchase of Computer Equipment and Softwares	R 3 000 000	R 1 102 311	R -	R 2 925 000	R 1 905 246	R 173	R 1 822 689
Purchase of Computer Servers	R 1 000 000		R -			#DIV/0!	R -
Upgrade of IT Network Infrastructure	R 700 000	R 658 552	R -	R 721 253	R 79 805	R 12	R 62 701
Automation of Procurement Requisitioning System	R 700 000		R -			#DIV/0!	R -
Purchase of Waste Skip Bins	R 500 000		R -	R 500 000		#DIV/0!	R 500 000
Upgrade Existing Municipal Building	R 3 000 000	R 4 286 751	R 1 454 649	R 2 184 649	R 2 164 146	R 50	-R 2 102 102
Drops (Blue, Green & Zero) Municipal support programme(Drops Municipal Support Programme)	R 2 500 000		R -			#DIV/0!	R -
Highmast Lights EDM	R 1 500 000	R 1 489 019	R -	R 1 490 000	R 1 012 794	R 68	R 981
Construct safe drop offs and pick up zones at Valencia Combined school	R 500 000		R -			#DIV/0!	R -
Purchase Material Patching of Potholes	R 4 000 000		R -	R 3 000 000	R 997 636	#DIV/0!	R 3 000 000
Repair Potholes Barberton Tour Route Ph 2	R 4 000 000	R 3 928 068	R 271 017	R 4 201 017	R 2 934 078	R 75	R 272 949
Construct Culvert Crossing Nyongane	R 388 000	R 158 735	R -	R 255 446	R 255 446	R 161	R 96 711
Purchase of Waste Skip Loading Trucks	R 1 200 000		R -			#DIV/0!	R -
Drilling and Equiping Boreholes- NLM	R 1 412 000	R 994 026	R -	R 1 412 000	R 1 408 804	R 142	R 417 974
Highmast Lights NLM	R 300 000		R -	R 200 000	R 174 266	#DIV/0!	R 200 000
Construction of Driekoppies Water Treatments Works	R 12 555 168		R -	R 24 145 597		#DIV/0!	R 24 145 597
Highmast Lights TCLM	R 300 000	R 299 242	R -	R 300 000	R 297 447	R 99	R 758
Refurbishment of Lydenburg WasteWater Treatment Works (Phases 1B)	R 14 616 979		R -	R 14 616 979		#DIV/0!	R 14 616 979
Upgrading of Lydenburg WasteWater Treatment Works (Phases 2A)	R 20 780 302		R -	R 20 780 302	R 20 590 001	#DIV/0!	R 20 780 302
Upgrading of Lydenburg WasteWater Treatment Works (Phases 2B)	R 1 896 500		R -	R 1 896 500		#DIV/0!	R 1 896 500
Refurbishment of Mashishing sewer pump stations (Allen Marray and Riverside)	R 1 686 628	R 1 619 035	R -	R 1 686 628	R 1 569 367	R 97	R 67 593
Refurbishment of Sabie WasteWater Treatment works	R 336 990	R 311 398	R -	R 336 990	R 311 398	R 100	R 25 592
Matsulu C Water Internal Reiculation				R 6 956 522		#DIV/0!	
Refurbishment of Lydenburg Wastewater Treatment Works (Phase 1B) (Co-funding)	R -		R 2 000 000			#DIV/0!	R -
Drilling and Equiping of Boreholes-BLM	R 1 100 000	R 1 096 205	R -	R 1 100 000	R 1 072 950	R 98	R 3 795
Purchase of X-ray Machine	R -	R 595 000	R 595 000	R 595 000	R 595 000	R 100	R -
Drilling and Equiping of Two Lihawu Boreholes	R -		R 285 692	R 241 000	R 241 000	#DIV/0!	R 241 000
Upgrade of Municipal Health Systems	R -		R 1 000 000	R 1 000 000	R 1 000 000	#DIV/0!	R 1 000 000
Purchahse of new telephone (VOIP) System	R -		R 80 000			#DIV/0!	R -
Replace Council Chambers Recording System	R -	R 2 144 561	R 2 150 000	R 2 177 100	R 2 177 056	R 102	R 32 539
	R 81 367 350		R 7 836 358	R 96 439 666	R 41 434 888		

4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		10 675	68 781	10 748	69 824	69 824
Trade and other receivables from exchange transactions		(11 139)	–	–	(12 127)	–
Receivables from non-exchange transactions		–	–	–	–	–
Current portion of non-current receivables		376	28 778	50 277	202	50 277
Inventory		4 745	2 520	4 600	4 955	4 955
VAT		22 549	6 451	12 451	28 916	28 916
Other current assets		43 059	21 499	–	38 024	38 024
Total current assets		70 266	128 029	78 076	129 793	191 996
Non current assets						
Investments		5 988	4 155	5 988	5 988	5 988
Investment property						
Property, plant and equipment		186 739	264 761	196 274	211 231	211 231
Biological assets						
Living and non-living resources						
Heritage assets		–	–	–	–	–
Intangible assets		3 586	15 939	3 217	11 498	11 498
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		25 342	–	–	22 973	22 973
Other non-current assets						
Total non current assets		221 655	284 856	205 480	251 690	251 690
TOTAL ASSETS		291 920	412 884	283 556	381 483	443 686
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		12 595	12 105	12 105	12 595	12 105
Consumer deposits		5	–	–	5	–
Trade and other payables from exchange transactions		54 084	53 149	20 149	36 945	20 149
Trade and other payables from non-exchange transactions		0	–	–	19 844	–
Provision		46 506	36 719	13 828	8 929	13 828
VAT		22 880	–	–	28 994	–
Other current liabilities		–	–	–	–	–
Total current liabilities		136 070	101 974	46 083	107 311	46 083
Non current liabilities						
Financial liabilities		74 039	57 177	61 933	67 899	61 933
Provision		–	9 412	32 303	32 678	32 303
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		74 039	66 589	94 236	100 577	94 236
TOTAL LIABILITIES		210 109	168 562	140 319	207 888	140 319
NET ASSETS	2	81 812	244 322	143 237	173 595	303 367
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		181 389	176 876	65 924	195 448	65 924
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	181 389	176 876	65 924	195 448	65 924

The financial position as at 31 March 2025 is as follows;

- (a) Fixed short term deposits balance is R69,5 million and these deposits held at ABSA Bank, Standard Bank and First National Bank. The cash on hand on the operational bank accounts amounted to R333 thousand.
- (b) The creditors and other payables amounted to R56,8 million whilst the debtors and other receivables amounted to R26,1 million.
- (c) The DBSA non-current loan balance is R80,7 million. The municipality has complied with all the terms and conditions of the loan. The first payment of R 10,7 million was paid in 31 December 2024. The second payment of the loan of R 10,7 million is payable by 30 June 2025.

5. Cashflow Performance

Description	Ref	2019/20	Budget Year 2020/21							
		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								-		
Service charges								-		
Other revenue		-	25 138	41 932	169	497	31 449	(30 952)	-98%	41 932
Transfers and Subsidies - Operational		-	311 983	311 983	75 832	321 104	233 987	87 117	37%	311 983
Transfers and Subsidies - Capital		-	54 502	54 502	-	3 258	40 876	(37 618)	-92%	54 502
Interest		-	9 640	5 760	17	2 793	4 320	(1 528)	-35%	5 760
Dividends		-	173	203			152	(152)	-100%	203
Payments										
Suppliers and employees		-	(295 276)	(289 937)	(24 391)	(220 759)	(217 453)	3 307	-2%	(289 937)
Finance charges		-	(9 260)	(9 260)	-	(4 832)	(6 945)	(2 112)	30%	(9 260)
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	96 901	115 184	51 627	102 060	86 388	(15 672)	-18%	115 184
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		
Decrease (increase) in non-current investments		-	-	(5 988)	-	-	-	-		
Payments										
Capital assets		-	(81 617)	(97 018)	(5 648)	(41 435)	(72 764)	(31 329)	43%	(97 018)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(81 617)	(103 007)	(5 648)	(41 435)	(72 764)	(31 329)	43%	(97 018)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	(12 105)	(12 105)	(5 851)	(5 851)	(9 079)	(3 228)	36%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(12 105)	(12 105)	(5 851)	(5 851)	(9 079)	(3 228)	36%	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	3 178	73	40 129	54 775	4 546			18 166
Cash/cash equivalents at beginning:		-	65 602	10 675		15 050				
Cash/cash equivalents at month/year end:		-	68 781	10 748		69 824	4 546			18 166

- The cash flow from operating activities reflects a net balance of R102 million which is mainly due to first, second and third instalment of the equitable share grant received in July 2024, December 2024 and March 2025 and savings realized on the operating expenditure.
- The cash and cash equivalents as at 31 March 2024 comprise of R333 thousand cash available in bank accounts and R69,5 million held in short term fixed deposits.
- In compliance with Section 11 of the Municipal Finance Management Act, 56 of 2003, the consolidated report on the withdrawals made during the quarter from the municipal bank accounts is attached as **Annexure FS**.

POLICY IMPLICATIONS

None

LEGAL AND CONSTITUTIONAL IMPLICATIONS

None

RECOMMENDATION BY THE MUNICIPAL MANAGER

- 1. That the report on 2024/2025 Third Quarter Budget Implementation and Financial State of Affairs be noted;**

PREPARER: D van der Merwe
Senior Manager: Budget

DATE: April 2025

REVIEWER: PO Mokoena
General Manager: Financial Services

DATE: April 2025

APPROVAL: Dr NP Mahlalela
Accounting Officer

DATE: April 2025