

FS/2025

**REPORT ON 2024/2025 FOURTH 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 fourth quarter period of 2024/2025 ending 30 June 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 fourth quarter of 2024/2025 ending 30 June 2025.

DC32 Ehlazeni - Table C1 Monthly Budget Statement Summary - M12 June

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	1 898	4 707	5 760	(1 053)	-18%	5 760
Transfers and subsidies - Operational	381 575	363 846	384 805	5 489	326 593	384 805	(58 213)	(0)	384 805
Other own revenue	3 846	6 097	4 364	22	896	4 364	(3 467)	-79%	–
Total Revenue (excluding capital transfers and contributions)	393 867	379 583	394 929	7 408	332 196	394 929	(62 733)	-16%	394 982
Employee costs	164 727	176 965	168 794	14 165	163 238	168 794	(5 555)	-3%	168 794
Remuneration of Councillors	19 498	22 510	21 577	1 775	21 061	21 577	(516)	-2%	21 577
Depreciation and amortisation	12 090	10 241	11 890	–	12 922	11 890	1 032	9%	12 922
Interest	10 686	9 260	9 260	4 428	9 260	9 260	(0)	-0%	9 260
Inventory consumed and bulk purchases	4 009	1 588	2 340	293	2 183	2 340	(157)	-7%	2 340
Transfers and subsidies	108 784	–	–	–	–	–	–	–	–
Other expenditure	102 805	94 213	107 340	2 532	96 552	107 340	(10 789)	-10%	107 340
Total Expenditure	422 599	314 776	321 201	23 193	305 215	321 201	(15 985)	-5%	322 232
Surplus/(Deficit)	(28 732)	64 807	73 729	(15 785)	26 981	73 729	(46 748)	-63%	72 750
Transfers and subsidies - capital (monetary)	2 525	2 639	3 258	1 244	1 946	3 258	(1 312)	-40%	3 258
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(26 207)	67 446	76 987	(14 541)	28 927	76 987	(48 060)	-62%	76 008
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(26 207)	67 446	76 987	(14 541)	28 927	76 987	(48 060)	-62%	76 008
Capital expenditure & funds sources									
Capital expenditure	13 003	81 617	97 182	7 381	63 847	97 182	(33 334)	-34%	97 182
Capital transfers recognised	–	54 167	73 951	6 665	42 739	73 951	(31 211)	-42%	73 951
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	13 003	27 450	23 231	716	21 108	23 231	(2 123)	-9%	23 231
Total sources of capital funds	13 003	81 617	97 182	7 381	63 847	97 182	(33 334)	-34%	97 182
Financial position									
Total current assets	70 266	128 029	78 076	–	68 187	–	–	–	135 403
Total non current assets	221 546	284 856	206 222	–	271 180	–	–	–	271 180
Total current liabilities	136 070	101 974	46 083	–	134 661	–	–	–	46 083
Total non current liabilities	74 039	66 589	94 236	–	94 322	–	–	–	94 236
Community wealth/Equity	110 922	176 876	65 924	–	150 799	–	–	–	65 924
Cash flows									
Net cash from (used) operating	–	96 901	115 184	(15 785)	54 604	115 184	60 581	53%	115 184
Net cash from (used) investing	–	(81 617)	(102 755)	(7 381)	(63 847)	(96 767)	(32 919)	34%	(96 767)
Net cash from (used) financing	–	(12 105)	(12 105)	(6 255)	–	(12 105)	(12 105)	100%	–
Cash/cash equivalents at the month/year end	–	68 781	11 000	–	5 806	6 312	507	8%	18 418

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

- The year-to-date revenue collected amounts to R332,2 million which represents 84,1% of budget revenue for the financial year;
- The year-to-date operating expenditure incurred amounts to R305,2million which represents 95% of total operating expenditure budget;
- The capital expenditure incurred year to date incurred amounts to R63,8 million which represents 65,7% of the total adjusted capital expenditure budget;
- The cash and cash equivalents as at 30 June 2025 amount to R5,8 million

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

ASSET MANAGEMENT				
				17,30%
Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	10% - 20%	Total Operating Expenditure Taxation Expense Total Capital Expenditure	305 215 258 - 63 847 325
				2,78%
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%	Total Repairs and Maintenance Expenditure PPE at carrying value Investment Property at Carrying value	6 301 037 226 937 180 -
LIQUIDITY MANAGEMENT				
				0 Month
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	Cash and cash equivalents Unspent Conditional Grants Overdraft Short Term Investments Total Annual Operational Expenditure	5 805 823 - - - 305 215 258
				0,51
Current Ratio	Current Assets / Current Liabilities	1.5 - 2.1	Current Assets Current Liabilities	68 186 642 134 661 075
FINANCIAL PERFORMANCE				
				8%
Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	= or > 0%	Total Operating Revenue Depreciation - Revalued Portion Total Operating Expenditure Taxation Expense	332 196 431 - 305 215 258 -
EXPENDITURE MANAGEMENT				
				0
Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	30 days	Days Trade Creditors Contracted Services Transfers and subsidies General expenses Bulk Purchases Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	- - 40 890 823 - 57 843 566 - 63 847 325
				60,38%
Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	25% - 40%	Employee/personnel related cost Councillors Remuneration Total Operating Expenditure Taxation Expense	163 238 483 21 060 758 305 215 258 -
				20,81%
Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense	40 890 823 305 215 258 -
BUDGET IMPLEMENTATION				
				65,70%
Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	95% - 100%	Actual Capital Expenditure Budget Capital Expenditure	63 847 325 97 181 734
				95,02%
Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	95% - 100%	Actual Operating Expenditure Budget Operating Expenditure	305 215 258 321 200 569
				84,12%
Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	95% - 100%	Actual Operating Revenue Budget Operating Revenue	332 196 431 394 929 382

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) - M12 June

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	(30)	50	70	(20)	-29%	70
Agency services		-	-	500	-	-	500	(500)	-100%	500
Interest								-		
Interest earned from Receivables		607	-	-	-	-	-	-		-
Interest from Current and Non Current Assets		8 446	9 640	5 760	1 898	4 707	5 760	(1 053)	-18%	5 760
Dividends		183	173	203	-	204	203	1	0%	204
Rent on Land								-		
Rental from Fixed Assets		198	1 613	-	-	-	-	-		-
Licence and permits		1 025	2 000	2 000	-	-	2 000	(2 000)	-100%	2 000
Operational Revenue		535	1 311	591	52	627	591	37	6%	627
Non-Exchange Revenue								-		
Property rates								-		
Surcharges and Taxes								-		
Fines, penalties and forfeits		661	1 000	1 000	-	-	1 000	(1 000)	-100%	1 000
Licence and permits								-		
Transfers and subsidies - Operational		381 575	363 846	384 805	5 489	326 593	384 805	(58 213)	-15%	384 805
Interest								-		
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue								-		
Gains on disposal of Assets		636	-	-	-	15	-	15	#DIV/0!	15
Other Gains		-	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		393 867	379 583	394 929	7 408	332 196	394 929	(62 733)	-16%	394 982
Expenditure By Type										
Employee related costs		164 727	176 965	168 794	14 165	163 238	168 794	(5 555)	-3%	168 794
Remuneration of councillors		19 498	22 510	21 577	1 775	21 061	21 577	(516)	-2%	21 577
Bulk purchases - electricity								-		
Inventory consumed		4 009	1 588	2 340	293	2 183	2 340	(157)	-7%	2 340
Debt impairment		268	-	-	-	-	-	-		-
Depreciation and amortisation		12 090	10 241	11 890	-	12 922	11 890	1 032	9%	12 922
Interest		10 686	9 260	9 260	4 428	9 260	9 260	(0)	0%	9 260
Contracted services		45 149	44 017	47 041	576	40 891	47 041	(6 150)	-13%	47 041
Transfers and subsidies		108 784	-	-	-	-	-	-		-
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		56 699	50 196	60 299	1 955	55 661	60 299	(4 638)	-8%	60 299
Losses on Disposal of Assets		463	-	-	-	-	-	-		-
Other Losses		226	-	-	-	-	-	-		-
Total Expenditure		422 599	314 776	321 201	23 193	305 215	321 201	(15 985)	-5%	322 232
Surplus/(Deficit)		(28 732)	64 807	73 729	(15 785)	26 981	73 729	(46 748)	(0)	72 750
Transfers and subsidies - capital (monetary allocations)		2 525	2 639	3 258	1 244	1 946	3 258	(1 312)	(0)	3 258
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		(26 207)	67 446	76 987	(14 541)	28 927	76 987	(48 060)	(0)	76 008
Income Tax								-		
Surplus/(Deficit) after income tax		(26 207)	67 446	76 987	(14 541)	28 927	76 987	(48 060)	(0)	76 008
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		(26 207)	67 446	76 987	(14 541)	28 927	76 987	(48 060)	(0)	76 008
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions								-		
Surplus/ (Deficit) for the year		(26 207)	67 446	76 987	(14 541)	28 927	76 987	(48 060)	(0)	76 008

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 R332,2 million which represents 84,1% 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 R305,2 million is less than 5 per cent of the projected expenditure of R321,2 million mainly due to the following items;
 - i. Savings realized on the employees related cost amounting to R5,6 million due to the delay in filling of vacant positions;
 - ii. Savings realized on the contracted services amounting to R6,1 million due to implementation of cost containment measures as per the approved Cost Containment Policy of Council.
 - iii. Overspending on depreciation due to the GRAP17 useful life adjustments to be conducted after year end as part of the year-end processes when preparing the Annual Financial Statements.

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) - M12 June

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	398 187	8 652	334 142	398 187	(64 045)	-16,1%	398 187
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	398 187	8 652	334 142	398 187	(64 045)	-16,1%	398 187
Expenditure by Vote	1									
Vote 01 - Council Summary		53 424	54 494	52 631	3 810	50 089	52 631	(2 542)	-4,8%	52 631
Vote 02 - Corporate Services & Municipal Relations		47 894	51 691	54 627	1 917	51 843	54 627	(2 785)	-5,1%	54 627
Vote 03 - Financial Services		185 074	61 140	72 050	6 929	68 092	72 050	(3 958)	-5,5%	72 183
Vote 04 - Local Economic Development; Tourism And Rural Deve		22 394	21 677	20 059	1 924	20 358	20 059	300	1,5%	21 716
Vote 05 - Community Services		44 616	50 919	48 487	3 869	46 182	48 487	(2 305)	-4,8%	50 026
Vote 06 - Office Of The Municipal Manager		26 691	28 297	27 736	1 557	26 586	27 736	(1 150)	-4,1%	28 326
Vote 07 - Strategic And Social Services		28 365	32 224	30 852	2 095	27 779	30 852	(3 072)	-10,0%	31 195
Vote 08 - Technical Services		14 141	14 334	14 758	1 092	14 285	14 758	(473)	-3,2%	16 802
Vote 09 - -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	422 599	314 776	321 201	23 193	305 215	321 201	(15 985)	-5,0%	327 507
Surplus/ (Deficit) for the year	2	(26 207)	67 446	76 987	(14 541)	28 927	76 987	(48 060)	-62,4%	70 680

Departmental expenditure within budget projections with exception of;

- Economic Development and Planning – Overspending on depreciation due to the GRAP17 useful life adjustments to be conducted after year end as part of the year-end processes when preparing the Annual Financial Statements.

3. Capital expenditure performance

DC32 Ehlanzeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

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	4 902	-	4 431	4 902	(471)	-10%	4 902
Vote 03 - Financial Services		7 812	7 050	5 939	83	5 155	5 939	(784)	-13%	5 939
Vote 04 - Local Economic Development, Tourism And Rural Devevelopment		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	1 700	500	-	500	500	(0)	0%	500
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-		-
Vote 07 - Strategic And Social Services		-	-	415	-	-	415	(415)	-100%	415
Vote 08 - Technical Services		0	69 867	85 425	7 298	53 761	85 425	(31 664)	-37%	85 425
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	97 182	7 381	63 847	97 182	(33 334)	-34%	97 182
Total Capital Expenditure		13 003	81 617	97 182	7 381	63 847	97 182	(33 334)	-34%	97 182
Capital Expenditure - Functional Classification										
Governance and administration		13 003	10 050	10 842	83	9 586	10 842	(1 255)	-12%	10 842
Executive and council		1 726	-	-	-	-	-	-		-
Finance and administration		11 278	10 050	10 842	83	9 586	10 842	(1 255)	-12%	10 842
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		-	15 595	13 168	1 112	11 498	13 168	(1 670)	-13%	13 168
Planning and development		-	2 100	2 405	-	1 949	2 405	(456)	-19%	2 405
Road transport		-	11 795	10 263	1 112	9 049	10 263	(1 214)	-12%	10 263
Environmental protection		-	1 700	500	-	500	500	(0)	0%	500
Trading services		0	55 973	73 173	6 187	42 763	73 173	(30 409)	-42%	73 173
Energy sources		-	-	-	-	-	-	-		-
Water management		0	54 373	70 420	6 187	40 041	70 420	(30 379)	-43%	70 420
Waste water management		-	1 600	2 753	-	2 723	2 753	(30)	-1%	2 753
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	13 003	81 617	97 182	7 381	63 847	97 182	(33 334)	-34%	97 182

PROJECT DESCRIPTION	ORIGINAL BUDGET	APPOINTMENT AMOUNT	ROLL OVER AMOUNT	TOTAL BUDGET FOR 2024-2025	TOTAL SPENDING	% SPENT ON APPONTMENT	AVAILABLE vs BUDGET	VOTE NUMBER
Rural Road Asset Management System	R 2 294 783	R 2 806 131	R -	R 2 806 131	R 2 424 439	R 86	R -	35206151020RRC24ZZWD
Purchase of plant and equipment	R 600 000	R 822 900	R -	R 822 900	R 771 177	R 94	R -	37106456020CFC35ZZHO
Purchase of furniture and fittings	R 500 000	R 484 046	R -	R 540 000	R 521 437	R 108	R 55 954	37106460020CFC49ZZHO
Purchase of Computer Equipment and Softwares	R 3 000 000	R 1 905 246	R -	R 2 985 000	R 2 462 148	R 129	R 1 079 754	37106470020CFC16ZZHO
Purchase of Computer Servers	R 1 000 000		R -			#DIV/0!	R -	37056470020CFC16ZZHO
Upgrade of IT Network Infrastructure	R 700 000	R 658 552	R -	R 721 253	R 79 805	R 12	R 62 701	37056470020CFC54ZZHO
Automation of Procurement Requisitioning System	R 700 000		R -			#DIV/0!	R -	37106191420CFD27ZZHO
Purchase of Waste Skip Bins	R 500 000	R 499 980	R -	R 500 000	R 499 980	R 100	R 20	36206456020CFD28ZZHO
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	38056474020CFD46ZZHO
Drops (Blue, Green & Zero) Municipal support programme(Drops Municipal Support Programme)	R 2 500 000		R -			#DIV/0!	R -	35106445020CFD29ZZHO
Highmast Lights EDM	R 1 500 000	R 1 489 019	R -	R 1 490 000	R 1 477 249	R 99	R 981	35256432420CFD43ZZWD
Construct safe drop offs and pick up zones at Valencia Combined school	R 500 000		R -			#DIV/0!	R -	35206472420CFD30ZZWD
Purchase Material Patching of Potholes	R 4 000 000		R -	R 3 000 000	R 2 463 215	#DIV/0!	R 3 000 000	35206151020CFD40ZZWD
Repair Potholes Barberton Tour Route Ph 2	R 4 000 000	R 3 928 068	R 271 017	R 4 201 017	R 3 905 527	R 99	R 272 949	35206151020CFD41ZZWD
Construct Culvert Crossing Nyongane	R 388 000	R 158 735	R -	R 255 446	R 255 446	R 161	R 96 711	35206472420CFD42ZZWD
Purchase of Waste Skip Loading Trucks	R 1 200 000		R -			#DIV/0!	R -	36206456020CFD33ZZHO
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	35156444420CFD38ZZWD
Highmast Lights NLM	R 300 000		R -	R 200 000	R 174 266	#DIV/0!	R 200 000	35256432420CFD44ZZWD
Construction of Driekoppies Water Treatments Works	R 12 555 168	R 5 454 017	R -	R 24 145 597	R 6 618 617	R 121	R 18 691 580	35106449420WGD35ZZHO
Highmast Lights TCLM	R 300 000	R 299 242	R -	R 300 000	R 297 447	R 99	R 758	35256432420CFD45ZZWD
Refurbishment of Lydenburg WasteWater Treatment Works (Phases 1B)	R 14 616 979		R -			#DIV/0!	R -	35106449420WGD50ZZHO
Upgrading of Lydenburg WasteWater Treatment Works (Phases 2A)	R 20 780 302		R -	R 35 397 281	R 28 976 482	#DIV/0!	R 35 397 281	35106449420WGD34ZZHO
Upgrading of Lydenburg WasteWater Treatment Works (Phases 2B)	R 1 896 500		R -	R 1 896 500		#DIV/0!	R 1 896 500	35106449420WGD51ZZHO
Refurbishment of Mashishing sewer pump stations (Allen Marray and Riverside)	R 1 686 628	R 1 619 035	R -	R 1 685 628	R 1 575 724	R 97	R 66 593	35106449420WGD52ZZHO
Refurbishment of Sabie WasteWater Treatment works	R 336 990	R 311 398	R -	R 337 990	R 337 069	R 108	R 26 592	35106449420WGD53ZZHO
Matsulu C Water Internal Reiculation				R 6 956 522	R 2 532 620	#DIV/0!		35106449420WGD54ZZHO
Refurbishment of Lydenburg Wastewater Treatment Works (Phase 1B) (Co-funding)	R -		R 2 000 000			#DIV/0!	R -	35106449420CFD22ZZHO
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	35156444420CFD39ZZWD
Purchase of X-ray Machine	R -	R 595 000	R 595 000	R 595 000	R 595 000	R 100	R -	37106456020CFD04ZZHO
Drilling and Equiping of Two Lihawu Boreholes	R -		R 285 692	R 241 000	R 241 000	#DIV/0!	R 241 000	35156444420CFD25ZZWD
Upgrade of Municipal Health Systems	R -		R 1 000 000	R 1 000 000	R 1 000 000	#DIV/0!	R 1 000 000	37106191420CFD24ZZHO
Purchase of new telephone (VOIP) System	R -		R 80 000			#DIV/0!	R -	37106191420CFD23ZZHO
GIS Software	R -		R -	R 415 000	R -	#DIV/0!	R 415 000	3256191420CFD68ZZHO
Replace Council Chambers Recording System	R -	R 2 144 561	R 2 150 000	R 1 992 820	R 1 992 776	R 93	-R 151 741	38056191420CFD48ZZHO
	R 81 367 350		R 7 836 358	R 97 181 734	R 63 847 324			

4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M12 June

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	5 806	10 748
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	138	50 277
Inventory		4 745	2 520	4 600	4 592	4 600
VAT		22 549	6 451	12 451	30 494	30 494
Other current assets		43 059	21 499	–	39 285	39 285
Total current assets		70 266	128 029	78 076	68 187	135 403
Non current assets						
Investments		5 988	4 155	5 988	5 988	5 988
Investment property						
Property, plant and equipment		186 739	264 761	196 368	226 937	226 937
Biological assets						
Living and non-living resources						
Heritage assets		–	–	–	–	–
Intangible assets		3 478	15 939	3 865	14 205	14 205
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		25 342	–	–	24 049	24 049
Other non-current assets						
Total non current assets		221 546	284 856	206 222	271 180	271 180
TOTAL ASSETS		291 812	412 884	284 298	339 366	406 583
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	39 620	20 149
Trade and other payables from non-exchange transactions		0	–	–	40 085	–
Provision		46 506	36 719	13 828	8 479	13 828
VAT		22 880	–	–	33 877	–
Other current liabilities		–	–	–	–	–
Total current liabilities		136 070	101 974	46 083	134 661	46 083
Non current liabilities						
Financial liabilities		74 039	57 177	61 933	61 644	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	94 322	94 236
TOTAL LIABILITIES		210 109	168 562	140 319	228 983	140 319
NET ASSETS	2	81 704	244 322	143 979	110 384	266 264
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		110 922	176 876	65 924	150 799	65 924
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	110 922	176 876	65 924	150 799	65 924

The financial position as at 30 June 2025 is as follows;

- (a) The cash on hand on the operational bank accounts amounted to R5,3 million.
- (b) The creditors and other payables amounted to R79,7 million whilst the debtors and other receivables amounted to R27,3 million.
- (c) The DBSA non-current loan balance is R74,2 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 was paid on the 30th of June 2025.

5. Cashflow Performance

DC32 Ehlanzeni - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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	22	692	41 932	(41 240)	-98%	41 932
Transfers and Subsidies - Operational		–	311 983	311 983	–	311 983	311 983	–		311 983
Transfers and Subsidies - Capital		–	54 502	54 502	5 489	29 310	54 502	(25 191)	-46%	54 502
Interest		–	9 640	5 760	1 898	4 707	5 760	(1 053)	-18%	5 760
Dividends		–	173	203	–	204	203	1	0%	203
Payments										
Suppliers and employees		–	(295 276)	(289 937)	(18 765)	(283 034)	(289 937)	(6 903)	2%	(289 937)
Finance charges		–	(9 260)	(9 260)	(4 428)	(9 260)	(9 260)	0	0%	(9 260)
Transfers and Grants		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	96 901	115 184	(15 785)	54 604	115 184	60 581	53%	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)	(96 767)	(7 381)	(63 847)	(96 767)	(32 919)	34%	(96 767)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(81 617)	(102 755)	(7 381)	(63 847)	(96 767)	(32 919)	34%	(96 767)
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)	(6 255)	–	(12 105)	(12 105)	100%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(12 105)	(12 105)	(6 255)	–	(12 105)	(12 105)	100%	–
NET INCREASE/ (DECREASE) IN CASH HELD		–	3 178	324	(29 421)	(9 244)	6 312			18 418
Cash/cash equivalents at beginning:		–	65 602	10 675		15 050				
Cash/cash equivalents at month/year end:		–	68 781	11 000		5 806	6 312			18 418

- The cash flow from operating activities reflects a net balance of R54,6 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 R5,8 million cash available in bank accounts.
- 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 Fourth Quarter Budget Implementation and Financial State of Affairs be noted;**

PREPARER: D van der Merwe
Senior Manager: Budget

DATE: July 2025

REVIEWER: PO Mokoena
General Manager: Financial Services

DATE: July 2025

APPROVAL: Dr ENM Mkhtshwa
Acting Accounting Officer

DATE: July 2025