

QUARTELY BUDGET PERFORMANCE REPORT FOR MONTH ENDED IN SEPTEMBER 2025.

REPORT BY THE CHIEF FINANCIAL OFFICER

PURPOSE

To submit the Quarterly budget report for September 2025 to the Committee for noting.

BACKGROUND

The Quarterly section 52 (d) reports aims to provide a regular update on indicators critical to the organization's viability and serve as an early warning indicator where remedial action is required.

As per MFMA Section 52 (d) the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality

PART 1 – EXECUTIVE SUMMARY

For the period concluding 30 September 2025, the Municipality demonstrated strong financial performance characterized by significant revenue growth and disciplined expenditure management. This resulted in a substantial net operating surplus, a marked improvement over the budgeted deficit

Financial Performance

- Operational Revenue: Realized R132 million against a target of R104 million. This reflects a favourable variance of R29 million (28%).
- Operating Expenditure: Totalled R115 million, coming in under the R130 million budget. This represents an 11% under-expenditure.
- Net Operating Position: The quarter closed with a surplus of R36 million, significantly outperforming the projected year-to-date deficit of R11 million.

Capital & Investment Activity

- Capital Expenditure (CAPEX): Total investment in capital projects for the quarter amounted to R26 million.
- Investments: Current investment holdings are valued at R34 million.

Balance Sheet Indicators (Age Analysis)

- Debtors: Accounts receivable remain high at R593 million, indicating a substantial volume of outstanding income that requires active collection management.
- Creditors: Accounts payable are recorded at R418 million, reflecting the organization's current obligations to suppliers and service providers.

MP314 Emakhazeni - Table C1 Monthly Budget Statement Summary - M03 - Quarter 1

Description	Budget Year 2025/26								
	2024/25 Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	77,943	93,165	-	47,582	47,582	23,291	24,291	104%	93,165
Service charges	133,047	166,377	-	33,258	33,258	41,504	(8,336)	-20%	166,377
Investment revenue	1,869	2,053	-	655	655	513	142	28%	2,053
Transfers and subsidies - Operational	138,565	103,119	-	42,373	42,373	25,780	16,593	64%	103,119
Other own revenue	214,097	50,820	-	9,076	9,076	12,705	(3,629)	-29%	50,820
Total Revenue (excluding capital transfers and contributions)	565,521	415,535	-	132,944	132,944	103,884	29,060	28%	415,535
Employee costs	134,007	139,009	-	24,284	24,284	34,752	(10,468)	-30%	139,009
Remuneration of Councillors	8,014	8,602	-	1,620	1,620	2,150	(530)	-25%	8,602
Depreciation and amortisation	99,593	79,808	-	16,454	16,454	19,952	(3,498)	-18%	79,808
Interest	20,689	10,920	-	6,336	6,336	2,730	3,606	132%	10,920
Inventory consumed and bulk purchases	110,116	118,929	-	38,613	38,613	29,732	8,880	30%	118,929
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	307,153	165,485	-	28,656	28,656	41,371	(12,716)	-31%	165,485
Total Expenditure	679,571	522,753	-	115,963	115,963	130,688	(14,726)	-11%	522,753
Surplus/(Deficit)	(114,051)	(107,218)	-	16,981	16,981	(26,805)	43,788	-163%	(107,218)
Transfers and subsidies - capital (monetary allocations)	75,673	60,387	-	19,933	19,933	15,097	4,836	32%	60,387
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(38,377)	(46,831)	-	36,914	36,914	(11,708)	48,622	-415%	(46,831)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(38,377)	(46,831)	-	36,914	36,914	(11,708)	48,622	-415%	(46,831)
Capital expenditure & funds sources									
Capital expenditure	115,080	59,118	-	29,103	29,103	14,779	14,323	97%	59,118
Capital transfers recognised	74,034	58,818	-	23,993	23,993	14,704	9,288	63%	58,818
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	35,249	300	-	2,582	2,582	75	2,507	3342%	300
Total sources of capital funds	109,283	59,118	-	26,574	26,574	14,779	11,795	80%	59,118
Financial position									
Total current assets	336,944	240,026	-	-	396,885	-	-	-	240,026
Total non current assets	1,737,119	1,738,565	-	-	1,750,084	-	-	-	1,738,565
Total current liabilities	667,360	436,948	-	-	703,132	-	-	-	436,948
Total non current liabilities	111,567	106,114	-	-	111,567	-	-	-	106,114
Community wealth/Equity	1,295,069	1,435,530	-	-	1,332,271	-	-	-	1,435,530
Cash flows									
Net cash from (used) operating	273,343	75,698	-	79,364	79,364	18,925	(60,439)	-319%	75,698
Net cash from (used) investing	73,739	(59,118)	-	(30,764)	(30,764)	(14,779)	15,985	-108%	(59,118)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	363,292	22,633	-	-	71,336	10,198	(61,138)	-600%	39,317
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dye-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	19,556	16,368	27,474	51,940	9,311	9,256	8,920	450,603	593,429
Creditors Age Analysis									
Total Creditors	20,197	18,929	15,543	26,273	3,341	9,882	8,273	315,997	418,435

OWN REVENUE

Property rates

Property rates billing is at 51% as at the end of September 2025. This over performance is due to annual billing of rates and the properties added on the new valuation roll.

Service Charges

Service Charges Electricity

Service Charges Electricity revenue is at 18%. Which is lower than the anticipated billing of 25%.

Sanitation revenue

Sanitation revenue is within budget at 27%

Refuse Revenue

Refuse revenue is within the Budget a 27%

GRANTS RECEIVED

Grants and subsidies received during the first Quarter of 2025

MP314 Emakhazeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 - Quarter 1

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		98,080	102,819	-	40,351	40,351	25,705	14,646	57.0%	102,819
Expanded Public Works Programme Integrated Grant		1,434	2,178	-	-	-	545	(545)	-100.0%	2,178
Local Government Financial Management Grant	3	3,800	3,800	-	-	-	950	(950)	-100.0%	3,800
Equitable Share		92,846	96,841	-	40,351	40,351	24,210	16,141	66.7%	96,841
Provincial Government:										
District Municipality:										
Other grant providers:										
Specify (Replace with the description)			300	-	-	-	75	(75)	-100.0%	300
			300	-	-	-	75	(75)	-100.0%	300
Total Operating Transfers and Grants		98,080	103,119	-	40,351	40,351	25,780	14,571	56.5%	103,119
Capital Transfers and Grants										
National Government:		75,658	60,387	-	31,424	31,424	15,097	16,327	108.2%	60,387
Energy Efficiency and Demand Side Management Grant		-	4,000	-	-	-	1,000	(1,000)	-100.0%	4,000
Municipal Infrastructure Grant		40,533	31,387	-	17,174	17,174	7,847	9,327	118.9%	31,387
Integrated National Electrification Programme Grant		-	5,000	-	2,250	2,250	1,250	1,000	80.0%	5,000
Water Services Infrastructure Grant		19,125	20,000	-	12,000	12,000	5,000	7,000	140.0%	20,000
Municipal Disaster Recovery Grant		16,000	-	-	-	-	-	-	-	-
Provincial Government:										
District Municipality:										
Other grant providers:										
Total Capital Transfers and Grants		75,658	60,387	-	31,424	31,424	15,097	16,327	108.2%	60,387
TOTAL RECEIPTS OF TRANSFERS & GRANTS		173,738	163,506	-	71,775	71,775	40,877	30,898	75.6%	163,506

EXPENDITURE

As of September 2025, operating expenditure amounted to R115 million, representing an 11% underperformance relative to the budgeted expenditure of R130 million. This variance is primarily attributed to lower-than-anticipated debt impairment.

OPERATIONAL EXPENDITURE

STAFF BENEFITS

Expenditure on staff benefit at the end of the 3rd month in 2025/2026 financial year is sitting at 17% which is lower than the Budget line of 25% (i.e. 3/12 months).

BULK PURCHASES

Expenditure on Bulk Purchases is at 34% which is higher than the budget line of 25% (i.e. 3/12months)

FINANCE CHARGES

Expenditure on Finance charges shows a spending of 58% as at the end of the 3rd month of 2025/2026.

INVENTORY

Expenditure on Inventory shows a spending of 14% as at the end of the 3rd month of 2025/2026.

CONTRACTED SERVICES

Expenditure on Contacted services shows a spending of 16% at the end of the 3rd month of 2025/2026.

GENERAL EXPENDITURE

General Expenditure shows a spending of 17% at the end of the 3rd month of 2025/2026.

Table C4: Financial Performance

MP314 Emakhazeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - Quarter 1										
Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		84,399	116,896	-	21,235	21,235	29,224	(7,989)	-27%	116,896
Service charges - Water		21,435	22,029	-	4,682	4,682	5,507	(825)	-15%	22,029
Service charges - Waste Water Management		14,711	14,673	-	3,917	3,917	3,668	249	7%	14,673
Service charges - Waste management		12,502	12,779	-	3,423	3,423	3,195	228	7%	12,779
Sale of Goods and Rendering of Services		571	1,138	-	62	62	284	(223)	-78%	1,138
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		16,064	19,930	-	4,281	4,281	4,982	(702)	-14%	19,930
Interest from Current and Non Current Assets		1,869	2,053	-	655	655	513	142	28%	2,053
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		34	53	-	-	-	13	(13)	-100%	53
Rental from Fixed Assets		837	2,303	-	152	152	576	(423)	-74%	2,303
Licence and permits		51	16	-	1	1	4	(3)	-88%	16
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		633	1,344	-	40	40	336	(296)	-88%	1,344
Non-Exchange Revenue										
Property rates		77,943	93,165	-	47,582	47,582	23,291	24,291	104%	93,165
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		173,899	26,037	-	3	3	6,509	(6,506)	-100%	26,037
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		138,565	103,119	-	42,373	42,373	25,780	16,593	64%	103,119
Interest		16,226	-	-	4,537	4,537	-	4,537	#DIV/0!	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		5,983	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		565,521	415,535	-	132,944	132,944	103,884	29,060	28%	415,535
Expenditure By Type										
Employee related costs		134,007	139,009	-	24,284	24,284	34,752	(10,468)	-30%	139,009
Remuneration of councillors		8,014	8,602	-	1,620	1,620	2,150	(530)	-25%	8,602
Bulk purchases - electricity		100,167	108,147	-	37,090	37,090	27,037	10,053	37%	108,147
Inventory consumed		9,948	10,782	-	1,523	1,523	2,895	(1,173)	-44%	10,782
Debt impairment		148,434	102,307	-	-	-	25,577	(25,577)	-100%	102,307
Depreciation and amortisation		99,593	79,808	-	16,454	16,454	19,952	(3,498)	-18%	79,808
Interest		20,689	10,920	-	6,336	6,336	2,730	3,606	132%	10,920
Contracted services		51,724	32,036	-	5,003	5,003	8,009	(3,006)	-38%	32,036
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		49,168	-	-	18,339	18,339	-	18,339	#DIV/0!	-
Operational costs		43,445	31,142	-	5,315	5,315	7,785	(2,471)	-32%	31,142
Losses on Disposal of Assets		14,256	-	-	-	-	-	-	-	-
Other Losses		128	-	-	-	-	-	-	-	-
Total Expenditure		679,571	522,753	-	115,963	115,963	130,688	(14,726)	-11%	522,753
Surplus/(Deficit)		(114,051)	(107,218)	-	16,981	16,981	(26,805)	43,786	-163%	(107,218)
Transfers and subsidies - capital (monetary allocations)		75,673	60,387	-	19,933	19,933	15,097	4,836	32%	60,387
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(38,377)	(46,831)	-	36,914	36,914	(11,708)			(46,831)
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(38,377)	(46,831)	-	36,914	36,914	(11,708)			(46,831)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(38,377)	(46,831)	-	36,914	36,914	(11,708)			(46,831)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(38,377)	(46,831)	-	36,914	36,914	(11,708)			(46,831)
<i>References</i>										

INVESTMENT

Short term investment as at the end of the first quarter of

MUNICIPALITY:EMAKHAZENI LOCAL
MUNICIPALITY (MP314)

ACCOUNT DETAILS		Sept-25								
GUID / VOTE NO.	ACCOUNT NO	OPENING BALANCE	INTEREST RECEIVED YTD	INTEREST EARNED SEPT	INTEREST TRANSFER SEPT	TRANSFERS IN	TRANSFER OUT	BANK CHARGES	CLOSING BALANCE	
MP314/62178430212	62178430212	R 59,092.65	R -	R 2,743.10	-2743.10	89,701.52	-	-16.92	R 148,777.25	
MP314/62774591385	62774591385	R 1,000.21	R -	R 5.51	-5.51	-	-	-	R 1,000.21	
MP314/74720708666	74720708666	R 1,600,894.19	R 8,947.46	R 8,947.46	0.00	-	-	-	R 1,609,841.65	
MP314/74720711205	74720711205	R 16,808.75	R -	R -	0.00	-	-	-	R 16,808.75	
MP314/74720709953	74720709953	R -	R -	R -	0.00	-	-	-	R -	
MP314/74720710702	74720710702	R 2,251,000.09	R -	R 12,708.27	-12708.27	-	-104,500.00	-	R 2,146,500.09	
MP314/62720719957	62720719957	R 5,913,729.88	R -	R 24,609.01	-24609.01	10,276,056.30	-4,892,679.38	-	R 11,297,106.80	
MP314/74763982095	74763982095	R 12,685,465.53	R -	R 58,355.28	-58355.28	-	-5,219,792.10	-	R 7,465,673.43	
MP314/62774589801	62774589801	R 10,000,000.04	R -	R 55,068.49	-55068.49	-	-	-	R 10,000,000.04	
MP314/62076419508	62076419508	R 94,217.51	R 1,948.76	R 1,948.76	0.00	2,315,717.00	-1,910,001.00	-2,009.36	R 499,872.91	
MP314/62783746070	62783746070	R -	R -	R -	0.00	-	-	-	R -	
MP314/62855646926	62855646926	R 1,327.66	R -	R -	0.00	-	-	-3.76	R 1,323.90	
MP314/62862609652	62862609652	R 2,017,835.38	R 19,856.31	R 19,856.31	0.00	8,982,169.30	-10,200,000.00	-3.76	R 819,857.23	
TOTALS:		R 34,641,371.89	R 30,752.53	R 184,242.19	R -153,489.66	R 21,663,644.12	R -22,326,972.48	R -2,033.80	R 34,006,762.26	

Table C5: Quarterly Capital Expenditure

- Total Capital Expenditure is at 44% to date (30th September 2025). 90% of R26 millions spent as at the end of September 2025 was from National Grants.

Capital Expenditure – Functional Classification										
Governance and administration		192	300	-	171	171	75	96	128%	300
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		192	300	-	171	171	75	96	128%	300
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		8,759	-	-	7,008	7,008	-	7,008	#DIV/0!	-
Community and social services		8,696	-	-	4,597	4,597	-	4,597	#DIV/0!	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		63	-	-	2,411	2,411	-	2,411	#DIV/0!	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		43,808	20,000	-	7,745	7,745	5,000	2,745	55%	20,000
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		43,808	20,000	-	7,745	7,745	5,000	2,745	55%	20,000
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		62,322	38,818	-	14,179	14,179	9,704	4,474	46%	38,818
Energy sources		8,166	9,000	-	-	-	2,250	(2,250)	-100%	9,000
Water management		27,437	29,818	-	5,165	5,165	7,454	(2,290)	-31%	29,818
Waste water management		18,434	-	-	9,014	9,014	-	9,014	#DIV/0!	-
Waste management		8,286	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure – Functional Classification	3	115,080	59,118	-	29,103	29,103	14,779	14,323	97%	59,118
Funded by:										
National Government		74,034	58,818	-	23,993	23,993	14,704	9,288	63%	58,818
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies – capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	-
Transfers recognised – capital		74,034	58,818	-	23,993	23,993	14,704	9,288	63%	58,818
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		35,249	300	-	2,582	2,582	75	2,507	3342%	300
Total Capital Funding		109,283	59,118	-	26,574	26,574	14,779	11,795	80%	59,118

Table C6: Quarterly Budget Statement Financial Position

As of 30 September 2025, the Municipality’s financial position reflects a total asset base of R2.096 billion. This is comprised of R396 million in current assets and R1.7 billion in non-current assets.

On the obligations side, total liabilities amount to R814 million. This figure includes R703 million in current liabilities—indicating a significant short-term debt load—and R111 million in long-term non-current liabilities.

Consequently, the Municipality reports a total equity position of R1.282 billion. The resulting current ratio of approximately 0.56:1 suggests a potential liquidity constraint, as current liabilities substantially exceed current assets

MP314 Emakhazeni - Table C6 Monthly Budget Statement - Financial Position - M03 - Quarter 1						
Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		22,736	22,633	–	50,959	22,633
Trade and other receivables from exchange transactions		65,085	64,751	–	72,497	64,751
Receivables from non-exchange transactions		79,644	22,956	–	96,594	22,956
Current portion of non-current receivables		–	–	–	–	–
Inventory		1,488	2,002	–	1,488	2,002
VAT		156,252	127,684	–	163,612	127,684
Other current assets		11,740	(0)	–	11,735	(0)
Total current assets		336,944	240,026	–	396,885	240,026
Non current assets						
Investments		–	–	–	–	–
Investment property		217,842	252,421	–	217,842	252,421
Property, plant and equipment		1,519,155	1,486,013	–	1,532,123	1,486,013
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		114	114	–	114	114
Intangible assets		7	17	–	5	17
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		1,737,119	1,738,565	–	1,750,084	1,738,565
TOTAL ASSETS		2,074,063	1,978,592	–	2,146,969	1,978,592
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		2,428	2,232	–	2,436	2,232
Trade and other payables from exchange transactions		505,544	414,970	–	532,564	414,970
Trade and other payables from non-exchange transactions		13,440	10,000	–	23,172	10,000
Provision		12,613	8,246	–	12,613	8,246
VAT		133,335	(0)	–	132,348	(0)
Other current liabilities		–	1,500	–	–	1,500
Total current liabilities		667,360	436,948	–	703,132	436,948
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		91,212	84,438	–	91,212	84,438
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		20,355	21,676	–	20,355	21,676
Total non current liabilities		111,567	106,114	–	111,567	106,114
TOTAL LIABILITIES		778,926	543,062	–	814,699	543,062
NET ASSETS	2	1,295,136	1,435,530	–	1,332,271	1,435,530
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,295,069	1,435,530	–	1,332,271	1,435,530
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,295,069	1,435,530	–	1,332,271	1,435,530
<i>References</i>						

- **Table C7 Quarterly Budget Statement Cash Flow**

Table C7 provides detail of the cash inflows and outflow. A net cash inflow from Operating activities amounted to R79 million as at the end of September 2025. Net cash outflows from Investing activities amounted to R 30.7 million. This gives us a net increase in cash held of R48.6 million as at the end of the September 2025.

MP314 Emakhazeni - Table C7 Monthly Budget Statement - Cash Flow - M03 - Quarter 1										
Description	Ref	2024/25			Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		40,415	65,216	-	14,817	14,817	16,304	(1,487)	-9%	65,216
Service charges		99,323	132,206	-	26,224	26,224	33,052	(6,827)	-21%	132,206
Other revenue		43,003	51,362	-	1,404	1,404	12,841	(11,436)	-89%	51,362
Transfers and Subsidies - Operational		103,198	103,119	-	40,352	40,352	25,780	14,572	57%	103,119
Transfers and Subsidies - Capital		76,373	60,387	-	31,558	31,558	15,097	16,462	109%	60,387
Interest		1,438	4,046	-	366	366	1,012	(645)	-64%	4,046
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(90,407)	(340,638)	-	(35,357)	(35,357)	(85,160)	49,802	-58%	(340,638)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		273,343	75,698	-	79,364	79,364	18,925	(60,439)	-319%	75,698
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		73,739	(59,118)	-	(30,764)	(30,764)	(14,779)	(15,985)	108%	(59,118)
NET CASH FROM/(USED) INVESTING ACTIVITIES		73,739	(59,118)	-	(30,764)	(30,764)	(14,779)	15,985	-108%	(59,118)
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		347,081	16,581	-	48,600	48,600	4,145			16,581
Cash/cash equivalents at beginning:		16,211	6,053	-		22,736	6,053			22,736
Cash/cash equivalents at month/year end:		363,292	22,633	-		71,336	10,198			39,317

Table SC3

Supporting table SC3 provides details on consumer debtors. Debtors amounted to R593 as of 30th September 2025.

Debtors outstanding for over 90 days are R530. million which is 89% of total debt.

MP314 Emakhazeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 - Quarter 1													
Description	NT Code	Budget Year 2025/26								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr				
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2,577	1,348	1,589	7,591	930	910	885	59,247	75,077	69,564	(3,853)	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,748	3,184	2,787	6,839	2,123	2,196	2,100	85,778	108,754	99,045	(4,135)	-
Receivables from Non-exchange Transactions - Property Rates	1400	8,047	7,051	18,057	10,545	3,069	3,058	2,843	176,885	229,555	196,400	(10,985)	-
Receivables from Exchange Transactions - Waste Water Management	1500	1,237	916	1,052	1,976	649	634	613	33,214	40,251	37,086	(797)	-
Receivables from Exchange Transactions - Waste Management	1600	1,000	859	1,190	2,051	684	661	644	35,733	42,822	39,773	(1,000)	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	0	0	0	0	0	0	0	88	91	90	-	-
Interest on Arrear Debtor Accounts	1810	2,945	3,009	2,796	22,935	1,854	1,794	1,745	46,952	64,030	75,281	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	3	2	2	2	2	2	80	12,707	12,798	12,792	-	-
Total By Income Source	2000	19,556	16,368	27,474	51,948	9,311	9,256	8,929	459,683	593,429	538,831	(29,770)	-
R24/25 - totals only		12,827	12,127	35,782	67,056	8,824	8,134	8,027	379,288	532,065	471,329	-	-
Debtors Age Analysis By Customer Group													
Diguns of State	2200	3,761	2,809	7,051	10,595	1,726	1,711	1,667	93,098	122,417	108,797	(3,134)	-
Commercial	2300	4,518	3,237	5,101	8,249	1,658	1,673	1,647	68,508	94,591	81,735	(4,095)	-
Households	2400	11,277	10,322	15,322	33,096	5,928	5,872	5,606	288,997	376,421	339,499	(13,541)	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2000	19,556	16,368	27,474	51,948	9,311	9,256	8,929	459,683	593,429	538,831	(29,770)	-

Table SC4

Supporting table SC4 provides details on aged creditors. In terms of the Municipal Finance Management Act, all creditors must be paid within 30 days of receiving the invoice or statement. Not all Creditors were paid within 30 days of receipt of invoice.

For the month ended in September 2025 creditors unpaid amounted to R418 million as per age analysis.

MP314 Emakhazeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 - Quarter 1											
Description	NT Code	Budget Year 2025/26								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	10,722	15,389	13,782	12,557	2,716	7,579	6,556	126,668	195,979	95,631
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	9,475	3,530	1,761	13,716	625	2,303	1,717	189,329	222,456	211,835
Auditor General	0800	-	-	-	-	-	-	-	-	-	110
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	20,197	18,929	15,543	26,273	3,341	9,882	8,273	315,997	418,435	307,576

RECOMMENDATIONS OF THE CHIEF FINANCIAL OFFICER

1. That; the Second Quarter Budget Performance report for period ending 30thSeptember 2025 be considered.