



ELM

Elundini Local Municipality
Nqanqarhu | Ugie | Tlokoeng

SECTION 52(d)

REPORT JUNE

2026



1. REPORT TO THE FINANCE STANDING COMMITTEE

1. ITEM:

This report is on the financial performance of the municipality as per Section 52(d) of the MFMA for the quarter ending 30 June 2026.

2. PURPOSE

Compliance with Municipal Finance Management Act.

3. DELEGATED POWER

Elundini Municipal Council

4. BACKGROUND

Section 52(d) of the MFMA states that; the Mayor of a municipality must submit within 30 September days of the end of the quarter to the council a report on the implementation of the budget and the financial state of affairs of the municipality.

5. LEGAL IMPLICATIONS

Municipal Finance Management Act No. 56 of 2003.

6. COMMENTS FROM RELEVANT DEPARTMENT

None

7. FINANCIAL IMPLICATIONS

N/A

8. RECOMMENDATIONS

The Committee to recommend for approval of the report.

EXECUTIVE SUMMARY: SCHEDULE C FOR THE QUARTER ENDING 30 JUNE 2026

INTRODUCTION

Sec 52(d) of the MFMA states; “the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.”

The MFMA’s Municipal Budget and Reporting Regulations Sec 31 states that the quarterly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the act.

The executive summary presented is aimed at providing Council with a high-level overview of the trading results for the period ending 30 June 2026 as well as a comprehensive overview of the Municipality’s financial management and viability, and the extent to which the Municipality is meeting and exceeding planned performance as contained within the Service Delivery and Budget implementation plan.

OBJECTIVES OF IN YEAR REPORTING (SECTION 52(d) OF MFMA

The gathering and reporting of in-year financial performance information is important for the following reasons:

- It focuses municipal council’s attention on the revenue and expenditure trends, which should be taken into account when making key management decisions.
- It will facilitate the compilation of annual financial reports, meaning that these processes can be completed sooner and with less effort.
- It promotes greater transparency and more effective political oversight; and
- It serves as an early warning system or indicator to measure and detect fiscal stress in the municipality and the need for immediate intervention where necessary.

PURPOSE OF THE REPORT

Schedule C reflects the financial position and performance of Council, at the end of the quarter ending 30 June 2026, to assist in making informed decisions. This report clearly shows the revenue and expenditure as at end of 30 June 2026 comparing it with the approved budgeted amounts for the 2025/26 financial year per department, type and functional area.

Schedule C is aligned with the municipality’s cash flow as an internal tool on reporting on section 71 of the MFMA and assists management with the analysis and scrutiny of the budget versus actual revenue and expenditure performance, and also reflects the variances on these items. This quarterly

report is an indication to each directorate performance against the SDBIP. Also, a monitoring tool on operating and capital budgets as well as financial risks to be able to manage them on time.

Schedule C in year reporting regulated by National Treasury is aimed at assisting municipalities in making sound financial decisions and assisting with the management of cash flow and performance in line with the SDBIP.

ELM municipal council adopted budget related policies in May 2026, and it is expected that explanations will be provided for 10% variances on revenue and expenditure against the budget.

FINANCIAL POSITION AND PERFORMANCE

a) Statement of Financial Position

The **statement of financial position** lists all the Council's Current and Non-current Assets and liabilities together with their financial values representing the economic resources of the municipality. Table C6 is meant to improve the stakeholder's understanding and management of budget and the impact of actual expenditure in comparison to the budget implications on the financial position.

Current Assets reflect the financial assets that have cash value and are owned by Council and all other assets that are expected to provide financial benefit to Council within one financial year. The financial benefit is through the rendering of services to the community and revenue generation through electricity and solid waste services.

Largest **current assets** are **Cash and cash equivalent** at R21.4 million. Trade receivables and receivables from non-exchange combined at R40.2 million. Current assets are liquid, in that they can easily be converted to cash when required to meet short term obligations which are paying salaries, allowances and suppliers for goods and services.

The largest **current liabilities** are Trade Creditors and other payables at R155.8 million, of which others relates to current and prior year Unspent Conditional Grants.

The **current ratio** of the municipality is currently sitting at 0.625:1 which is less than the norm of 1.5 - :1. Current assets are less than current liabilities, this ratio indicates that the municipality might not meet its obligations to pay back its short-term liabilities with its short-term assets.

However, attention should be given to the **cost coverage ratio** which is sitting at **zero** month which is below the norm, as there are long outstanding balances owed by service consumers, which are sitting over R170.4 million and bulk of those are domestic consumers.

Non-Current Assets are resources with a cash value which another party has made a legal commitment to hand over to Council over a period exceeding one financial year.

The property, plant and equipment item remain the most material resource on the statement of financial position at R664.7 million.

Infrastructure assets form 69.4% of the total asset register and are mainly required to generate revenue and are crucial for service delivery of the municipality. It is high time that the municipality prioritise repairs and maintenance of the existing infrastructure assets to improve the service delivery capacity of the assets since the municipality is faced with ageing infrastructure. If planned and costed maintenance is not done, the municipality might be faced with reserve backlog due to ageing infrastructure.

Non-Current liabilities are legal commitments from other parties acquired to enhance service delivery. **Provisions** are the largest non-current liability at R44.6 million. These are **benefit obligations** which are based upon actuarial valuations for all the municipality's defined benefit pension plans and post-employment medical benefits. The municipality also has a defined obligation towards the rehabilitation of three landfill sites. The municipality also has a loan with standard bank for the smart metering project.

The statement of financial position is currently showing the **equity** of the municipality as **R541.8** million as at end of the quarter, most in accumulated surplus and this equity is not fully funded. Most of the equity is held under fixed assets therefore it is a small portion that can be affected by inflation fluctuations.

(Below is Schedule C_table:C6 for Statement of Financial Position)

EC141 Elundini - Table C6 Monthly Budget Statement - Financial Position - M12 - June

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		16,763	115,650	58,147	21,412	58,147
Trade and other receivables from exchange transactions		2,773	21,019	10,162	28,937	10,162
Receivables from non-exchange transactions		4,219	17,178	3,908	11,298	3,908
Current portion of non-current receivables		—	—	—	—	—
Inventory		(0)	—	—	—	—
VAT		9,458	16,967	20,150	28,864	20,150
Other current assets		6,813	—	6,813	6,813	6,813
Total current assets		40,026	170,814	99,179	97,323	99,179
Non current assets						
Investments		—	—	—	—	—
Investment property		42,305	40,685	37,412	41,846	37,412
Property, plant and equipment		613,819	614,904	634,995	622,105	634,995
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		—	—	—	—	—
Intangible assets		157	448	157	25	157
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		751	—	751	751	751
Other non-current assets		—	—	—	—	—
Total non current assets		657,033	656,037	673,316	664,727	673,316
TOTAL ASSETS		697,059	826,851	772,495	762,050	772,495
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		(3,020)	10,030	3,866	152	3,866
Consumer deposits		626	420	626	641	626
Trade and other payables from exchange transactions		72,193	82,544	99,018	113,213	99,018
Trade and other payables from non-exchange transactions		797	12,503	797	16,903	797
Provision		16,301	19,682	16,301	16,301	16,301
VAT		5,064	9,567	14,401	8,586	14,401
Other current liabilities		—	—	—	—	—
Total current liabilities		91,961	134,746	135,008	155,795	135,008
Non current liabilities						
Financial liabilities		18,652	15,278	(0)	9,489	(0)
Provision		44,565	37,407	44,565	44,565	44,565
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		10,376	9,818	10,376	10,376	10,376
Total non current liabilities		73,593	62,502	54,941	64,430	54,941
TOTAL LIABILITIES		165,554	197,248	189,949	220,225	189,949
NET ASSETS	2	531,505	629,603	582,546	541,826	582,546
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		531,505	629,603	582,546	540,267	582,546
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	531,505	629,603	582,546	540,267	582,546

EC141 Elundini - Table C7 Monthly Budget Statement - Cash Flow - M12 - June

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		18,453	24,693	25,064	884	25,285	25,064	221	1%	25,064
Service charges		25,948	49,380	49,380	4,446	27,192	49,380	(22,188)	-45%	49,380
Other revenue		24,995	170,414	128,204	2,835	33,243	128,204	(94,961)	-74%	128,204
Transfers and Subsidies - Operational		222,778	209,299	209,299	1,015	222,992	209,299	13,693	7%	209,299
Transfers and Subsidies - Capital		41,172	51,148	51,148	-	62,533	51,148	11,385	22%	51,148
Interest		651	14,080	14,080	10	95	14,080	(13,985)	-98%	14,080
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(150,925)	(388,667)	(355,554)	(5,996)	(135,646)	(355,554)	219,909	-62%	(355,554)
Interest		-	(6,635)	1,530	(5,623)	(5,623)	(1,530)	(4,093)	268%	1,530
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		183,073	123,710	123,150	(2,428)	230,072	120,090	(109,981)	-92%	123,150
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	365	365	-	-	365	(365)	-100%	365
Decrease (increase) in non-current receivables		-	-	365	-	-	-	-	-	365
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		75,908	(60,339)	(87,198)	(3,431)	(55,679)	(67,198)	11,519	-17%	(67,198)
NET CASH FROM/(USED) INVESTING ACTIVITIES		75,908	(59,974)	(66,467)	(3,431)	(55,679)	(66,833)	(11,154)	17%	(66,467)
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		258,981	63,737	56,683	(6,859)	174,393	53,258			56,683
Cash/cash equivalents at beginning:		49,726	51,913	16,763		16,763	16,763			16,763
Cash/cash equivalents at month/year end:		308,707	115,650	73,446		191,156	70,021			73,446

b) Statement of Financial Performance

The **statement of financial performance** is used to measure performance of the institution and monitor the cash flow projections in comparison with actual expenditure and revenue for a specific period. This statement summarizes the revenue realised and expenditure incurred by the municipality on cash and non-cash items that affect performance of resources.

The table below shows an analysis of Operating and Capital revenue and expenditure against budget. During the fourth quarter ending 30 June 2026, the Municipality had an operating surplus of R-37.9 million as at end of June 2026. When taking into consideration the capital grants the surplus is R8.9 million.

The picture is however is not looking good owing to poor revenue collection or low collection rate.

SUMMARY OF REVENUE AND EXPENDITURE FOR THE QUARTER ENDING 30 JUNE 2026

EC141 Elundini Local Municipality - Table C1 Monthly Budget Statement Summary – Fourth quarter

Description	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	Full Year Forecast
Total Revenue (excluding capital transfers and contributions)	466 931	425 049	10 176	331 168	425 049	425 049
Total Expenditure	466 930	425 048	41 143	369 146	425 048	425 048
Surplus/(Deficit)	1	1	-30 967	-37 978	1	1
Transfers and subsidies - capital (monetary allocations)	51 148	67 198	8 464	46 740	51 148	51 148
Surplus/ (Deficit) after capital transfers & subsidies for the year	51 149	67 199	-22 503	8 762	51 149	51 149

In addition, the following **revenue streams** were budgeted for in 2025/2026 financial year and YTD actual figures for the 4th quarter of 2025/26 are as follows: Service charges: electricity charge revenue are R52.5 million and Property rates revenue are R30.3 million with both services having variances at 14% and 5% respectively.

There are still many challenges that need to be addressed in the Property rates and service charges: electricity revenue by the municipality due to non-payments of these services by debtors. The cumulative total billing for the quarter is R170.4 million.

Interest earned from external investments is sitting at R6.3 million yielding a year-to-date positive variance of 3% when compared to the year-to-date budgeted revenue, resulting from the grants received and invested in this quarter.

The interest on outstanding debtors is however sitting at R12.5 million with a positive variance of 431% owing to non-payment of services by consumers.

Total grant operating revenue is currently at R207 million year to date, and this has resulted in a positive variance of -1% resulting from the Equitable Share grant and other conditional grants received during the month of March 2026.

The municipality managed to generate other revenue of R2.5 thousand during the 4th quarter, this comprises of revenue realized from selling of tender documents, rental fees, this however reflects a negative variance of -98%.

The **expenditure incurred** in the fourth quarter of 2026 was as follows: spending on employee related costs at 152.8 million with a positive variance of 5% year to date.

Depreciation and asset impairment at R41.9 million in the fourth quarter based on the budgeted figures. Depreciation calculations is now performed since now the asset management module is fully

installed and integrated with the financial accounting system. Debt impairment provision of R0 and is also based on budgeted figures.

The finance charges are R7.9 million showing a negative variance of 420% and this item to be monitored to avoid unauthorised expenditure.

Contracted services are currently under spending sitting at R53.5 with a negative variance of -24% resulting from budget alignment to MSCOA requirements that is being addressed and expenditure that is sitting on commitments.

(Below is Schedule C_table:C4 for Statement of Financial Performance)

EC141 Elundini - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - June										
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										
Revenue										
Exchange Revenue										
Service charges - Electricity		47 945	54 033	52 542	6 553	59 781	52 542	7 219	14%	52 542
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	3	-	3	#DIV/0!	-
Service charges - Waste management		7 346	7 692	7 692	637	7 555	7 692	(137)	-2%	7 692
Sale of Goods and Rendering of Services		8 520	1 946	2 096	328	725	2 096	(1 370)	-65%	2 096
Agency services		-	683	683	-	-	683	(683)	-100%	683
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 290	2 354	2 354	1 107	12 510	2 354	10 156	431%	2 354
Interest from Current and Non Current Assets		4 380	6 574	6 574	104	6 376	6 574	(198)	-3%	6 574
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2 183	4 866	4 866	194	2 328	4 866	(2 538)	-52%	4 866
Licence and permits		1 435	3 765	1 895	199	1 630	1 895	(266)	-14%	1 895
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		2 352	141 164	102 122	217	2 462	102 122	(99 860)	-98%	102 122
Non-Exchange Revenue										
Property rates		30 892	28 529	28 900	0	30 335	28 900	1 435	5%	28 900
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 726	509	509	20	98	509	(411)	-81%	509
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		212 279	209 299	209 299	816	207 385	209 299	(1 914)	-1%	209 299
Interest		5 281	5 151	5 151	-	-	5 151	(5 151)	-100%	5 151
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(5)	365	365	-	-	365	(365)	-100%	365
Other Gains		583	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		331 306	466 931	425 049	10 176	331 168	425 049	(93 881)	-22%	425 049
Expenditure By Type										
Employee related costs		143 656	177 056	160 263	12 442	152 751	160 263	(7 512)	-5%	160 263
Remuneration of councillors		14 436	14 549	14 549	1 188	14 489	14 549	(60)	0%	14 549
Bulk purchases - electricity		37 412	37 675	40 675	3 858	44 090	40 675	3 414	8%	40 675
Inventory consumed		281	1 164	412	-	63	412	(349)	-85%	412
Debt impairment		-	4 382	4 382	-	-	4 382	(4 382)	-100%	4 382
Depreciation and amortisation		44 880	50 915	50 915	3 404	41 918	50 915	(8 997)	-18%	50 915
Interest		7 477	6 835	1 530	6 866	7 959	1 530	6 429	420%	1 530
Contracted services		73 144	64 982	70 634	11 413	53 569	70 834	(17 265)	-24%	70 834
Transfers and subsidies		6 020	-	-	-	-	-	-	-	-
Irrecoverable debts written off		26 520	16 330	12 667	22	2 369	12 667	(10 298)	-81%	12 667
Operational costs		51 910	73 241	68 821	2 931	51 928	68 821	(16 893)	-25%	68 821
Losses on Disposal of Assets		20	-	-	-	11	-	11	#DIV/0!	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		405 758	466 930	425 048	41 924	369 146	425 048	(55 902)	-13%	425 048
Surplus/(Deficit)		(74 452)	1	1	(31 748)	(37 978)	1	(37 979)	-3798534%	1
Transfers and subsidies - capital (monetary allocations)		53 035	51 148	51 148	8 464	46 740	51 148	(4 408)	-9%	51 148
Transfers and subsidies - capital (in-kind)		2 054	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(19 364)	51 149	51 149	(23 283)	8 762	51 149	-	-	51 149
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(19 364)	51 149	51 149	(23 283)	8 762	51 149	-	-	51 149
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(19 364)	51 149	51 149	(23 283)	8 762	51 149	-	-	51 149
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(19 364)	51 149	51 149	(23 283)	8 762	51 149	-	-	51 149

c) Capital Revenue and Expenditure

The table below shows capital expenditure and sources of capital funding, actual performance and year to date figures compared to the budget. The total capital expenditure for the fourth quarter of 2026 amounted to R49.6 million, from grant funding equals to R46.7 and internal funds equals to R2.9 million and borrowing equals to R0.00. The three resulted in positive variances of 9%, -56% and 100% respectively.

(Below is Schedule C_table:C5 for Capital Revenue and Expenditure)

EC141 Elundini - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) – M12 June 2026

Vote Description R thousands	Ref	2024/25 Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
Multi-Year expenditure appropriation	2									
Vote 1- Executive & Council										
Vote 2- BTO										
Vote 3- Corporate Services Department										
Vote 4- Strategic Development Services										
Vote 5- Community Services Department										
Vote 6- Infrastructure Development										
Vote 7-										
Vote 8-										
Vote 9-										
Vote 10-										
Vote 11-										
Vote 12-										
Vote 13-										
Vote 14-										
Vote 15-										
Total Capital Multi-year expenditure	4,7									
Single Year expenditure appropriation	2									
Vote 1- Executive & Council		38	1,500	1,500		1,278	1,500	(222)	-15%	1,500
Vote 2- BTO			300	300		300	(300)	-100%		300
Vote 3- Corporate Services Department		2,578	1,000	1,000	216	803	1,000	(197)	-20%	1,000
Vote 4- Strategic Development Services		64	750	700		650	700	(50)	-7%	700
Vote 5- Community Services Department		1,177	700	700		700	(700)	-100%		700
Vote 6- Infrastructure Development		50,295	56,089	62,998	8,464	46,893	62,998	(16,105)	-26%	62,998
Vote 7-										
Vote 8-										
Vote 9-										
Vote 10-										
Vote 11-										
Vote 12-										
Vote 13-										
Vote 14-										
Vote 15-										
Total Capital single-year expenditure	4	54,152	60,339	67,198	8,681	49,624	67,198	(17,574)	-26%	67,198
Total Capital Expenditure		54,152	60,339	67,198	8,681	49,624	67,198	(17,574)	-26%	67,198
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		2,616	2,800	2,800	216	2,081	2,800	(719)	-26%	2,800
Executive and council		38	1,500	1,500		1,278	1,500	(222)	-15%	1,500
Finance and administration		2,578	1,300	1,300	216	803	1,300	(497)	-38%	1,300
Internal audit									-100%	
<i>Community and public safety</i>			100	600			600	(600)	-9%	600
Community and social services			100	600			600	(600)	-7%	600
Sport and recreation									-9%	
Public safety									-72%	
Housing									-72%	
Health									-100%	
<i>Economic and environmental services</i>		46,806	49,652	47,531	7,881	43,047	47,531	(4,484)		47,531
Planning and development		64	750	700		650	700	(50)		700
Road transport		46,742	46,802	46,831	7,681	42,397	46,831	(4,434)		46,831
Environmental protection										
<i>Trading services</i>		4,731	7,887	16,267	584	4,486	16,267	(11,771)		16,267
Energy sources		3,554	7,387	16,167	584	4,486	16,167	(11,671)		16,167
Water management										
Waste water management										
Waste management		1,177	600	100			100	(100)		100
<i>Other</i>										
Total Capital Expenditure - Functional Classification	3	54,152	60,339	67,198	8,681	49,624	67,198	(17,574)	-26%	67,198
Funded by:										
National Government		45,014	51,148	51,148	8,464	46,740	51,148	(4,408)	-9%	51,148
Provincial Government										
District Municipality										
Transfers and subsidies - capital (monetary allocations) (Nat/Prov Departm Agencies, Transfers recognised - capital		45,014	51,148	51,148	8,464	46,740	51,148	(4,408)	-9%	51,148
Borrowing	6	2,831		9,500			9,500	(9,500)	-100%	9,500
Internally generated funds		6,307	9,191	6,550	216	2,884	6,550	(3,666)	-56%	6,550
Total Capital Funding		54,152	60,339	67,198	8,681	49,624	67,198	(17,574)	-26%	67,198

The total capital revenue and expenditure amounts to R46.7 million and is funded by national grants and internal reserves, with the year-to-date variance of (0%) when compared to the year-to-date budget. Technical Services to ensure monitoring of appointed service providers and procurement of contracts should be concluded before the start of the financial year to ensure increased expenditure on capital projects.

d) Grant performance

The municipality has received grant allocation for both capital and operational, and these are pro-rated for ease of performance analyses as follows.

	Actual	Budget	Variance	Variance %	Status
Allocations					
MIG Capital projects	39 681 172	45 331 000	5 649 828	12%	Under spent
INEP Capital projects	4 495 689	5 817 000	1 321 311	23%	Under spent
Smart Meter project	-	9 500 000	9 500 000		Under spent
Disaster grant	2 563 066	6 000 000	3 436 934		Under spent
MIG Operational projects	2 385 000	2 385 000	-	0%	Fully spent
FMG	1 809 387	1 800 000	-9 387	-1%	Over spent
EPWP	3 210 944	2 079 000	-1 131 944	-54%	Over spent
DEDEA	-	1 500 000	1 500 000	100%	Under spent
LIBRARIES	2 108 969	1 312 000	-796 969	-61%	Over spent

e) Debtor's Age Analysis

The municipality had total debtors balance of R170.4 million, ranging between 0 day to over a year, detailed below by age of total debtors' balance.

(Below is Schedule C_table:SC3 for Budget Statement – Aged Debtors

EC141 Blandini - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 - June

Description		NT Code	Budget Year 2026/26									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.e. Council Policy
			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			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200													
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2 660	2 017	1 518	1 318	2 600	1 205	1 038	38 781		51 268	45 073	(6)	
Receivables from Non-exchange Transactions - Property Rates	1400	82	1 717	1 485	1 404	1 347	1 335	1 292	54 154		62 915	59 531	(10)	
Receivables from Exchange Transactions - Waste Water Management	1500													
Receivables from Exchange Transactions - Waste Management	1600	630	554	515	509	50	481	461	22 151		25 847	24 149	(5)	
Receivables from Exchange Transactions - Property Rental Debtors	1700													
Interest on Arrear Debtor Accounts	1810	1 108	1 081	1 002	1 034	961	878	1 140	22 562		29 591	26 741		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820										422	422	0	
Other	1900													
Total By Income Source	2000	4 680	5 369	4 679	4 265	6 634	4 016	4 021	138 080		170 443	156 916	(22)	
2024/25 - totals only		3 732	4 882	4 242	4 182	3 849	3 571	3 563	111 158		129 310	126 611		
Debtors Age Analysis By Customer Group														
Organs of State	2200	634	1 476	1 279	1 190	1 341	1 223	1 105	22 988		31 82	27 794		
Commercial	2300	1 896	1 288	894	677	984	471	688	21 815		28 527	24 644		
Households	2400	2 250	2 825	2 406	2 386	3 208	2 271	2 217	93 382		110 759	103 478	(22)	
Other	2500													
Total By Customer Group	2600	4 680	5 369	4 679	4 265	6 634	4 016	4 021	138 080		170 443	156 916	(22)	

The total debt with a potential to be irrecoverable amounts to R155.9 million, determined based on being more than 90 days in arrears and this is 91% of the total debtor's balance.

The **increasing debtors' balances** by the municipality is evident from the low collection rate, comparing actual billing to amounts collected as of 30 June 2026 yielding an average collection rate of 99%.

f) Creditors Age Analysis

The municipality should strive to pay suppliers within 30 Days to avoid interest payments. In terms of the MFMA s65(2)(e) all creditors should be paid within 30 days. Total amount outstanding was R61.6 million.

The Municipality has effective mechanisms in place that monitor the payment turnaround period to ensure that all creditors are settled within 30 days of receipt of the invoice.

Importantly, the municipality is 100% up to date with the payment of all obligations, including the SARS, pension funds, medical aids, bargaining Council, SALGA and audit fees.

(Below is Schedule C_table:SC4 for Budget Statement – Aged Creditors)

EC141 Elundini - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 - June

Description	NT Code	Budget Year 2025/26									Prior year to this 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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	4 437	3 758	7 353	3 440	—	7 101	—	353	26 505	10 470
Bulk Water	0200	—	—	—	—	—	—	—	—	—	—
PAYE deductions	0300	—	—	—	—	—	—	—	—	—	—
VAT (outputs less input)	0400	—	—	—	—	—	—	—	—	—	—
Pensions / Retirement deductions	0500	—	—	—	—	—	—	—	—	—	—
Loan repayments	0600	—	—	—	—	—	—	—	—	—	—
Trade Creditors	0700	19 430	3 240	3 500	542	3 325	2 450	8	2 014	35 173	21 806
Auditor General	0800	—	—	—	—	—	—	—	—	—	—
Other	0900	—	—	—	—	—	—	—	—	—	—
Total By Customer Type	1000	23 866	6 995	10 918	3 988	3 325	9 611	8	2 967	61 678	32 078

g) Statement of Cash flow

The table below highlights the cash flow position of the municipality for the fourth quarter of 2026. The year-to-date cash flow statement of the municipality depicts that the municipality has a favourable cash position. This is indicated below by the operating revenue exceeding expenditures for the period ending June 2026.

The cash and cash equivalents to date show positive cash outlay of the municipality. This is however because of both conditional grants and equitable share paid in advance. This is however not sustainable if the revenue collection is not improved.

(Below is Schedule C_table:C7 for Cash Flow)

EC141 Elundini - Table C7 Monthly Budget Statement - Cash Flow - M12 - June

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		18,453	24,693	25,064	884	26,285	25,064	221	1%	25,064
Service charges		25,948	49,380	49,380	4,446	27,192	49,380	(22,188)	-45%	49,380
Other revenue		24,995	170,414	128,204	2,835	33,243	128,204	(94,961)	-74%	128,204
Transfers and Subsidies - Operational		222,778	209,299	209,299	1,015	222,992	209,299	13,693	7%	209,299
Transfers and Subsidies - Capital		41,172	51,148	51,148	—	62,533	51,148	11,385	22%	51,148
Interest		651	14,080	14,080	10	95	14,080	(13,985)	-99%	14,080
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(150,825)	(388,667)	(355,554)	(5,998)	(135,646)	(355,554)	219,909	-62%	(355,554)
Interest		—	(6,835)	1,530	(5,623)	(5,623)	(1,530)	(4,093)	268%	1,530
Transfers and Subsidies		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		183,073	123,710	123,150	(2,428)	230,072	120,090	(109,981)	-92%	123,150
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		—	365	365	—	—	365	(365)	-100%	365
Decrease (increase) in non-current receivables		—	—	365	—	—	—	—	—	365
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—
Payments										
Capital assets		75,908	(60,339)	(67,198)	(3,431)	(55,879)	(67,196)	11,519	-17%	(67,198)
NET CASH FROM/(USED) INVESTING ACTIVITIES		75,908	(59,974)	(66,467)	(3,431)	(55,879)	(66,833)	(11,154)	17%	(66,467)
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		258,981	63,737	56,683	(5,859)	174,393	53,258			56,683
Cash/cash equivalents at beginning:		48,726	51,813	16,763		16,763				16,763
Cash/cash equivalents at month/year end:		308,707	115,650	73,446		191,156	70,021			73,446

It must also be noted that the cashflow statement is still having imbalances, the financial system vendor is working on it.

h) Municipal State of Finances:

Below is the Investment report for the quarter ending 30 June 2026:

ELUNDINI INVESTMENT REPORT							
01 JUNE 2026 TO 30 JUNE 2026							
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/05/2026	INTEREST RECEIVED	WITHDRAWALS	DEPOSIT	TOTAL AS AT 31/05/2026
ELUNDINI EXPAND PUBLIC WORKS	EX PUBLIC WORKS PROGRA	38849793-001	R 32,764.13	R 2,124.52	R 30,000.00	R -	R 4,888.65
ELUNDINI VOTER STATION	INFRASTRUCTURE GRANT	38849795-001	R 1,765.30	R 10.25			R 1,795.55
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	624994170	R 3,839.27	R 20.51			R 3,859.78
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	38849343-002	R 796,952.52	R 5,533.61	R 700,000.00		R 102,486.13
MAYOR'S SOCIAL INVESTMENT	MAYOR'S SOCIAL INVESTMENT	62378875226	R 661,152.93	R 2,551.25	R 660,000.00		R 3,704.18
MUNICIPAL DISASTER GRANT	CONDITIONAL GRANT	388493003-001	R 34,345.95	R 9,630.90	R 50,000.00		R 3,976.85
MIG	CONDITIONAL GRANT	6249940111	R 1,638,302.76	R 1639.66	R 1533,461.19		R 106,481.23
NER	ELECTRICITY UPGRAIDING	388490310-001	R 7,625.02	R 43.81			R 7,672.63
WORKING CAPITAL RESERVE	RESEVERS	62264785121	R 351.49	R 40.44			R 391.93
JOE GOABI	WATER AND SANITATION	62567779522	R 5,641,515.64	R 30,094.93	R 100,000.00		R 5,971,527.57
ENERGY EFFICIENCY	CONDITIONAL GRANT	62785929850	R 6,397.59	R 34.8			R 6,431.72
SOLIDARITY FUND	SOLIDARITY GRANT	62852498023	R 7,662.40	R 40.93			R 7,703.33
SMART METERS	SMART METERS	63043360592	R 18,348.48	R 75.59	R 18,000.00		R 424.07
CLEANING PROJECT	CONDITIONAL GRANT	63062748613	R 21,422.21	R 194.45			R 21,616.66
SECURITY ACCOUNT	SECURITY	388490365-001	R 3,619,747.94	R 25,643.84			R 3,845,391.78
LIBRARY ACCOUNT	CONDITIONAL GRANT	63101215172	R 261,639.10	R 1073.69	R 260,000.00		R 2,712.79
RETENTION ACCOUNT	RETENTION	6310209921	R 7,748.99	R 4124			R 7,760.23
INP	INP	6311791880	R 1,060,730.38	R 5,666.91			R 1,066,397.29
TOTAL			R 14,022,303.50	R 64,256.67	R 3,351,461.19	R -	R 10,765,143.22

FNB	R 8,328,079.84	R 41,272.54	R 2,671,461.19	R -	R 8,798,931.23
STD BANK	R 4,693,224.88	R 82,887.13	R 780,000.00	R -	R 5,556,111.99
TOTAL	R 14,022,303.50	R 142,159.67	R 3,351,461.19	R -	R 10,765,143.22

FNB	R 2,172,845.68	R 8,026.13	-R	1,621,735.48	R 659,136.33
FNB VENDOR	R 28,207.01	R 694.68	R	41,784.00	R 70,686.67
STD BANK	R 1,618,364.53	R 0.00	R 2,400,405.96	R 831,007.79	R 4,049,868.37
TRAFFIC ACCOUNT	R 268,691.10	R 1,110.75	R 844,895.68	R 689,788.20	R 94,692.49
TOTAL	R 3,617,407.32	R 9,730.44	R 900,565.00	R 334,979.08	R 776,657.27

The table above is listing the balances for all municipal investments and current accounts with FNB and STD bank for the period ending 30 June 2026. Closing balances were R10.7 million and -R776 thousand on Investment and current accounts respectively.

Prepared By: F. Mbaliswana

: Manager Budget Planning & Reporting

Signed :



Approved By : B. Dlodlo

: Acting Chief Financial Officer

Signed :

