

**TMDM COUNCIL
MEETING**

ANNEXURE “J”

JULY 2025



**REPORT OF THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL
FOURTH QUARTER PERFORMANCE REPORT (Municipal Finance Management Act,
Section 52(d))**

1. EXECUTIVE SUMMARY

The purpose of this item is to report to Council on progress made in terms of the quarterly performance report for the quarter ended 30 June 2025.

2. BUSINESS PLAN

None

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

Good governance

4. POLICY

TMDM Financial Management Policy.

5. ANNEXURE

Fourth Quarter Performance Report

6. DELEGATED AUTHORITY

Council

7. LEGAL REQUIREMENTS

Municipal Finance Management Act No. 56 of 2003

8. BACKGROUND

Municipal Finance Management Act Sec. 52(d), the Executive 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 financial state of affairs of the municipality.

9. FINANCIAL IMPLICATIONS

	Quarter results	Cumulative balance
Operating Income	R 3 285 556	R 168 009 999
Operating Expenditure	R 40 374 683	R 164 058 874
Capital Expenditure	R 687 418	R 1 154 179



10. STAFF IMPLICATIONS

None

11. RISK IMPLICATIONS

Non-compliance with MFMA sec. 52(d)

12. RECOMMENDATION

It is recommended that

- Council approves the section 52(d) report for the fourth quarter ended 30 June 2025 be noted and accepted.

13. RECOMMENDED FOR SUBMISSION

Cllr. AC Msibi
Executive Mayor



MFMA Section 52D Performance Report
Fourth Quarter
2024/2025

-1 INTRODUCTION

This report presents performance activities of the fourth quarter of 2024/2025 financial year. The report is a requirement as per section 52 of the Municipal Finance Management Act No. 56 of 2003 (MFMA), which provides for the Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality.

The format of the report should be compliant with the 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) as adopted by council.

The report encompasses respective departmental performance from period 01 April to 30 June 2025.

Seven (7) departments including the office of the municipal manager are reported on:

- Office of the Municipal Manager
- Budget and Treasury Office
- Corporate Services
- Community Services
- Local Economic Development and Tourism Department
- Infrastructure Service
- Rural Development and Agriculture

The first section of the report contains the Monthly Budget Statements for the three months April, May and June 2025 as required by section 71 of the MFMA. In this section, a report on the financial state of the municipality is presented.

The second section of the report contains supply chain management implementation report for the period.

PART 1: PERFORMANCE REPORT

The report encompasses respective departmental performance from period 01 April 2025 to 31 June 2025.

Department (VOTE)	Responsible Official
Office of the Municipal Manager (Vote: Executive and Council)	Municipal Manager - Me. TPM Lebenya
Chief Financial Officer (Vote: Finance and Administration)	Chief Financial Officer – Mr. MD Mhlahlo
Corporate Services (Vote: Finance and Administration: HR, Admin.)	Director Corporate Services – Mr. RS Mokoena
Infrastructure Services (Vote: Water, Sanitation, Roads and Electricity)	Director Technical Services – Mrs. M Nkomo
Laboratory Services (Vote: LAB)	Director Technical Services – Mrs. M Nkomo
Local Economic Development (Vote: LED)	Director Community Services – Mr. TP Mpele
Community Services (Vote: Community Services)	Director Community Services – Mr. TP Mpele
Rural Development and Agriculture	Director Community Services – Mr. TP Mpele

PART 2: FINANCIAL STATE OF THE MUNICIPALITY**2.1 The overall operating results for the quarter ending 30 June 2025.**

Description	Adjustment Budget	Fourth Quarter Results	Year to date (YTD)	%
INCOME				
Operating Revenue	189 754 650	3 285 556	168 009 999	89%
EXPENDITURE				
Operating expenditure	180 879 181	40 374 683	164 058 874	91%
Capital Expenditure	8 8 75 469	687 418	1 154 179	14%
TOTAL EXPENDITURE	189 754 650	41 062 101	165 213 053	87%
Surplus / (Deficit)	-	(37 776 545)	2 796 946	2%

The municipality received income for the fourth quarter amounting to R 3 285 556 and the total income received for the year amounts to R 168 009 999 which represents 89% of the total Adjusted budget of R 189 754 650.

The municipality's operating expenditure for the fourth quarter amounts to R 40 374 683 and total expenditure for the year amounts to R 164 058 874 which represents 91% of the total operating expenditure budget of R 180 879 181.

The Capital expenditure for the fourth quarter amounts to R 687 418 and the total capital expenditure for the year amounts to R 1 154 179 which represents 13% of the total capital budget of R 8 8 75 469.

2.2 Actual Revenue, per revenue source

Source of Income	Revenue		Variance	Explanation of material differences
	Projected for 4 th Quarter	Actual received for the 4 th Quarter		
Equitable Share	-	-	-	NONE
AgriSETA Grant	750 000	750 000	-	NONE
Rural Assets Man	-	-	-	NONE
Energy Efficiency & Demand Grant	-	-	-	NONE
Interest Received	1 233 453	1 191 199	42 254	Investment balances decreased during the fourth quarter of the year.
Other Revenue	1 567 384	1 344 357	(223 027)	Non-cash items such as cash backed reserves are recorded on the statement of position.
TOTAL INCOME	3 550 837	3 285 556	(180 773)	

2.3 Short term Investments as of 30 June 2025

Banking Institution	Type of Account	Opening Balance	Investment made	Interest Earned	Investment withdrawn	Closing Balance
ABSA	Fixed Deposit	10 044 895	27 000 000	1 486 814	30 000 000	8 531 709
ABSA	Call Account	5 307 059	10 000 000	667 165	11 000 000	4 974 224
ABSA	Call Account	3 596 683	-	291 984	-	3 888 668
ABSA	Call Account	14 266 23	10 000 000	1 374 210	20 000 000	5 640 446
NEDBAN K	Call Account	7 233 571	-	585 679	-	7 819 250
TOTAL		40 448 446	47 000 000	4 405 851	61 000 000	30 854 298

At the end of the third quarter the municipality showed a positive bank balance of R 30 854 298 on all investment accounts

2.4 Actual Expenditure per category

Operating Expenditure per Category	Adjustment Budget	Expenditure		(YTD) Expenditure	% Exp to date
		Projected per quarter	Actual per 3 rd Quarter		
Employee Cost	105 134 527	26 283 632	26 074 088	102 919 928	99%
Councillors Allowance	9 084 585	2 271 146	2 442 281	9 345 254	106%
General Expenditure	63 785 287	12 995 224	11 205 402	49 135 264	92%
Property, Plant and Equipment	8 875 469	718 867	687 418	1 154 179	14%
Depreciation	2 874 781	680 695	652 913	2 658 428	84%
TOTAL	189 754 649	42 949 564	41 062 101	165 213 053	93%

2.5 Actual Expenditure per Vote including Capital.

Department	Expenditure		Variance	%Exp
	Projected per Quarter	Actual Results per quarter		
Office of the Speaker	1 808 345	1 576 844	231 501	87%
Office of the Chief Whip	172 971	175 410	(2 440)	101%
MAYCO and Council	2 597 797	2 598 007	(210)	100%
Office of the Executive Mayor	2 724 625	2 535 960	188 665	93%
Municipal Manager	7 220 811	6 548 984	671 827	91%
IDP	595 934	589 240	6 693	99%
LED	1 160 710	1 079 386	81 324	93%
Budget and Treasury	3 818 953	3 623 783	195 169	95%
Corporate Services	6 136 427	5 918 684	217 742	96%
Community Services	7 108 288	7 143 818	(35 529)	100%
Infrastructure	6 416 573	6 249 337	167 237	97%
Rural Development and Agricultural	1 387 037	1 365 988	21 048	98%
Laboratory	1 801 095	1 656 659	144 436	92%
	42 949 564	41 062 101	1 887 463	96%

Variations

- Variance narration provided in cases where the percentage variance exceeds 10 % and for the quarter ending 30 June 2025 there were no variances exceeding 10%.

2.6 Capital expenditure by line

Capital Expenditure	Approved Budget	Adjustment Budget	Expenditure				Year Date Expenditure	To %
			1 st Quarter Expenditure	2 nd Quarter Expenditure	3 rd Quarter Expenditure	4 th Quarter Expenditure		
Furniture and equipment	R60 000	R178 785	R68 785	R0	R30 579	R34 500	R133 864	75%
Computers	R0	R254 448	R0	R154 448	R0	R135 348	R154 448	114%
Fencing of Royal gravesites	R250 000	R8 043 087	R0	R0	R0	R517 570	R517 570	6%
Construction of a bridge	R7 793 087	R0	R0	R0	R0	R	R0	0%
Plant and Equipment	R0	R399 150	R0	R99 150	R113 800	R0	R212 950	53%
Total Expenditure	R8 103 087	R8 875 470	R68 785	R253 598	R144 379	R687 418	R1 154 179	14%

Variations

- ⬇ The 6% underspending in on Fencing of Royal gravesite represents work-in-progress of the first phase of the project which commenced in the last month of the fourth quarter as per the Technical Services Department's procurement plan. The project will be rolled over to the 2025-2026 financial year.