FS/2024 REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR THE PERIOD ENDED 31 AUGUST 2024

REPORT BY THE GENERAL MANAGER - FINANCIAL SERVICES

STRATEGIC THRUST

Financial viability and management

OBJECTIVE

The objective of the report is to comply with Section 71 of the Municipal Finance Management Act, 56 of 2003 (MFMA) and to inform Mayoral Committee about the financial performance and position for the period ended 31 August 2024.

BACKGROUND

To enable better analysis of the actual performance and financial situation of Council against the approved budget, the following table provides the synopsis of the actual performance against the budget projections.

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	8 446	9 640	9 640	19	37	1 607	(1 570)	-98%	9 640
Transfers and subsidies - Operational	381 575	363 846	363 846	–	126 385	60 641	65 744	0	126 385
Other own revenue	3 846	6 097	6 097	56	136	1 016	(880)	-87%	–
Total Revenue (excluding capital transfers and contributions)	**393 867**	**379 583**	**379 583**	**74**	**126 558**	**63 264**	**63 294**	**100%**	**142 126**
Employee costs	164 727	176 965	176 965	13 382	27 199	29 494	(2 296)	-8%	176 965
Remuneration of Councillors	19 498	22 510	22 510	1 798	3 011	3 752	(740)	-20%	22 510
Depreciation and amortisation	12 090	10 241	10 241	–	–	1 707	(1 707)	-100%	10 241
Interest	10 686	9 260	7 300	0	0	1 217	(1 217)	-100%	7 300
Inventory consumed and bulk purchases	4 009	1 588	2 088	126	213	348	(135)	-39%	2 088
Transfers and subsidies	108 784	–	–	–	–	–	–		–
Other expenditure	102 805	94 213	96 704	8 858	21 151	16 016	5 135	32%	21 151
Total Expenditure	**422 599**	**314 776**	**315 807**	**24 164**	**51 574**	**52 534**	**(960)**	**-2%**	**240 255**
Surplus/(Deficit)	**(28 732)**	**64 807**	**63 775**	**(24 089)**	**74 984**	**10 730**	**64 254**	**599%**	**(98 129)**
Transfers and subsidies - capital (monetary	2 525	2 639	2 639	–	–	440	(440)	-100%	2 639
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(26 207)**	**67 446**	**66 414**	**(24 089)**	**74 984**	**11 169**	**63 814**	**571%**	**(95 490)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(26 207)**	**67 446**	**66 414**	**(24 089)**	**74 984**	**11 169**	**63 814**	**571%**	**(95 490)**
Capital expenditure & funds sources									
Capital expenditure	**13 003**	**81 617**	**90 803**	**3 213**	**10 320**	**14 506**	**(4 186)**	**-29%**	**84 548**
Capital transfers recognised	–	54 167	52 140	2 603	8 326	8 866	(540)	-6%	52 140
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**13 003**	**27 450**	**38 663**	**611**	**1 994**	**5 639**	**(3 645)**	**-65%**	**38 663**
Total sources of capital funds	**13 003**	**81 617**	**90 803**	**3 213**	**10 320**	**14 506**	**(4 186)**	**-29%**	**90 803**
Financial position									
Total current assets	67 186	128 029	128 029		141 564				182 094
Total non current assets	224 626	284 856	294 041		234 946				321 216
Total current liabilities	136 070	101 974	101 974		145 788				101 974
Total non current liabilities	74 039	66 589	66 589		74 039				66 589
Community wealth/Equity	**181 389**	**176 876**	**176 876**		**162 799**				**176 876**
Cash flows									
Net cash from (used) operating	–	96 901	95 870	(22 242)	78 561	14 372	(64 189)	-447%	95 870
Net cash from (used) investing	–	(81 617)	(90 803)	(3 213)	(10 320)	(14 506)	(4 186)	29%	(90 803)
Net cash from (used) financing	–	(12 105)	(12 105)	–	–	(2 018)	(2 018)	100%	–
Cash/cash equivalents at the month/year end	**–**	**68 781**	**58 564**	**–**	**83 290**	**(2 151)**	**(85 442)**	**3972%**	**5 067**

The narratives of the summary of the actual budget performance and position against the approved budget projections for the month ending August 2024 is as follows:

a) Total revenue earned up to end of August 2024 of R126,6 million which equates to 33,3% of total budget revenue for the financial year.
b) Total expenditure up to end of August 2024 of R51,6 million which equates to 16,3% of total operating expenditure budget.
c) The capital expenditure incurred year to date incurred amounts to R10,3 million which represents 11,4% of the total adjusted capital expenditure budget;
d) The cash and cash equivalents as at 31 August 2024 amounts to R83,3million.

1. Operating revenue and expenditure performance

DC32 Ehlanzeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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		–	–	–	4	4	–	4	#DIV/0!	4
Agency services		–	–	–	–	–	–	–		–
Interest								–		
Interest earned from Receivables		607	–	–	–	–	–	–		–
Interest from Current and Non Current Assets		8 446	9 640	9 640	19	37	1 607	(1 570)	-98%	9 640
Dividends		183	173	173	–	–	29	(29)	-100%	173
Rent on Land								–		
Rental from Fixed Assets		198	1 613	1 613	–	–	269	(269)	-100%	1 613
Licence and permits		1 025	2 000	2 000	–	–	333	(333)	-100%	2 000
Operational Revenue		535	1 311	1 311	52	132	218	(86)	-40%	1 311
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes								–		
Fines, penalties and forfeits		661	1 000	1 000	–	–	167	(167)	-100%	1 000
Licence and permits								–		
Transfers and subsidies - Operational		381 575	363 846	363 846	–	126 385	60 641	65 744	108%	126 385
Interest								–		
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue								–		
Gains on disposal of Assets		636	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**393 867**	**379 583**	**379 583**	**74**	**126 558**	**63 264**	**63 294**	**100%**	**142 126**
Expenditure By Type										
Employee related costs		164 727	176 965	176 965	13 382	27 199	29 494	(2 296)	-8%	176 965
Remuneration of councillors		19 498	22 510	22 510	1 798	3 011	3 752	(740)	-20%	22 510
Bulk purchases - electricity								–		
Inventory consumed		4 009	1 588	2 088	126	213	348	(135)	-39%	2 088
Debt impairment		268	–	–	–	–	–	–		–
Depreciation and amortisation		12 090	10 241	10 241	–	–	1 707	(1 707)	-100%	10 241
Interest		10 686	9 260	7 300	0	0	1 217	(1 217)	-100%	7 300
Contracted services		45 149	44 017	44 410	5 054	11 606	7 333	4 272	58%	11 606
Transfers and subsidies		108 784	–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–	–		–
Operational costs		56 699	50 196	52 294	3 804	9 546	8 683	863	10%	9 546
Losses on Disposal of Assets		463	–	–	–	–	–	–		–
Other Losses		226	–	–	–	–	–	–		–
Total Expenditure		**422 599**	**314 776**	**315 807**	**24 164**	**51 574**	**52 534**	**(960)**	**-2%**	**240 255**
Surplus/(Deficit)		**(28 732)**	**64 807**	**63 775**	**(24 089)**	**74 984**	**10 730**	**64 254**	**0**	**(98 129)**
Transfers and subsidies - capital (monetary allocations)		2 525	2 639	2 639	–	–	440	(440)	(0)	2 639
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(26 207)**	**67 446**	**66 414**	**(24 089)**	**74 984**	**11 169**	**63 814**	**0**	**(95 490)**
Income Tax								–		
Surplus/(Deficit) after income tax		**(26 207)**	**67 446**	**66 414**	**(24 089)**	**74 984**	**11 169**	**63 814**	**0**	**(95 490)**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**(26 207)**	**67 446**	**66 414**	**(24 089)**	**74 984**	**11 169**	63 814	0	**(95 490)**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**(26 207)**	**67 446**	**66 414**	**(24 089)**	**74 984**	**11 169**	**63 814**	**0**	**(95 490)**

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;

a) The actual operating revenue accrued amounting to R126,6 million (33,3 per cent) is mainly as a result of the first instalment of the equitable share grant received during July 2024.

b) The actual operating expenditure incurred amounting to R51,6 million is more than 2 per cent of the projected expenditure of R52,5 million, moreover the over-expenditure on contracted services is mainly as a result of contracted and other expenditure line items. This over-expenditure is caused by the once-off payments of annual licenses, support and maintenance for the application systems.

There has been under-expenditure or savings realized on employees related cost, remuneration of councilors, finance charges and depreciation and amortization. The savings on the employees related cost are mainly due to delay on the filling of funded vacant positions.

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) - M02 August

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Council Summary		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services & Municipal Relations		–	–	–	–	–	–	–		–
Vote 03 - Financial Services		396 392	382 222	382 222	74	126 558	63 704	62 854	98.7%	126 558
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**	**382 222**	**74**	**126 558**	**63 704**	**62 854**	**98.7%**	**126 558**
Expenditure by Vote	1									
Vote 01 - Council Summary		53 424	54 494	54 494	4 393	7 153	9 082	(1 929)	-21.2%	54 494
Vote 02 - Corporate Services & Municipal Relations		47 894	51 691	52 222	3 912	6 580	8 641	(2 061)	-23.9%	52 222
Vote 03 - Financial Services		185 074	61 140	61 640	5 220	15 113	10 235	4 878	47.7%	28 881
Vote 04 - Local Economic Development; Tourism And Rural Deve		22 394	21 677	21 677	1 538	2 972	3 613	(641)	-17.7%	19 955
Vote 05 - Community Services		44 616	50 919	50 919	3 558	8 831	8 487	345	4.1%	37 570
Vote 06 - Office Of The Municipal Manager		26 691	28 297	28 297	2 185	4 351	4 716	(365)	-7.7%	28 297
Vote 07 - Strategic And Social Services		28 365	32 224	32 224	2 274	4 357	5 371	(1 014)	-18.9%	26 403
Vote 08 - Technical Services		14 141	14 334	14 334	1 084	2 216	2 389	(173)	-7.2%	12 461
Vote 09 - -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**422 599**	**314 776**	**315 807**	**24 164**	**51 574**	**52 534**	**(960)**	**-1.8%**	**260 283**
Surplus/ (Deficit) for the year	2	**(26 207)**	**67 446**	**66 414**	**(24 089)**	**74 984**	**11 169**	**63 814**	**571.3%**	**(133 725)**

Departmental expenditure within budget projections with exception of;

a) Financial Services – Annual license fees for computer application systems paid for full year in July 2024.
b) Community Services – Annual license fees for Disaster Management computer application system paid in July 2024 for full year.

3. Capital expenditure performance

DC32 Ehlanzeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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	6,255	611	1,399	946	453	48%	1,399
Vote 03 - Financial Services		7,812	7,050	8,425	–	595	1,372	(777)	-57%	8,425
Vote 04 - Local Economic Development; Tourism And Rural Devevelopment		–	–	–	–	–	–	–		–
Vote 05 - Community Services		–	1,700	1,700	–	–	283	(283)	-100%	1,700
Vote 06 - Office Of The Municipal Manager		–	–	–	–	–	–	–		–
Vote 07 - Strategic And Social Services		–	–	–	–	–	–	–		–
Vote 08 - Technical Services		0	69,867	72,724	2,603	8,326	11,904	(3,578)	-30%	72,724
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	89,104	3,213	10,320	14,506	**(4,186)**	**-29%**	84,248
Total Capital Expenditure		**13,003**	**81,617**	**89,104**	**3,213**	**10,320**	**14,506**	**(4,186)**	**-29%**	**84,248**
Capital Expenditure - Functional Classification										
Governance and administration		**13,003**	**10,050**	**14,680**	**611**	**1,994**	**2,318**	(324)	-14%	**14,680**
Executive and council		1,726	–	–	–	–	–	–		–
Finance and administration		11,278	10,050	14,680	611	1,994	2,318	(324)	-14%	14,680
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**–**	**15,595**	**15,866**	**–**	**–**	**2,624**	(2,624)	-100%	**15,866**
Planning and development		–	2,100	2,100	–	–	350	(350)	-100%	2,100
Road transport		–	11,795	12,066	–	–	1,990	(1,990)	-100%	12,066
Environmental protection		–	1,700	1,700	–	–	283	(283)	-100%	1,700
Trading services		**0**	**55,973**	**58,558**	**2,603**	**8,326**	**9,564**	(1,238)	-13%	**58,558**
Energy sources								–		
Water management		0	54,373	56,373	2,603	8,326	9,244	(918)	-10%	56,373
Waste water management		–	1,600	2,186	–	–	320	(320)	-100%	2,186
Waste management								–		
Other								–		
Total Capital Expenditure - Functional Classification	3	**13,003**	**81,617**	**89,104**	**3,213**	**10,320**	**14,506**	**(4,186)**	**-29%**	**89,104**

PROJECT DESCRIPTION	ORIGINAL BUDGET	APPOINTMENT AMOUNT	ROLL OVER AMOUNT	TOTAL BUDGET FOR 2024-2025	TOTAL SPENDING	% SPENT ON APPONTMENT	AVAILABLE vs BUDGET
Rural Road Asset Management System	R 2,294,783	R -	R -	R 2,294,783	R -	#DIV/0!	R 2,294,783
Purchase of plant and equipment	R 500,000	R -	R -	R 500,000	R -	#DIV/0!	R 500,000
Purchase of furniture and fittings	R 500,000	R -	R -	R 500,000	R -	#DIV/0!	R 500,000
Purchase of Computer Equipment and Softwares	R 3,000,000	R -	R -	R 3,000,000	R -	#DIV/0!	R 3,000,000
Purchase of Computer Servers	R 1,000,000	R -	R -	R 1,000,000	R -	#DIV/0!	R 1,000,000
Upgrade of IT Network Infrastructure	R 700,000	R -	R -	R 700,000	R -	#DIV/0!	R 700,000
Automation of Procurement Requisitioning System	R 1,350,000	R -	R -	R 1,350,000	R -	#DIV/0!	R 1,350,000
Purchase of Waste Skip Bins	R 500,000	R -	R -	R 500,000	R -	#DIV/0!	R 500,000
Upgrade Existing Municipal Building	R 3,000,000	R 4,286,751	R 1,454,649	R 4,454,649	R 1,399,237	R 33	R 167,898
Drops (Blue, Green & Zero) Municipal support programme(Drops Municipal Support Programme)	R 2,500,000	R -	R -	R 2,500,000	R -	#DIV/0!	R 2,500,000
Highmast Lights EDM	R 1,500,000	R -	R -	R 1,500,000	R -	#DIV/0!	R 1,500,000
Construct safe drop offs and pick up zones at Valencia Combined school	R 500,000	R -	R -	R 500,000	R -	#DIV/0!	R 500,000
Purchase Material Patching of Potholes	R 4,000,000	R -	R 271,017	R 4,271,017	R -	#DIV/0!	R 4,271,017
Repair Potholes Barberton Tour Route Ph 2	R 4,000,000	R -	R -	R 4,000,000	R -	#DIV/0!	R 4,000,000
Construct Culvert Crossing Nyongane	R 1,000,000	R -	R -	R 1,000,000	R -	#DIV/0!	R 1,000,000
Purchase of Waste Skip Loading Trucks	R 1,200,000	R -	R -	R 1,200,000	R -	#DIV/0!	R 1,200,000
Drilling and Equiping Boreholes- NLM	R 800,000	R -	R -	R 800,000	R -	#DIV/0!	R 800,000
Highmast Lights NLM	R 300,000	R -	R -	R 300,000	R -	#DIV/0!	R 300,000
Construction of Driekoppies Water Treatments Works	R 12,555,168	R -	R -	R 12,555,168	R -	#DIV/0!	R 12,555,168
Highmast Lights TCLM	R 300,000	R -	R -	R 300,000	R -	#DIV/0!	R 300,000
Upgrading of Lydenburg WasteWater Treatments Works (Phases 2A & 2B)	R 39,317,400	R 8,325,851	R 2,000,000	R 41,317,400	R 8,325,851	R 100	R 32,991,549
Drilling and Equiping of Boreholes-BLM	R 800,000	R -	R -	R 800,000	R -	#DIV/0!	R 800,000
Purchase of X-ray Machine	R -	R 595,000	R 595,000	R 595,000	R 595,000	R 100	R -
Drilling and Equiping of Two Lihawu Boreholes	R -		R 585,692	R 585,692	R -	#DIV/0!	R 585,692
Upgrade of Municipal Health Systems	R -		R 1,000,000	R 1,000,000	R -	#DIV/0!	R 1,000,000
Purcahse of new telephone (VOIP) System	R -		R 80,000	R 80,000	R -	#DIV/0!	R 80,000
Replace Council Chambers Recording System	R -		R 1,500,000	R 1,500,000	R -	#DIV/0!	R 1,500,000
	R -		R -	R -	R -	#DIV/0!	R -
	R 81,617,351	**R 13,207,602**	**R 7,486,358**	**R 89,103,709**	**R 10,320,088**		

4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M02 August

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	68 781	83 290	83 290
Trade and other receivables from exchange transactions		(11 139)	–	–	(11 139)	–
Receivables from non-exchange transactions		–	–	–	–	–
Current portion of non-current receivables		376	28 778	28 778	210	28 778
Inventory		1 665	2 520	2 520	1 696	2 520
VAT		22 549	6 451	6 451	24 362	24 362
Other current assets		43 059	21 499	21 499	43 144	43 144
Total current assets		**67 186**	**128 029**	**128 029**	**141 564**	**182 094**
Non current assets						
Investments		5 988	4 155	4 155	5 988	5 988
Investment property						
Property, plant and equipment		189 819	264 761	270 596	200 139	270 596
Biological assets						
Living and non-living resources						
Heritage assets		–	–	–	–	–
Intangible assets		3 478	15 939	19 290	3 478	19 290
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		25 342	–	–	25 342	25 342
Other non-current assets						
Total non current assets		**224 626**	**284 856**	**294 041**	**234 946**	**321 216**
TOTAL ASSETS		**291 812**	**412 884**	**422 070**	**376 510**	**503 310**
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	53 149	49 005	53 149
Trade and other payables from non-exchange transactions		0	–	–	13 938	–
Provision		46 506	36 719	36 719	45 761	36 719
VAT		22 880	–	–	24 484	–
Other current liabilities		–	–	–	–	–
Total current liabilities		**136 070**	**101 974**	**101 974**	**145 788**	**101 974**
Non current liabilities						
Financial liabilities		74 039	57 177	57 177	74 039	57 177
Provision		–	9 412	9 412	–	9 412
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		**74 039**	**66 589**	**66 589**	**74 039**	**66 589**
TOTAL LIABILITIES		**210 109**	**168 562**	**168 562**	**219 827**	**168 562**
NET ASSETS	2	**81 704**	**244 322**	**253 508**	**156 683**	**334 748**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		181 389	176 876	176 876	162 799	176 876
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**181 389**	**176 876**	**176 876**	**162 799**	**176 876**

The financial position as at 31 August 2024 is as follows;

a) Total short-term fixed deposits as at 31 August 2024 at R82,4 million.
b) Cash on hand at R859 thousand as at 31 August 2024.
c) The DBSA non-current loan balance is R86,1 million. The municipality has complied with all the terms and conditions of the loan. The first payment of R 10,7 million is payable by 31 December 2024. The second payment of the loan of R 10,7 million is payable by 30 June 2025.
d) The creditors and other payables amounted to R62,9 million whilst the debtors and other receivables amounted to R32,2 million.

5. Cashflow Performance

Description	Ref	2019/20	Budget Year 2020/21							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–		
Service charges								–		
Other revenue		–	25 138	25 138	56	136	4 190	(4 054)	-97%	25 138
Transfers and Subsidies - Operational		–	311 983	311 983	–	128 115	51 997	76 118	146%	311 983
Transfers and Subsidies - Capital		–	54 502	54 502	1 847	1 847	9 084	(7 237)	-80%	54 502
Interest		–	9 640	9 640	19	37	1 607	(1 570)	-98%	9 640
Dividends		–	173	173	–	–	29	(29)	-100%	173
Payments										
Suppliers and employees		–	(295 276)	(296 307)	(24 164)	(51 574)	(51 317)	257	-1%	(296 307)
Finance charges		–	(9 260)	(9 260)	–	–	(1 217)	(1 217)	100%	(9 260)
Transfers and Grants		–	–	–		–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**96 901**	**95 870**	**(22 242)**	**78 561**	**14 372**	**(64 189)**	**-447%**	**95 870**
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		–	(81 617)	(90 803)	(3 213)	(10 320)	(14 506)	(4 186)	29%	(90 803)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(81 617)**	**(90 803)**	**(3 213)**	**(10 320)**	**(14 506)**	**(4 186)**	**29%**	**(90 803)**
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)	–	–	(2 018)	(2 018)	100%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(12 105)**	**(12 105)**	**–**	**–**	**(2 018)**	**(2 018)**	**100%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**3 178**	**(7 038)**	**(25 456)**	**68 241**	**(2 151)**			**5 067**
Cash/cash equivalents at beginning:		–	65 602	65 602		15 050				
Cash/cash equivalents at month/year end:		–	68 781	58 564		83 290	(2 151)			5 067

a) Cash and cash equivalents as at 31 August 2024 comprise of R859 thousand cash available in bank accounts and R82,4 million held in short term fixed deposits at Absa Bank and First National Bank.
b) The cashflow from operating activities reflect a net balance of R78,5 million which is mainly due to the first instalment of the equitable share grant received and savings realized on the operating expenditure.

POLICY IMPLICATIONS

None

LEGAL AND CONSTITUTIONAL IMPLICATIONS

None

RECOMMENDATION BY THE MUNICIPAL MANAGER

1. **That the Mayoral Committee to take note of the content of the budget performance and financial position for the period ended 31 August 2024.**

PREPARER: D van der Merwe

Senior Manager: Budget and Reporting **DATE: 6 September 2024**

REVIEWER: PO Mokoena **DATE: 12 September 2024**

General Manager: Financial Services

APPROVAL: Dr N P Mahlalela **DATE: 12 September 2024**

Accounting Officer