

FS/2024

REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR THE PERIOD ENDED 31 JANUARY 2025

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 January 2025.

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.

DC32 Ehlanzeni - Table C1 Monthly Budget Statement Summary - M07 January

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	8 446	9 640	9 640	44	2 767	5 624	(2 857)	-51%	9 640
Transfers and subsidies - Operational	381 575	363 846	363 846	–	245 272	212 243	33 029	0	245 272
Other own revenue	3 846	6 097	6 097	(472)	313	3 556	(3 243)	-91%	–
Total Revenue (excluding capital transfers and contributions)	393 867	379 583	379 583	(428)	248 351	221 423	26 928	12%	261 075
Employee costs	164 727	176 965	175 865	13 375	94 937	102 742	(7 805)	-8%	175 865
Remuneration of Councillors	19 498	22 510	22 510	1 646	12 094	13 131	(1 037)	-8%	22 510
Depreciation and amortisation	11 982	10 241	10 241	1 103	7 641	5 974	1 667	28%	7 641
Interest	10 686	9 260	6 900	–	4 832	4 117	716	17%	4 832
Inventory consumed and bulk purchases	4 009	1 588	1 938	71	1 474	1 140	333	29%	1 474
Transfers and subsidies	108 784	–	–	–	–	–	–	–	–
Other expenditure	102 805	94 213	97 831	7 495	66 478	56 852	9 626	17%	66 478
Total Expenditure	422 491	314 776	315 284	23 691	187 455	183 955	3 500	2%	278 800
Surplus/(Deficit)	(28 624)	64 807	64 298	(24 119)	60 896	37 468	23 428	63%	(17 724)
Transfers and subsidies - capital (monetary)	2 525	2 639	2 639	–	702	1 539	(837)	-54%	2 639
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(26 099)	67 446	66 937	(24 119)	61 598	39 007	22 591	58%	(15 085)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(26 099)	67 446	66 937	(24 119)	61 598	39 007	22 591	58%	(15 085)
Capital expenditure & funds sources									
Capital expenditure	13 003	81 617	89 629	2 572	30 276	52 022	(21 746)	-42%	85 681
Capital transfers recognised	–	54 167	54 892	625	19 156	31 856	(12 700)	-40%	54 892
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	13 003	27 450	34 736	1 947	11 120	20 167	(9 046)	-45%	34 736
Total sources of capital funds	13 003	81 617	89 629	2 572	30 276	52 022	(21 746)	-42%	89 629
Financial position									
Total current assets	70 266	128 029	128 029		96 328				167 202
Total non current assets	221 655	284 856	292 867		245 018				320 769
Total current liabilities	136 070	101 974	101 974		97 089				101 974
Total non current liabilities	74 039	66 589	66 589		100 866				66 589
Community wealth/Equity	181 389	176 876	176 876		161 250				176 876
Cash flows									
Net cash from (used) operating	–	96 901	95 870	(22 530)	59 644	55 924	(3 720)	-7%	95 870
Net cash from (used) investing	–	(81 617)	(90 803)	(2 572)	(30 276)	(52 968)	(22 692)	43%	(90 803)
Net cash from (used) financing	–	(12 105)	(12 105)	(5 851)	(5 851)	(7 061)	(1 211)	17%	–
Cash/cash equivalents at the month/year end	–	68 781	58 564	–	38 567	(4 106)	(42 673)	1039%	5 067

The narratives of the summary of the actual budget performance and position against the approved budget projections for the month ending January 2025 is as follows:

- a) Total revenue earned up to end of January 2025 of R248,4 million which equates to 65,4% of total budget revenue for the financial year.
- b) Total expenditure up to end of January 2025 of R187,5 million which equates to 59,5% of total operating expenditure budget.
- c) The capital expenditure incurred year to date incurred amounts to R30,3 million which represents 33,8% of the total adjusted capital expenditure budget;
- d) The cash and cash equivalents as at 31 January 2025 amounts to R38,6 million.

1. Operating revenue and expenditure performance

DC32 Ehlanzeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description		Ref	2023/24	Budget Year 2024/25							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity								-			
Service charges - Water								-			
Service charges - Waste Water Management								-			
Service charges - Waste management								-			
Sale of Goods and Rendering of Services		-	-	-	-	66	-	66	#DIV/0!	66	
Agency services		-	-	-	-	-	-	-		-	
Interest								-			
Interest earned from Receivables		607	-	-	-	-	-	-		-	
Interest from Current and Non Current Assets		8 446	9 640	9 640	44	2 767	5 624	(2 857)	-51%	9 640	
Dividends		183	173	173	(486)	-	101	(101)	-100%	173	
Rent on Land								-			
Rental from Fixed Assets		198	1 613	1 613	-	-	941	(941)	-100%	1 613	
Licence and permits		1 025	2 000	2 000	-	-	1 167	(1 167)	-100%	2 000	
Operational Revenue		535	1 311	1 311	14	246	764	(518)	-68%	1 311	
Non-Exchange Revenue											
Property rates								-			
Surcharges and Taxes								-			
Fines, penalties and forfeits		661	1 000	1 000	-	-	583	(583)	-100%	1 000	
Licence and permits								-			
Transfers and subsidies - Operational		381 575	363 846	363 846	-	245 272	212 243	33 029	16%	245 272	
Interest								-			
Fuel Levy		-	-	-	-	-	-	-		-	
Operational Revenue								-			
Gains on disposal of Assets		636	-	-	-	0	-	0	#DIV/0!	0	
Other Gains		-	-	-	-	-	-	-		-	
Discontinued Operations											
			393 867	379 583	379 583	(428)	248 351	221 423	26 928	12%	261 075
Total Revenue (excluding capital transfers and contributions)											
Expenditure By Type											
Employee related costs		164 727	176 965	175 865	13 375	94 937	102 742	(7 805)	-8%	175 865	
Remuneration of councillors		19 498	22 510	22 510	1 646	12 094	13 131	(1 037)	-8%	22 510	
Bulk purchases - electricity								-			
Inventory consumed		4 009	1 588	1 938	71	1 474	1 140	333	29%	1 474	
Debt impairment		268	-	-	-	-	-	-		-	
Depreciation and amortisation		11 982	10 241	10 241	1 103	7 641	5 974	1 667	28%	7 641	
Interest		10 686	9 260	6 900	-	4 832	4 117	716	17%	4 832	
Contracted services		45 149	44 017	44 462	4 181	28 669	25 857	2 812	11%	28 669	
Transfers and subsidies		108 784	-	-	-	-	-	-		-	
Irrecoverable debts written off		-	-	-	-	-	-	-		-	
Operational costs		56 699	50 196	53 369	3 314	37 810	30 995	6 814	22%	37 810	
Losses on Disposal of Assets		463	-	-	-	-	-	-		-	
Other Losses		226	-	-	-	-	-	-		-	
Total Expenditure			422 491	314 776	315 284	23 691	187 455	183 955	3 500	2%	278 800
Surplus/(Deficit)			(28 624)	64 807	64 298	(24 119)	60 896	37 468	23 428	0	(17 724)
Transfers and subsidies - capital (monetary allocations)		2 525	2 639	2 639	-	702	1 539	(837)	(0)	2 639	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-	
Surplus/(Deficit) after capital transfers & contributions			(26 099)	67 446	66 937	(24 119)	61 598	39 007	22 591	0	(15 085)
Income Tax								-			
Surplus/(Deficit) after income tax			(26 099)	67 446	66 937	(24 119)	61 598	39 007	22 591	0	(15 085)
Share of Surplus/Deficit attributable to Joint Venture								-			
Share of Surplus/Deficit attributable to Minorities								-			
Surplus/(Deficit) attributable to municipality			(26 099)	67 446	66 937	(24 119)	61 598	39 007	22 591	0	(15 085)
Share of Surplus/Deficit attributable to Associate								-			
Intercompany/Parent subsidiary transactions								-			
Surplus/ (Deficit) for the year			(26 099)	67 446	66 937	(24 119)	61 598	39 007	22 591	0	(15 085)

The above table reflects the detailed actual performance per revenue source and expenditure by type and the explanation of the variances on the actual performance against the approved budget projections as follows;

- The actual operating revenue accrued amounting to R248,4 million (65,4 per cent) is mainly as a result of the first and second instalment of the equitable share grant received during July and December 2024.

- b) The actual operating expenditure incurred amounting to R187,5 million is more than 2 per cent of the projected expenditure of R183,9 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) - M07 January

Vote Description		Ref	2023/24	Budget Year 2024/25							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue by Vote		1									
Vote 01 - Council Summary			-	-	-	-	-	-	-	-	
Vote 02 - Corporate Services & Municipal Relations			-	-	-	-	-	-	-	-	
Vote 03 - Financial Services			396 392	382 222	382 222	(428)	249 053	222 963	26 091	11.7%	249 053
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	(428)	249 053	222 963	26 091	11.7%	249 053
Expenditure by Vote		1									
Vote 01 - Council Summary			53 424	54 494	54 494	3 635	30 208	31 789	(1 581)	-5.0%	53 291
Vote 02 - Corporate Services & Municipal Relations			47 894	51 691	51 799	4 034	30 600	30 243	356	1.2%	35 343
Vote 03 - Financial Services			184 966	61 140	61 540	4 906	45 224	35 909	9 315	25.9%	49 120
Vote 04 - Local Economic Development; Tourism And Rural Deve			22 394	21 677	21 677	1 476	12 143	12 645	(502)	-4.0%	14 718
Vote 05 - Community Services			44 616	50 919	50 919	3 527	28 120	29 703	(1 583)	-5.3%	43 779
Vote 06 - Office Of The Municipal Manager			26 691	28 297	28 297	2 225	15 830	16 507	(677)	-4.1%	26 123
Vote 07 - Strategic And Social Services			28 365	32 224	32 224	2 536	16 775	18 798	(2 022)	-10.8%	28 387
Vote 08 - Technical Services			14 141	14 334	14 334	1 351	8 556	8 362	194	2.3%	12 729
Vote 09 - -			-	-	-	-	-	-	-	-	-
Vote 10 -			-	-	-	-	-	-	-	-	-
Vote 11 -			-	-	-	-	-	-	-	-	-
Vote 12 -			-	-	-	-	-	-	-	-	-
Vote 13 -			-	-	-	-	-	-	-	-	-
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 - Other			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	422 491	314 776	315 284	23 691	187 455	183 955	3 500	1.9%	263 491
Surplus/ (Deficit) for the year		2	(26 099)	67 446	66 937	(24 119)	61 598	39 007	22 591	57.9%	(14 437)

Departmental expenditure within budget projections with exception of;

- Financial Services – Annual license fees for computer application systems paid for full year in July 2024.
- Corporate Services - Expenditure more vs aggregate budget for the SETA Training and development programme and depreciation on buildings more than anticipated in the first 6 months.
- Technical Services – Implementation of the Asset Care Water & Sewerage Infrastructure programme completed in the first half of 2024/25.

3. Capital expenditure performance

DC32 Ehlalzenzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council Summary		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		-	-	-	-	-	-	-	-	-
Vote 03 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 04 - Local Economic Development; Tourism And Rural Devevelopment		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 07 - Strategic And Social Services		-	-	-	-	-	-	-	-	-
Vote 08 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 09 - -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 01 - Council Summary		1 726	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		3 466	3 000	7 330	655	4 583	3 897	686	18%	4 583
Vote 03 - Financial Services		7 812	7 050	7 875	165	3 224	4 819	(1 595)	-33%	7 875
Vote 04 - Local Economic Development; Tourism And Rural Devevelopment		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	1 700	1 700	-	-	992	(992)	-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	1 752	22 469	42 314	(19 845)	-47%	71 523
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	89 629	2 572	30 276	52 022	(21 746)	-42%	85 681
Total Capital Expenditure		13 003	81 617	89 629	2 572	30 276	52 022	(21 746)	-42%	85 681
Capital Expenditure - Functional Classification										
Governance and administration		13 003	10 050	15 205	820	7 807	8 716	(909)	-10%	15 205
Executive and council		1 726	-	-	-	-	-	-	-	-
Finance and administration		11 278	10 050	15 205	820	7 807	8 716	(909)	-10%	15 205
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	15 595	15 254	1 201	3 317	9 070	(5 753)	-63%	15 254
Planning and development		-	2 100	2 100	174	759	1 225	(466)	-38%	2 100
Road transport		-	11 795	11 454	1 027	2 559	6 853	(4 294)	-63%	11 454
Environmental protection		-	1 700	1 700	-	-	992	(992)	-100%	1 700
Trading services		0	55 973	59 170	551	19 152	34 236	(15 084)	-44%	57 969
Energy sources		-	-	-	-	-	-	-	-	-
Water management		0	54 373	56 373	-	17 555	32 808	(15 253)	-46%	56 373
Waste water management		-	1 600	2 798	551	1 597	1 428	169	12%	1 597
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	13 003	81 617	89 629	2 572	30 276	52 022	(21 746)	-42%	88 428

PROJECT DESCRIPTION	ORIGINAL BUDGET	APPOINTMENT AMOUNT	ROLL OVER AMOUNT	TOTAL BUDGET FOR 2024-2025	TOTAL SPENDING	% SPENT ON APPONTMENT	AVAILABLE vs BUDGET	VOTE NUMBER
Rural Road Asset Management System	R 2 294 783	R 1 326 655	R -	R 2 294 783	R 1 326 655	R 100	R 968 128	35206151020RRC24ZZWD
Purchase of plant and equipment	R 600 000	R 548 229	R -	R 600 000	R 548 229	R 100	R 51 771	37106456020CFC35ZZHO
Purchase of furniture and fittings	R 500 000	R 272 101	R -	R 500 000	R 272 101	R 100	R 227 900	37106460020CFC49ZZHO
Purchase of Computer Equipment and Softwares	R 3 000 000	R 1 102 311	R -	R 3 425 000	R 1 424 354	R 129	R 2 322 689	37106470020CFC16ZZHO
Purchase of Computer Servers	R 1 000 000		R -	R 1 000 000		#DIV/0!	R 1 000 000	37056470020CFC16ZZHO
Upgrade of IT Network Infrastructure	R 700 000	R 658 552	R -	R 700 000	R 658 552	R 100	R 41 448	37056470020CFC54ZZHO
Automation of Procurement Requisitioning System	R 700 000		R -	R 700 000		#DIV/0!	R 700 000	37106191420CFD27ZZHO
Purchase of Waste Skip Bins	R 500 000		R -	R 500 000		#DIV/0!	R 500 000	36206456020CFD28ZZHO
Upgrade Existing Municipal Building	R 3 000 000	R 4 286 751	R 1 454 649	R 4 454 649	R 2 164 146	R 50	R 167 898	38056474020CFD46ZZHO
Drops (Blue, Green & Zero) Municipal support programme(Drops Municipal Support Programme)	R 2 500 000		R -	R 2 500 000		#DIV/0!	R 2 500 000	35106445020CFD29ZZHO
Highmast Lights EDM	R 1 500 000	R 1 489 019	R -	R 1 500 000	R 584 235	R 39	R 10 981	35256432420CFD43ZZWD
Construct safe drop offs and pick up zones at Valencia Combined school	R 500 000		R -	R 500 000		#DIV/0!	R 500 000	35206472420CFD30ZZWD
Purchase Material Patching of Potholes	R 4 000 000		R -	R 4 000 000		#DIV/0!	R 4 000 000	35206151020CFD40ZZWD
Repair Potholes Barberton Tour Route Ph 2	R 4 000 000	R 3 928 068	R 271 017	R 4 271 017	R 976 714	R 25	R 342 949	35206151020CFD41ZZWD
Construct Culvert Crossing Nyongane	R 388 000	R 158 735	R -	R 388 000	R 255 446	R 161	R 229 265	35206472420CFD42ZZWD
Purchase of Waste Skip Loading Trucks	R 1 200 000		R -	R 1 200 000		#DIV/0!	R 1 200 000	36206456020CFD33ZZHO
Drilling and Equiping Boreholes- NLM	R 1 412 000	R 994 026	R -	R 1 412 000	R 804 344	R 81	R 417 974	35156444420CFD38ZZWD
Highmast Lights NLM	R 300 000		R -	R 300 000	R 174 266	#DIV/0!	R 300 000	35256432420CFD44ZZWD
Construction of Driekoppies Water Treatments Works	R 12 555 168		R -	R 12 555 168		#DIV/0!	R 12 555 168	35106449420WGD35ZZHO
Highmast Lights TCLM	R 300 000	R 299 242	R -	R 300 000		R -	R 758	35256432420CFD45ZZWD
Refurbishment of Lydenburg WasteWater Treatment Works (Phases 1B)	R 14 616 979		R -	R 14 616 979		#DIV/0!	R 14 616 979	35106449420WGD50ZZHO
Upgrading of Lydenburg WasteWater Treatment Works (Phases 2A)	R 20 780 302		R -	R 20 780 302	R 15 776 729	#DIV/0!	R 20 780 302	35106449420WGD34ZZHO
Upgrading of Lydenburg WasteWater Treatment Works (Phases 2B)	R 1 896 500		R -	R 1 896 500		#DIV/0!	R 1 896 500	35106449420WGD51ZZHO
Refurbishment of Mashishing sewer pump stations (Allen Marray and Riverside)	R 1 686 628	R 1 619 035	R -	R 1 686 628	R 1 466 931	R 91	R 67 593	35106449420WGD52ZZHO
Refurbishment of Sabie WasteWater Treatment works	R 336 990	R 311 398	R -	R 336 990	R 311 398	R 100	R 25 592	35106449420WGD53ZZHO
Refurbishment of Lydenburg Wastewater Treatment Works (Phase 1B) (Co-funding)	R -		R 2 000 000	R 2 000 000		#DIV/0!	R 2 000 000	35106449420CFD22ZZHO
Drilling and Equiping of Boreholes-BLM	R 1 100 000	R 1 096 205	R -	R 1 100 000	R 551 450	R 50	R 3 795	35156444420CFD39ZZWD
Purchase of X-ray Machine	R -	R 595 000	R 595 000	R 595 000	R 595 000	R 100	R -	37106456020CFD04ZZHO
Drilling and Equiping of Two Lihawu Boreholes	R -		R 285 692	R 285 692	R 241 000	#DIV/0!	R 285 692	35156444420CFD25ZZWD
Upgrade of Municipal Health Systems	R -		R 1 000 000	R 1 000 000		#DIV/0!	R 1 000 000	37106191420CFD24ZZHO
Purcahse of new telephone (VOIP) System	R -		R 80 000	R 80 000		#DIV/0!	R 80 000	37106191420CFD23ZZHO
Replace Council Chambers Recording System	R -	R 2 144 561	R 2 150 000	R 2 150 000	R 2 144 561	R 100	R 5 439	38056191420CFD48ZZHO
	R 81 367 350		R 7 836 358	R 89 628 708	R 30 276 111			

4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M07 January

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	38 567	68 781
Trade and other receivables from exchange transactions		(11 139)	–	–	(12 127)	–
Receivables from non-exchange transactions		–	–	–	–	–
Current portion of non-current receivables		376	28 778	28 778	245	28 778
Inventory		4 745	2 520	2 520	5 067	5 067
VAT		22 549	6 451	6 451	27 987	27 987
Other current assets		43 059	21 499	21 499	36 588	36 588
Total current assets		70 266	128 029	128 029	96 328	167 202
Non current assets						
Investments		5 988	4 155	4 155	5 988	5 988
Investment property						
Property, plant and equipment		186 739	264 761	269 422	205 606	269 422
Biological assets						
Living and non-living resources						
Heritage assets		–	–	–	–	–
Intangible assets		3 586	15 939	19 290	7 354	19 290
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		25 342	–	–	26 069	26 069
Other non-current assets						
Total non current assets		221 655	284 856	292 867	245 018	320 769
TOTAL ASSETS		291 920	412 884	420 896	341 346	487 971
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	36 447	53 149
Trade and other payables from non-exchange transactions		0	–	–	11 207	–
Provision		46 506	36 719	36 719	9 231	36 719
VAT		22 880	–	–	27 604	–
Other current liabilities		–	–	–	–	–
Total current liabilities		136 070	101 974	101 974	97 089	101 974
Non current liabilities						
Financial liabilities		74 039	57 177	57 177	68 188	57 177
Provision		–	9 412	9 412	32 678	9 412
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		74 039	66 589	66 589	100 866	66 589
TOTAL LIABILITIES		210 109	168 562	168 562	197 955	168 562
NET ASSETS	2	81 812	244 322	252 333	143 391	319 408
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		181 389	176 876	176 876	161 250	176 876
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	181 389	176 876	176 876	161 250	176 876

The financial position as at 31 January 2025 is as follows;

- Total short-term fixed deposits as at 31 January 2025 at R37,7million.
- Cash on hand at R908 thousand as at 31 January 2025.
- The DBSA non-current loan balance is R80,3 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.
- The creditors and other payables amounted to R47,6 million whilst the debtors and other receivables amounted to R24,7 million.

5. Cashflow Performance

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		-	25 138	25 138	14	313	14 664	(14 351)	-98%	25 138
Transfers and Subsidies - Operational		-	311 983	311 983	-	245 272	181 990	63 282	35%	311 983
Transfers and Subsidies - Capital		-	54 502	54 502	-	1 847	31 793	(29 946)	-94%	54 502
Interest		-	9 640	9 640	44	2 767	5 624	(2 857)	-51%	9 640
Dividends		-	173	173	-	-	101	(101)	-100%	173
Payments										
Suppliers and employees		-	(295 276)	(296 307)	(22 588)	(185 722)	(172 846)	12 876	-7%	(296 307)
Finance charges		-	(9 260)	(9 260)	-	(4 832)	(5 401)	(569)	11%	(9 260)
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	96 901	95 870	(22 530)	59 644	55 924	(3 720)	-7%	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)	(2 572)	(30 276)	(52 968)	(22 692)	43%	(90 803)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(81 617)	(90 803)	(2 572)	(30 276)	(52 968)	(22 692)	43%	(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)	(5 851)	(5 851)	(7 061)	(1 211)	17%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(12 105)	(12 105)	(5 851)	(5 851)	(7 061)	(1 211)	17%	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	3 178	(7 038)	(30 952)	23 518	(4 106)			5 067
Cash/cash equivalents at beginning:		-	65 602	65 602		15 050				
Cash/cash equivalents at month/year end:		-	68 781	58 564		38 567	(4 106)			5 067

- Cash and cash equivalents as at 31 January 2025 comprise of R908 thousand cash available in bank accounts and R37,7 thousand held in short term fixed deposits at Standard Bank and Absa Bank.
- The cashflow from operating activities reflect a net balance of R59,6 million which is mainly due to the first and second 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 January 2025.**

PREPARER: D van der Merwe

Senior Manager: Budget and Reporting

DATE: February 2025

REVIEWER: PO Mokoena

DATE: February 2025

General Manager: Financial Services

APPROVAL: Dr N P Mahlalela

DATE: February 2025

Accounting Officer