

FSCM /2122 REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR THE PERIOD ENDED 31 JULY 2021

REPORT BY THE GENERAL MANAGER: FINANCE AND SUPPLY CHAIN MANAGEMENT

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 28 February 2021.

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 - M01 July

Description	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									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	5,943	10,500	10,500	12	12	875	(863)	-99%	10,500
Transfers and subsidies	287,266	278,932	278,932	114,458	114,458	23,244	91,214	392%	114,458
Other own revenue	1,605	2,728	2,728	52	52	227	(175)	-77%	2,728
Total Revenue (excluding capital transfers and contributions)	294,815	292,160	292,160	114,522	114,522	24,347	90,176	370%	127,686
Employee costs	145,754	174,363	172,530	12,522	12,522	14,378	(1,856)	-13%	172,530
Remuneration of Councillors	16,224	16,726	16,510	1,371	1,371	1,376	(4)	-0%	16,510
Depreciation & asset impairment	9,286	11,484	11,484	-	-	957	(957)	-100%	11,484
Finance charges	13,508	13,679	13,679	-	-	1,140	(1,140)	-100%	13,679
Materials and bulk purchases	1,828	1,133	2,121	6	6	177	(171)	-97%	2,121
Transfers and subsidies	187	-	-	-	-	-	-	-	-
Other expenditure	61,743	61,403	59,569	4,270	4,270	4,964	(694)	-14%	26,378
Total Expenditure	248,531	278,787	275,893	18,169	18,169	22,991	(4,822)	-21%	242,702
Surplus/(Deficit)	46,284	13,372	16,267	96,353	96,353	1,355	94,998	7009%	(115,017)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,371	2,403	2,403	-	-	200	(200)	-100%	2,403
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	30	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	48,685	15,775	18,670	96,353	96,353	1,556	94,798	6094%	(112,614)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	48,685	15,775	18,670	96,353	96,353	1,556	94,798	6094%	(112,614)

Capital expenditure & funds sources									
Capital expenditure	18,146	20,603	23,603	123	123	1,967	(1,844)	-94%	23,603
Capital transfers recognised	2,159	2,403	2,403	-	-	200	(200)	-100%	2,403
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15,988	18,200	21,200	123	123	1,767	(1,644)	-93%	21,200
Total sources of capital funds	18,146	20,603	23,603	123	123	1,967	(1,844)	-94%	23,603
Financial position									
Total current assets	(29,973)	89,234	89,234		212,273				289,344
Total non current assets	222,322	230,235	233,235		222,445				237,195
Total current liabilities	332,177	33,451	33,451		74,787				33,451
Total non current liabilities	106,910	131,803	131,803		106,910				131,803
Community wealth/Equity	154,275	138,439	138,439		253,020				138,439
Cash flows									
Net cash from (used) operating	466,652	27,259	27,259	99,635	99,635	1,556	(98,080)	-6305%	276,176
Net cash from (used) investing	(4,325)	(24,433)	(20,603)	(123)	(123)	(1,967)	(1,844)	94%	8,436
Net cash from (used) financing	-	1	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	547,812	88,311	92,140	-	180,474	(411)	(180,886)	43974%	284,612

The narratives of the summary of the actual budget performance and position against the approved budget projections for the month ending July 2021 is as follows:

- a) Total revenue earned up to end of July 2021 of R114,5 million which equates to 39.1% of total budget revenue for the financial year.
- b) Total expenditure up to end of July 2021 of R18,1 million which equates to 6.5% of total operating expenditure budget.
- c) Capital expenditure for the month of July 2021 of R123 thousand which equates to 0,5% of the total capital expenditure budget.
- d) The cash and cash equivalents as at 31 July 2021 amounts to R180,4 million.

1. Operating revenue and expenditure performance

DC32 Ehlanzeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

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										
Revenue By Source										
Property rates										
Service charges - electricity revenue										
Service charges - water revenue										
Service charges - sanitation revenue										
Service charges - refuse revenue										
Rental of facilities and equipment		389	646	646	-	-	54	(54)	-100%	646
Interest earned - external investments		5,943	10,500	10,500	12	12	875	(863)	-99%	10,500
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-
Dividends received		-	164	164	-	-	14	(14)	-100%	164
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-
Licences and permits		629	1,558	1,558	44	44	130	(86)	-66%	1,558
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		287,266	278,932	278,932	114,458	114,458	23,244	91,214	392%	114,458
Other revenue		572	360	360	8	8	30	(22)	-73%	360
Gains		16	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		294,815	292,160	292,160	114,522	114,522	24,347	90,176	370%	127,686
Expenditure By Type										
Employee related costs		145,754	174,363	172,530	12,522	12,522	14,378	(1,856)	-13%	172,530
Remuneration of councillors		16,224	16,726	16,510	1,371	1,371	1,376	(4)	0%	16,510
Debt impairment		(174)	-	-	-	-	-	-	-	-
Depreciation & asset impairment		9,286	11,484	11,484	-	-	957	(957)	-100%	11,484
Finance charges		13,508	13,679	13,679	-	-	1,140	(1,140)	-100%	13,679
Bulk purchases		-	-	-	-	-	-	-	-	-
Other materials		1,828	1,133	2,121	6	6	177	(171)	-97%	2,121
Contracted services		27,032	25,024	23,353	1,244	1,244	1,946	(702)	-36%	23,353
Transfers and subsidies		187	-	-	-	-	-	-	-	-
Other expenditure		34,873	36,379	36,217	3,026	3,026	3,018	8	0%	3,026
Losses		13	-	-	-	-	-	-	-	-
Total Expenditure		248,531	278,787	275,893	18,169	18,169	22,991	(4,822)	-21%	242,702
Surplus/(Deficit)		46,284	13,372	16,267	96,353	96,353	1,355	94,998	0	(115,017)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2,371	2,403	2,403	-	-	200	(200)	(0)	2,403
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)										
Transfers and subsidies - capital (in-kind - all)		30	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		48,685	15,775	18,670	96,353	96,353	1,556			(112,614)
Taxation										
Surplus/(Deficit) after taxation		48,685	15,775	18,670	96,353	96,353	1,556			(112,614)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		48,685	15,775	18,670	96,353	96,353	1,556			(112,614)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		48,685	15,775	18,670	96,353	96,353	1,556			(112,614)

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 R 114,5 million (39.1 per cent) is mainly as a result of the first instalment of the equitable share grant received during July 2021.
- The actual operating expenditure incurred amounting to R18,1 million is less than 21 per cent of the projected expenditure of R22,9 million mainly due to savings realized on the employees related cost and contracted services as well as the finance charges. The savings on the employees related cost are mainly due to delay on the filling of funded vacant positions and finalization of the new wage collective agreement by the bargaining council and the labour unions.

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) - M01 July

Vote 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										
Revenue by Vote	1									
Vote 01 - Council Summary		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		-	-	-	-	-	-	-	-	-
Vote 03 - Finance And Procurement		297,215	294,563	294,563	114,522	114,522	24,547	89,975	366.5%	114,522
Vote 04 - Local Economic Development, Tourism And Rural Deve		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Health & Environmental Management		-	-	-	-	-	-	-	-	-
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 07 - Social Services & Disaster Management		-	-	-	-	-	-	-	-	-
Vote 08 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	297,215	294,563	294,563	114,522	114,522	24,547	89,975	366.5%	114,522
Expenditure by Vote	1									
Vote 01 - Council Summary		33,632	37,974	37,543	2,437	2,437	3,129	(692)	-22.1%	37,543
Vote 02 - Corporate Services & Municipal Relations		43,028	49,065	48,743	3,205	3,205	4,062	(857)	-21.1%	46,857
Vote 03 - Finance And Procurement		67,983	66,392	65,985	2,907	2,907	5,499	(2,592)	-47.1%	58,376
Vote 04 - Local Economic Development, Tourism And Rural Deve		21,305	26,330	26,282	1,284	1,284	2,190	(906)	-41.4%	24,563
Vote 05 - Municipal Health & Environmental Management		26,044	30,074	29,608	2,133	2,133	2,467	(335)	-13.6%	29,608
Vote 06 - Office Of The Municipal Manager		25,541	30,087	29,699	2,246	2,246	2,475	(229)	-9.3%	25,916
Vote 07 - Social Services & Disaster Management		22,344	26,987	26,500	3,240	3,240	2,208	1,032	46.7%	13,563
Vote 08 - Technical Services		8,655	11,880	11,533	718	718	961	(243)	-25.3%	9,765
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	248,531	278,787	275,893	18,169	18,169	22,991	(4,822)	-21.0%	246,190
Surplus/ (Deficit) for the year	2	48,685	15,775	18,670	96,353	96,353	1,556	94,798	6094.1%	(131,668)

Departmental expenditure within budget with exception of Social Services and Disaster Management due to the payment of license fees advance during July 2021.

3. Capital expenditure performance

DC32 Ehlanzeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote 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									
Multi-Year expenditure appropriation	2									
Vote 01 - Council Summary		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		-	-	-	-	-	-	-	-	-
Vote 03 - Finance And Procurement		-	-	-	-	-	-	-	-	-
Vote 04 - Local Economic Development, Tourism And Rural Development		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Health & Environmental Management		-	-	-	-	-	-	-	-	-
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 07 - Social Services & Disaster Management		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		75	500	500	-	-	42	(42)	-100%	500
Vote 03 - Finance And Procurement		4,703	5,650	5,650	-	-	471	(471)	-100%	5,650
Vote 04 - Local Economic Development, Tourism And Rural Development		-	-	-	-	-	-	-	-	-
Vote 05 - Municipal Health & Environmental Management		729	-	-	-	-	-	-	-	-
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 07 - Social Services & Disaster Management		-	-	-	-	-	-	-	-	-
Vote 08 - Technical Services		12,640	14,453	17,453	123	123	1,454	(1,332)	-92%	17,453
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	18,146	20,603	23,603	123	123	1,967	(1,844)	-94%	23,603
Total Capital Expenditure		18,146	20,603	23,603	123	123	1,967	(1,844)	-94%	23,603
Capital Expenditure - Functional Classification										
Governance and administration		4,777	6,150	6,150	-	-	513	(513)	-100%	6,150
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		4,777	6,150	6,150	-	-	513	(513)	-100%	6,150
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		729	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		729	-	-	-	-	-	-	-	-
Economic and environmental services		2,905	10,053	10,053	-	-	838	(838)	-100%	10,053
Planning and development		946	2,000	2,000	-	-	167	(167)	-100%	2,000
Road transport		1,959	8,053	8,053	-	-	671	(671)	-100%	8,053
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		9,735	4,400	7,400	123	123	617	(494)	-80%	7,400
Energy sources		-	-	-	-	-	-	-	-	-
Water management		8,174	3,000	6,000	123	123	500	(377)	-75%	6,000
Waste water management		1,561	1,400	1,400	-	-	117	(117)	-100%	1,400
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	18,146	20,603	23,603	123	123	1,967	(1,844)	-94%	23,603

DETAILED ANALYSIS OF CAPITAL PROJECTS 2021-2022

Capital Project	Approved Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
EDM premises main entrance road realignment	2 350 000	0	0	0	2 350 000	
Rural Road Asset Management System	2 403 000	0	0	0	2 403 000	
Purchase of plant and equipment	350 000	0	0	0	350 000	
Purchase of furniture and fittings	500 000	0	0	0	500 000	
Purchase of motor vehicles	2 000 000	0	0	0	2 000 000	
Temperature Monitoring Scanner - DMC	600 000	0	0	0	600 000	
Purchase of Computer Equipment and Softwares	2 500 000	0	0	0	2 500 000	
Upgrade of IT Network Infrastructure	200 000	0	0	0	200 000	

Capital Projects	Approved Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
Augmentation of Barberton bulk water source	300 000	0	0	0	300 000	According to 2021/22 approved annual procurement plan, the procurement process planned to be concluded in October 2021.
Drilling and equipping of boreholes in the City of Mbombela	1 000 000	0	0	0	1 000 000	According to 2021/22 approved annual procurement plan, the procurement process planned to be concluded in October 2021.
Construction of Nkomazi High mast lights	1 000 000	0	0	0	1 000 000	According to 2021/22 approved annual procurement plan, the procurement process planned to be concluded in September 2021.
Malelane Ext 21 sewer package plant - Construction of fence, guardhouse and operator's house	400 000	0	0	0	400 000	According to 2021/22 approved annual procurement plan, the procurement process planned to be concluded in October 2021.
Road rehabilitation programme	1 000 000	0	0	0	1 000 000	According to 2021/22 approved annual procurement plan, the procurement process planned to be concluded in October 2021.
Refurbishment of high mast lights in Thaba Chweu	1 000 000	0	0	0	1 000 000	According to 2021/22 approved annual procurement plan, the procurement process planned to be concluded in September 2021.

Wastewater treatment works improvement programme	500 000	0	0	0	500 000	According to 2021/22 approved annual procurement plan, the procurement process planned to be concluded in October 2021.
Goromani water supply augmentation	2 200 000	272 500	122 690	45	1 927 500	Designs Completed and procurement process for the contractor to be concluded in September 2021.
Construction of Matseleng Pedestrian Bridge	2 300 000	0	0	0	2 300 000	Designs Completed and procurement process for the contractor to be concluded in September 2021.
District Water Masterplan	3 000 000	0	0	0	3 000 000	According to 2021/22 approved annual procurement plan, the procurement process planned to be concluded in September 2021.
TOTALS	23 603 000	272 500	122 690	45	23 330 500	

4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		410,670	83,964	83,964	2,289	83,964
Call investment deposits		(473,781)	459	459	178,185	178,185
Consumer debtors		377	-	-	350	350
Other debtors		27,576	4,302	4,302	26,273	26,273
Current portion of long-term receivables		413	346	346	409	409
Inventory		4,772	163	163	4,766	163
Total current assets		(29,973)	89,234	89,234	212,273	289,344
Non current assets						
Long-term receivables		3,960	-	-	3,960	3,960
Investments		4,599	4,729	4,729	4,599	4,729
Investment property						
Investments in Associate						
Property, plant and equipment		207,246	218,918	221,418	207,369	221,418
Biological						
Intangible		6,517	6,588	7,088	6,517	7,088
Other non-current assets		-	-	-	-	-
Total non current assets		222,322	230,235	233,235	222,445	237,195
TOTAL ASSETS		192,349	319,469	322,469	434,717	526,540
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		9,267	7,907	7,907	9,267	7,907
Consumer deposits		1	-	-	1	-
Trade and other payables		287,481	16,366	16,366	30,246	16,366
Provisions		35,429	9,179	9,179	35,274	9,179
Total current liabilities		332,177	33,451	33,451	74,787	33,451
Non current liabilities						
Borrowing		106,910	100,369	100,369	106,910	100,369
Provisions		-	31,434	31,434	-	31,434
Total non current liabilities		106,910	131,803	131,803	106,910	131,803
TOTAL LIABILITIES		439,087	165,255	165,255	181,697	165,255
NET ASSETS	2	(246,738)	154,215	157,215	253,020	361,285
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(246,738)	154,215	157,215	253,020	361,285
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(246,738)	154,215	157,215	253,020	361,285

The financial position as at 31 July 2021 is as follows;

- Total short-term fixed deposits as at 31 July 2021 at R178,1 million.
- Cash on hand at R2,2 million as at 31 July 2021.
- The DBSA non-current loan balance is R116,1 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 2021. The second payment of the loan of R 10,7 million is payable by 30 June 2022.

- d) The creditors and other payables amounted to R30,2 million whilst the debtors and other receivables amounted to R27 million and these balances are mainly due to the Department of Water and Sanitation, and Nkomazi Local Municipality agency agreement transactions for the Driekoppies and Sibange Water Schemes programmes.

5. Cashflow Performance

DC32 Ehlanzeni - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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		599,864	2,564	2,564	52	52	214	(162)	-76%	238,793
Transfers and Subsidies - Operational		-	278,932	278,932	114,458	114,458	23,244	91,214	392%	278,932
Transfers and Subsidies - Capital		40,072	2,403	2,403	-	-	200	(200)	-100%	15,090
Interest		2,291	10,500	10,500	12	12	875	(863)	-99%	10,500
Dividends		-	164	164	-	-	14	(14)	-100%	164
Payments										
Suppliers and employees		(175,574)	(253,625)	(253,625)	(14,887)	(14,887)	(21,851)	(6,965)	32%	(253,625)
Finance charges		-	(13,679)	(13,679)	-	-	(1,140)	(1,140)	100%	(13,679)
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		466,652	27,259	27,259	99,635	99,635	1,556	(98,080)	-6305%	276,176
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		3,960	(3,960)	-				-		3,960
Decrease (increase) in non-current investments		174	130	-				-		4,599
Payments										
Capital assets		(8,459)	(20,603)	(20,603)	(123)	(123)	(1,967)	(1,844)	94%	(123)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4,325)	(24,433)	(20,603)	(123)	(123)	(1,967)	(1,844)	94%	8,436
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	1	-	-	-	-	-		-
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	1	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		462,328	2,827	6,656	99,513	99,513	(411)			284,612
Cash/cash equivalents at beginning:		85,484	85,484	85,484		80,961				
Cash/cash equivalents at month/year end:		547,812	88,311	92,140		180,474	(411)			284,612

- a) Cash and cash equivalents as at 31 July 2021 comprise of R2,2 million cash available in bank accounts and R178,1 million held in short term fixed deposits at Absa Bank, Standard Bank, First National Bank and Nedbank.
- b) The cashflow from operating activities reflect a net balance of R99,6 million which is mainly due to the first instalment of the equitable share grant received and savings realised 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 report.**