

FSCM /2122 REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR THE PERIOD ENDED 31 AUGUST 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 31 August 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 - M02 August

Description	2020/21	Budget Year 2021/22							
	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	6,796	10,500	10,500	148	160	1,750	(1,590)	-91%	10,500
Transfers and subsidies	287,266	278,932	278,932	1,809	116,267	46,489	69,778	150%	116,267
Other own revenue	1,750	2,728	2,728	62	114	455	(340)	-75%	2,728
Total Revenue (excluding capital transfers and contributions)	295,811	292,160	292,160	2,019	116,542	48,693	67,848	139%	129,495
Employee costs	151,816	174,363	172,530	12,913	25,434	28,755	(3,321)	-12%	172,530
Remuneration of Councillors	16,264	16,726	16,510	1,352	2,724	2,752	(28)	-1%	16,510
Depreciation & asset impairment	11,052	11,484	11,484	2,061	2,061	1,914	147	8%	2,061
Finance charges	13,563	13,679	13,679	-	-	2,280	(2,280)	-100%	13,679
Inventory consumed and bulk purchases	1,873	1,133	1,971	110	116	340	(224)	-66%	1,971
Transfers and subsidies	8,827	-	-	-	-	-	-	-	-
Other expenditure	70,360	61,403	67,744	4,474	8,743	10,672	(1,928)	-18%	45,639
Total Expenditure	273,755	278,787	283,918	20,911	39,079	46,712	(7,633)	-16%	252,391
Surplus/(Deficit)	22,056	13,372	8,242	(18,891)	77,462	1,981	75,481	3810%	(122,896)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,371	2,403	2,403	-	-	401	(401)	-100%	2,403
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	30	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	24,457	15,775	10,645	(18,891)	77,462	2,382	75,081	3153%	(120,493)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	24,457	15,775	10,645	(18,891)	77,462	2,382	75,081	3153%	(120,493)

Capital expenditure & funds sources									
Capital expenditure	5 499	20 603	29 537	1 303	1 426	4 473	(3 048)	-68%	24 332
Capital transfers recognised	200	2 403	2 403	-	-	401	(401)	-100%	2 403
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	5 299	18 200	27 134	1 303	1 426	4 073	(2 647)	-65%	27 134
Total sources of capital funds	5 499	20 603	29 537	1 303	1 426	4 473	(3 048)	-68%	29 537
Financial position									
Total current assets	(68 025)	89 234	89 234		227 527				307 109
Total non current assets	210 202	230 235	239 169		208 186				244 309
Total current liabilities	376 836	33 451	33 451		118 796				33 451
Total non current liabilities	106 910	131 803	131 803		106 910				131 803
Community wealth/Equity	154 381	138 439	138 439		210 007				138 439
Cash flows									
Net cash from (used) operating	9 163	27 259	27 259	(16 830)	79 271	2 016	(77 255)	-3832%	356 796
Net cash from (used) investing	(84 818)	(24 433)	(20 603)	(1 303)	(1 426)	(4 073)	(2 647)	65%	8 313
Net cash from (used) financing	(7 580)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	6 363	88 310	92 140	-	163 329	(2 057)	(165 386)	8040%	365 109

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

- Total revenue earned up to end of August 2021 of R116,5 million which equates to 39.8% of total budget revenue for the financial year.
- Total expenditure up to end of August 2021 of R39 million which equates to 13,7% of total operating expenditure budget.
- Capital expenditure for the month of August 2021 of R1,4 million which equates to 5% of the total capital expenditure budget.
- The cash and cash equivalents as at 31 August 2021 amounts to R163,3 million.

1. Operating revenue and expenditure performance

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

Description	Ref	2020/21	Budget Year 2021/22							
		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		404	646	646	-	-	108	(108)	-100%	646
Interest earned - external investments		6,796	10,500	10,500	148	160	1,750	(1,590)	-91%	10,500
Interest earned - outstanding debtors		59	-	-	-	-	-	-	-	-
Dividends received		138	164	164	-	-	27	(27)	-100%	164
Fines, penalties and forfeits		100	-	-	-	-	-	-	-	-
Licences and permits		452	1,558	1,558	54	98	260	(162)	-62%	1,558
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		287,266	278,932	278,932	1,809	116,267	46,489	69,778	150%	116,267
Other revenue		575	360	360	9	17	60	(43)	-72%	360
Gains		23	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		295,811	292,160	292,160	2,019	116,542	48,693	67,848	139%	129,495
Expenditure By Type										
Employee related costs		151,816	174,363	172,530	12,913	25,434	28,755	(3,321)	-12%	172,530
Remuneration of councillors		16,264	16,726	16,510	1,352	2,724	2,752	(28)	-1%	16,510
Debt impairment		5,925	-	-	-	-	-	-	-	-
Depreciation & asset impairment		11,052	11,484	11,484	2,061	2,061	1,914	147	8%	2,061
Finance charges		13,563	13,679	13,679	-	-	2,280	(2,280)	-100%	13,679
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		1,873	1,133	1,971	110	116	340	(224)	-66%	1,971
Contracted services		27,711	25,024	26,353	3,004	4,248	4,165	83	2%	4,248
Transfers and subsidies		8,827	-	-	-	-	-	-	-	-
Other expenditure		36,445	36,379	41,392	1,470	4,496	6,507	(2,011)	-31%	41,392
Losses		280	-	-	-	-	-	-	-	-
Total Expenditure		273,755	278,787	283,918	20,911	39,079	46,712	(7,633)	-16%	252,391
Surplus/(Deficit)		22,056	13,372	8,242	(18,891)	77,462	1,981	75,481	0	(122,896)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2,371	2,403	2,403	-	-	401	(401)	(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		24,457	15,775	10,645	(18,891)	77,462	2,382			(120,493)
Taxation										
Surplus/(Deficit) after taxation		24,457	15,775	10,645	(18,891)	77,462	2,382			(120,493)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		24,457	15,775	10,645	(18,891)	77,462	2,382			(120,493)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		24,457	15,775	10,645	(18,891)	77,462	2,382			(120,493)

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 116,5 million (39,8 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 R39 million is less than 16 per cent of the projected expenditure of R46,7 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 Ehlaleni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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		298,212	294,563	294,563	2,019	116,542	49,094	67,448	137.4%	116,542
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	298,212	294,563	294,563	2,019	116,542	49,094	67,448	137.4%	116,542
Expenditure by Vote	1									
Vote 01 - Council Summary		33,509	37,974	37,543	2,471	4,908	6,257	(1,350)	-21.6%	37,543
Vote 02 - Corporate Services & Municipal Relations		43,003	49,065	48,768	3,462	6,668	8,126	(1,459)	-17.9%	47,028
Vote 03 - Finance And Procurement		92,652	66,392	65,985	6,849	9,756	10,998	(1,242)	-11.3%	48,808
Vote 04 - Local Economic Development, Tourism And Rural Deve		21,338	26,330	26,282	1,363	2,647	4,380	(1,734)	-39.6%	24,748
Vote 05 - Municipal Health & Environmental Management		26,198	30,074	29,608	2,120	4,253	4,935	(682)	-13.8%	29,608
Vote 06 - Office Of The Municipal Manager		25,708	30,087	29,699	2,538	4,784	4,950	(166)	-3.4%	26,710
Vote 07 - Social Services & Disaster Management		22,688	26,987	26,500	1,382	4,622	4,417	205	4.6%	14,493
Vote 08 - Technical Services		8,660	11,880	19,533	726	1,444	2,649	(1,206)	-45.5%	17,913
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	273,755	278,787	283,918	20,911	39,079	46,712	(7,633)	-16.3%	246,852
Surplus/ (Deficit) for the year	2	24,457	15,775	10,645	(18,891)	77,462	2,382	75,081	3152.5%	(130,310)

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) - M02 August

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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		106	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		872	500	1,375	-	-	163	(163)	-100%	1,375
Vote 03 - Finance And Procurement		1,587	5,650	5,650	-	-	942	(942)	-100%	5,650
Vote 04 - Local Economic Development, Tourism And Rural Development		125	-	-	-	-	-	-	-	-
Vote 05 - Municipal Health & Environmental Management		2,189	-	-	-	-	-	-	-	-
Vote 06 - Office Of The Municipal Manager		321	-	-	-	-	-	-	-	-
Vote 07 - Social Services & Disaster Management		121	-	-	-	-	-	-	-	-
Vote 08 - Technical Services		178	14,453	22,512	1,303	1,426	3,369	(1,943)	-58%	17,306
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	5,499	20,603	29,537	1,303	1,426	4,473	(3,048)	-68%	24,332
Total Capital Expenditure		5,499	20,603	29,537	1,303	1,426	4,473	(3,048)	-68%	24,332
Capital Expenditure - Functional Classification										
Governance and administration		2,886	6,150	7,025	-	-	1,105	(1,105)	-100%	7,025
Executive and council		427	-	-	-	-	-	-	-	-
Finance and administration		2,459	6,150	7,025	-	-	1,105	(1,105)	-100%	7,025
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2,310	-	-	-	-	-	-	-	-
Community and social services		95	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		2,215	-	-	-	-	-	-	-	-
Economic and environmental services		303	10,053	10,313	-	-	1,699	(1,699)	-100%	10,313
Planning and development		303	2,000	2,260	-	-	357	(357)	-100%	2,260
Road transport		-	8,053	8,053	-	-	1,342	(1,342)	-100%	8,053
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	4,400	12,199	1,303	1,426	1,670	(244)	-15%	6,993
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	3,000	6,250	560	682	1,023	(340)	-33%	6,250
Waste water management		-	1,400	5,949	743	743	647	96	15%	743
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	5,499	20,603	29,537	1,303	1,426	4,473	(3,048)	-68%	24,332

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.
TOTALS	20 603 000	272 500	122 690	45	20 330 500	

Roll Over Capital Project	Roll Over Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
Refurbishment of Bulk Water & Sewerage Infrastructure-Coromandel WWTW	1 483 937	1 483 937	368 072	25	0	
Goromani Water Supply Augmentation	149 810	149 810		0	0	
Drill and Equip of new boreholes-Bushbuckridge	1 442 982	1 442 982	231 202.60	16	0	
Drill and Equip of new boreholes-City of Mbombela	1 409 039	1 409 039	512 040	34	0	
Drill and Equip of new boreholes-Nkomazi	1 615 917	1 615 917		0	0	
Access bridge Matseleng Primary	260 249	260 249		0	0	

School						
Water Supply Augmentation in Steenbok and KaHhoyi	1 615 917	1 615 917	191 614.55	12	0	
Provision of additional EDM office space	875 440	875 440		0	0	
TOTALS	8 934 291	8 934 291	1 302 929	14.5	0	

4. Financial Position

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

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		410,670	83,964	83,964	894	83,964
Call investment deposits		(542,930)	459	459	162,435	162,435
Consumer debtors		(5,623)	-	-	(5,664)	-
Other debtors		60,029	4,302	4,302	60,027	60,027
Current portion of long-term receivables		523	346	346	520	520
Inventory		9,306	163	163	9,315	9,315
Total current assets		(68,025)	89,234	89,234	227,527	316,261
Non current assets						
Long-term receivables		6,520	-	-	5,140	5,140
Investments		4,599	4,729	4,729	4,599	4,729
Investment property						
Investments in Associate						
Property, plant and equipment		194,789	218,918	227,352	194,415	227,352
Biological						
Intangible		4,294	6,588	7,088	4,032	7,088
Other non-current assets		-	-	-	-	-
Total non current assets		210,202	230,235	239,169	208,186	244,309
TOTAL ASSETS		142,177	319,469	328,404	435,713	560,570
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		8,755	7,907	7,907	8,755	7,907
Consumer deposits		-	-	-	-	-
Trade and other payables		326,750	16,366	16,366	68,884	16,366
Provisions		41,331	9,179	9,179	41,157	9,179
Total current liabilities		376,836	33,451	33,451	118,796	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		483,746	165,255	165,255	225,706	165,255
NET ASSETS	2	(341,569)	154,215	163,149	210,007	395,316
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		154,381	138,439	138,439	210,007	138,439
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	154,381	138,439	138,439	210,007	138,439

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

- Total short-term fixed deposits as at 31 August 2021 at R162, 4 million.
- Cash on hand at R894 thousand as at 31 August 2021.
- The DBSA non-current loan balance is R115,6 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 R68, 8 million whilst the debtors and other receivables amounted to R54,8 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 Ehlazeni - Table C7 Monthly Budget Statement - Cash Flow - M02 August

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		148,581	2,564	2,564	62	114	427	(313)	-73%	314,658
Transfers and Subsidies - Operational		287,467	278,932	278,932	1,809	116,267	46,489	69,778	150%	278,932
Transfers and Subsidies - Capital		2,371	2,403	2,403	-	-	401	(401)	-100%	19,846
Interest		6,900	10,500	10,500	148	160	1,750	(1,590)	-91%	10,500
Dividends		-	164	164	-	-	27	(27)	-100%	164
Payments										
Suppliers and employees		(421,568)	(253,625)	(253,625)	(18,849)	(37,271)	(44,798)	(7,527)	17%	(253,625)
Finance charges		(13,508)	(13,679)	(13,679)	-	-	(2,280)	(2,280)	100%	(13,679)
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		10,244	27,259	27,259	(16,830)	79,271	2,016	(77,255)	-3832%	356,796
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		7								
Decrease (increase) in non-current receivables		-	(3,960)	-	-	-	-	-		5,140
Decrease (increase) in non-current investments		(1,948)	130	-	-	-	-	-		4,599
Payments										
Capital assets		(5,499)	(20,603)	(20,603)	(1,303)	(1,426)	(4,073)	(2,647)	65%	(1,426)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7,440)	(24,433)	(20,603)	(1,303)	(1,426)	(4,073)	(2,647)	65%	8,313
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(8,424)								
NET CASH FROM/(USED) FINANCING ACTIVITIES		(8,424)	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		(5,620)	2,826	6,656	(18,133)	77,845	(2,057)			365,109
Cash/cash equivalents at beginning:		6,363	85,484	85,484		85,484				
Cash/cash equivalents at month/year end:		742	88,310	92,140		163,329	(2,057)			365,109

- a) Cash and cash equivalents as at 31 August 2021 comprise of R894 thousand cash available in bank accounts and R162,4 million held in short term fixed deposits at Absa Bank, First National Bank and Nedbank.
- b) The cashflow from operating activities reflect a net balance of R79, 2 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 report.**