

**FSCM /2122 REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR THE PERIOD ENDED OCTOBER 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 October 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 - M04 October

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	6 796	10 500	10 500	355	1 812	3 500	(1 688)	-48%	10 500
Transfers and subsidies	287 266	278 932	278 932	(531)	115 736	92 977	22 759	24%	115 736
Other own revenue	1 750	2 728	2 728	76	309	909	(600)	-66%	2 728
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>295 811</b>	<b>292 160</b>	<b>292 160</b>	<b>(100)</b>	<b>117 857</b>	<b>97 387</b>	<b>20 470</b>	<b>21%</b>	<b>128 964</b>
Employee costs	151 816	174 363	169 581	14 587	52 153	57 183	(5 030)	-9%	169 581
Remuneration of Councillors	16 264	16 726	16 744	1 333	5 414	5 529	(116)	-2%	16 744
Depreciation & asset impairment	11 052	11 484	11 484	989	4 040	3 828	212	6%	4 040
Finance charges	13 563	13 679	13 679	-	0	4 560	(4 560)	-100%	13 679
Inventory consumed and bulk purchases	1 873	1 133	1 871	358	679	646	33	5%	679
Transfers and subsidies	8 827	-	-	-	-	-	-	-	-
Other expenditure	70 360	61 403	68 428	4 826	18 975	22 189	(3 214)	-14%	68 428
<b>Total Expenditure</b>	<b>273 755</b>	<b>278 787</b>	<b>281 787</b>	<b>22 092</b>	<b>81 261</b>	<b>93 935</b>	<b>(12 674)</b>	<b>-13%</b>	<b>273 152</b>
<b>Surplus/(Deficit)</b>	<b>22 056</b>	<b>13 372</b>	<b>10 373</b>	<b>(22 192)</b>	<b>36 596</b>	<b>3 452</b>	<b>33 145</b>	<b>960%</b>	<b>(144 188)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 371	2 403	2 403	-	-	801	(801)	-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	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>24 457</b>	<b>15 775</b>	<b>12 776</b>	<b>(22 192)</b>	<b>36 596</b>	<b>4 253</b>	<b>32 344</b>	<b>761%</b>	<b>(141 785)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>24 457</b>	<b>15 775</b>	<b>12 776</b>	<b>(22 192)</b>	<b>36 596</b>	<b>4 253</b>	<b>32 344</b>	<b>761%</b>	<b>(141 785)</b>

<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>5,499</b>	<b>20,603</b>	<b>34,537</b>	<b>630</b>	<b>4,388</b>	<b>10,042</b>	<b>(5,654)</b>	<b>-56%</b>	<b>34,537</b>
Capital transfers recognised	200	2,403	2,403	-	-	801	(801)	-100%	2,403
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	<b>5,299</b>	<b>18,200</b>	<b>32,134</b>	<b>630</b>	<b>4,388</b>	<b>9,241</b>	<b>(4,853)</b>	<b>-53%</b>	<b>32,134</b>
<b>Total sources of capital funds</b>	<b>5,499</b>	<b>20,603</b>	<b>34,537</b>	<b>630</b>	<b>4,388</b>	<b>10,042</b>	<b>(5,654)</b>	<b>-56%</b>	<b>34,537</b>
<b>Financial position</b>									
Total current assets	(68,025)	89,234	89,234		178,665				266,893
Total non current assets	210,202	230,235	244,169		210,612				250,752
Total current liabilities	376,836	33,451	33,451		113,246				33,451
Total non current liabilities	106,910	131,803	131,803		106,910				131,803
Community wealth/Equity	<b>154,381</b>	<b>138,439</b>	<b>138,439</b>		<b>169,122</b>				<b>138,439</b>
<b>Cash flows</b>									
Net cash from (used) operating	466,652	27,259	27,259	(20,672)	35,849	7,280	(28,570)	-392%	276,176
Net cash from (used) investing	(4,325)	(24,433)	(20,603)	(630)	(4,388)	(10,042)	(5,654)	56%	8,436
Net cash from (used) financing	-	1	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>547,812</b>	<b>88,311</b>	<b>92,140</b>	<b>-</b>	<b>112,423</b>	<b>(2,762)</b>	<b>(115,185)</b>	<b>4170%</b>	<b>284,612</b>

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

- a) Total revenue earned up to end of October 2021 of R117,8 million which equates to 40.3% of total budget revenue for the financial year.
- b) Total expenditure up to end of October 2021 of R81,2 million which equates to 28,8% of total operating expenditure budget.
- c) Capital expenditure for the month of October 2021 of R4,3 million which equates to 12% of the total capital expenditure budget.
- d) The cash and cash equivalents as at 31 October 2021 amounts to R112,4 million.

## 1. Operating revenue and expenditure performance

DC32 Ehlanzeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
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	-	45	215	(170)	-79%	646
Interest earned - external investments		6 796	10 500	10 500	355	1 812	3 500	(1 688)	-48%	10 500
Interest earned - outstanding debtors		59	-	-	-	-	-	-	-	-
Dividends received		138	164	164	-	-	55	(55)	-100%	164
Fines, penalties and forfeits		100	-	-	-	-	-	-	-	-
Licences and permits		452	1 558	1 558	67	229	519	(290)	-56%	1 558
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		287 266	278 932	278 932	(531)	115 736	92 977	22 759	24%	115 736
Other revenue		575	360	360	9	35	120	(85)	-71%	360
Gains		23	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>295 811</b>	<b>292 160</b>	<b>292 160</b>	<b>(100)</b>	<b>117 857</b>	<b>97 387</b>	<b>20 470</b>	<b>21%</b>	<b>128 964</b>
<b>Expenditure By Type</b>										
Employee related costs		151 816	174 363	169 581	14 587	52 153	57 183	(5 030)	-9%	169 581
Remuneration of councillors		16 264	16 726	16 744	1 333	5 414	5 529	(116)	-2%	16 744
Debt impairment		5 925	-	-	-	-	-	-	-	-
Depreciation & asset impairment		11 052	11 484	11 484	989	4 040	3 828	212	6%	4 040
Finance charges		13 563	13 679	13 679	-	0	4 560	(4 560)	-100%	13 679
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		1 873	1 133	1 871	358	679	646	33	5%	679
Contracted services		27 711	25 024	28 282	1 604	8 559	8 868	(310)	-3%	28 282
Transfers and subsidies		8 827	-	-	-	-	-	-	-	-
Other expenditure		36 445	36 379	40 146	3 221	10 416	13 321	(2 905)	-22%	40 146
Losses		280	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>273 755</b>	<b>278 787</b>	<b>281 787</b>	<b>22 092</b>	<b>81 261</b>	<b>93 935</b>	<b>(12 674)</b>	<b>-13%</b>	<b>273 152</b>
<b>Surplus/(Deficit)</b>		<b>22 056</b>	<b>13 372</b>	<b>10 373</b>	<b>(22 192)</b>	<b>36 596</b>	<b>3 452</b>	<b>33 145</b>	<b>0</b>	<b>(144 188)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 371	2 403	2 403	-	-	801	(801)	(0)	2 403
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		30	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>24 457</b>	<b>15 775</b>	<b>12 776</b>	<b>(22 192)</b>	<b>36 596</b>	<b>4 253</b>			<b>(141 785)</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>24 457</b>	<b>15 775</b>	<b>12 776</b>	<b>(22 192)</b>	<b>36 596</b>	<b>4 253</b>			<b>(141 785)</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>24 457</b>	<b>15 775</b>	<b>12 776</b>	<b>(22 192)</b>	<b>36 596</b>	<b>4 253</b>			<b>(141 785)</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>24 457</b>	<b>15 775</b>	<b>12 776</b>	<b>(22 192)</b>	<b>36 596</b>	<b>4 253</b>			<b>(141 785)</b>

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 117,7 million (40,3 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 R81,2 million is less than 13 per cent of the projected expenditure of R93,9 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) - M04 October

Vote Description	Ref	Budget Year 2021/22								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Council Summary		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		-	-	-	-	-	-	-	-	-
Vote 03 - Finance And Procurement		298 212	294 563	294 563	(100)	117 857	98 188	19 669	20,0%	117 857
Vote 04 - Local Economic Development; Tourism And Rural		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>298 212</b>	<b>294 563</b>	<b>294 563</b>	<b>(100)</b>	<b>117 857</b>	<b>98 188</b>	<b>19 669</b>	<b>20,0%</b>	<b>117 857</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Council Summary		33 509	37 974	35 360	2 924	10 446	12 272	(1 826)	-14,9%	35 360
Vote 02 - Corporate Services & Municipal Relations		43 003	49 065	47 743	4 556	15 743	16 132	(389)	-2,4%	27 997
Vote 03 - Finance And Procurement		92 652	66 392	71 492	3 778	18 513	22 634	(4 121)	-18,2%	53 117
Vote 04 - Local Economic Development; Tourism And Rural		21 338	26 330	26 330	1 888	5 890	8 766	(2 876)	-32,8%	25 129
Vote 05 - Municipal Health & Environmental Management		26 198	30 074	28 176	2 307	8 615	9 710	(1 095)	-11,3%	26 691
Vote 06 - Office Of The Municipal Manager		25 708	30 087	30 821	2 825	9 876	10 024	(148)	-1,5%	25 180
Vote 07 - Social Services & Disaster Management		22 688	26 987	26 987	3 000	9 180	8 888	292	3,3%	12 906
Vote 08 - Technical Services		8 660	11 880	14 880	814	2 998	5 509	(2 512)	-45,6%	13 360
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>273 755</b>	<b>278 787</b>	<b>281 787</b>	<b>22 092</b>	<b>81 261</b>	<b>93 935</b>	<b>(12 674)</b>	<b>-13,5%</b>	<b>219 739</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>24 457</b>	<b>15 775</b>	<b>12 776</b>	<b>(22 192)</b>	<b>36 596</b>	<b>4 253</b>	<b>32 344</b>	<b>760,6%</b>	<b>(101 882)</b>

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) - M04 October

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	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		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Council Summary		106	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		872	500	1 375	-	-	405	(405)	-100%	1 375
Vote 03 - Finance And Procurement		1 587	5 650	5 650	420	448	1 883	(1 435)	-76%	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	27 512	210	3 939	7 753	(3 813)	-49%	27 512
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	5 499	20 603	34 537	630	4 388	10 042	(5 654)	-56%	34 537
<b>Total Capital Expenditure</b>		<b>5 499</b>	<b>20 603</b>	<b>34 537</b>	<b>630</b>	<b>4 388</b>	<b>10 042</b>	<b>(5 654)</b>	<b>-56%</b>	<b>34 537</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>2 886</b>	<b>6 150</b>	<b>7 025</b>	<b>420</b>	<b>448</b>	<b>2 289</b>	<b>(1 840)</b>	<b>-80%</b>	<b>7 025</b>
Executive and council		427	-	-	-	-	-	-	-	-
Finance and administration		2 459	6 150	7 025	420	448	2 289	(1 840)	-80%	7 025
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>2 310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		95	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		2 215	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>303</b>	<b>10 053</b>	<b>10 313</b>	<b>26</b>	<b>159</b>	<b>3 422</b>	<b>(3 263)</b>	<b>-95%</b>	<b>10 313</b>
Planning and development		303	2 000	2 260	-	133	738	(605)	-82%	2 260
Road transport		-	8 053	8 053	26	26	2 684	(2 658)	-99%	8 053
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>-</b>	<b>4 400</b>	<b>17 199</b>	<b>184</b>	<b>3 780</b>	<b>4 331</b>	<b>(551)</b>	<b>-13%</b>	<b>17 199</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	3 000	6 250	-	1 646	2 068	(422)	-20%	6 250
Waste water management		-	1 400	10 949	184	2 135	2 263	(128)	-6%	10 949
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>5 499</b>	<b>20 603</b>	<b>34 537</b>	<b>630</b>	<b>4 388</b>	<b>10 042</b>	<b>(5 654)</b>	<b>-56%</b>	<b>34 537</b>

**DETAILED ANALYSIS OF CAPITAL PROJECTS 2021-2022**

<b>Capital Project</b>	<b>Approved Budget for the Year</b>	<b>Appointment amount</b>	<b>Actual cumulative to date</b>	<b>% Spent on appointments</b>	<b>Available Budget vs Appointments</b>	<b>Comments</b>
EDM premises main entrance road realignment	2 350 000	529 460	26 112	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	195 493	195 493	100	304 506	
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 Software	2 500 000	252 779	252 779	100	2 247 221	
Upgrade of IT Network Infrastructure	200 000	0	0	0	200 000	

<b>Capital Projects</b>	<b>Approved Budget for the Year</b>	<b>Appointment amount</b>	<b>Actual cumulative to date</b>	<b>% Spent on appointments</b>	<b>Available Budget vs Appointments</b>	<b>Comments</b>
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.
<b>TOTALS</b>	<b>20 603 000</b>	<b>1 250 232</b>	<b>597 074</b>	<b>83</b>	<b>19 352 768</b>	

<b>Roll Over Capital Project</b>	<b>Roll Over Budget for the Year</b>	<b>Appointment amount</b>	<b>Actual cumulative to date</b>	<b>% Spent on appointments</b>	<b>Available Budget vs Appointments</b>	<b>Comments</b>
Refurbishment of Bulk Water & Sewerage Infrastructure-Coromandel WWTW	1 483 937	1 483 937	1 203 507	81	0	
Goromani Water Supply Augmentation	149 810	149 810		0	0	
Drill and Equip of new boreholes-Bushbuckridge	1 442 982	1 442 982	514 860	36	0	
Drill and Equip of new boreholes-City of Mbombela	1 409 039	1 409 039	1 034 058	69	0	
Drill and Equip of new boreholes-Nkomazi	1 615 917	1 615 917	585 712	36	0	
Access bridge Matseleng Primary	260 249	260 249	133 000	51	0	

School						
Water Supply Augmentation in Steenbok and KaHhoyi	1 615 917	1 615 917	319 546	20	0	
Provision of additional EDM office space	875 440	875 440		0	0	
<b>TOTALS</b>	<b>8 934 291</b>	<b>8 934 291</b>	<b>3 790 686</b>	<b>42,43</b>	<b>0</b>	

#### 4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		410 670	83 964	83 964	1 393	83 964
Call investment deposits		(542 930)	459	459	111 030	111 030
Consumer debtors		(5 623)	–	–	(5 658)	–
Other debtors		60 029	4 302	4 302	62 115	62 115
Current portion of long-term receivables		523	346	346	487	487
Inventory		9 306	163	163	9 298	9 298
<b>Total current assets</b>		<b>(68 025)</b>	<b>89 234</b>	<b>89 234</b>	<b>178 665</b>	<b>266 893</b>
<b>Non current assets</b>						
Long-term receivables		6 520	–	–	6 583	6 583
Investments		4 599	4 729	4 729	4 599	4 729
Investment property						
Investments in Associate						
Property, plant and equipment		194 789	218 918	232 352	195 654	232 352
Biological						
Intangible		4 294	6 588	7 088	3 776	7 088
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>210 202</b>	<b>230 235</b>	<b>244 169</b>	<b>210 612</b>	<b>250 752</b>
<b>TOTAL ASSETS</b>		<b>142 177</b>	<b>319 469</b>	<b>333 404</b>	<b>389 277</b>	<b>517 646</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
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	64 427	16 366
Provisions		41 331	9 179	9 179	40 063	9 179
<b>Total current liabilities</b>		<b>376 836</b>	<b>33 451</b>	<b>33 451</b>	<b>113 246</b>	<b>33 451</b>
<b>Non current liabilities</b>						
Borrowing		106 910	100 369	100 369	106 910	100 369
Provisions		–	31 434	31 434	–	31 434
<b>Total non current liabilities</b>		<b>106 910</b>	<b>131 803</b>	<b>131 803</b>	<b>106 910</b>	<b>131 803</b>
<b>TOTAL LIABILITIES</b>		<b>483 746</b>	<b>165 255</b>	<b>165 255</b>	<b>220 156</b>	<b>165 255</b>
<b>NET ASSETS</b>	2	<b>(341 569)</b>	<b>154 215</b>	<b>168 149</b>	<b>169 122</b>	<b>352 391</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		154 381	138 439	138 439	169 122	138 439
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>154 381</b>	<b>138 439</b>	<b>138 439</b>	<b>169 122</b>	<b>138 439</b>

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

- Total short-term fixed deposits as at 31 October 2021 at R111million.
- Cash on hand at R1,3million as at 31 October 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 R64,4million whilst the debtors and other receivables amounted to R56,9 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 - 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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates								-		
Service charges								-		
Other revenue		599 864	2 564	2 564	76	309	855	(545)	-64%	238 793
Transfers and Subsidies - Operational		-	278 932	278 932	-	117 949	92 977	24 972	27%	278 932
Transfers and Subsidies - Capital		40 072	2 403	2 403				-		15 090
Interest		2 291	10 500	10 500	355	1 812	3 500	(1 688)	-48%	10 500
Dividends		-	164	164			55	(55)	-100%	164
<b>Payments</b>										
Suppliers and employees		(175 574)	(253 625)	(253 625)	(21 103)	(84 221)	(85 548)	(1 327)	2%	(253 625)
Finance charges		-	(13 679)	(13 679)	-	-	(4 560)	(4 560)	100%	(13 679)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>466 652</b>	<b>27 259</b>	<b>27 259</b>	<b>(20 672)</b>	<b>35 849</b>	<b>7 280</b>	<b>(28 570)</b>	<b>-392%</b>	<b>276 176</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
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
<b>Payments</b>										
Capital assets		(8 459)	(20 603)	(20 603)	(630)	(4 388)	(10 042)	(5 654)	56%	(123)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4 325)</b>	<b>(24 433)</b>	<b>(20 603)</b>	<b>(630)</b>	<b>(4 388)</b>	<b>(10 042)</b>	<b>(5 654)</b>	<b>56%</b>	<b>8 436</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	1	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>462 328</b>	<b>2 827</b>	<b>6 656</b>	<b>(21 302)</b>	<b>31 462</b>	<b>(2 762)</b>			<b>284 612</b>
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		112 423	(2 762)			284 612

- a) Cash and cash equivalents as at 31 October 2021 comprise of R1,4 million and cash available in bank accounts and R111 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 R35.8 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.**