

**FSCM /2122 REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR THE PERIOD ENDED NOVEMBER 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 30 November 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 - M05 November**

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	46	1 857	4 375	(2 518)	-58%	10 500
Transfers and subsidies	287 266	278 932	278 932	839	116 575	116 222	353	0%	116 575
Other own revenue	1 750	2 728	2 728	240	550	1 137	(587)	-52%	2 539
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>295 811</b>	<b>292 160</b>	<b>292 160</b>	<b>1 125</b>	<b>118 982</b>	<b>121 733</b>	<b>(2 751)</b>	<b>-2%</b>	<b>129 614</b>
Employee costs	151 816	174 363	169 514	12 863	65 016	71 224	(6 209)	-9%	169 514
Remuneration of Councillors	16 264	16 726	16 744	1 019	6 433	6 931	(498)	-7%	16 744
Depreciation & asset impairment	11 052	11 484	11 484	823	4 863	4 785	78	2%	4 863
Finance charges	13 563	13 679	13 679	-	0	5 699	(5 699)	-100%	13 679
Inventory consumed and bulk purchases	1 873	1 133	1 871	11	690	799	(109)	-14%	1 871
Transfers and subsidies	8 827	-	-	-	-	-	-	-	-
Other expenditure	70 360	61 403	68 450	4 959	23 934	27 972	(4 038)	-14%	68 450
<b>Total Expenditure</b>	<b>273 755</b>	<b>278 787</b>	<b>281 742</b>	<b>19 675</b>	<b>100 935</b>	<b>117 411</b>	<b>(16 476)</b>	<b>-14%</b>	<b>275 122</b>
<b>Surplus/(Deficit)</b>	<b>22 056</b>	<b>13 372</b>	<b>10 418</b>	<b>(18 550)</b>	<b>18 047</b>	<b>4 322</b>	<b>13 725</b>	<b>318%</b>	<b>(145 508)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 371	2 403	2 403	-	-	1 001	###	-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>12 821</b>	<b>(18 550)</b>	<b>18 047</b>	<b>5 323</b>	<b>12 724</b>	<b>239%</b>	<b>(143 105)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>24 457</b>	<b>15 775</b>	<b>12 821</b>	<b>(18 550)</b>	<b>18 047</b>	<b>5 323</b>	<b>12 724</b>	<b>239%</b>	<b>(143 105)</b>

<b>Capital expenditure</b>	<b>5 499</b>	<b>20 603</b>	<b>34 537</b>	<b>2 485</b>	<b>6 873</b>	<b>13 104</b>	<b>(6 231)</b>	<b>-48%</b>	<b>34 537</b>
Capital transfers recognised	200	2 403	2 403	-	-	1 001	(1 001)	-100%	2 403
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	5 299	18 200	32 134	2 485	6 873	12 102	(5 229)	-43%	32 134
<b>Total sources of capital funds</b>	<b>5 499</b>	<b>20 603</b>	<b>34 537</b>	<b>2 485</b>	<b>6 873</b>	<b>13 104</b>	<b>(6 231)</b>	<b>-48%</b>	<b>34 537</b>
<b>Financial position</b>									
Total current assets	(68 025)	89 234	89 234		163 479				242 956
Total non current assets	210 202	230 235	244 169		212 756				251 379
Total current liabilities	376 836	33 451	33 451		118 784				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>150 541</b>				<b>138 439</b>
<b>Cash flows</b>									
Net cash from (used) operating	466 652	27 259	27 259	(17 727)	22 203	10 108	(12 095)	-120%	276 176
Net cash from (used) investing	(4 325)	(24 433)	(34 537)	(2 485)	(6 873)	(12 102)	(5 229)	43%	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>78 206</b>	<b>-</b>	<b>96 291</b>	<b>(1 994)</b>	<b>(98 285)</b>	<b>4929%</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 November 2021 is as follows:

- Total revenue earned up to end of November 2021 of R118,9 million which equates to 40.7% of total budget revenue for the financial year.
- Total expenditure up to end of November 2021 of R100,9 million which equates to 35,8% of total operating expenditure budget.
- Capital expenditure for the month of November 2021 of R6,8 million which equates to 19,9% of the total capital expenditure budget.
- The cash and cash equivalents as at 30 November 2021 amounts to R96,2 million.

## 1. Operating revenue and expenditure performance

DC32 Ehlanzeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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	2	47	269	(223)	-83%	646
Interest earned - external investments		6 796	10 500	10 500	46	1 857	4 375	(2 518)	-58%	10 500
Interest earned - outstanding debtors		59	-	-	-	-	-	-	-	-
Dividends received		138	164	164	-	-	68	(68)	-100%	164
Fines, penalties and forfeits		100	-	-	-	-	-	-	-	-
Licences and permits		452	1 558	1 558	103	332	649	(317)	-49%	1 558
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		287 266	278 932	278 932	839	116 575	116 222	353	0%	116 575
Other revenue		575	360	360	136	171	150	21	14%	171
Gains		23	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>295 811</b>	<b>292 160</b>	<b>292 160</b>	<b>1 125</b>	<b>118 982</b>	<b>121 733</b>	<b>(2 751)</b>	<b>-2%</b>	<b>129 614</b>
<b>Expenditure By Type</b>										
Employee related costs		151 816	174 363	169 514	12 863	65 016	71 224	(6 209)	-9%	169 514
Remuneration of councillors		16 264	16 726	16 744	1 019	6 433	6 931	(498)	-7%	16 744
Debt impairment		5 925	-	-	-	-	-	-	-	-
Depreciation & asset impairment		11 052	11 484	11 484	823	4 863	4 785	78	2%	4 863
Finance charges		13 563	13 679	13 679	-	0	5 699	(5 699)	-100%	13 679
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		1 873	1 133	1 871	11	690	799	(109)	-14%	1 871
Contracted services		27 711	25 024	28 484	2 117	10 675	11 320	(645)	-6%	28 484
Transfers and subsidies		8 827	-	-	-	-	-	-	-	-
Other expenditure		36 445	36 379	39 966	2 842	13 258	16 652	(3 393)	-20%	39 966
Losses		280	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>273 755</b>	<b>278 787</b>	<b>281 742</b>	<b>19 675</b>	<b>100 935</b>	<b>117 411</b>	<b>(16 476)</b>	<b>-14%</b>	<b>275 122</b>
<b>Surplus/(Deficit)</b>		<b>22 056</b>	<b>13 372</b>	<b>10 418</b>	<b>(18 550)</b>	<b>18 047</b>	<b>4 322</b>	<b>13 725</b>	<b>0</b>	<b>(145 508)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 371	2 403	2 403	-	-	1 001	(1 001)	(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>12 821</b>	<b>(18 550)</b>	<b>18 047</b>	<b>5 323</b>			<b>(143 105)</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>24 457</b>	<b>15 775</b>	<b>12 821</b>	<b>(18 550)</b>	<b>18 047</b>	<b>5 323</b>			<b>(143 105)</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>24 457</b>	<b>15 775</b>	<b>12 821</b>	<b>(18 550)</b>	<b>18 047</b>	<b>5 323</b>			<b>(143 105)</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>24 457</b>	<b>15 775</b>	<b>12 821</b>	<b>(18 550)</b>	<b>18 047</b>	<b>5 323</b>			<b>(143 105)</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 118,9 million (40,7 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 R100,9 million is less than 14 per cent of the projected expenditure of R117,4 million mainly due to savings realized on the

employees related cost and contracted services as well as the finance charges to be paid in December 2021. 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) - M05 November

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>										
<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	1 125	118 982	122 735	(3 752)	-3,1%	294 563
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>1 125</b>	<b>118 982</b>	<b>122 735</b>	<b>(3 752)</b>	<b>-3,1%</b>	<b>294 563</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Council Summary		33 509	37 974	35 360	2 533	12 979	15 158	(2 179)	-14,4%	35 360
Vote 02 - Corporate Services & Municipal Relations		43 003	49 065	47 743	6 715	22 458	20 083	2 375	11,8%	33 378
Vote 03 - Finance And Procurement		92 652	66 392	71 492	(10)	18 502	28 741	(10 239)	-35,6%	62 687
Vote 04 - Local Economic Development; Tourism And Rural		21 338	26 330	26 330	2 263	8 153	10 962	(2 809)	-25,6%	25 329
Vote 05 - Municipal Health & Environmental Management		26 198	30 074	28 176	2 646	11 261	12 018	(757)	-6,3%	15 618
Vote 06 - Office Of The Municipal Manager		25 708	30 087	30 821	2 507	12 383	12 624	(241)	-1,9%	28 291
Vote 07 - Social Services & Disaster Management		22 688	26 987	26 942	2 207	11 387	11 144	242	2,2%	18 616
Vote 08 - Technical Services		8 660	11 880	14 880	814	3 812	6 680	(2 869)	-42,9%	13 620
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>281 742</b>	<b>19 675</b>	<b>100 935</b>	<b>117 411</b>	<b>(16 476)</b>	<b>-14,0%</b>	<b>232 899</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>24 457</b>	<b>15 775</b>	<b>12 821</b>	<b>(18 550)</b>	<b>18 047</b>	<b>5 323</b>	<b>12 724</b>	<b>239,0%</b>	<b>61 664</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) - M05 November

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	-	-	527	(527)	-100%	1 375
Vote 03 - Finance And Procurement		1 587	5 650	5 650	264	712	2 354	(1 642)	-70%	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	2 221	6 161	10 223	(4 062)	-40%	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	2 485	6 873	13 104	(6 231)	-48%	34 537
<b>Total Capital Expenditure</b>		<b>5 499</b>	<b>20 603</b>	<b>34 537</b>	<b>2 485</b>	<b>6 873</b>	<b>13 104</b>	<b>(6 231)</b>	<b>-48%</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>264</b>	<b>712</b>	<b>2 881</b>	<b>(2 168)</b>	<b>-75%</b>	<b>7 025</b>
Executive and council		427	-	-	-	-	-	-	-	-
Finance and administration		2 459	6 150	7 025	264	712	2 881	(2 168)	-75%	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>660</b>	<b>819</b>	<b>4 283</b>	<b>(3 464)</b>	<b>-81%</b>	<b>10 313</b>
Planning and development		303	2 000	2 260	-	133	928	(795)	-86%	2 260
Road transport		-	8 053	8 053	660	686	3 355	(2 669)	-80%	8 053
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>-</b>	<b>4 400</b>	<b>17 199</b>	<b>1 561</b>	<b>5 341</b>	<b>5 939</b>	<b>(598)</b>	<b>-10%</b>	<b>17 199</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	3 000	6 250	625	2 270	2 591	(320)	-12%	6 250
Waste water management		-	1 400	10 949	936	3 071	3 349	(278)	-8%	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>2 485</b>	<b>6 873</b>	<b>13 104</b>	<b>(6 231)</b>	<b>-48%</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	460 400	26 112	6	1,889,600	
Rural Road Asset Management System	2 403 000	2 403 000	0	0	2 403 000	
Purchase of plant and equipment	350 000	0	0	0	350 000	
Purchase of furniture and fittings	500 000	239 833	239 833	100	206 166	
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	472 520	472 520	100	2 027 479	
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	186 500	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	4 517 249	660 221	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>8 552 003</b>	<b>1 521 378</b>	<b>18</b>	<b>12 050 977</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	762 199	53	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	1 274 661	79	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	944 120	58	0	
Provision of additional EDM office space	875 440	875 440		0	0	
Torrential Rain Disaster	5 000 000	5 000 000				
<b>TOTALS</b>	<b>13 934 291</b>	<b>13 934 291</b>	<b>5 351 548</b>	<b>38,41</b>	<b>0</b>	

#### 4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M05 November

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	10 162	83 964
Call investment deposits		(542 930)	459	459	86 130	86 130
Consumer debtors		(5 623)	–	–	(5 675)	–
Other debtors		60 029	4 302	4 302	63 087	63 087
Current portion of long-term receivables		523	346	346	457	457
Inventory		9 306	163	163	9 319	9 319
<b>Total current assets</b>		<b>(68 025)</b>	<b>89 234</b>	<b>89 234</b>	<b>163 479</b>	<b>242 956</b>
<b>Non current assets</b>						
Long-term receivables		6 520	–	–	7 209	7 209
Investments		4 599	4 729	4 729	4 599	4 729
Investment property						
Investments in Associate						
Property, plant and equipment		194 789	218 918	232 437	197 250	232 437
Biological						
Intangible		4 294	6 588	7 003	3 697	7 003
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>210 202</b>	<b>230 235</b>	<b>244 169</b>	<b>212 756</b>	<b>251 379</b>
<b>TOTAL ASSETS</b>		<b>142 177</b>	<b>319 469</b>	<b>333 404</b>	<b>376 235</b>	<b>494 335</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	70 303	16 366
Provisions		41 331	9 179	9 179	39 725	9 179
<b>Total current liabilities</b>		<b>376 836</b>	<b>33 451</b>	<b>33 451</b>	<b>118 784</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>225 694</b>	<b>165 255</b>
<b>NET ASSETS</b>	2	<b>(341 569)</b>	<b>154 215</b>	<b>168 149</b>	<b>150 541</b>	<b>329 081</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		154 381	138 439	138 439	150 541	138 439
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>154 381</b>	<b>138 439</b>	<b>138 439</b>	<b>150 541</b>	<b>138 439</b>

The financial position as at 30 November 2021 is as follows;

- Total short-term fixed deposits as at 30 November 2021 at R86,1 million.
- Cash on hand at R10,1 million as at 30 November 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 R70,3 million whilst the debtors and other receivables amounted to R57,8 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

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	240	550	1 068	(518)	-49%	238 793
Transfers and Subsidies - Operational		-	278 932	278 932	839	116 575	116 222	353	0%	278 932
Transfers and Subsidies - Capital		40 072	2 403	2 403	-	-	1 001	(1 001)	-100%	15 090
Interest		2 291	10 500	10 500	46	1 857	4 375	(2 518)	-58%	10 500
Dividends		-	164	164	-	-	68	(68)	-100%	164
<b>Payments</b>										
Suppliers and employees		(175 574)	(253 625)	(253 625)	(18 852)	(96 780)	(106 927)	(10 147)	9%	(253 625)
Finance charges		-	(13 679)	(13 679)	-	-	(5 699)	(5 699)	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>(17 727)</b>	<b>22 203</b>	<b>10 108</b>	<b>(12 095)</b>	<b>-120%</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)	(34 537)	(2 485)	(6 873)	(12 102)	(5 229)	43%	(123)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4 325)</b>	<b>(24 433)</b>	<b>(34 537)</b>	<b>(2 485)</b>	<b>(6 873)</b>	<b>(12 102)</b>	<b>(5 229)</b>	<b>43%</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>										
Cash/cash equivalents at beginning:		85 484	85 484	85 484		80 961				284 612
Cash/cash equivalents at month/year end:		547 812	88 311	78 206		96 291		(1 994)		284 612

- a) Cash and cash equivalents as at 30 November 2021 comprise of R10,1 million and cash available in bank accounts and R86,1 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 R22,2 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.**