

**FSCM /2122 REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR THE PERIOD ENDED FEBRUARY 2022**

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 2022.

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 - M08 February**

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	8 600	247	3 274	6 620	(3 346)	-51%	8 600
Transfers and subsidies	287 266	278 932	278 932	-	208 141	185 955	22 186	12%	208 141
Other own revenue	1 750	2 728	2 143	231	873	1 702	(829)	-49%	2 232
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>295 811</b>	<b>292 160</b>	<b>289 675</b>	<b>477</b>	<b>212 288</b>	<b>194 276</b>	<b>18 012</b>	<b>9%</b>	<b>218 973</b>
Employee costs	151 816	174 363	165 619	12 170	103 305	112 570	(9 265)	-8%	165 619
Remuneration of Councillors	16 264	16 726	16 744	1 454	10 785	11 137	(352)	-3%	16 744
Depreciation & asset impairment	11 052	11 484	11 671	973	7 781	7 693	87	1%	7 781
Finance charges	13 563	13 679	12 679	-	6 474	8 879	(2 405)	-27%	12 679
Inventory consumed and bulk purchases	1 873	1 133	2 276	252	1 338	1 340	(2)	-0%	2 276
Transfers and subsidies	8 827	-	-	-	-	-	-	-	-
Other expenditure	70 360	61 403	74 453	6 778	41 048	46 561	(5 513)	-12%	74 453
<b>Total Expenditure</b>	<b>273 755</b>	<b>278 787</b>	<b>283 441</b>	<b>21 626</b>	<b>170 730</b>	<b>188 180</b>	<b>(17 450)</b>	<b>-9%</b>	<b>279 550</b>
<b>Surplus/(Deficit)</b>	<b>22 056</b>	<b>13 372</b>	<b>6 234</b>	<b>(21 149)</b>	<b>41 558</b>	<b>6 097</b>	<b>35 462</b>	<b>582%</b>	<b>(60 577)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 371	2 403	2 403	-	-	1 602	###	-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>8 637</b>	<b>(21 149)</b>	<b>41 558</b>	<b>7 699</b>	<b>33 860</b>	<b>440%</b>	<b>(58 174)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>24 457</b>	<b>15 775</b>	<b>8 637</b>	<b>(21 149)</b>	<b>41 558</b>	<b>7 699</b>	<b>33 860</b>	<b>440%</b>	<b>(58 174)</b>

<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>5 499</b>	<b>20 603</b>	<b>38 170</b>	<b>1 574</b>	<b>11 580</b>	<b>22 734</b>	<b>(11 153)</b>	<b>-49%</b>	<b>38 170</b>
Capital transfers recognised	200	2 403	2 403	-	173	1 602	(1 429)	-89%	2 403
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	<b>5 299</b>	<b>18 200</b>	<b>35 767</b>	<b>1 574</b>	<b>11 408</b>	<b>21 132</b>	<b>(9 724)</b>	<b>-46%</b>	<b>35 767</b>
<b>Total sources of capital funds</b>	<b>5 499</b>	<b>20 603</b>	<b>38 170</b>	<b>1 574</b>	<b>11 580</b>	<b>22 734</b>	<b>(11 153)</b>	<b>-49%</b>	<b>38 170</b>
<b>Financial position</b>									
Total current assets	(68 025)	89 234	64 716		178 099				242 012
Total non current assets	210 202	230 235	247 802		218 846				259 312
Total current liabilities	376 836	33 451	33 451		120 227				33 451
Total non current liabilities	106 910	131 803	131 803		102 701				131 803
Community wealth/Equity	<b>154 381</b>	<b>138 439</b>	<b>138 627</b>		<b>174 018</b>				<b>138 627</b>
<b>Cash flows</b>									
Net cash from (used) operating	466 652	27 259	20 308	(20 177)	40 444	15 392	(25 053)	-163%	276 176
Net cash from (used) investing	(4 325)	(24 433)	(38 170)	(1 574)	(11 580)	(22 734)	(11 153)	49%	8 436
Net cash from (used) financing	-	1	(7 717)	-	(4 209)	-	4 209	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>547 812</b>	<b>88 311</b>	<b>59 904</b>	<b>-</b>	<b>106 467</b>	<b>(7 342)</b>	<b>(113 809)</b>	<b>1550%</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 February 2022 is as follows:

- Total revenue earned up to end of February 2022 of R212,3 million which equates to 73, 3% of total budget revenue for the financial year.
- Total expenditure up to end of February 2022 of R170,7 million which equates to 60, 2% of total operating expenditure budget.
- Capital expenditure for the month of February 2022 of R11,6 million which equates to 30, 3% of the total capital expenditure budget.
- The cash and cash equivalents as at 28 February 2022 amounts to R106,5 million.

## 1. Operating revenue and expenditure performance

DC32 Ehlanzeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	-	47	431	(384)	-89%	646
Interest earned - external investments		6 796	10 500	8 600	247	3 274	6 620	(3 346)	-51%	8 600
Interest earned - outstanding debtors		59	-	-	-	-	-	-	-	-
Dividends received		138	164	164	-	-	109	(109)	-100%	164
Fines, penalties and forfeits		100	-	-	-	-	-	-	-	-
Licences and permits		452	1 558	779	59	464	883	(419)	-47%	779
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		287 266	278 932	278 932	-	208 141	185 955	22 186	12%	208 141
Other revenue		575	360	273	172	362	223	140	63%	362
Gains		23	-	281	-	0	56	(56)	-100%	281
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>295 811</b>	<b>292 160</b>	<b>289 675</b>	<b>477</b>	<b>212 288</b>	<b>194 276</b>	<b>18 012</b>	<b>9%</b>	<b>218 973</b>
<b>Expenditure By Type</b>										
Employee related costs		151 816	174 363	165 619	12 170	103 305	112 570	(9 265)	-8%	165 619
Remuneration of councillors		16 264	16 726	16 744	1 454	10 785	11 137	(352)	-3%	16 744
Debt impairment		5 925	-	-	-	-	-	-	-	-
Depreciation & asset impairment		11 052	11 484	11 671	973	7 781	7 693	87	1%	7 781
Finance charges		13 563	13 679	12 679	-	6 474	8 879	(2 405)	-27%	12 679
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		1 873	1 133	2 276	252	1 338	1 340	(2)	0%	2 276
Contracted services		27 711	25 024	35 651	3 536	18 756	20 184	(1 428)	-7%	35 651
Transfers and subsidies		8 827	-	-	-	-	-	-	-	-
Other expenditure		36 445	36 379	38 802	3 243	22 292	26 377	(4 085)	-15%	38 802
Losses		280	-	-	-	0	-	0	#DIV/0!	0
<b>Total Expenditure</b>		<b>273 755</b>	<b>278 787</b>	<b>283 441</b>	<b>21 626</b>	<b>170 730</b>	<b>188 180</b>	<b>(17 450)</b>	<b>-9%</b>	<b>279 550</b>
<b>Surplus/(Deficit)</b>		<b>22 056</b>	<b>13 372</b>	<b>6 234</b>	<b>(21 149)</b>	<b>41 558</b>	<b>6 097</b>	<b>35 462</b>	<b>0</b>	<b>(60 577)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 371	2 403	2 403	-	-	1 602	(1 602)	(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>8 637</b>	<b>(21 149)</b>	<b>41 558</b>	<b>7 699</b>			<b>(58 174)</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>24 457</b>	<b>15 775</b>	<b>8 637</b>	<b>(21 149)</b>	<b>41 558</b>	<b>7 699</b>			<b>(58 174)</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>24 457</b>	<b>15 775</b>	<b>8 637</b>	<b>(21 149)</b>	<b>41 558</b>	<b>7 699</b>			<b>(58 174)</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>24 457</b>	<b>15 775</b>	<b>8 637</b>	<b>(21 149)</b>	<b>41 558</b>	<b>7 699</b>			<b>(58 174)</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;212,3 million (73,3 per cent) is mainly as a result of the first two instalments of the equitable share grant received during July and December 2021;

- b) The actual operating expenditure incurred amounting to R170,7 million is less than 9 per cent of the projected expenditure of R188,2 million mainly due to savings realized on the employees related cost and contracted services as well as the finance charges to be paid in June 2022. 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) - M08 February

Vote 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 Vote</b>										
Vote 01 - Council Summary	1	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		-	-	-	-	-	-	-	-	-
Vote 03 - Finance And Procurement		298 212	294 563	292 078	477	212 288	195 878	16 410	8,4%	212 288
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>	<b>2</b>	<b>298 212</b>	<b>294 563</b>	<b>292 078</b>	<b>477</b>	<b>212 288</b>	<b>195 878</b>	<b>16 410</b>	<b>8,4%</b>	<b>212 288</b>
<b>Expenditure by Vote</b>										
Vote 01 - Council Summary	1	33 509	37 974	38 407	2 975	21 935	24 425	(2 490)	-10,2%	38 407
Vote 02 - Corporate Services & Municipal Relations		43 003	49 065	58 670	5 129	37 532	34 123	3 409	10,0%	42 321
Vote 03 - Finance And Procurement		92 652	66 392	59 438	3 464	34 926	44 652	(9 727)	-21,8%	59 438
Vote 04 - Local Economic Development, Tourism And Rural		21 338	26 330	25 008	1 756	13 335	17 284	(3 949)	-22,8%	24 563
Vote 05 - Municipal Health & Environmental Management		26 198	30 074	29 447	2 249	17 881	19 197	(1 316)	-6,9%	21 249
Vote 06 - Office Of The Municipal Manager		25 708	30 087	30 072	2 091	19 308	20 273	(965)	-4,8%	28 061
Vote 07 - Social Services & Disaster Management		22 688	26 987	27 740	1 478	17 228	18 074	(847)	-4,7%	23 695
Vote 08 - Technical Services		8 660	11 880	14 660	2 483	8 584	10 151	(1 566)	-15,4%	13 757
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>273 755</b>	<b>278 787</b>	<b>283 441</b>	<b>21 626</b>	<b>170 730</b>	<b>188 180</b>	<b>(17 450)</b>	<b>-9,3%</b>	<b>251 493</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>24 457</b>	<b>15 775</b>	<b>8 637</b>	<b>(21 149)</b>	<b>41 558</b>	<b>7 699</b>	<b>33 860</b>	<b>439,8%</b>	<b>(39 205)</b>

It should be noted that departmental expenditure for Corporate Services is indicated as overspent. The reason for the abovementioned is as a result of the budgeted programs being completed in the first three quarters of the financial year. These expenditures are viewed against an aggregated budget over 8 months. The total expenditure for Corporate Services & Municipal Relations are still well within the total budget for the department.

### 3. Capital expenditure performance

DC32 Ehlanzeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

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 D		-	-	-	-	-	-	-	-	-
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	875	-	-	724	(724)	-100%	875
Vote 03 - Finance And Procurement		1 587	5 650	6 430	341	2 485	3 989	(1 504)	-38%	6 430
Vote 04 - Local Economic Development, Tourism And Rural D		125	-	4 120	-	-	824	(824)	-100%	4 120
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	26 745	1 233	9 095	17 197	(8 101)	-47%	26 745
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	38 170	1 574	11 580	22 734	(11 153)	-49%	38 170
<b>Total Capital Expenditure</b>		<b>5 499</b>	<b>20 603</b>	<b>38 170</b>	<b>1 574</b>	<b>11 580</b>	<b>22 734</b>	<b>(11 153)</b>	<b>-49%</b>	<b>38 170</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	1 650 000	460 400	103 747	23	1 189 600	
Rural Road Asset Management System	2 403 000	2 403 000	172 664	7	2 403 000	
Purchase of plant and equipment	350 000	63 168	63 168	100	286 832	
Purchase of furniture and fittings	500 000	274 380	274 380	100	225 619	
Purchase of motor vehicles	2 000 000	0	0	0	2 000 000	
Temperature Monitoring Scanner - DMC	0	0	0	0	0	
Purchase of Computer Equipment and Software	3 230 000	2 147 302	2 147 303	100	1 082 697	
Upgrade of IT Network Infrastructure	350 000	164 300	0	0	185 700	

<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		0	0	0		
Drilling and equipping of boreholes in the City of Mbombela	800 000	737 635	737 635	100	62 365	
Construction of Nkomazi High mast lights	1 000 000	0	0	0	1 000 000	
Malelane Ext 21 sewer package plant - Construction of fence, guardhouse and operator's house	186 500	186 500	0	100	0	
Road rehabilitation programme	863 500	844 071	844 071	100	19 429	
Refurbishment of high mast lights in Thaba Chweu	1 030 000	0	0	0	1 030 000	
Wastewater treatment works improvement programme	186 500	0	0	0	186 500	
Goromani water supply augmentation	4 349 810	272 500	122 690	45	4 077 310	
Construction of Matseleng Pedestrian Bridge	4 520 000	4 517 249	2 036 666	45	2 751	

Construction of Lebombo Stalls	1 521 182				1 521 182	
Refurbishment of Barberton Tourism Routes	2 598 573				2 598 573	
<b>TOTALS</b>	<b>27 539 065,00</b>	<b>10 766 810</b>	<b>5 198 630</b>	<b>48</b>	<b>10 498 110,00</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	1 783 937	1 783 937	1 515 095,71	85	0	
Goromani Water Supply Augmentation	0	0		0	0	
Drill and Equip of new borehole' s- Bushbuckridge	1 442 982	1 442 982	762 199	53	0	
Drill and Equip of new boreholes-City of Mbombela	1 490 039	1 490 039	1 449 941	97	0	
Drill and Equip of new boreholes- Nkomazi	1 881 477	1 881 477	1 460 321	78	0	
Access bridge Matseleng Primary School	391 199	391 199	249 925	64	0	
Water Supply Augmentation in Steenbok and KaHhoyi	1 965 917	1 965 917	944 120	48	0	
Provision of additional EDM office space	875 440	875 440		0	0	
Torrential Rain Disaster	800 000	800 000				



<b>TOTALS</b>	<b>10 630 991,00</b>	<b>10 630 991,00</b>	<b>6 381 606</b>	<b>60,03</b>	<b>0</b>	
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#### 4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M08 February

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	59 445	1 239	59 445
Call investment deposits		(542 930)	459	459	105 229	105 229
Consumer debtors		(5 623)	–	–	(5 707)	–
Other debtors		60 029	4 302	4 302	67 560	67 560
Current portion of long-term receivables		523	346	346	422	422
Inventory		9 306	163	163	9 357	9 357
<b>Total current assets</b>		<b>(68 025)</b>	<b>89 234</b>	<b>64 716</b>	<b>178 099</b>	<b>242 012</b>
<b>Non current assets</b>						
Long-term receivables		6 520	–	–	11 510	11 510
Investments		4 599	4 729	4 729	4 599	4 729
Investment property						
Investments in Associate						
Property, plant and equipment		194 789	218 918	236 120	198 605	236 120
Biological						
Intangible		4 294	6 588	6 953	4 132	6 953
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>210 202</b>	<b>230 235</b>	<b>247 802</b>	<b>218 846</b>	<b>259 312</b>
<b>TOTAL ASSETS</b>		<b>142 177</b>	<b>319 469</b>	<b>312 518</b>	<b>396 945</b>	<b>501 324</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		8 755	7 907	7 907	(1 927)	7 907
Consumer deposits		–	–	–	–	–
Trade and other payables		326 750	16 366	16 366	83 225	16 366
Provisions		41 331	9 179	9 179	38 929	9 179
<b>Total current liabilities</b>		<b>376 836</b>	<b>33 451</b>	<b>33 451</b>	<b>120 227</b>	<b>33 451</b>
<b>Non current liabilities</b>						
Borrowing		106 910	100 369	100 369	102 701	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>102 701</b>	<b>131 803</b>
<b>TOTAL LIABILITIES</b>		<b>483 746</b>	<b>165 255</b>	<b>165 255</b>	<b>222 927</b>	<b>165 255</b>
<b>NET ASSETS</b>	2	<b>(341 569)</b>	<b>154 215</b>	<b>147 263</b>	<b>174 018</b>	<b>336 070</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		154 381	138 439	138 627	174 018	138 627
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>154 381</b>	<b>138 439</b>	<b>138 627</b>	<b>174 018</b>	<b>138 627</b>

The financial position as at 28 February 2022 is as follows;

- Total short-term fixed deposits as at 28 February 2022 at R105, 2 million.
- Cash on hand at R1, 2million as at 28 February 2022.
- The DBSA non-current loan balance is R111,9 million. The municipality has complied with all the terms and conditions of the loan. The first payment of R 10,7 million was paid

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 R83, 3 million whilst the debtors and other receivables amounted to R62, 3 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	1 698	231	873	1 592	(719)	-45%	238 793
Transfers and Subsidies - Operational		-	278 932	279 213	-	208 141	185 955	22 186	12%	278 932
Transfers and Subsidies - Capital		40 072	2 403	2 403	-	-	1 602	(1 602)	-100%	15 090
Interest		2 291	10 500	8 600	247	3 274	6 620	(3 346)	-51%	10 500
Dividends		-	164	164	-	-	109	(109)	-100%	164
<b>Payments</b>										
Suppliers and employees		(175 574)	(253 625)	(258 792)	(20 654)	(165 370)	(171 607)	(6 238)	4%	(253 625)
Finance charges		-	(13 679)	(12 978)	-	(6 474)	(8 879)	(2 405)	27%	(13 679)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>466 652</b>	<b>27 259</b>	<b>20 308</b>	<b>(20 177)</b>	<b>40 444</b>	<b>15 392</b>	<b>(25 053)</b>	<b>-163%</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)	(38 170)	(1 574)	(11 580)	(22 734)	(11 153)	49%	(123)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4 325)</b>	<b>(24 433)</b>	<b>(38 170)</b>	<b>(1 574)</b>	<b>(11 580)</b>	<b>(22 734)</b>	<b>(11 153)</b>	<b>49%</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				(7 717)	-	(4 209)	-	4 209	#DIV/0!	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>1</b>	<b>(7 717)</b>	<b>-</b>	<b>(4 209)</b>	<b>-</b>	<b>4 209</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at beginning:		85 484	85 484	85 484	(21 750)	81 812	(7 342)			284 612
Cash/cash equivalents at month/year end:		547 812	88 311	59 904		106 467	(7 342)			284 612

- a) Cash and cash equivalents as at 28 February 2022 comprise of R1,2 million and cash available in bank accounts and R105,2 million held in short term fixed deposits at Absa Bank, First National Bank and Standard Bank
- b) The cashflow from operating activities reflect a net balance of R40, 4 million which is mainly due to the first two instalments 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.**