

**FSCM /2021 REPORT ON 2021/2022 THIRD QUARTER BUDGET
IMPLEMENTATION AND FINANCIAL STATE OF AFFAIRS**

REPORT BY THE GENERAL MANAGER: FINANCE AND SUPPLY CHAIN MANAGEMENT

STRATEGIC THRUST

Financial viability and management

OBJECTIVE

The objective of the report is to;

- (a) To inform Council about the budget implementation and the financial state of affairs of the municipality in compliance with Section 52 of the Municipal Finance Management Act, 56 of 2003; and
- (b) To inform Council about the bank withdrawals for the third quarter period of 2021/2022 ending 31 March 2022.

BACKGROUND

In accordance with Section 52 of the Municipal Finance Management Act, 56 of 2003 the Executive Mayor as part of her general responsibility is required to within 30 days of the end of each quarter, to submit a report to Council on the implementation of the budget and the financial state affairs of the municipality.

The table below provides synopsis of the budget implementation status for the third quarter of 2021/2022 ending 31 March 2022.

DC32 Ehlanzeni - Table C1 Monthly Budget Statement Summary - M09 March

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	8 600	621	3 895	7 115	(3 220)	-45%	8 600
Transfers and subsidies	287 266	278 932	278 932	68 674	276 815	209 199	67 616	32%	276 815
Other own revenue	1 750	2 728	2 143	154	1 027	1 812	(785)	-43%	2 244
Total Revenue (excluding capital transfers and contributions)	295 811	292 160	289 675	69 449	281 737	218 126	63 611	29%	287 659
Employee costs	151 816	174 363	165 619	12 331	115 636	125 833	(10 197)	-8%	165 619
Remuneration of Councillors	16 264	16 726	16 744	1 484	12 270	12 539	(269)	-2%	16 744
Depreciation & asset impairment	11 052	11 484	11 671	1 268	9 049	8 688	361	4%	9 049
Finance charges	13 563	13 679	12 679	-	6 474	9 829	(3 355)	-34%	12 679
Inventory consumed and bulk purchases	1 873	1 133	2 274	623	1 961	1 573	388	25%	1 961
Transfers and subsidies	8 827	-	-	-	-	-	-	-	-
Other expenditure	70 360	61 403	74 455	5 305	46 352	53 534	(7 182)	-13%	74 455
Total Expenditure	273 755	278 787	283 441	21 011	191 741	211 996	(20 254)	-10%	280 506
Surplus/(Deficit)	22 056	13 372	6 234	48 437	89 995	6 130	83 865	1368%	7 152
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 371	2 403	2 403	-	-	1 802	###	-100%	2 403
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	30	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	24 457	15 775	8 637	48 437	89 995	7 932	82 063	1035%	9 555
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	24 457	15 775	8 637	48 437	89 995	7 932	82 063	1035%	9 555
Capital expenditure & funds sources									
Capital expenditure	5 499	20 603	38 170	2 021	13 602	26 593	(12 991)	-49%	38 170
Capital transfers recognised	200	2 403	2 403	717	890	1 802	(912)	-51%	2 403
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	5 299	18 200	35 767	1 304	12 711	24 791	(12 079)	-49%	35 767
Total sources of capital funds	5 499	20 603	38 170	2 021	13 602	26 593	(12 991)	-49%	38 170
Financial position									
Total current assets	(68 025)	89 234	64 716	-	240 880	-	-	-	302 222
Total non current assets	210 202	230 235	247 802	-	218 013	-	-	-	257 726
Total current liabilities	376 836	33 451	33 451	-	133 738	-	-	-	33 451
Total non current liabilities	106 910	131 803	131 803	-	102 701	-	-	-	131 803
Community wealth/Equity	154 381	138 439	138 627	-	222 454	-	-	-	138 627
Cash flows									
Net cash from (used) operating	466 652	27 259	20 308	49 706	103 976	15 231	(88 745)	-583%	276 176
Net cash from (used) investing	(4 325)	(24 433)	(38 170)	(2 021)	(13 602)	(28 628)	(15 026)	52%	8 436
Net cash from (used) financing	-	1	(7 717)	-	(4 209)	(5 788)	(1 579)	27%	-
Cash/cash equivalents at the month/year end	547 812	88 311	59 904	-	167 977	(19 185)	(187 162)	976%	284 612

The summary of the financial performance and position against the budget projection for the period ending March 2022 is as follows;

- The year to date revenue collected amounts to R281,7 million which represents 97,3% of budget revenue for the financial year;
- The year to date operating expenditure incurred amounts to R191,7 million which represents 67,6% of total operating expenditure budget;

- (c) The capital expenditure incurred year to date incurred amounts to R 13,6 million which represents 35,6% of the total adjusted capital expenditure budget;
- (d) The cash and cash equivalents as at 31 March 2022 amounts to R167, 9 million.

To enable better analysis of the budget performance and the financial state of affairs of the municipality, the following schedules and narratives are provided.

1. Operating revenue and expenditure performance

DC32 Ehlazeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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	90	137	484	(348)	-72%	646
Interest earned - external investments		6 796	10 500	8 600	621	3 895	7 115	(3 220)	-45%	8 600
Interest earned - outstanding debtors		59	-	-	-	-	-	-	-	-
Dividends received		138	164	164	-	-	123	(123)	-100%	164
Fines, penalties and forfeits		100	-	-	-	-	-	-	-	-
Licences and permits		452	1 558	779	52	516	857	(341)	-40%	779
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		287 266	278 932	278 932	68 674	276 815	209 199	67 616	32%	276 815
Other revenue		575	360	273	12	374	235	139	59%	374
Gains		23	-	281	-	0	112	(112)	-100%	281
Total Revenue (excluding capital transfers and contributions)		295 811	292 160	289 675	69 449	281 737	218 126	63 611	29%	287 659
Expenditure By Type										
Employee related costs		151 816	174 363	165 619	12 331	115 636	125 833	(10 197)	-8%	165 619
Remuneration of councillors		16 264	16 726	16 744	1 484	12 270	12 539	(269)	-2%	16 744
Debt impairment		5 925	-	-	-	-	-	-	-	-
Depreciation & asset impairment		11 052	11 484	11 671	1 268	9 049	8 688	361	4%	9 049
Finance charges		13 563	13 679	12 679	-	6 474	9 829	(3 355)	-34%	12 679
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		1 873	1 133	2 274	623	1 961	1 573	388	25%	1 961
Contracted services		27 711	25 024	35 467	2 264	21 020	24 005	(2 985)	-12%	35 467
Transfers and subsidies		8 827	-	-	-	-	-	-	-	-
Other expenditure		36 445	36 379	38 988	3 041	25 333	29 530	(4 197)	-14%	38 988
Losses		280	-	-	-	0	-	0	#DIV/0!	0
Total Expenditure		273 755	278 787	283 441	21 011	191 741	211 996	(20 254)	-10%	280 506
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 371	2 403	2 403	-	-	1 802	(1 802)	(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	8 637	48 437	89 995	7 932			9 555
Taxation										
Surplus/(Deficit) after taxation		24 457	15 775	8 637	48 437	89 995	7 932			9 555
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		24 457	15 775	8 637	48 437	89 995	7 932			9 555
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		24 457	15 775	8 637	48 437	89 995	7 932			9 555

The above table reflects the detailed financial performance per revenue source and expenditure by type and the explanation of the variances on the actual performance against the budget projections of 25 per cent is as follows;

- (a) The actual operating revenue accrued amounting to R 281,7million (97, 3 per cent) is mainly as a result of the first, second and third instalment of the equitable share grant received during July 2021, November 2021 and March 2022.
- (b) The actual operating expenditure incurred amounting to R 191,7million is less than 10 percent of the projected expenditure of R211,9 million, and the under expenditure is mainly due to the following items;
 - (i) There are savings realized on employee’s related costs and remuneration of councilors amounting to R10,5 million.
 - (ii) The savings of R7,5 million on other items is as a result of the SCM processes that are still underway.
 - (iii) Finance charges to be paid only in June 2022 of R 3,3 million.

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) - M09 March

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	292 078	69 449	281 737	219 928	61 809	28,1%	281 737
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		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	298 212	294 563	292 078	69 449	281 737	219 928	61 809	28,1%	281 737
Expenditure by Vote	1									
Vote 01 - Council Summary		33 509	37 974	38 407	3 289	25 224	27 921	(2 696)	-9,7%	38 407
Vote 02 - Corporate Services & Municipal Relations		43 003	49 065	58 670	5 361	42 893	40 260	2 633	6,5%	46 823
Vote 03 - Finance And Procurement		92 652	66 392	59 438	3 776	38 701	48 349	(9 648)	-20,0%	59 438
Vote 04 - Local Economic Development; Tourism And Rural		21 338	26 330	25 008	1 859	15 195	19 215	(4 020)	-20,9%	24 720
Vote 05 - Municipal Health & Environmental Management		26 198	30 074	29 447	2 216	20 098	21 760	(1 662)	-7,6%	23 167
Vote 06 - Office Of The Municipal Manager		25 708	30 087	30 072	2 090	21 399	22 723	(1 324)	-5,8%	28 347
Vote 07 - Social Services & Disaster Management		22 688	26 987	27 740	1 587	18 815	20 491	(1 676)	-8,2%	24 714
Vote 08 - Technical Services		8 660	11 880	14 660	833	9 417	11 278	(1 861)	-16,5%	14 034
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	273 755	278 787	283 441	21 011	191 741	211 996	(20 254)	-9,6%	259 650
Surplus/ (Deficit) for the year	2	24 457	15 775	8 637	48 437	89 995	7 932	82 063	1034,5%	22 087

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 the aggregated budget over 9 months. The total expenditure for the department of Corporate Services & Municipal Relations are still well within the total budget for the year.

3. Capital expenditure performance

DC32 Ehlanzeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

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	875	-	-	762	(762)	-100%	875
Vote 03 - Finance And Procurement		1 587	5 650	6 430	354	2 839	4 600	(1 761)	-38%	6 430
Vote 04 - Local Economic Development, Tourism And Rural Development		125	-	4 120	-	-	1 648	(1 648)	-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	1 668	10 763	19 584	(8 821)	-45%	26 745
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	38 170	2 021	13 602	26 593	(12 991)	-49%	38 170
Total Capital Expenditure		5 499	20 603	38 170	2 021	13 602	26 593	(12 991)	-49%	38 170
Capital Expenditure - Functional Classification										
Governance and administration		2 886	6 150	7 305	354	2 839	5 361	(2 523)	-47%	7 305
Executive and council		427	-	-	-	-	-	-	-	-
Finance and administration		2 459	6 150	7 305	354	2 839	5 361	(2 523)	-47%	7 305
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	15 946	1 668	4 256	9 820	(5 565)	-57%	15 946
Planning and development		303	2 000	6 541	76	326	3 235	(2 909)	-90%	6 541
Road transport		-	8 053	9 406	1 592	3 930	6 585	(2 656)	-40%	9 406
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	4 400	14 918	-	6 507	11 411	(4 904)	-43%	14 918
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	3 000	8 317	-	2 582	5 504	(2 922)	-53%	8 317
Waste water management		-	1 400	6 601	-	3 925	5 907	(1 982)	-34%	6 601
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	5 499	20 603	38 170	2 021	13 602	26 593	(12 991)	-49%	38 170

DETAILED ANALYSIS OF CAPITAL PROJECTS 2021-2022

Capital Project	Supplementary Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
EDM premises main entrance road realignment	1 650 000	460 400	103 747,07	0,23	1 189 600	
Rural Road Asset Management System	2 403 000	2 403 000	890 157,20	0,37		
Purchase of plant and equipment	350 000	0	0	0	350 000	
Purchase of furniture and fittings	500 000	274 380,20	274 380,20	1,00	225 619,80	
Purchase of motor vehicles	2 000 000	0	0	0	2 000 000	
Purchase of Computer Equipment and Software's	3 230 000	2 147 302,20	2 564 166,12	1,19	1 082 697,80	
Upgrade of IT Network Infrastructure	350 000	164 300	0	0	185 700	

Capital Projects	Supplementary Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
Drilling and equipping of boreholes in the City of Mbombela	800 000	737 635	253 011,55	0,34	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	0		
Road rehabilitation programme	863 500	844 071	25 000	0,03	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	0,45	4 077 310	
Construction of Matseleng Pedestrian Bridge	4 489 000	4 517 249	2 910 921.74	0,64	28 249	
Construction of Lebombo Stalls	1 521 182	0	0	0	1 521 182	

Refurbishment of Barberton Tourism Routes	2 589 573	0	0	0	2 598 573	
TOTAL	27 508 065	12 007 337	7 144 074	0,59	15 500 728	

Roll Over Projects	Supplementary 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	1 814 937	1 814 937	1 515 095,71	0,83	0	
Drill and Equip of new boreholes- Bushbuckridge	1 442 982	1 442 982	762 199.82	0,53	0	
Drill and Equip of new boreholes-City of Mbombela	1 409 039	1 409 039	1 449 941.94	0,97	0	
Drill and Equip of new boreholes- Nkomazi	1 881 477	1 881 477	1 460 321.81	0,78	0	
Access bridge Matseleng Primary School	391 199	391 199	325 866.52	0,83	0	
Water Supply Augmentation in Steenbok and KaHhoyi	1 965 917	1 965 917	944 120.98	0,48	0	
Provision of additional EDM office space	875 440	875 440	0	0	0	
Torrential Rain Disaster	800 000	800 000	0	0	0	
TOTAL	10 661 991	10 661 991	6 457 547	60,57	0	

4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M09 March

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	59 445	3 738	59 445
Call investment deposits		(542 930)	459	459	164 239	164 239
Consumer debtors		(5 623)	-	-	(5 635)	-
Other debtors		60 029	4 302	4 302	68 715	68 715
Current portion of long-term receivables		523	346	346	408	408
Inventory		9 306	163	163	9 415	9 415
Total current assets		(68 025)	89 234	64 716	240 880	302 222
Non current assets						
Long-term receivables		6 520	-	-	9 924	9 924
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	198 810	236 120
Biological						
Intangible		4 294	6 588	6 953	4 681	6 953
Other non-current assets		-	-	-	-	-
Total non current assets		210 202	230 235	247 802	218 013	257 726
TOTAL ASSETS		142 177	319 469	312 518	458 893	559 948
LIABILITIES						
Current liabilities						
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	96 817	16 366
Provisions		41 331	9 179	9 179	38 849	9 179
Total current liabilities		376 836	33 451	33 451	133 738	33 451
Non current liabilities						
Borrowing		106 910	100 369	100 369	102 701	100 369
Provisions		-	31 434	31 434	-	31 434
Total non current liabilities		106 910	131 803	131 803	102 701	131 803
TOTAL LIABILITIES		483 746	165 255	165 255	236 439	165 255
NET ASSETS	2	(341 569)	154 215	147 263	222 454	394 693
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		154 381	138 439	138 627	222 454	138 627
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	154 381	138 439	138 627	222 454	138 627

The financial position as at 31 March 2022 is as follows;

- (a) Fixed short term deposits balance is R164,2 million and these deposits held at ABSA Bank R 65,9 million, FNB 23,3 million and 35 million Standard Bank and Nedbank 40 million
- (b) The cash on hand on the operational bank accounts amounted to R 3,7 million.

- (c) The creditors and other payables amounted to R96,8 million. Whilst the debtors and other receivables amounted to R63,4 million.
- (d) 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.

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
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		599 864	2 564	1 698	154	1 027	1 274	(247)	-19%	238 793
Transfers and Subsidies - Operational		-	278 932	279 213	68 674	276 815	209 409	67 406	32%	278 932
Transfers and Subsidies - Capital		40 072	2 403	2 403	-	-	1 802	(1 802)	-100%	15 090
Interest		2 291	10 500	8 600	621	3 895	6 450	(2 555)	-40%	10 500
Dividends		-	164	164	-	-	123	(123)	-100%	164
Payments										
Suppliers and employees		(175 574)	(253 625)	(258 792)	(19 743)	(171 287)	(194 094)	(22 806)	12%	(253 625)
Finance charges		-	(13 679)	(12 978)	-	(6 474)	(9 734)	(3 260)	33%	(13 679)
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		466 652	27 259	20 308	49 706	103 976	15 231	(88 745)	-583%	276 176
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		3 960	(3 960)	-				-		3 960
Decrease (increase) in non-current investments		174	130	-				-		4 599
Payments										
Capital assets		(8 459)	(20 603)	(38 170)	(2 021)	(13 602)	(28 628)	(15 026)	52%	(123)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 325)	(24 433)	(38 170)	(2 021)	(13 602)	(28 628)	(15 026)	52%	8 436
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	1	-	-	-	-	-		-
Payments										
Repayment of borrowing				(7 717)	-	(4 209)	(5 788)	(1 579)	27%	
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	1	(7 717)	-	(4 209)	(5 788)	(1 579)	27%	-
NET INCREASE/ (DECREASE) IN CASH HELD		462 328	2 827	(25 580)	47 684	86 165	(19 185)			284 612
Cash/cash equivalents at beginning:		85 484	85 484	85 484		81 812				
Cash/cash equivalents at month/year end:		547 812	88 311	59 904		167 977	(19 185)			284 612

- (a) The cash flow from operating activities reflect a net balance of R103,9 million which is mainly due to the first ,second and third instalments of the equitable share grant received during July 2021,November 2021 and March 2022 and savings realized on the operating expenditure.
- (b) The cash and cash equivalents as at 31 March 2022 comprise of R 3,7 million cash available in bank accounts and R164,2 million held in short term fixed deposits.
- (c) In compliance with Section 11 of the Municipal Finance Management Act, 56 of 2003, the consolidated report on the withdrawals made during the quarter from the municipal bank accounts is attached as **Annexure FSCM**

POLICY IMPLICATIONS

None

LEGAL AND CONSTITUTIONAL IMPLICATIONS

None

RECOMMENDATION BY THE MUNICIPAL MANAGER

- 1. That the content of the report be accepted by Council.**