

FSCM/2122 REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR THE PERIOD ENDED APRIL 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 30 April 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 - M10 April

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	5	3 900	7 610	(3 710)	-49%	8 600
Transfers and subsidies	287 266	278 932	278 932	2 117	278 932	232 443	46 489	20%	278 932
Other own revenue	1 750	2 728	2 143	295	1 322	1 922	(600)	-31%	2 339
Total Revenue (excluding capital transfers and contributions)	295 811	292 160	289 675	2 417	284 153	241 975	42 178	17%	289 871
Employee costs	151 816	174 363	166 020	12 410	128 045	139 229	(11 184)	-8%	166 020
Remuneration of Councillors	16 264	16 726	17 117	1 458	13 727	14 065	(338)	-2%	17 117
Depreciation & asset impairment	11 052	11 484	11 670	1 052	10 101	9 682	419	4%	10 101
Finance charges	13 563	13 679	12 679	-	6 474	10 779	(4 305)	-40%	12 679
Inventory consumed and bulk purchases	1 873	1 133	2 716	477	2 438	1 954	484	25%	2 438
Transfers and subsidies	8 827	-	-	-	-	-	-	-	-
Other expenditure	70 360	61 403	73 613	7 149	53 501	60 227	(6 726)	-11%	73 617
Total Expenditure	273 755	278 787	283 814	22 545	214 286	235 936	(21 650)	-9%	281 972
Surplus/(Deficit)	22 056	13 372	5 860	(20 128)	69 867	6 039	63 828	1057%	7 899
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 371	2 403	2 403	-	-	2 003	###	-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	8 263	(20 128)	69 867	8 042	61 825	769%	10 302
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	24 457	15 775	8 263	(20 128)	69 867	8 042	61 825	769%	10 302

Capital expenditure & funds sources									
Capital expenditure	5 499	20 603	38 170	911	14 513	30 452	(15 939)	-52%	38 170
Capital transfers recognised	200	2 403	2 403	-	890	2 003	(1 112)	-56%	2 403
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	5 299	18 200	35 767	911	13 623	28 449	(14 827)	-52%	35 767
Total sources of capital funds	5 499	20 603	38 170	911	14 513	30 452	(15 939)	-52%	38 170
Financial position									
Total current assets	(68 025)	89 234	64 716		203 603				266 433
Total non current assets	210 202	230 235	247 802		218 220				258 073
Total current liabilities	376 836	33 451	33 451		116 796				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		202 326				138 627
Cash flows									
Net cash from (used) operating	466 652	27 259	20 308	(19 076)	65 323	16 923	(48 400)	-286%	276 176
Net cash from (used) investing	(4 325)	(24 433)	(38 170)	(911)	(13 623)	(31 808)	(18 186)	57%	8 436
Net cash from (used) financing	-	-	(7 717)	-	(4 209)	(6 431)	(2 222)	35%	-
Cash/cash equivalents at the month/year end	547 812	88 310	59 904	-	129 303	(21 316)	(150 620)	707%	284 612

The narratives of the summary of the actual budget performance and position against the approved budget projections for the month ending April 2022 is as follows:

- Total revenue earned up to end of April 2022 of R284,1 million which equates to 98% of total budget revenue for the financial year.
- Total expenditure up to end of April 2022 of R214,3million which equates to 75,5% of total operating expenditure budget.
- Capital expenditure for the month of April 2022 of R14,5 million which equates to 38% of the total capital expenditure budget.
- The cash and cash equivalents as at 30 April 2022 amounts to R129,3 million.

1. Operating revenue and expenditure performance

DC32 Ehlanzeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

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	-	137	538	(402)	-75%	646	
Interest earned - external investments	6 796	10 500	8 600	5	3 900	7 610	(3 710)	-49%	8 600	
Interest earned - outstanding debtors	59	-	-	-	-	-	-	-	-	
Dividends received	138	164	164	153	153	137	16	12%	153	
Fines, penalties and forfeits	100	-	-	-	-	-	-	-	-	
Licences and permits	452	1 558	779	36	552	831	(279)	-34%	779	
Agency services	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	287 266	278 932	278 932	2 117	278 932	232 443	46 489	20%	278 932	
Other revenue	575	360	273	106	480	248	232	94%	480	
Gains	23	-	281	-	0	168	(168)	-100%	281	
Total Revenue (excluding capital transfers and contributions)		295 811	292 160	289 675	2 417	284 153	241 975	42 178	17%	289 871
Expenditure By Type										
Employee related costs	151 816	174 363	166 020	12 410	128 045	139 229	(11 184)	-8%	166 020	
Remuneration of councillors	16 264	16 726	17 117	1 458	13 727	14 065	(338)	-2%	17 117	
Debt impairment	5 925	-	-	-	-	-	-	-	-	
Depreciation & asset impairment	11 052	11 484	11 670	1 052	10 101	9 682	419	4%	10 101	
Finance charges	13 563	13 679	12 679	-	6 474	10 779	(4 305)	-40%	12 679	
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	
Inventory consumed	1 873	1 133	2 716	477	2 438	1 954	484	25%	2 438	
Contracted services	27 711	25 024	34 813	2 907	23 927	27 608	(3 681)	-13%	34 813	
Transfers and subsidies	8 827	-	-	-	-	-	-	-	-	
Other expenditure	36 445	36 379	38 799	4 237	29 570	32 620	(3 050)	-9%	38 799	
Losses	280	-	-	5	5	-	5	#DIV/0!	5	
Total Expenditure		273 755	278 787	283 814	22 545	214 286	235 936	(21 650)	-9%	281 972
Surplus/(Deficit)		22 056	13 372	5 860	(20 128)	69 867	6 039	63 828	0	7 899
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 371	2 403	2 403	-	-	2 003	(2 003)	(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)										
Surplus/(Deficit) after capital transfers & contributions		24 457	15 775	8 263	(20 128)	69 867	8 042			10 302
Taxation										
Surplus/(Deficit) after taxation		24 457	15 775	8 263	(20 128)	69 867	8 042			10 302
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		24 457	15 775	8 263	(20 128)	69 867	8 042			10 302
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		24 457	15 775	8 263	(20 128)	69 867	8 042			10 302

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;

- a) The year-to-date revenue collected amounts to R284,1 million which represents 98% of budget revenue for the financial year. Despite the overperformance on the operating revenue however, the following revenue sources have underperformed;
 - i. Rental of facilities has underperformed by 75 per cent mainly due to the lack of operation of the canteen and disaster management facilities;

- ii. Interest on investment has underperformed by 49 per cent due to non-accrual of the interest accrued on fixed deposits held with various commercial banks as the practice is to account for the interest received on maturity date of the fixed deposits;
 - iii. Licenses and permits revenue items relate to the municipal health function and this item has underperformed by 34 per cent. The underperformance is mainly attributable to the delay of internal processes relating to the processing and reconciliation of the municipal health financial transactions and those processes will be performed as part of the year end processes.
- b) The actual operating expenditure incurred amounting to R214,3 million is less than 9 per cent of the projected expenditure of R235,9 million mainly due to the following items;
- i. Savings realized on the employees related cost and remuneration of councilors amounting to R11,4 million due to the delay in filling of vacant positions and upper limits of gazettes for councilors and senior managers for the current year not yet promulgated by COGTA;
 - ii. Savings of R6,6 million on other items as a result of the putting of abeyance of the procurement processes above R30,000 as per National Treasury advice due to the invalidation of the Preferential Procurement Regulations by the Constitutional Court as well as the implementation of the Cost Containment Policy.
 - iii. Finance charges appears to the underperforming however this underperformance is due to the DBSA loan annual payment arrangement in December and June of every financial year.

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) - M10 April

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										
Vote 01 - Council Summary	1	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services & Municipal Relations		-	-	-	-	-	-	-	-	-
Vote 03 - Finance And Procurement		298,212	294,563	292,078	2,417	284,153	243,978	40,175	16.5%	284,153
Vote 04 - Local Economic Development, Tourism And Rural Devele		-	-	-	-	-	-	-	-	-
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	2,417	284,153	243,978	40,175	16.5%	284,153
Expenditure by Vote										
Vote 01 - Council Summary	1	33,509	37,974	38,785	3,145	28,369	31,542	(3,173)	-10.1%	38,785
Vote 02 - Corporate Services & Municipal Relations		43,003	49,065	58,670	4,672	47,565	46,397	1,169	2.5%	50,558
Vote 03 - Finance And Procurement		92,652	66,392	59,438	4,756	43,457	52,046	(8,589)	-16.5%	58,945
Vote 04 - Local Economic Development, Tourism And Rural Devele		21,338	26,330	25,008	1,725	16,920	21,146	(4,226)	-20.0%	24,945
Vote 05 - Municipal Health & Environmental Management		26,198	30,074	29,447	2,137	22,234	24,322	(2,088)	-8.6%	29,447
Vote 06 - Office Of The Municipal Manager		25,708	30,087	30,072	2,069	23,468	25,173	(1,705)	-6.8%	28,643
Vote 07 - Social Services & Disaster Management		22,688	26,987	27,735	1,677	20,491	22,906	(2,414)	-10.5%	25,741
Vote 08 - Technical Services		8,660	11,880	14,661	2,364	11,782	12,406	(624)	-5.0%	12,755
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	273,755	278,787	283,814	22,545	214,286	235,936	(21,650)	-9.2%	269,818
Surplus/ (Deficit) for the year	2	24,457	15,775	8,263	(20,128)	69,867	8,042	61,825	768.8%	14,336

It should be noted that departmental expenditure for Corporate Services is indicated as slightly 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 10 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) - M10 April

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	-	-	800	(800)	-100%	875
Vote 03 - Finance And Procurement		1,587	5,650	6,430	280	3,119	5,210	(2,091)	-40%	6,430
Vote 04 - Local Economic Development, Tourism And Rural Development		125	-	4,120	-	-	2,472	(2,472)	-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	631	11,394	21,971	(10,577)	-48%	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	911	14,513	30,452	(15,939)	-52%	38,170
Total Capital Expenditure		5,499	20,603	38,170	911	14,513	30,452	(15,939)	-52%	38,170
Capital Expenditure - Functional Classification										
Governance and administration		2,886	6,150	7,305	280	3,119	6,009	(2,891)	-48%	7,305
Executive and council		427	-	-	-	-	-	-	-	-
Finance and administration		2,459	6,150	7,305	280	3,119	6,009	(2,891)	-48%	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	43	4,299	11,862	(7,564)	-64%	15,946
Planning and development		303	2,000	6,541	-	326	4,337	(4,011)	-92%	6,541
Road transport		-	8,053	9,406	43	3,973	7,525	(3,553)	-47%	9,406
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	4,400	14,918	588	7,096	12,580	(5,485)	-44%	14,918
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	3,000	8,317	300	2,882	6,442	(3,560)	-55%	8,317
Waste water management		-	1,400	6,601	288	4,214	6,138	(1,925)	-31%	6,601
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	5,499	20,603	38,170	911	14,513	30,452	(15,939)	-52%	38,170

DETAILED ANALYSIS OF CAPITAL PROJECTS 2021-2022

Capital Project	Approved Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
EDM premises main entrance road realignment	1 650 000	460 400	146 695	32	1 189 600	Project is at implementation stage
Rural Road Asset Management System	2 403 000	2 403 000	890 157	37	R0,00	Project is at implementation stage
Purchase of plant and equipment	350 000	0	0	0	350 000	Contingency budget
Purchase of furniture and fittings	500 000	274 380	274 380	100	225 619	Contingency budget
Purchase of motor vehicles	2 000 000	0	0	0	2 000 000	The procurement was affected by the National Treasury advise relating to the invalidation of the Preferential Procurement Regulations.
Purchase of Computer Equipment and Software	3 230 000	3 083 133	2 844 190	100	146 867	Contingency budget
Upgrade of IT Network Infrastructure	350 000	164 300	0	0	185 700	Contingency budget

Capital Projects	Approved 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	34	62 365	Project is at implementation stage
Construction of Nkomazi High mast lights	1 000 000	989 966	0	0	10 034	Project is at implementation stage
Malelane Ext 21 sewer package plant - Construction of fence, guardhouse and operator's house	186 500	186 500	0	0	0	Project is at implementation stage
Road rehabilitation programme	863 500	844 071	25 000	0,03	19 429	Project is at implementation stage
Refurbishment of high mast lights in Thaba Chweu	1 030 000	1 027 977	0	0	2 023	Project is at implementation stage
Wastewater treatment works improvement programme	186 500	0	0	0	186 500	The procurement was affected by the National Treasury advise relating to the invalidation of the Preferential Procurement Regulations.
Goromani water supply augmentation	4 349 810	272 500	122 690	45	4 077 310	Contractor appointed in April 2022
Construction of Matseleng Pedestrian Bridge	4 489 000	4 517 249	2 910 921	64	28 249	Project at implementation stage.
Construction of Lebombo Stalls	1 521 182	0	0	0	1 521 182	The procurement was affected by the National Treasury advise relating to

						the invalidation of the Preferential Procurement Regulations.
Refurbishment of Barberton Tourism Routes	2 598 573	0	0	0	2 598 573	The procurement was affected by the National Treasury advise relating to the invalidation of the Preferential Procurement Regulations.
TOTALS	27 508 065	12 007 337	7 467 045	62	15 500 727	

Roll Over Capital Project	Roll Over Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
Refurbishment of Bulk Water & Sewerage Infrastructure-Coromandel WWTW	1 814 937	1 814 937	1 814 760	100	0	The construction stage of phase 2 of the project is underway
Drill and Equip of new borehole' s- Bushbuckridge	1 442 982	1 442 982	1 050 679	73	0	The project is almost complete and there is delay caused by Eskom in terms of electricity connection
Drill and Equip of new boreholes-City of Mbombela	1 490 039	1 490 039	1 449 941	97	0	The project is almost complete and there is delay caused by Eskom in terms of electricity connection
Drill and Equip of new boreholes-Nkomazi	1 881 477	1 881 477	1 460 321	78	0	The project is almost complete and there is delay caused by Eskom in terms of electricity connection
Access bridge Matseleng Primary School	391 199	391 199	325 866	83	0	The funds committed for the construction administration and supervision phase of the project
Water Supply Augmentation in Steenbok and KaHhoyi	1 965 917	1 965 917	944 120	48	0	The project is at the construction stage

Provision of additional EDM office space	875 440	875 440	0	0	0	Design for the project completed.
Torrential Rain Disaster	800 000	800 000	0	0	0	Project procurement process put on hold due to a National Treasury directive.
TOTALS	10 661 991	10 661 991	7 045 690	66,08	0	

4. Financial Position

DC32 Ehlanzeni - Table C6 Monthly Budget Statement - Financial Position - M10 April

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	2 266	59 445
Call investment deposits		(542 930)	459	459	127 037	127 037
Consumer debtors		(5 623)	–	–	(5 650)	–
Other debtors		60 029	4 302	4 302	70 226	70 226
Current portion of long-term receivables		523	346	346	388	388
Inventory		9 306	163	163	9 337	9 337
Total current assets		(68 025)	89 234	64 716	203 603	266 433
Non current assets						
Long-term receivables		6 520	–	–	10 271	10 271
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	198 773	236 120
Biological						
Intangible		4 294	6 588	6 953	4 577	6 953
Other non-current assets		–	–	–	–	–
Total non current assets		210 202	230 235	247 802	218 220	258 073
TOTAL ASSETS		142 177	319 469	312 518	421 823	524 506
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	80 255	16 366
Provisions		41 331	9 179	9 179	38 468	9 179
Total current liabilities		376 836	33 451	33 451	116 796	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	219 497	165 255
NET ASSETS	2	(341 569)	154 215	147 263	202 326	359 252
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		154 381	138 439	138 627	202 326	138 627
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	154 381	138 439	138 627	202 326	138 627

The financial position as at 30 April 2022 is as follows;

- Total short-term fixed deposits as at 30 April 2022 at R127 million.
- Cash on hand at R2,2million as at 30 April 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 R80, 2 million whilst the debtors and other receivables amounted to R64,9 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

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	142	1 168	1 415	(247)	-17%	238 793
Transfers and Subsidies - Operational		-	278 932	279 213	2 117	278 932	232 677	46 255	20%	278 932
Transfers and Subsidies - Capital		40 072	2 403	2 403	-	-	2 003	(2 003)	-100%	15 090
Interest		2 291	10 500	8 600	5	3 900	7 167	(3 267)	-46%	10 500
Dividends		-	164	164	153	153	137	16	12%	164
Payments										
Suppliers and employees		(175 574)	(253 625)	(258 792)	(21 493)	(212 357)	(215 660)	(3 303)	2%	(253 625)
Finance charges		-	(13 679)	(12 978)	-	(6 474)	(10 815)	(4 341)	40%	(13 679)
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		466 652	27 259	20 308	(19 076)	65 323	16 923	(48 400)	-286%	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)	(911)	(13 623)	(31 808)	(18 186)	57%	(123)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 325)	(24 433)	(38 170)	(911)	(13 623)	(31 808)	(18 186)	57%	8 436
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing				(7 717)	-	(4 209)	(6 431)	(2 222)	35%	
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	(7 717)	-	(4 209)	(6 431)	(2 222)	35%	-
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		85 484	85 484	85 484		81 812				284 612
Cash/cash equivalents at month/year end:		547 812	88 310	59 904		129 303	(21 316)			284 612

- a) Cash and cash equivalents as at 30 April 2022 comprise of R2,2 million cash available in bank accounts and R127 million held in short term fixed deposits at Absa Bank – R65 million, Nedbank – R40 million, First National Bank – R1,2 million and Standard Bank – R10 million.
- b) The cashflow from operating activities reflect a net balance of R65, 3million which is mainly due to 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.**