

FS/2023

**REPORT ON BUDGET PERFORMANCE AND STATE OF FINANCIAL
AFFAIRS FOR THE PERIOD ENDED 30 APRIL 2023**

REPORT BY THE GENERAL MANAGER - FINANCIAL SERVICES

STRATEGIC THRUST

Financial viability and management

OBJECTIVE

The objective of the report is to inform Mayoral Committee about the budget performance and state of financial affairs for the period ended 30 April 2023 in compliance with Section 71 of the Municipal Finance Management Act, 56 of 2003 (MFMA).

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	2021/22		Budget Year 2022/23						
	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	6 666	9 013	9 013	19	5 208	7 511	(2 303)	-31%	9 013
Transfers and subsidies	278 932	287 586	287 586	205	286 825	239 655	47 170	20%	286 825
Other own revenue	1 866	3 092	2 232	180	802	2 060	(1 258)	-61%	2 285
Total Revenue (excluding capital transfers and contributions)	287 464	299 691	298 830	404	292 835	249 226	43 609	17%	298 123
Employee costs	164 320	170 242	159 261	12 377	124 556	136 994	(12 438)	-9%	159 261
Remuneration of Councillors	17 185	18 870	20 553	1 625	16 267	16 735	(468)	-3%	20 553
Depreciation & asset impairment	11 326	12 070	12 652	2 507	10 662	10 407	254	2%	10 662
Finance charges	12 633	9 532	11 617	-	5 983	9 194	(3 211)	-35%	11 617
Inventory consumed and bulk purchases	3 539	2 231	2 835	208	2 152	2 230	(78)	-4%	2 835
Transfers and subsidies	15 590	-	-	-	-	-	-	-	-
Other expenditure	74 500	77 599	91 027	7 846	68 595	72 099	(3 504)	-5%	81 272
Total Expenditure	299 092	290 545	297 944	24 562	228 214	247 660	(19 446)	-8%	286 199
Surplus/(Deficit)	(11 629)	9 146	886	(24 158)	64 621	1 566	63 055	4026%	11 924
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 403	2 516	2 516	-	-	2 097	(2 097)	-100%	2 516
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)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(9 226)	11 662	3 402	(24 158)	64 621	3 663	60 958	1664%	14 440
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(9 226)	11 662	3 402	(24 158)	64 621	3 663	60 958	1664%	14 440
Capital expenditure & funds sources									
Capital expenditure	3 562	26 916	38 391	1 077	17 931	32 335	(14 404)	-45%	38 391
Capital transfers recognised	-	2 516	2 390	305	1 723	2 021	(298)	-15%	2 390
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	3 562	24 400	36 001	772	16 208	30 313	(14 106)	-47%	36 001
Total sources of capital funds	3 562	26 916	38 391	1 077	17 931	32 335	(14 404)	-45%	38 391
Financial position									
Total current assets	133 107	84 245	102 739		167 637				226 723
Total non current assets	209 181	230 598	242 073		220 774				258 829
Total current liabilities	121 926	69 872	70 070		108 401				70 070
Total non current liabilities	98 010	116 664	116 664		93 310				116 664
Community wealth/Equity	183 382	116 645	154 674		207 130				154 674
Cash flows									
Net cash from (used) operating	25 231	36 101	16 054	(21 651)	66 552	13 378	(53 173)	-397%	16 054
Net cash from (used) investing	(21 640)	(38 755)	(38 391)	(1 077)	(17 931)	(31 992)	(14 062)	44%	(38 391)
Net cash from (used) financing	(8 387)	(9 581)	(9 779)	-	(4 700)	(8 149)	(3 449)	42%	-
Cash/cash equivalents at the month/year end	77 016	47 674	45 842	-	120 937	(26 763)	(147 700)	552%	(22 337)

The narratives of the summary of the actual budget performance and state of financial affairs against the approved budget projections for the month ending April 2023 is as follows:

- Total revenue earned up to end of April 2023 amounts to R293 million equates to 98,2% of total budget revenue for the financial year.
- Total operating expenditure incurred up to end of April 2023 amounts to R228,2 million, equates to 77% of total operating expenditure budget.
- Total capital expenditure incurred up to end of April 2023 amounts to R18 million, equates to 47% of the total capital expenditure budget.
- The cash and cash equivalents as at 30 April 2023 amounts to R120,9 million.

1. Operating revenue and expenditure performance

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

Description	Ref	2021/22	Budget Year 2022/23							
		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		182	711	350	-	8	376	(368)	-98%	350
Interest earned - external investments		6 666	9 013	9 013	19	5 208	7 511	(2 303)	-31%	9 013
Interest earned - outstanding debtors		544	-	-	-	-	-	-		-
Dividends received		153	175	175	-	-	146	(146)	-100%	175
Fines, penalties and forfeits		-	-	-	-	-	-	-		-
Licences and permits		443	1 792	1 092	-	126	1 073	(947)	-88%	1 092
Agency services		-	-	-	-	-	-	-		-
Transfers and subsidies		278 932	287 586	287 586	205	286 825	239 655	47 170	20%	286 825
Other revenue		543	414	614	180	597	465	132	28%	597
Gains		0	-	-	-	71	-	71	#DIV/0!	71
Total Revenue (excluding capital transfers and contributions)		287 464	299 691	298 830	404	292 835	249 226	43 609	17%	298 123
Expenditure By Type										
Employee related costs		164 320	170 242	159 261	12 377	124 556	136 994	(12 438)	-9%	159 261
Remuneration of councillors		17 185	18 870	20 553	1 625	16 267	16 735	(468)	-3%	20 553
Debt impairment		5 125	-	-	-	-	-	-		-
Depreciation & asset impairment		11 326	12 070	12 652	2 507	10 662	10 407	254	2%	10 662
Finance charges		12 633	9 532	11 617	-	5 983	9 194	(3 211)	-35%	11 617
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		3 539	2 231	2 835	208	2 152	2 230	(78)	-4%	2 835
Contracted services		30 817	39 983	40 786	3 496	28 109	33 647	(5 538)	-16%	40 786
Transfers and subsidies		15 590	-	-	-	-	-	-		-
Other expenditure		38 513	37 617	50 241	4 350	40 470	38 452	2 018	5%	40 470
Losses		44	-	-	-	16	-	16	#DIV/0!	16
Total Expenditure		299 092	290 545	297 944	24 562	228 214	247 660	(19 446)	-8%	286 199
Surplus/(Deficit)		(11 629)	9 146	886	(24 158)	64 621	1 566	63 055	0	11 924
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 403	2 516	2 516	-	-	2 097	(2 097)	(0)	2 516
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)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		(9 226)	11 662	3 402	(24 158)	64 621	3 663			14 440
Taxation										
Surplus/(Deficit) after taxation		(9 226)	11 662	3 402	(24 158)	64 621	3 663			14 440
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(9 226)	11 662	3 402	(24 158)	64 621	3 663			14 440
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(9 226)	11 662	3 402	(24 158)	64 621	3 663			14 440

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 R293 million (98,2 per cent) is mainly as a result of the first, second and third instalments of the equitable share grant received in July and December 2022 and March 2023.
- The actual operating expenditure incurred amounting to R228,2 million is less than 8 per cent of the projected expenditure of R247,6 million mainly due to savings realized on the employees related cost. The savings on the employees related cost are mainly due to delay on the filling of funded vacant positions.

- c) There is over-expenditure on other expenditure items caused by the once-off payments of annual licenses, support and maintenance for the application systems as well as annual insurance premium.

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	Budget Year 2022/23								
		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		-	-	-	-	23	-	23	#DIV/0!	23
Vote 03 - Financial Services		289 867	302 207	301 346	404	292 764	251 323	41 442	16,5%	292 764
Vote 04 - Local Economic Development, Tourism And Rural Deveve		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	38	-	38	#DIV/0!	38
Vote 06 - Office Of The Municipal Manager		-	-	-	-	10	-	10	#DIV/0!	10
Vote 07 - Strategic And Social Services		-	-	-	-	-	-	-	-	-
Vote 08 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 09 - -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	289 867	302 207	301 346	404	292 835	251 323	41 512	16,5%	292 835
Expenditure by Vote	1									
Vote 01 - Council Summary		36 280	41 708	48 213	4 322	37 605	38 660	(1 055)	-2,7%	43 524
Vote 02 - Corporate Services & Municipal Relations		57 982	54 309	50 063	4 970	39 874	42 345	(2 472)	-5,8%	49 875
Vote 03 - Financial Services		89 876	52 869	63 108	2 960	48 981	49 810	(829)	-1,7%	58 951
Vote 04 - Local Economic Development, Tourism And Rural Deveve		20 934	25 685	21 322	2 332	15 250	19 027	(3 777)	-19,8%	21 322
Vote 05 - Community Services		27 300	47 336	45 377	3 538	34 468	39 232	(4 765)	-12,1%	44 878
Vote 06 - Office Of The Municipal Manager		11 600	18 408	22 446	2 605	17 328	18 063	(735)	-4,1%	22 070
Vote 07 - Strategic And Social Services		40 338	35 719	33 145	2 254	24 935	28 575	(3 639)	-12,7%	32 512
Vote 08 - Technical Services		14 781	14 511	14 270	1 581	9 774	11 948	(2 174)	-18,2%	14 183
Vote 09 - -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	299 092	290 545	297 944	24 562	228 214	247 660	(19 446)	-7,9%	287 316
Surplus/ (Deficit) for the year	2	(9 226)	11 662	3 402	(24 158)	64 621	3 663	60 958	1664,3%	5 520

All departmental expenditure are within the relevant budgets as at 30 April 2023;

3. Capital expenditure performance

DC32 Ehlanzeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 April

Vote Description	Ref	Budget Year 2022/23								
		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 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 04 - Local Economic Development, Tourism And Rural Devevelo		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Office Of The Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 07 - Strategic And Social Services		-	-	-	-	-	-	-	-	-
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		157	-	1 347	-	-	1 078	(1 078)	-100%	1 347
Vote 02 - Corporate Services & Municipal Relations		491	-	512	-	512	405	107	26%	512
Vote 03 - Financial Services		1 063	6 950	8 653	642	5 656	7 066	(1 410)	-20%	8 653
Vote 04 - Local Economic Development, Tourism And Rural Devevelo		171	2 300	5 803	-	4 233	4 868	(635)	-13%	5 803
Vote 05 - Community Services		388	-	-	-	-	-	-	-	-
Vote 06 - Office Of The Municipal Manager		589	-	-	-	-	-	-	-	-
Vote 07 - Strategic And Social Services		300	-	-	-	-	-	-	-	-
Vote 08 - Technical Services		404	17 666	22 076	435	7 530	18 918	(11 389)	-60%	22 076
Vote 09 - -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	3 562	26 916	38 391	1 077	17 931	32 335	(14 404)	-45%	38 391
Total Capital Expenditure		3 562	26 916	38 391	1 077	17 931	32 335	(14 404)	-45%	38 391
Capital Expenditure - Functional Classification										
Governance and administration		2 300	6 950	10 512	642	6 168	8 548	(2 380)	-28%	10 512
Executive and council		711	-	1 347	-	-	1 078	(1 078)	-100%	1 347
Finance and administration		1 554	6 950	9 165	642	6 168	7 471	(1 303)	-17%	9 165
Internal audit		34	-	-	-	-	-	-	-	-
Community and public safety		688	-	-	-	-	-	-	-	-
Community and social services		219	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		468	-	-	-	-	-	-	-	-
Economic and environmental services		575	14 466	19 511	305	6 625	16 281	(9 656)	-59%	19 511
Planning and development		575	2 300	5 833	-	4 233	4 893	(659)	-13%	5 833
Road transport		-	12 166	13 679	305	2 392	11 389	(8 997)	-79%	13 679
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	5 500	8 367	130	5 137	7 505	(2 368)	-32%	8 367
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	4 000	6 909	-	4 671	5 987	(1 316)	-22%	6 909
Waste water management		-	1 500	1 459	130	467	1 518	(1 052)	-69%	1 459
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	3 562	26 916	38 391	1 077	17 931	32 335	(14 404)	-45%	38 391

DETAILED ANALYSIS OF CAPITAL PROJECTS 2022-2023

Capital Project	Adjusted Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
Rural Road Asset Management System	R2,390,000	R2,390,000	R1,723,036.80	72	0	Service provider appointed in November 2021
Purchase of plant and equipment	R450,000	R173,759	R173,759	100	R276,240	Contingency budget
Purchase of furniture and fittings	R500,000	R265,420	R265,420	100	R234,580	Contingency budget
Purchase of motor vehicles	R503,000	R502,398	R502,398	100	R601	Project is complete
Purchase of Computer Software	R492,000	R285,360	R285,360	100	R206,639	Contingency budget
Purchase of Computer Equipment and Software	R3,358,000	R2,807,252	R2,807,252	100	R550,747	Contingency budget
Upgrade of IT Network Infrastructure	R225,000	0	0	0	R225,000	Contingency budget
Purchase of Infrastructure Design System	R655,334	0	0	0	R655,334	Procurement process underway
Upgrade of Incident Command Vehicle ICT Infrastructure	R600,000	R595,600	R595,600	100	R4,400	Service provider appointed in June 2022
Upgrade of DMC ICT infrastructure	R400,000	R989,782	R6,445	0,01	R598,782	Service provider appointed in June 2022
Purchase of By-Law Enforcement Equipment	R1,300,000	0	0	0	R1,300,000	Procurement process to be finalized in September 2022
Potholes Projects	R5,000,000	R2,171,278	0	0	R2,828,722	Procurement process underway
Wastewater Treatment Works Improvement Programme	R2,777,000	R2,773,000	R643,000	23	R4,000	Service provider appointed in September 2022

Capital Project	Adjusted Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
Road Rehabilitation Programme	R4,800,000	0	0	0	R4,800,000	Procurement process underway
Planning for Establishment of Fire Station	R161,000	0	0	0	R161,000	Procurement process underway
Customer Relations Management System	R590,000	R589,500	R589,500	100	R500	Service provider appointed in June 2022
Refurbishment of Boreholes	R950,660	R950,660	R129,950	0,14	0	Procurement process underway
Upgrade of Security at EDM Offices	R446 600	0	0	0	R446,600	
Totals	R25,598,594	R14,494,011	R7,721,723	53	R11,104,582	

ROLL OVER PROJECTS 2022-2023

Capital Projects	Adjusted Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
Water Supply Augmentation - Steenbok & KaHhoyi	R927,871	R928,588	R927,870	100	R717	Project completed in September 2022.
Rehabilitation of Street Programme at Thaba Chweu Local Municipality	R247,785	0	0	0	R247,785	Designs completed and project is at procurement stage.
Redesign EDM Municipal Office Buildings	R563,722	R563,722	R152,929	27	0	Projected to be completed in June 2023.

Capital Projects	Adjusted Budget for the Year	Appointment amount	Actual cumulative to date	% Spent on appointments	Available Budget vs Appointments	Comments
Construction of foot bridge - Motseleng Primary School	R516,153	R516,152	R516,152	100	R0,30	Project completed in September 2022.
Construction of Lebombo stalls at Nkomazi Local Municipality	0	0	0	0	0	Project is at procurement stage.
Refurbishment of Barberton Tourism Route - City of Mbombela	R4,502,573	R4,502,573	R4,233,253	94	0	Project is at procurement stage.
Construction of Access Bridge Motseleng Primary school at Bushbuckridge Local Municipality	R30,049	0	0	0	R30,049	Project completed in September 2022.
Drill and equip new boreholes - Nkomazi Local Municipality	R68,643	0	0	0	R68,643	Project to be completed in September 2022 – delays caused by Eskom connection.
Drill and equip new boreholes - City of Mbombela	R439,473	R336,593	R336,593	100	R102,879	Project to be completed in September 2022 – delays caused by Eskom connection.
Goromani Water Improvement Project at Bushbuckridge Local Municipality	R3,203,809	R2,937,788	R3,100,043	1.06	R266,020	Project completed in September 2022.
Refurbishment of Parking and Carports	R511,573	R553,230	R511,572	0	0	Project completed in November 2022 and savings of R38 428 realized.
Contract Management Module	R433,435	R430,599	R430,599	100	R2,835	Project has been completed in December 2022.
EDM Motor vehicles	R1,347,000	0	0	0	R1,347,000	Approval granted by National Treasury for the participation on Transversal Contract RT57-2019.
Totals	R12,792,086	R10,769,246	R10,209,015	95	R2,064,496	

4. Financial Position

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

Description	Ref	Budget Year 2022/23				
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 323	59 643	45 842	1 045	45 842
Call investment deposits		76 635	-	-	119 893	119 893
Consumer debtors		(10 238)	-	-	(10 370)	-
Other debtors		52 106	11 601	43 925	44 039	44 039
Current portion of long-term receivables		412	4 195	4 195	276	4 195
Inventory		12 869	8 806	8 776	12 754	12 754
Total current assets		133 107	84 245	102 739	167 637	226 723
Non current assets						
Long-term receivables		12 283	-	-	16 757	16 757
Investments		4 155	4 599	4 599	4 155	4 599
Investment property						
Investments in Associate						
Property, plant and equipment		189 100	213 839	223 513	194 085	223 513
Biological						
Intangible		3 642	12 160	13 961	5 777	13 961
Other non-current assets		-	-	-	-	-
Total non current assets		209 181	230 598	242 073	220 774	258 829
TOTAL ASSETS		342 288	314 843	344 811	388 411	485 553
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		10 249	9 581	9 779	10 249	9 779
Consumer deposits		7	-	-	7	-
Trade and other payables		64 774	48 055	48 055	55 891	48 055
Provisions		46 897	12 237	12 237	42 254	12 237
Total current liabilities		121 926	69 872	70 070	108 401	70 070
Non current liabilities						
Borrowing		98 010	87 566	87 566	93 310	87 566
Provisions		-	29 098	29 098	-	29 098
Total non current liabilities		98 010	116 664	116 664	93 310	116 664
TOTAL LIABILITIES		219 936	186 536	186 735	201 711	186 735
NET ASSETS	2	122 351	128 306	158 076	186 700	298 818
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		183 382	116 645	154 674	207 130	154 674
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	183 382	116 645	154 674	207 130	154 674

The financial position as at 30 April 2023 is as follows;

- Total short-term fixed deposits as at 30 April 2023 at R119,9 million.
- Cash on hand at R1 million as at 30 April 2023.
- The DBSA non-current loan balance is R93 million. The municipality has complied with all the terms and conditions of the loan. The first payment of R 10,7 million was paid in December 2022. The second payment of the loan of R 10,7 million is payable by 30 June 2023.

- d) The creditors and other payables amounted to R55,9 million whilst the debtors and other receivables amounted to R33,9 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		1 450	15 416	2 056	180	802	1 713	(911)	-53%	2 056
Transfers and Subsidies - Operational		2 403	287 586	287 586	205	286 825	239 655	47 170	20%	287 586
Transfers and Subsidies - Capital		278 932	2 516	2 516			2 097	(2 097)	-100%	2 516
Interest		5 721	9 013	9 013	19	5 208	7 511	(2 303)	-31%	9 013
Dividends		153	175	175	-		146	(146)	-100%	175
Payments										
Suppliers and employees		(250 818)	(269 593)	(273 676)	(22 055)	(220 301)	(228 063)	(7 763)	3%	(273 676)
Finance charges		(12 610)	(9 013)	(11 617)	-	(5 983)	(9 681)	(3 698)	38%	(11 617)
Transfers and Grants		-						-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		25 231	36 101	16 054	(21 651)	66 552	13 378	(53 173)	-397%	16 054
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		
Decrease (increase) in non-current receivables		-	(12 283)	-	-	-	-	-		
Decrease (increase) in non-current investments		-	443	-	-	-	-	-		
Payments										
Capital assets		(21 640)	(26 916)	(38 391)	(1 077)	(17 931)	(31 992)	(14 062)	44%	(38 391)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(21 640)	(38 755)	(38 391)	(1 077)	(17 931)	(31 992)	(14 062)	44%	(38 391)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		
Payments										
Repayment of borrowing		(8 387)	(9 581)	(9 779)	-	(4 700)	(8 149)	(3 449)	42%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(8 387)	(9 581)	(9 779)	-	(4 700)	(8 149)	(3 449)	42%	-
NET INCREASE/ (DECREASE) IN CASH HELD		(4 796)	(12 235)	(32 116)	(22 729)	43 921	(26 763)			(22 337)
Cash/cash equivalents at beginning:		81 812	59 908	77 958		77 016				
Cash/cash equivalents at month/year end:		77 016	47 674	45 842		120 937	(26 763)			(22 337)

- a) Cash and cash equivalents as at 30 April 2023 comprise of R1 million cash available in bank accounts and R119,9 million held in short term fixed deposits at Absa Bank and Nedbank
- b) The cashflow from operating activities reflect a net balance of R66,6 million which is mainly due to the three 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 budget performance and state of financial affairs for the period ended 30 April 2023 report.**

PREPARER: Senior Manager: Budget & Reporting

DATE: 10 May 2023

**REVIEWER: P O Mokoena
General Manager: Financial Services**

DATE: 10 May 2023

**APPROVAL: Dr N P Mahlalela
Accounting Officer**

DATE: 10 May 2023