

NQUTHU LOCAL MUNICIPALITY SECTION 52D

Second Quarter



MFMA SECTION 52(d) REPORT FOR THE SECOND QUARTER ENDING DECEMBER 2022

EXECUTIVE SUMMARY

PURPOSE

This report is on the financial performance of the municipality as per Section 52(d) of the MFMA for the quarter ending December 2022

AUTHORITY

Municipal Finance Management Act No 2003.

Municipal Budget and Reporting Regulations gazette No 32141

LEGAL/STATUTOR REQUIREMENTS

Sec 52(d) of the MFMA states The mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality

The MFMA Municipal Budget and Reporting Regulations Sec 31 states that *The quarterly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the act.*

OBJECTIVES OF IN YEAR REPORTING (SECTION 52(d) OF MFMA)

The gathering and reporting of in-year financial performance information is important for the following reasons:

- It focuses municipal council attention on the revenue and expenditure trends, which should be taken into account when making key management decisions.
- It will facilitate the compilation of annual financial reports, meaning that these processes can be completed sooner and with less effort.
- It promotes greater transparency and more effective political oversight, and
- It serves as an early warning system or indicator to measure and detect fiscal stress in the municipality and the need for immediate intervention where necessary.

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BACKGROUND

The C Schedule reflects the financial position and performance of Council, at the end of the quarter ending December 2022, in order to assist in making informed decisions. This report clearly shows the revenue and expenditure as at end of December 2022 comparing it with the approved budgeted amounts for the 2022-2023 financial year per department, type and functional area.

The C Schedule is aligned with the municipality cash flows as an internal tool on reporting on section 71 of the MFMA and assists the management to analyse and scrutinise their budgets versus income and expenditure, and also reflects on performance variances. These quarterly reports are an indication on each directorate performance against the SDBIP. Also a monitoring tool on operating and capital budgets as well as financial risks in order to be able to manage them on time

Reporting Analysis

Schedule C in year reporting regulated by National Treasury is aimed at assisting municipalities in making sound financial decisions and assisting in the management of cash flows and performance in line with the IDP.

The Nquthu Local council adopted budget policies in May 2022 and it is expected that explanations will be provided for 10% variances on income and expenditure against budget.

Financial Position

The **statement of financial position** lists all the Councils Current and Non- Current Assets and liabilities together with their financial values representing the economic resources of the municipality. Table C6 is meant to improve the stakeholders understanding and management of budget and the impact of actual expenditure in comparison to the budget implications on the financial position.

Current Assets reflect the financial assets that have cash value and are owned by Council and all other assets that are expected to provide financial benefit to Council within one financial year. The financial benefit is through the rendering of services to the community and revenue generation through Electricity and Waste services

Largest **current assets** are **Cash and cash equivalent** at budget of R126 226 million with actual of R66 853 799. On this case we acknowledge that we have system setup to show the incorrect actual amount where cash on bank is negative. Consumer Debtors and other Debtors are sitting at Budget of R124 486 million with actual of R12 317 million again in this case we have challenge of not billing on time that result interest to our consumer. Inventory is budgeted an amount of R1 476 million and actual of R-395 back lock not yet captured on the system again under inventory we are experiencing challenges on correct way to treat on system we hope of by the adjustment budget will be able to resolve this matter. Current

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assets are highly liquid, in that they can easily be converted to cash when required to meet short term obligations which are paying salaries, allowances and suppliers for goods and service

The largest **current liabilities** are Trade creditors and other payables with budget amount of R42 858 million and with actual amount of R2 006 207, Provision with budget of R41 985 million normal provision calculated at year end. Consumer deposits is budgeted R502 thousand with actual amount of R10 028 as reflected in the Statement of Financial Position, is only relating to the amount that we take as deposit for Servicer that will be performed

*The **current ratio** of the municipality is currently at 3.087 as per budget which indicates a healthy financial position as the municipality current assets are greater than current liabilities to that extent budget the actual current ratio is 3.135% The municipality is thus able to pay its employees and creditors. However, attention should be given to the **billing and collection of the debtors** as there are long outstanding balances owed by service consumers.*

Non-Current Assets are resources with a cash value which another party has made a legal commitment to hand over to Council over a period exceeding one financial year.

The Property, plant and equipment item remains the most material resource on the statement of financial position at budget amount of R668 198 million with actual amount of R31 400 000

Infrastructural assets form 85.03% of the total asset register and are mainly required to generate revenue and are crucial in-service delivery for the Nquthu municipality. The municipality should prioritise the repairs and maintenance of the existing infrastructure assets to improve the service delivery capacity of the assets since the municipality is faced with ageing infrastructure.

Non-Current liabilities are legal commitments from other parties acquired to enhance service delivery. **Provisions** are the largest and currently the only existing non-current liability at R 784 thousand. These are **benefit obligations** which are based upon actuarial valuations for all the municipality defined benefit pension plans and post-employment medical benefits.

The statement of financial position is currently showing the budget equity of Nquthu Local municipality at R884 611 million, most in accumulated surplus as at the end of DEcember 2022. Most of the equity is held under fixed assets therefore it is a small portion that can be affected by inflation fluctuations.

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Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M06 December

| Description | Ref | 2021/22 | Budget Year 2022/23 | | | |
|--|-----|--------------------|------------------------|--------------------|------------------|-----------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | 67 804 | (43 229) | - | 66 853 | (43 229) |
| Call investment deposits | | 62 699 | 169 455 | - | (14 472) | 169 455 |
| Consumer debtors | | 37 980 | 90 808 | - | 304 | 90 808 |
| Other debtors | | 188 532 | 45 677 | - | 12 013 | 45 677 |
| Current portion of long-term receivables | | - | - | - | - | - |
| Inventory | | 2 028 | 1 476 | - | (395) | 1 476 |
| Total current assets | | 359 043 | 264 188 | - | 64 303 | 264 188 |
| Non current assets | | | | | | |
| Long-term receivables | | - | - | - | - | - |
| Investments | | - | - | - | - | - |
| Investment property | | 19 371 | 99 874 | - | - | 99 874 |
| Investments in Associate | | - | - | - | - | - |
| Property, plant and equipment | | 594 917 | 568 209 | - | 31 400 | 568 209 |
| Biological | | - | - | - | - | - |
| Intangible | | 24 | 37 | - | - | 37 |
| Other non-current assets | | 79 | 79 | - | - | 79 |
| Total non current assets | | 614 391 | 668 198 | - | 31 400 | 668 198 |
| TOTAL ASSETS | | 973 434 | 932 386 | - | 95 704 | 932 386 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | - | - | - |
| Borrowing | | 20 | 223 | - | - | 223 |
| Consumer deposits | | 2 065 | 502 | - | 10 | 502 |
| Trade and other payables | | 229 037 | 42 858 | - | 2 006 | 42 858 |
| Provisions | | 10 899 | 41 985 | - | - | 41 985 |
| Total current liabilities | | 242 021 | 85 567 | - | 2 016 | 85 567 |
| Non current liabilities | | | | | | |
| Borrowing | | - | - | - | - | - |
| Provisions | | 2 800 | 784 | - | - | 784 |
| Total non current liabilities | | 2 800 | 784 | - | - | 784 |
| TOTAL LIABILITIES | | 244 821 | 86 351 | - | 2 016 | 86 351 |
| NET ASSETS | 2 | 728 613 | 846 036 | - | 93 687 | 846 036 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 728 500 | 844 491 | - | 93 687 | 844 491 |
| Reserves | | 134 | 120 | - | - | 120 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 728 633 | 844 611 | - | 93 687 | 844 611 |

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Financial Performance

The **statement of financial performance** is used to measure performance of the institution and monitor the cash flow projections in comparison with actual expenditure and revenue for a specific period. This statement summarizes the revenue realised and expenditure incurred by the municipality on cash and non-cash items that affect performance of resources.

The table below shows an analysis of Operating and Capital income and expenditure against budget. During the quarter ending December 2022, *the Municipality had an operating surplus of R 82 800 million year to date. The total expenditure forecast for the quarter is more than the anticipated total income as it shows a deficit of R R73 147 000million.*

The following **revenue streams** were budgeted for in 2022-2023 financial year and YTD actual figures for the first quarter of 2022-23 are as follows;

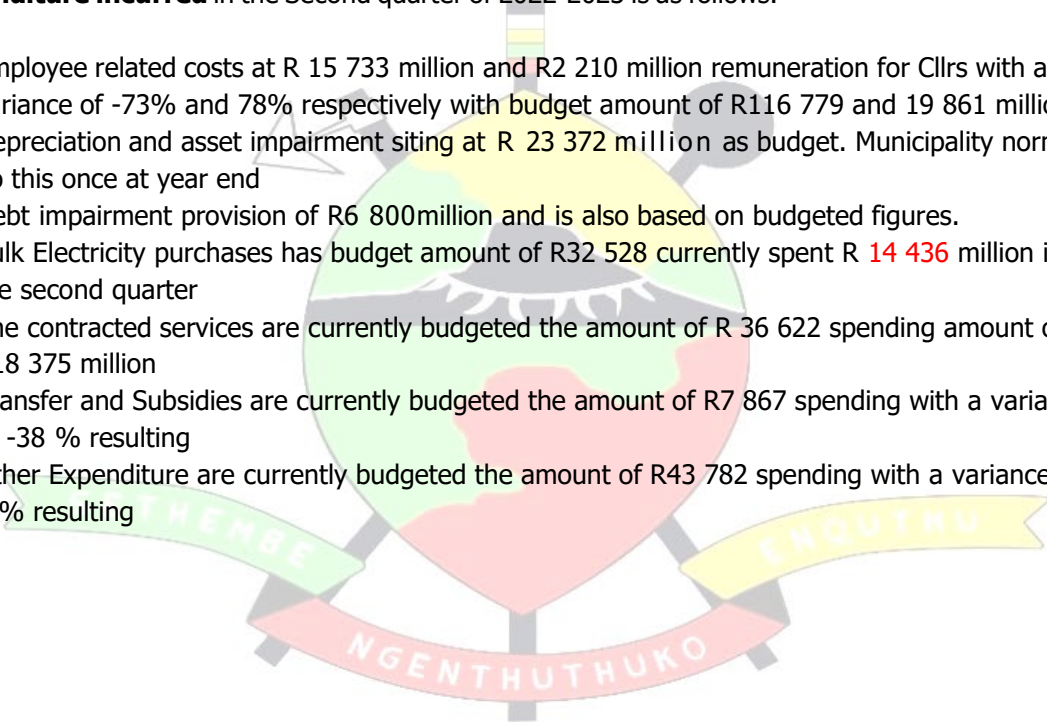
- Service charges for
 - Electricity revenue are R 40 681 million with a variance of **-42%**
 - Waste(Refuse) revenue R 3 289 million with a variance of **-48 %**.
 - ✓ There are still many challenges that need to be addressed in the Electricity and Refuse services function by the Local Municipality The cumulative total billing for the quarter is R12 743 million. *For the second quarter of 2022-2023, billing has been done on the monthly basis but with challenges to do it on time that results to interest to other consumers. The municipality must implement the revenue enhancement strategy to improve the revenue base and to ensure long term financial sustainability.*
 - Property rates revenue are budgeted at R41 057 million with variance of **12%**
- Interest earned from external investments is budgeted at R2 979 million due to the highly increased on withdrawals. yielding a year-to-date variance of **-21 %**
- Grant operating revenue is currently R 177 042 million, and this has resulted in **42 %** variance

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- License and Permits is currently R 884 thousand and this has resulted in **1%** variance
- Fines and Penalties is currently 4 200 million and this has resulted in **-80%** variance
- Interest on Debtors is currently R49 thousand, and this has resulted in **4553 %** variance
- Rental of Facilities and equipment is currently R592 thousand, and this has resulted in **68 %** variance
- Other revenue is currently R420 thousand, and this has resulted in 3 % variance

The **expenditure incurred** in the Second quarter of 2022-2023 is as follows.

- employee related costs at R 15 733 million and R2 210 million remuneration for Cllrs with a variance of -73% and 78% respectively with budget amount of R116 779 and 19 861 million.
- Depreciation and asset impairment siting at R 23 372 million as budget. Municipality normal do this once at year end
- Debt impairment provision of R6 800million and is also based on budgeted figures.
- Bulk Electricity purchases has budget amount of R32 528 currently spent R **14 436** million in the second quarter
- The contracted services are currently budgeted the amount of R 36 622 spending amount of R18 375 million
- Transfer and Subsidies are currently budgeted the amount of R7 867 spending with a variance of -38 % resulting
- Other Expenditure are currently budgeted the amount of R43 782 spending with a variance of -7% resulting



Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

| 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 | | 45 635 | 41 057 | - | 3 402 | 23 011 | 20 528 | 2 483 | 12% | 41 057 |
| Service charges - electricity revenue | | 23 761 | 40 681 | - | 1 711 | 11 885 | 20 340 | (8 455) | -42% | 40 681 |
| Service charges - water revenue | | - | - | - | - | - | - | - | | - |
| Service charges - sanitation revenue | | - | - | - | - | - | - | - | | - |
| Service charges - refuse revenue | | 1 704 | 3 289 | - | 142 | 858 | 1 644 | (787) | -48% | 3 289 |
| Rental of facilities and equipment | | 769 | 592 | - | 49 | 497 | 296 | 201 | 68% | 592 |
| Interest earned - external investments | | 7 014 | 2 979 | - | 50 | 1 170 | 1 489 | (319) | -21% | 2 979 |
| Interest earned - outstanding debtors | | 4 918 | 49 | - | 191 | 1 135 | 24 | 1 110 | 4553% | 49 |
| Dividends received | | - | - | - | - | - | - | - | | - |
| Fines, penalties and forfeits | | 712 | 4 200 | - | 47 | 427 | 2 100 | (1 673) | -80% | 4 200 |
| Licences and permits | | 1 023 | 884 | - | 68 | 448 | 442 | 6 | 1% | 884 |
| Agency services | | - | - | - | - | - | - | - | | - |
| Transfers and subsidies | | 161 585 | 177 042 | - | 56 968 | 125 350 | 88 521 | 36 829 | 42% | 177 042 |
| Other revenue | | 1 377 | 420 | - | 112 | 216 | 210 | 5 | 3% | 420 |
| Gains | | 1 454 | - | - | - | - | - | - | | - |
| Total Revenue (excluding capital transfers and contributions) | | 249 953 | 271 192 | - | 62 739 | 164 996 | 135 596 | 29 400 | 22% | 271 192 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 88 888 | 116 779 | - | - | 15 733 | 58 390 | (42 656) | -73% | 116 779 |
| Remuneration of councillors | | 13 085 | 19 861 | - | - | 2 210 | 9 931 | (7 721) | -78% | 19 861 |
| Debt impairment | | 1 396 | 6 800 | - | 1 | 489 | 3 399 | (2 910) | -86% | 6 800 |
| Depreciation & asset impairment | | 25 428 | 23 372 | - | - | - | 11 686 | (11 686) | -100% | 23 372 |
| Finance charges | | 0 | - | - | - | - | - | - | | - |
| Bulk purchases - electricity | | 30 663 | 32 528 | - | 2 262 | 14 436 | 16 264 | (1 828) | -11% | 32 528 |
| Inventory consumed | | 507 | 23 073 | - | 1 190 | 8 114 | 11 537 | (3 423) | -30% | 23 073 |
| Contracted services | | 67 371 | 36 622 | - | 2 577 | 18 375 | 18 311 | 64 | 0% | 36 622 |

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| | | | | | | | | | |
|--|-----------------|-----------------|----------|---------------|---------------|-----------------|-----------------|-------------|-----------------|
| Transfers and subsidies | 9 053 | 7 867 | - | 1 363 | 2 431 | 3 934 | (1 502) | -38% | 7 867 |
| Other expenditure | 38 384 | 43 782 | - | 1 928 | 20 407 | 21 892 | (1 485) | -7% | 43 782 |
| Losses | 1 485 | - | - | - | - | - | - | | - |
| Total Expenditure | 276 261 | 310 685 | - | 9 321 | 82 195 | 155 343 | (73 147) | -47% | 310 685 |
| Surplus/(Deficit) | (26 308) | (39 493) | - | 53 418 | 82 800 | (19 746) | 102 547 | (0) | (39 493) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 36 806 | 44 780 | - | 1 583 | 10 962 | 22 390 | (11 428) | (0) | 44 780 |
| 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 | 10 498 | 5 287 | - | 55 002 | 93 762 | 2 644 | | | 5 287 |
| Taxation | - | - | - | - | - | - | - | | - |
| Surplus/(Deficit) after taxation | 10 498 | 5 287 | - | 55 002 | 93 762 | 2 644 | | | 5 287 |
| Attributable to minorities | - | - | - | - | - | - | - | | - |
| Surplus/(Deficit) attributable to municipality | 10 498 | 5 287 | - | 55 002 | 93 762 | 2 644 | | | 5 287 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | | - |
| Surplus/ (Deficit) for the year | 10 498 | 5 287 | - | 55 002 | 93 762 | 2 644 | | | 5 287 |

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Capital Revenue and Expenditure

The table below shows capital expenditure and sources of capital funding, quarterly and year to date, compared to budget. The capital expenditure for the second quarter of 2022-2023 from grant funding and internal funds is R12 170 million and R19 231 respectively. With budgeted amount of R29 104 and 15 217 respectively.

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

| Vote 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 | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Office of the Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 2 - Planning and Economic Development | | 4 029 | 3 043 | - | - | 421 | 1 522 | (1 100) | -72% | 3 043 |
| Vote 3 - Budget and Treasury | | - | - | - | - | - | - | - | - | - |
| Vote 4 - Corporate and Community Service | | 776 | - | - | - | 448 | - | 448 | #DIV/0! | - |
| Vote 5 - Technical Services | | 50 393 | 15 713 | - | 497 | 6 960 | 7 857 | (896) | -11% | 15 713 |
| Vote 6 - Council And General | | 1 409 | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Capital Multi-year expenditure | 4,7 | 56 607 | 18 757 | - | 497 | 7 829 | 9 378 | (1 549) | -17% | 18 757 |

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| | | | | | | | | | | |
|--|---|--------|--------|---|-------|--------|--------|---------|---------|--------|
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Office of the Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 2 - Planning and Economic Development | | - | - | - | - | - | - | - | - | - |
| Vote 3 - Budget and Treasury | | - | - | - | - | - | - | - | - | - |
| Vote 4 - Corporate and Community Service | | 436 | - | - | - | - | - | - | - | - |
| Vote 5 - Technical Services | | 9 942 | 7 030 | - | 3 280 | 13 288 | 3 515 | 9 773 | 278% | 7 030 |
| Vote 6 - Council And General | | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Capital single-year expenditure | 4 | 10 378 | 7 030 | - | 3 280 | 13 288 | 3 515 | 9 773 | 278% | 7 030 |
| Total Capital Expenditure | | 66 985 | 25 786 | - | 3 777 | 21 118 | 12 893 | 8 225 | 64% | 25 786 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 2 379 | - | - | - | 448 | - | 448 | #DIV/0! | - |
| Executive and council | | 1 409 | - | - | - | - | - | - | | - |
| Finance and administration | | 970 | - | - | - | 448 | - | 448 | #DIV/0! | - |
| Internal audit | | - | - | - | - | - | - | - | | - |
| Community and public safety | | 19 282 | 8 335 | - | 1 203 | 9 143 | 4 167 | 4 975 | 119% | 8 335 |
| Community and social services | | 19 040 | 8 335 | - | 1 203 | 9 143 | 4 167 | 4 975 | 119% | 8 335 |
| Sport and recreation | | - | - | - | - | - | - | - | | - |
| Public safety | | 242 | - | - | - | - | - | - | | - |
| Housing | | - | - | - | - | - | - | - | | - |
| Health | | - | - | - | - | - | - | - | | - |
| Economic and environmental services | | 56 848 | 35 986 | - | 5 160 | 21 051 | 17 993 | 3 058 | 17% | 35 986 |
| Planning and development | | 11 493 | 3 043 | - | - | 421 | 1 522 | (1 100) | -72% | 3 043 |

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|--|----------|---------------|---------------|----------|--------------|---------------|---------------|----------------|-------------|---------------|
| Road transport | | 45 355 | 32 943 | - | 5 160 | 20 630 | 16 472 | 4 159 | 25% | 32 943 |
| Environmental protection | | - | - | - | - | - | - | - | | - |
| Trading services | | 7 443 | - | - | - | 759 | - | 759 | #DIV/0! | - |
| Energy sources | | 7 443 | - | - | - | 759 | - | 759 | #DIV/0! | - |
| Water management | | - | - | - | - | - | - | - | | - |
| Waste water management | | - | - | - | - | - | - | - | | - |
| Waste management | | - | - | - | - | - | - | - | | - |
| Other | | - | - | - | - | - | - | - | | - |
| Total Capital Expenditure - Functional Classification | 3 | 85 952 | 44 321 | - | 6 363 | 31 400 | 22 161 | 9 240 | 42% | 44 321 |
| Funded by: | | | | | | | | | | |
| National Government | | 25 775 | 29 104 | - | 1 880 | 12 170 | 14 552 | (2 382) | -16% | 29 104 |
| Provincial Government | | - | - | - | - | - | - | - | | - |
| District Municipality | | - | - | - | - | - | - | - | | - |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | - | - | - | - | - | - | - | | - |
| Transfers recognised - capital | | 25 775 | 29 104 | - | 1 880 | 12 170 | 14 552 | (2 382) | -16% | 29 104 |
| Borrowing | 6 | - | - | - | - | - | - | - | | - |
| Internally generated funds | | 60 177 | 15 217 | - | 4 483 | 19 231 | 7 609 | 11 622 | 153% | 15 217 |
| Total Capital Funding | | 85 952 | 44 321 | - | 6 363 | 31 400 | 22 161 | 9 240 | 42% | 44 321 |

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Cash flow Statement

The table below highlights the cash flow position of the municipality for the second quarter of 2022-2023. The year-to-date cash flow statement of the municipality depicts that the municipality has a favourable cash position. This is indicated below by the operating revenue exceeding expenditures for the period ending December 2022. The cash and cash equivalents to date show positive cash outlay of the municipality.

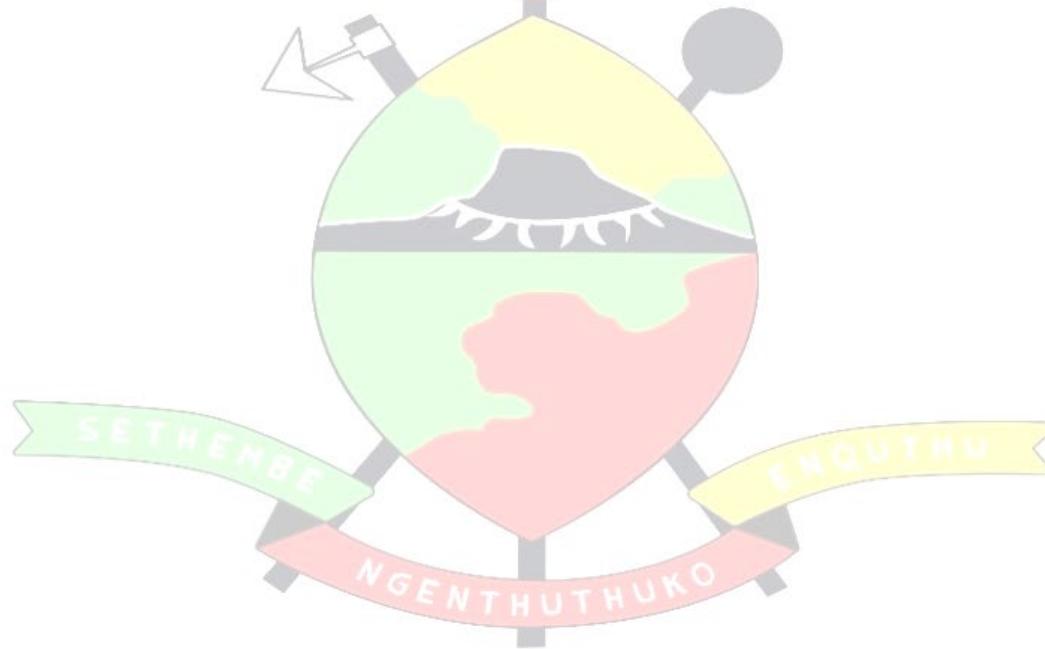


Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M06 December

| 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 | 1 | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 33 540 | 45 615 | – | 1 732 | 23 387 | 22 807 | 580 | 3% | 45 615 |
| Service charges | | 30 012 | 31 886 | – | 3 701 | 13 912 | 15 943 | (2 031) | -13% | 31 886 |
| Other revenue | | 4 770 | 1 827 | – | 291 | 1 880 | 913 | 966 | 106% | 1 827 |
| Transfers and Subsidies - Operational | | 159 126 | 177 024 | – | 57 241 | 126 715 | 88 512 | 38 203 | 43% | 177 024 |
| Transfers and Subsidies - Capital | | 61 606 | 33 469 | – | – | 30 549 | 16 735 | 13 814 | 83% | 33 469 |
| Interest | | 4 977 | 2 760 | – | 196 | 1 176 | 1 380 | (204) | -15% | 2 760 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (327 756) | (171 354) | – | (4 505) | (54 515) | (85 677) | (31 162) | 36% | (171 354) |
| Finance charges | | (0) | – | – | – | – | – | – | | – |
| Transfers and Grants | | (154) | – | – | – | – | – | – | | – |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | (33 879) | 121 227 | – | 58 656 | 143 104 | 60 614 | (82 490) | -136% | 121 227 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current receivables | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Capital assets | | (121 945) | (45 470) | – | (7 318) | (35 690) | (22 735) | 12 956 | -57% | (45 470) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (121 945) | (45 470) | – | (7 318) | (35 690) | (22 735) | 12 956 | -57% | (45 470) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | | – |
| Borrowing long term/refinancing | | – | – | – | – | – | – | – | | – |

Nquthu local municipality section 52(d) second quarter

| | | | | | | | | | |
|--|-----------|---------|---|--------|---------|---------|-------|-------|--------|
| Increase (decrease) in consumer deposits | - | (0) | - | - | - | (251) | 251 | -100% | - |
| Payments | | | | | | | | | |
| Repayment of borrowing | - | - | - | - | - | - | - | | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | - | (0) | - | - | - | (251) | (251) | 100% | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | (155 824) | 75 757 | - | 51 339 | 107 413 | 37 628 | | | 75 758 |
| Cash/cash equivalents at beginning: | 198 220 | 168 493 | - | - | - | 168 493 | | | - |
| Cash/cash equivalents at month/year end: | 42 396 | 244 250 | - | - | 107 413 | 206 121 | | | 75 758 |



Nquthu local municipality section 52(d) second quarter