

**USAASA & USAF Annual Report**

**2016**

**-**

**2017**

**Presentation to Portfolio Committee on Telecommunications & Postal Services**

**Lumko Mtimde**

**Chief Executive Officer**

**USAASA**

**03**

**rd**

**October 2017**

**1**

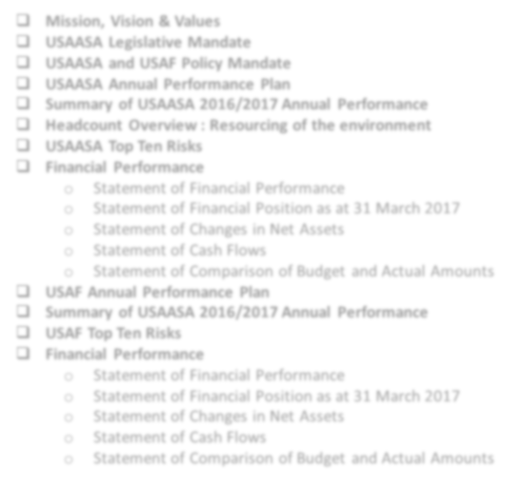
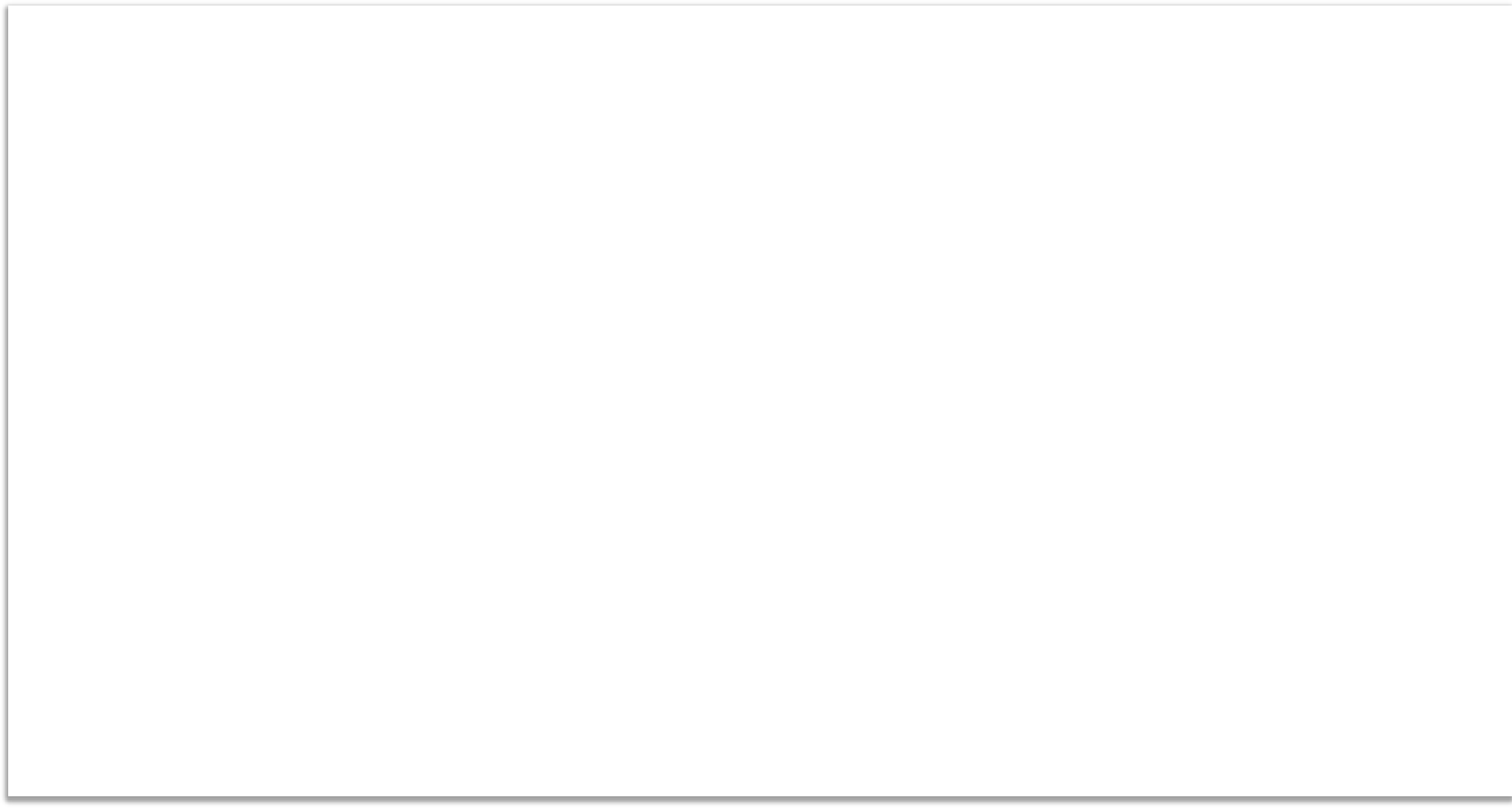
**#**

**InternetForAll**



**2**

**Table of Contents**





**Mission, Vision & Values**



**USAASA Legislative Mandate**



**USAASA and USAF Policy Mandate**



**USAASA Annual Performance Plan**



**Summary of USAASA 2016/2017 Annual Performance**



**Headcount Overview : Resourcing of the environment**



**USAASA Top Ten Risks**



**Financial Performance**

o

Statement of Financial Performance

o

Statement of Financial Position as at 31 March 2017

o

Statement of Changes in Net Assets

o

Statement of Cash Flows

o

Statement of Comparison of Budget and Actual Amounts



**USAF Annual Performance Plan**



**Summary of USAASA 2016/2017 Annual Performance**



**USAF Top Ten Risks**



**Financial Performance**

o

Statement of Financial Performance

o

Statement of Financial Position as at 31 March 2017

o

Statement of Changes in Net Assets

o

Statement of Cash Flows

o

Statement of Comparison of Budget and Actual Amounts



•

To facilitate the rollout of adequate Information and Communication

Technology (ICT) infrastructure to enable universal access to under

-

serviced areas in South Africa.

•

To facilitate ICT service to under

-

serviced areas and thereby

contributing to the reduction of poverty and unemployment in South

Africa.

•

To promote and pursue the goal of Universal Access and Services and

contribute to the sharing and preservation of information in order to

build South Africa’s sustainable knowledge society.



Mission

:



•

**Batho Pele**

–

We believe in providing excellent, efficient and effective

service to all customers and stakeholders.

•

**Integrity**

–

We uphold high standards of trust; condemn bribery and

corruption; and uphold honesty and respect in all interactions with

stakeholders.

•

**Accountability**

–

We foster employee ownership and responsibility in

ensuring quality service.

•

**Innovatio**

n

–

We support employee creativity in delivering all our

services.

•

**Transparency**

–

We encourage openness in all our activities.

•

**Teamwork**

–

We strive to create a harmonious work environment,

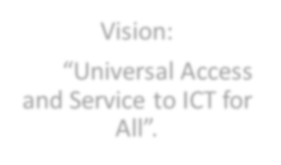
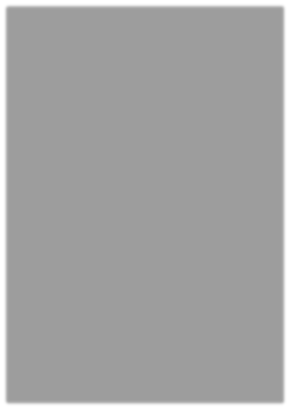
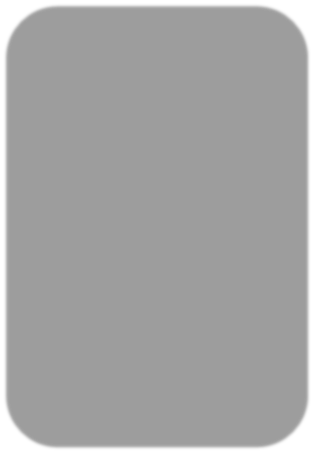
where all employees and contributors are respected.



Values

:

3



Vision:

“Universal Access

and Service to ICT for

All”.

***Vision, Mission & Values***



***USAASA Legislative Mandate***

In line with the NDP, USAASA through USAF projects provides broadband infrastructure and ICT connectivity in the underserved

**SAConnect** Provides guidance on building an access or core network, coordinates building programmes for efficiency, and

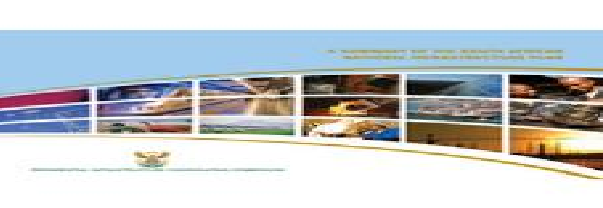
promote universal access through efficient spectrum allocation, and focuses on driving uptake and usage through the provision of affordable services and devices, using the government as an anchor tenant for the core network

**SIP 15** USAASA always ensures the alignment of the USAF projects to the SIP 15 goal of “ 100% access to digital ICTs to all

South Africans by 2020 as a driver of new economic opportunities and digital equity”

# USAASA Mandate

* strive to promote the goal of universal access and universal service;
* foster the adoption and use of new methods of attaining universal access and universal service
* conduct research into and keep abreast of developments in the Republic and elsewhere on information communication technology, electronic communications services and electronic communications facilities



* manage the Universal Service and Access Fund (USAF) in accordance with the provisions of the Act

## USAF Mandate

* Provide connectivity to primary health facilities, educational institutions and needy communities
* Provide incentives to network licensees to construct operate and maintain networks in under-serviced areas.
* Access to digital broadcasting services

**South Africa Connect Policy Target**

Broadband access in Mbps user By 2020

experience 90% at 5Mbps

50% at 100Mbp

**MTSFOutcome 9 Point Plan**

**Outcome 1** Quality basic education Applicable to broadband

roll-out.

**Outcome 2** A long and healthy life for

all

* + **Nr 7.** Unlocking potential

**Outcome 3** Decent employment of SMME’s; Cooperatives; through inclusive townships and rural economic growth enterprises

* + **Nr 8.** Reform & boosting

**Outcome 4** Skilled and capable

of the role of SOE’s ICT or workforce to support an

broadband infrastructure inclusive growth path

rollout

**Outcome 5** An efficient, competitive and responsive economic infrastructure network

**International Measurements**

**WEF Ranking = 47 (2016) ITU Ranking**

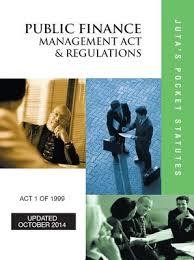
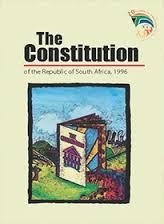
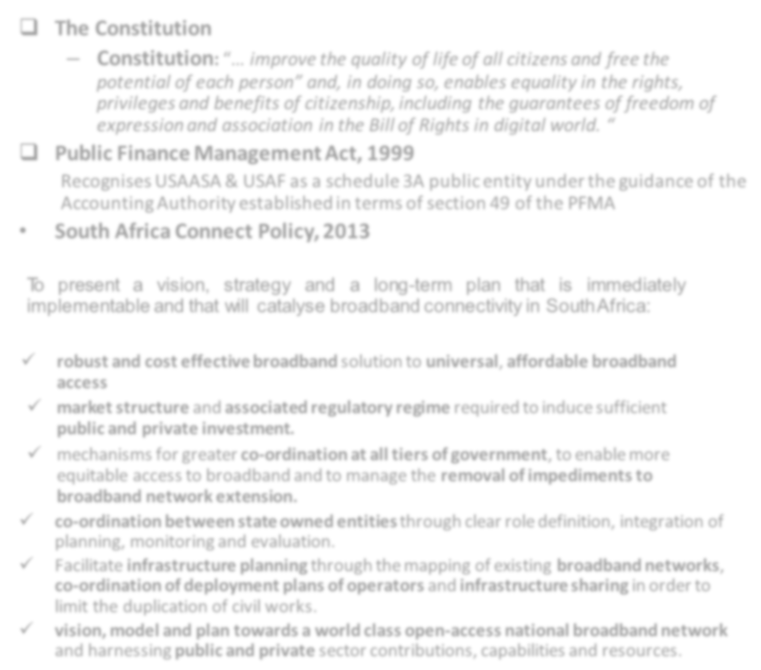
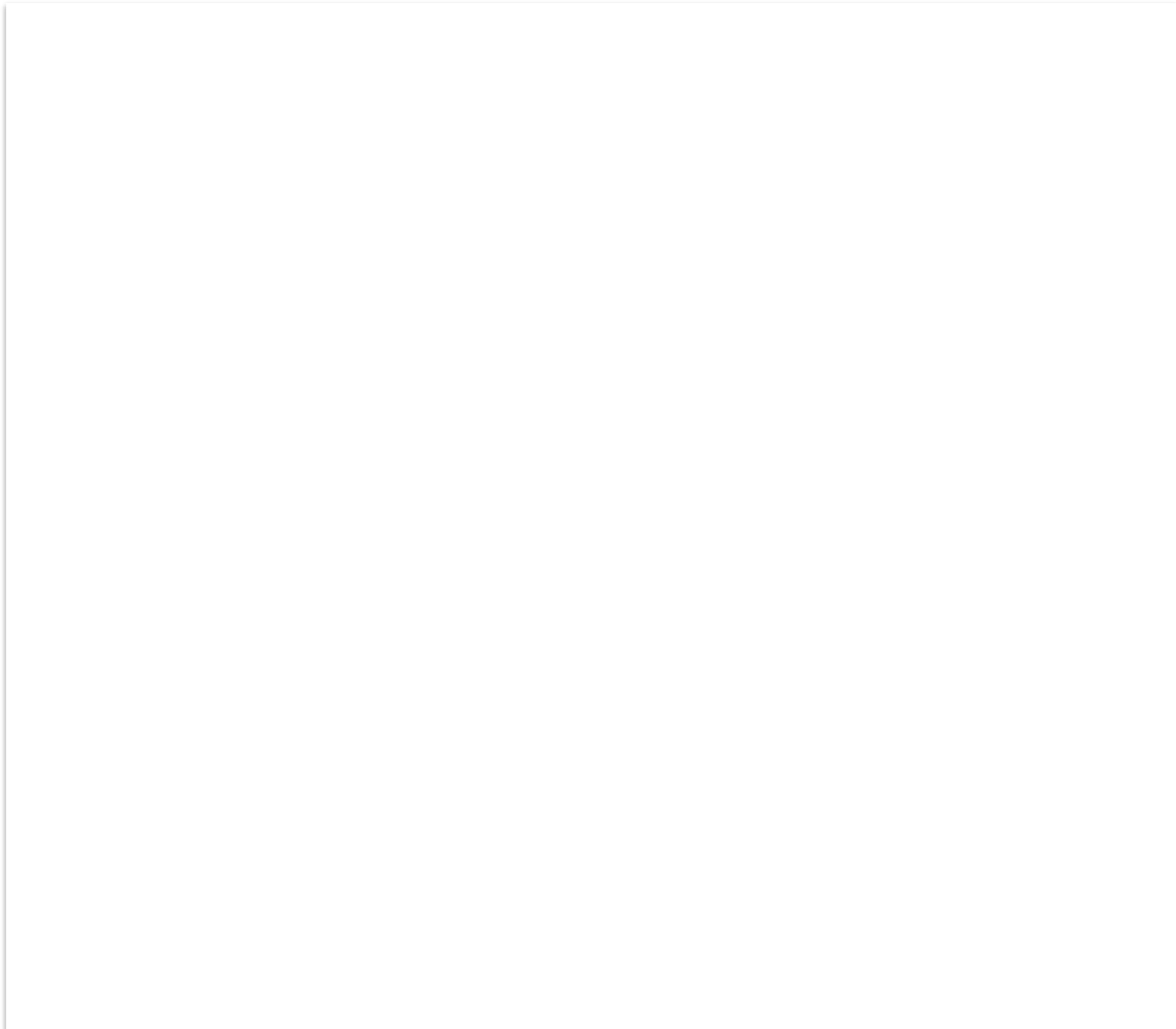
World Economic Forum Global *South Africa* has moved from

Competitive Index ranks South Africa as position 86 to 88 in the 4 the 47th most completive economy of *International Telecommunication*

***Legislative Mandate & Policy Mandate***

# The Constitution

– **Constitution:** “… *improve the quality of life of all citizens and free the potential of each person” and, in doing so, enables equality in the rights, privileges and benefits of citizenship, including the guarantees of freedom of expression and association in the Bill of Rights in digital world. “*



# Public Finance Management Act, 1999

Recognises USAASA & USAF as a schedule 3A public entity under the guidance of the

Accounting Authority established in terms of section 49 of the PFMA

# • South Africa Connect Policy, 2013

To present a vision, strategy and a long-term plan that is immediately implementable and that will catalyse broadband connectivity in SouthAfrica:

* **robust and cost effective broadband** solution to **universal**, **affordable broadband access**
* **market structure** and **associated regulatory regime** required to induce sufficient **public and private investment.**
* mechanisms for greater **co-ordination at all tiers of government**, to enable more equitable access to broadband and to manage the **removal of impediments to broadband network extension.**
* **co-ordination between state owned entities** through clear role definition, integration of planning, monitoring and evaluation.
* Facilitate **infrastructure planning** through the mapping of existing **broadband networks**, **co-ordination of deployment plans of operators** and **infrastructure sharing** in order to limit the duplication of civil works.
* **vision, model and plan towards a world class open-access national broadband network** 5 and harnessing **public and private** sector contributions, capabilities and resources.

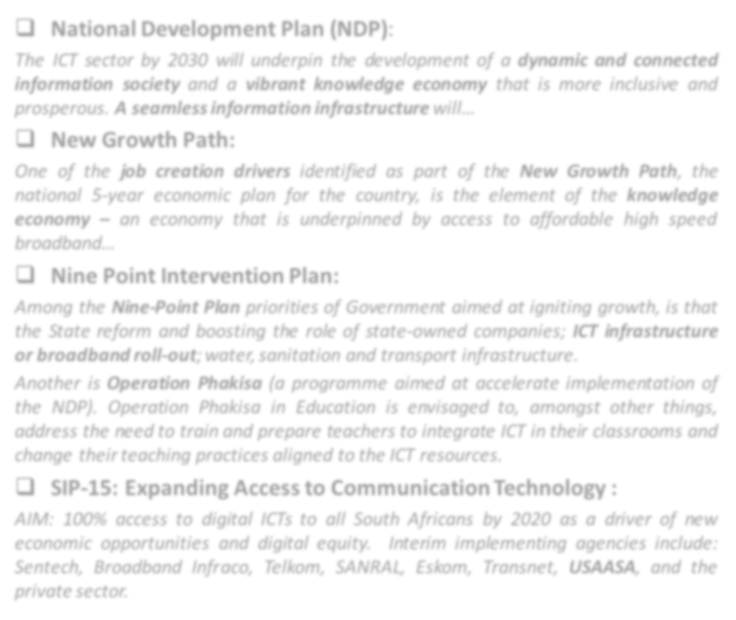
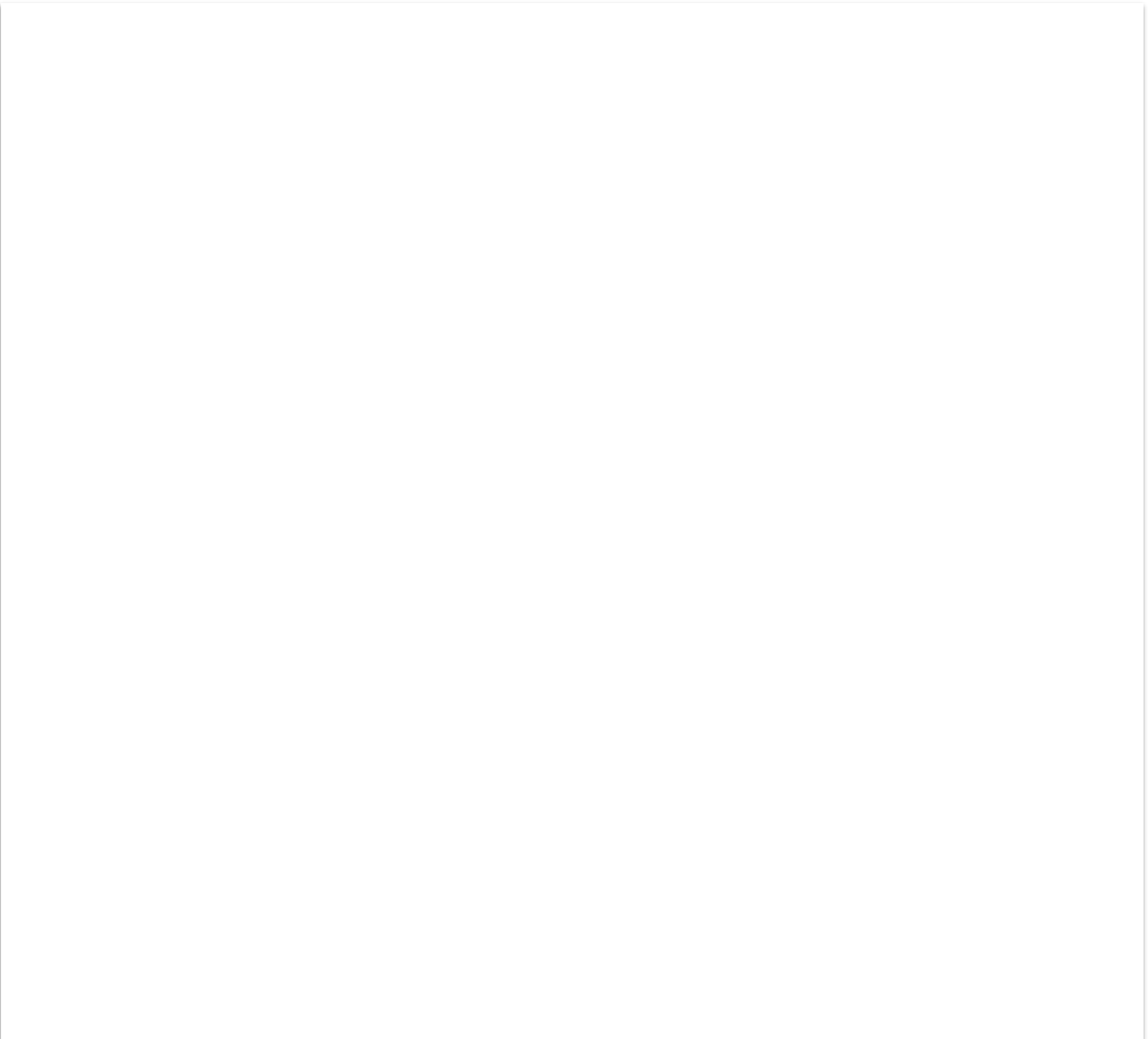
# Policy Mandate

* **National Development Plan (NDP)**:

*The ICT sector by 2030 will underpin the development of a* ***dynamic and connected information society*** *and a* ***vibrant knowledge economy*** *that is more inclusive and prosperous.* ***A seamlessinformation infrastructure*** *will…*

* **New Growth Path:**

*One of the* ***job creation drivers*** *identified as part of the* ***New Growth Path****, the national 5-year economic plan for the country, is the element of the* ***knowledge economy –*** *an economy that is underpinned by access to affordable high speed broadband…*



* **Nine Point Intervention Plan:**

*Among the* ***Nine-Point Plan*** *priorities of Government aimed at igniting growth, is that the State reform and boosting the role of state-owned companies;* ***ICT infrastructure or broadband roll-out****;water,sanitation and transport infrastructure.*

*Another is* ***Operation Phakisa*** *(a programme aimed at accelerate implementation of the NDP). Operation Phakisa in Education is envisaged to, amongst other things, address the need to train and prepare teachers to integrate ICT in their classrooms and change theirteaching practices aligned to the ICT resources.*

* **SIP-15: Expanding Access to Communication Technology :**

*AIM: 100% access to digital ICTs to all South Africans by 2020 as a driver of new economic opportunities and digital equity. Interim implementing agencies include: Sentech, Broadband Infraco, Telkom, SANRAL, Eskom, Transnet,* ***USAASA****, and the*

*private sector.* 6



**Strategic**

**Goals**

**Strategic**

**Objectives**

**KPIs**

**Annual**

**Target**

**2016/2017**

**Actual**

**Achievement**

**Achieved**

**/**

**Not**

**Achieved**

**Variance Explanation**

SG 1:

Centre

of Excellence

on Universal

Service and

Access in

South Africa

Optimise

organisational

efficiency

by

2021

to

support

the

project

delivery

of

Universal

Service

and

Access

Fund



Human

capital

training

and

development

programmes

aligned

to

organisational

strategy

Implement

the

organisational

Work

Skills

Plan

WSP

(

)

Target

was

not

fully

achieved

as

planned

although

the

WSP

was

approved

by

the

Board

.

Not

achieved

The

training

plan

as

per

the

Board

approved

WSP

was

not

fully

achieved

largely

due

to

poor

planning



Optimally

functional

Human

Resources

policies

and

systems

aligned

to

organisational

strategy

Review

and

implement

functional

human

resources

policies

Target

was

not

fully

achieved

and

only

one

out

of

the

four

planned

target

was

planned

Not

achieved

The

outstanding

3

policies

were

not

approved

by

Board

largely

due

to

poor

planning



Optimally

functional Human

Resources policies

and systems

aligned to

organisational

strategy

Develop

and

implement a

Human

Resources

Service Level

Agreement (SLA)

The

monitoring

and

reporting

on

Human

Resources

SLA

took

place

as

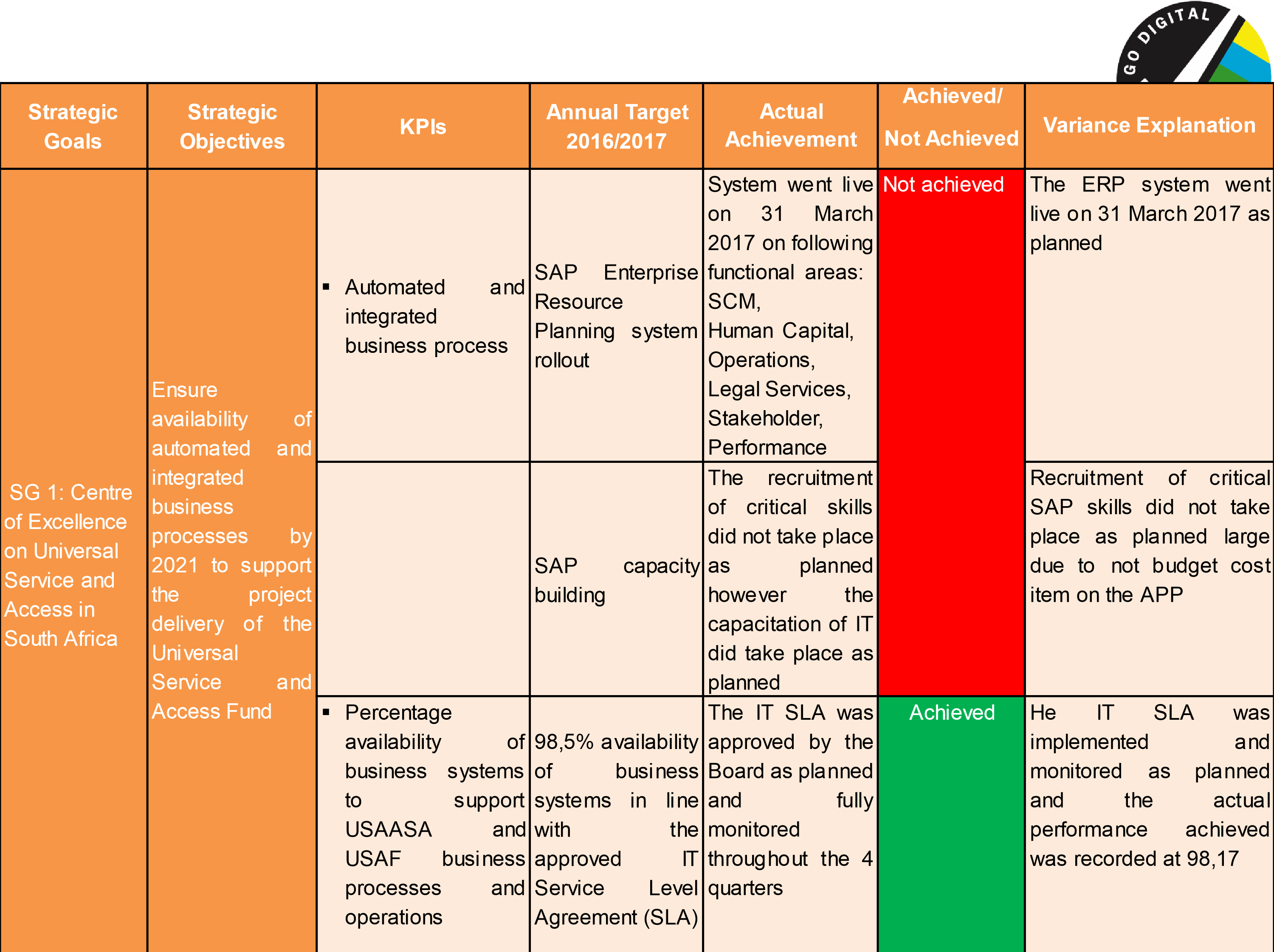
planned

Achieved

The

target was fully

achieved as planned





**Strategic**

**Goals**

**Strategic**

**Objectives**

**KPIs**

**Annual**

**Target**

**2016/2017**

**Actual**

**Achievement**

**Achieved**

**/**

**Not**

**Achieved**

**Variance Explanation**

SG 1:

Centre

of Excellence

on Universal

Service and

Access in

South Africa

Provide

legally

sound

services

to

the

Agency

by

2021

to

support

the

project

delivery

of

the

Universal

Service

Fund



Number

of

days

for

providing

legal

services

in

accordance

with

relevant

legislation

and

policy

Ensure

sound

legal

services

are

provided

to

the

Agency

The

target

was

fully

achieved

Achieved

The

monitoring

of

the

written

legal

opinions

and/or

advice

provided

within

7

working

days

and

the

drafting

of

contracts

within

21

working

days

did

take

place

as

planned

USAASA

established

as

a

centre

of

excellence

for

Universal

Access

and

Universal

Service

market

information,

knowledge

and

expertise

by

2021



Information

on

impact

of

the

provision

of

universal

access

and

universal

service

Monitor

and

evaluate

the

impact

of

universal

access

and

universal

service

provision

on

access

gaps

and

disseminate

the

findings

The

target

was

fully

achieved

Achieved

A

consolidated

impact

assessment

report

for

6

identified

underserviced

areas

was

developed

and

presented

to

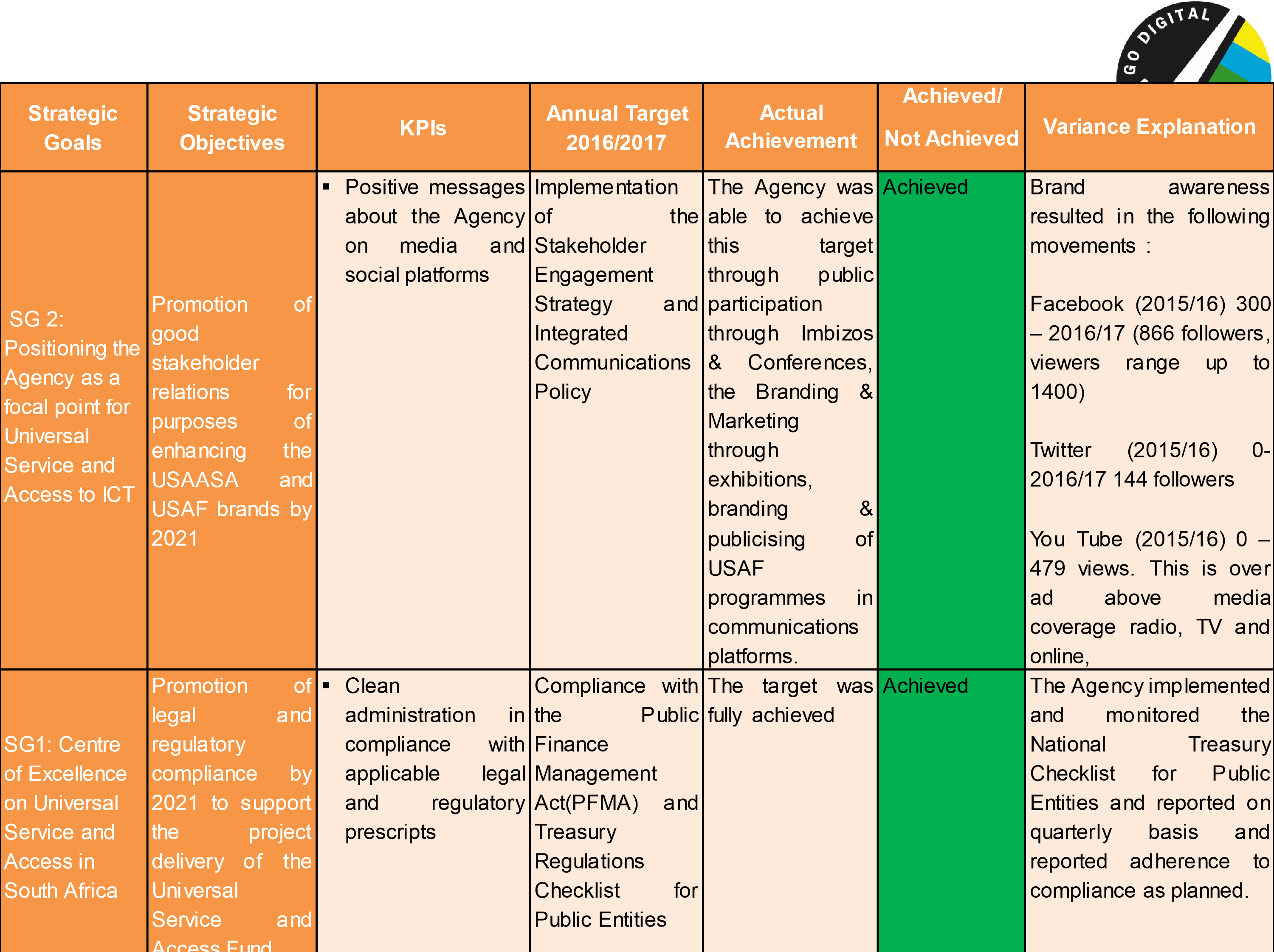
key

stakeholders

as

planned

.



# Summary of USAASA 2016-2017 Annual Performance

The graph below depicts the Agency’s achieved annual targets against the planned annual targets in the 2016-2017 approved Annual Performance Plan.



* Six (6) of the nine (9) planned targets were achieved, amounting to 67% of the total planned targets,
* and three (3) of the nine (9) planned targets were not achieved, resulting to 33% of the total annual planned targets

**33**

**%**

**Not**

**Achieved**

**67**

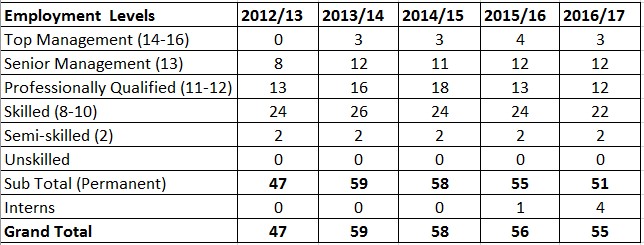
**%**

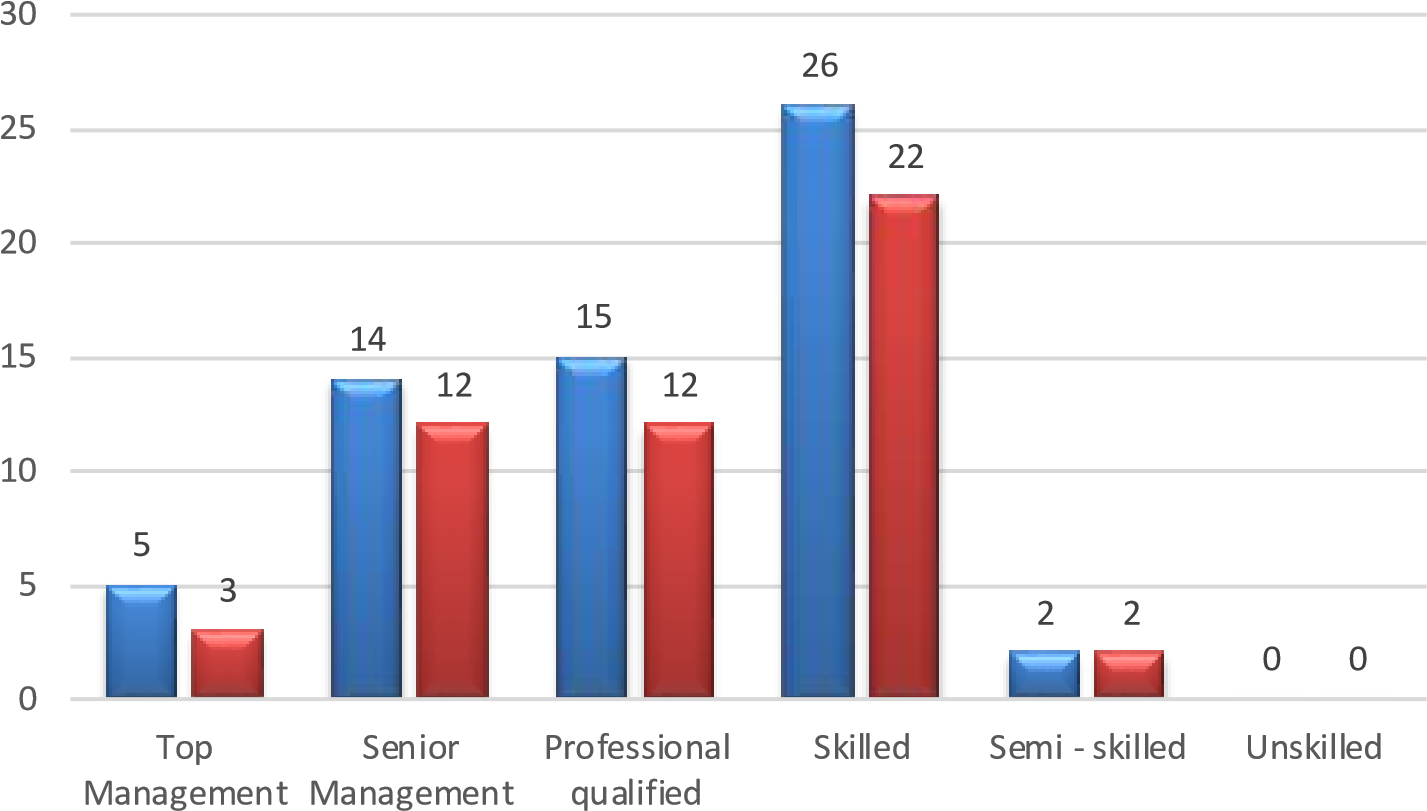
**Achieved**

# Headcount Overview : Resourcing of the environment

|  |  |  |
| --- | --- | --- |
| **Human Capital** | **Fillingof key positions** | **Vacant positions during the financialyear** |
| At the closing of the financial year, USAASA employees complement compromised of 50 permanent staff | The following key positions were filled during the financial year:  o Chief Executive Officer o Chief Financial Officer o Senior Manager : Finance o Company Secretary | * Executive : Performance Management – Resigned o Executive : Operations – Resigned o Company Secretary – Resigned * Senior Manager : Broadcasting & USAF – Resigned o Senior Manager : BDM – Resigned o Travel Management Officer – Resigned o Registry Officer – Resigned |
| An internship programme in both Finance & IT comprising of 4 interns was completed during the year under review |
| There are 13 funded vacancies in the staff establishment |

**USAASA Staff Complement**





No of approved posts Actual appoinment

|  |  |
| --- | --- |
| **Risk Description [2017/18 Quarter Two]** | **Risk Description [2016/17 FY]** |
| Low organisational performance and risk culture leading to inadequate and/ or slow response in addressing performance, audit and risk recommendations aimed at improving internal controls systems and eliminating governance risks | Negative stakeholder perceptions about the Agency |
| Inability to effectively recover should a disaster occur | Inability to effectively recover should a disaster occur |
| Lack of an ongoing SAP support in line with the IT service level agreement and SAP skills to support the ERP | Inability to implement the ERP system in a timely manner |
| Inability to produce Quarter One USAASA and USAF financial statements and subsequent months due to system related issues. | Failure to produce GRAP compliant financial statements resulting in an undesirable audit opinion |
| Lack of adequate technical skills | Inability to deliver on the USAF mandate |
| Potential litigation brought against the Agency/ Fund | Negative stakeholder perceptions about the Agency |
| Strategic goals, strategic objectives, key performance indicators and targets inconsistent with the "SMART" criteria | Strategic goals, strategic objectives, key performance indicators and targets inconsistent with the "SMART" criteria |
| Going concern – development of the Digital Development Fund Bill | Inability of the Agency to continue operating in its current form for the foreseeable future |
| Lack of an up-to-date adequate Organisational policy manual | Lack of review of the standard operating guidelines (Fund manual) |
| Failure to derive value from OD process deliverables | Failure to derive value from OD process deliverables |

# USAASA Top Strategic Risks

Slide 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **Statement of Financial Performance** | Note(s) |  | 2017  R’000 | 2016  R’000 |
| **Revenue** |  |  |  |  |
| Government grants & subsidies  Interest received –investment Other income |  | 26 | 69,045  10,642 27 | 262,429  8,605  267 |
| **Total revenue** |  |  | **79,714** | **271,301** |
| **Expenditure**  Employee related costs  Depreciation and amortisation  Finance costs  Lease rentals on operating lease  Repairs and maintenance  General Expenses |  | 12  27  13 | (41,839)  (3,100)  -  (4,600)  (188) (97,510) | (38,165)  (3,227)  (84)  (4,842)  (201) (32,745) |
| **Total expenditure** |  |  | **(147,237)** | **(79,264)** |
| **Operating (deficit) surplus**  Loss on disposal of assets and liabilities |  | 14 3 | (67,523) (20) | 192,037  (14) |
| **(Deficit) surplus for the year** |  |  | **(67,543)** | **192,023** |

**The comparative figures have been adjusted accordingly to reflect correction of prior period errors.**



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| **Statement of Financial Position as at 31 March 2017** | Note(s) |  | 2017 R’000 | 2016 R’000 |
| **Assets** |  |  |  |  |
| **Non-Current Assets**  Property, plant and equipment  Intangible assets |  | 3  4 | 5,112  39,892  **45,004** | 4,236 25,297  **29,533** |
| **Current Assets**  Inventories  Loans and receivables  Cash and cash equivalents |  | 5  6  7 | 28  1,496  104,543  **106,067** | 145  735  208,483  **209,363** |
| **Total Assets** |  |  | **151,071** | **238,896** |
| **Liabilities**  **Non-CurrentLiabilities**  Finance lease obligation |  | 8 | 8 | 152 |
| **Current Liabilities**  Finance lease obligation  Trade and other payables  Provisions  **Total Liabilities**  **Net Assets** |  | 8  9  10 | 207  12,090  1,950  **14,247 14,255**  **136,816** | 203  15,740 18,441 **34,384**  **34,536**  **204,360** |
| **Accumulated surplus** |  |  | 136,816 | 204,360 |

**The comparative figures have been adjusted accordingly to reflect correction of prior period errors.**



**Statement of Changes in Net Assets**

Accumulated Surplus

R’000

Total net Assets

R’000

**Balance at 01 April 2015**

Changes in net assets

Surplus for the year

**12,337**

192,023

**12,337**

192,023

**Total Changes**

**192,023**

**192,023**

Opening balance as previously reported

Adjustments

Correction of errors

203,651

708

203,651

708

**Balance at 01 April 2016 as restated\***

Changes in net assets

Surplus for the year

**204,359**

(

67,543)

**204,359**

(

67,543)

**Total changes**

(67,543)

(67,543)

**Balance at 31 March 2017**

**136,816**

**136,816**

**Note(s)**



**Statement of Cash Flows**

Note(s)

2017

R’000

2016

R’000

**Cash flow from operating activities**

Cash receipts from government

Cash paid to suppliers and employees

69,045

(164,899)

262,429

(49,641)

Cash generated from operations (excl. interest)

Interest income

Finance costs

15

(95,854)

10,642

-

212,788

8,605

(84)

**Net cash from operating activities**

**(85,212)**

**221,309**

**Cash flows from investing activities**

Acquisition of property, plant and equipment

Proceeds from disposal of property, plant and equipment

Purchase of other intangible assets

3

3

4

(3,682)

-

(14,906)

(900)

9

(24,937)

**Net cash from investing activities**

**(18,588)**

**(25,828)**

**Cash**

**flow**

**from**

**financing**

**activities**

Finance

lease

payments

(140)

224

**Net cash from financing activities**

**(140)**

**224**

**Total cash movement for the year**

Cash and cash equivalents at the beginning of the year

**(103,940)**

208,483

**195,705**

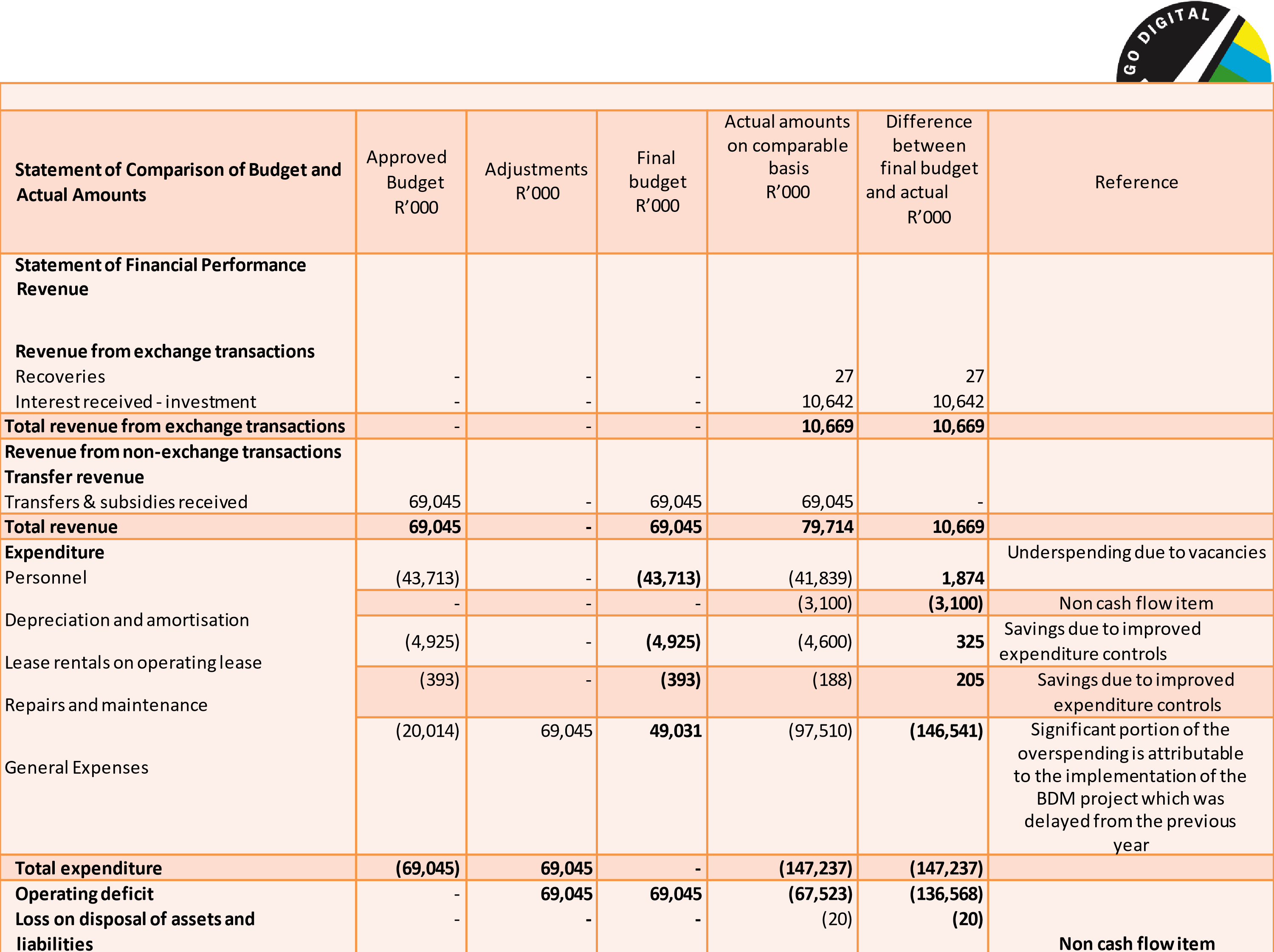
12,778

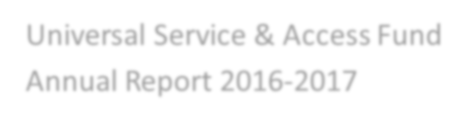
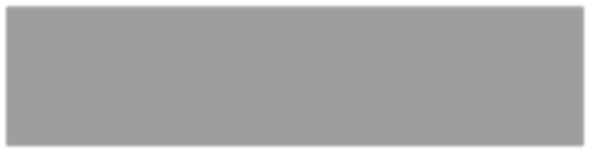
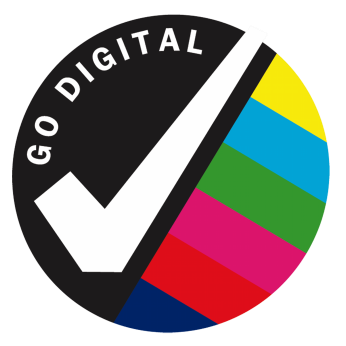
**Cash and cash equivalents at the end of the year**

7

**104,543**

**208,483**





Universal Service & Access Fund

Annual Report 2016

-

2017

**Achieved/Not**

**Strategic Strategic Variance**

**KPIs Annual Target Actual Performance Achieved Goals Objectives Explanation**

The backhaul towers and KPI was achieved as

SG 1: Current base stations have been a result of effective

under-

Two under-serviced local constructed at King Sabata engagement with

serviced areas Accessible

Accessible municipality broadband Dalindyebo and Mhlontlo relevant

connected broadband broadband projects initiated and Local Municipalities as Achieved stakeholders.

through network network coverage completed in OR Tambo planned

affordable, coverage in in identified District Municipality in the

available, identified underserviced Eastern Cape The accessible WiFi access

sustainable underserviced

areas points in primarily health

and areas

facilities and public

qualitative schools were installed and

broadband operational as planned

SG 2: Number of The planned target of 258 Not Achieved The KPI was not Innovative ICT Facilitate the existing sites was not fully achieved largely due offerings that broadband broadband achieved. Only 68 sites to poor planning respond to connectivity of network Maintain broadband were connected for the and execution



the needs of educational connections network connectivity in financial year. leading to failure to

education, institutions, maintained in 127 schools, 93 clinics and conclude the primary primary educational 38 traditional ICT centres Service Level

health care healthcare institutions, in compliance with Section Agreements for and facilities and primary 88 of the Electronic connectivity at the

government government healthcare Communications Act, 2005 deployed sites

institutions in institutions by facilities and within schedule. underserviced 2021 traditional ICT areas centres

20

# USAF Performance against corporate KPIs



***USAF***

***Performance against corporate KPIs***

21

**Strategic**

**Goals**

**Strategic**

**Objectives**

**KPIs**

**Annual Target**

**Actual**

**Performance**

**Achieved/Not**

**Achieved**

**Variance**

**Explanation**

SG

3:

Digital

access to TV

provided to

million

5.2

needy

households

To

fund digital

television access

equipment for

qualifying TV

–

owning needy

households by

2021

Number

of

Set

-

Top

-

Boxes

&

antennas

procured

and

installed

for

qualifying

needy

TV

-

owning

households

460 Set

58

-

Top

-

Boxes

& antennas procured

and installed for

qualifying needy TV

–

owning households

The target was not fully

achieved as planned. Only

43

272 set

-

top

-

boxes and

antennas out of the 58 460

planned were installed as at

the end of the financial

year.

Not

Achieved

The

Agency

did

not

complete

58

460

planned

set

-

top

-

boxes

owing

to

legal

challenges

and

also

the

installations

were

only

confined

to

Square

Kilometre

Array

and

boarder

lines

areas

.

A

total

of

**35**

**393**

installations

were

recorded

in

Q

1

(

2017

/

18

)

The STB registration phase has been activated in the remaining Provinces [KZN (Total Province), Eastern Cape (Total Province)

, W

estern Cape

and Gauteng) on

**1**

**August 2017 (Official launch: 1 Sept**

**2017).**

**A total of 343, 651 TV owning qualifying households has been registered today 31 August 2017**

# Summary of USAF 2016-2017 Annual Performance

The graph below depicts the Fund’s achieved annual performance against the planned annual targets in the 20162017 approved Annual Performance Plan.



* One (1) of the three (3) planned targets was achieved, being 33% of the total planned targets, and
* two (2) of the three (3) planned targets were not achieved, being 67% of the total planned annual targets.

33

%

Achieved

67

%

Not

Achieved

|  |  |
| --- | --- |
| **Risk Description [2017/18 Quarter Two]** | **Risk Description [2016/17 FY]** |
| Limitation of participation in the digital economy brought about by a lack of elements such as adequate access, digital literacy, awareness, integration and support | Inability to influence policy and strategy in South Africa, leading to lack of innovation and creation of new ICT solutions that anticipate and meet beneficiaries' increasing demands |
| Inadequate availability of funding to facilitate the rapid deployment of broadband infrastructure in identified underserviced areas | Inadequate availability of funding to facilitate the rollout of integrated broadband infrastructure in identified under-serviced areas |
| Duplication of effort and inefficient utilisation of limited resources | Lack of an integrated or a shared approach by key players in the ICTs sector towards the achievement of service-related goals to enhance universal service and access |
| Inadequate sign-off and monitoring and evaluation leading to a poor verification of the electronic communication infrastructure | Inadequate verification of reported performance outcomes to ensure reported performance matches actual performance |
| Low availability of Set Top Boxes and related accessories | Low uptake and usage of the digital broadcast services |
| BDM Stock holding for periods longer than anticipated may result in a loss of stock through events such as Fire, theft, etc. Stock counts have revealed that most of SAPO’s warehouses and branches fire hydrants/extinguishers have passed their service dates. The loss may even be greater than the insured value of stock | Potential litigation in the BDM Project |
| Inaccurate costs in relation to broadband projects | Non-compliance with contractual obligations by way of ensuring that project expenditure obligations by the service provider(s) are adhered to. |
| Underutilisation of the infrastructure and the end user devices | Underutilisation of the infrastructure and the end user devices |
| Lack of segregation of duties between project planning, implementation and verification | Lack of segregation of duties between project planning, implementation and verification |
| Lack of or poor quality research and evaluation outputs | Lack of or poor quality research and evaluation outputs |

# USAF Top Strategic Risks

Slide 23

**The comparative figures have been adjusted accordingly to reflect correction of prior period errors.**



Transfers and subsidies

Finance income

Other income

20

644,540

108,696

-

233,540

98

,440

12

**Total revenue**

**753,236**

**331,992**

**Expenditure**

Project Expenses

Audit Fees

Administrative Expenses

2

3

5

(94,951)

(1,497)

(21)

(65,658)

(1,077)

(3)

**Total expenditure**

**(96,469)**

**(66,738)**

Operating surplus/deficit

Surplus before taxation

Taxation

**Surplus for the year**

-

656,767

-

**656,767**

-

265,254

-

**265,254**

**Statement**

**of Financial Performance**

**Revenue**

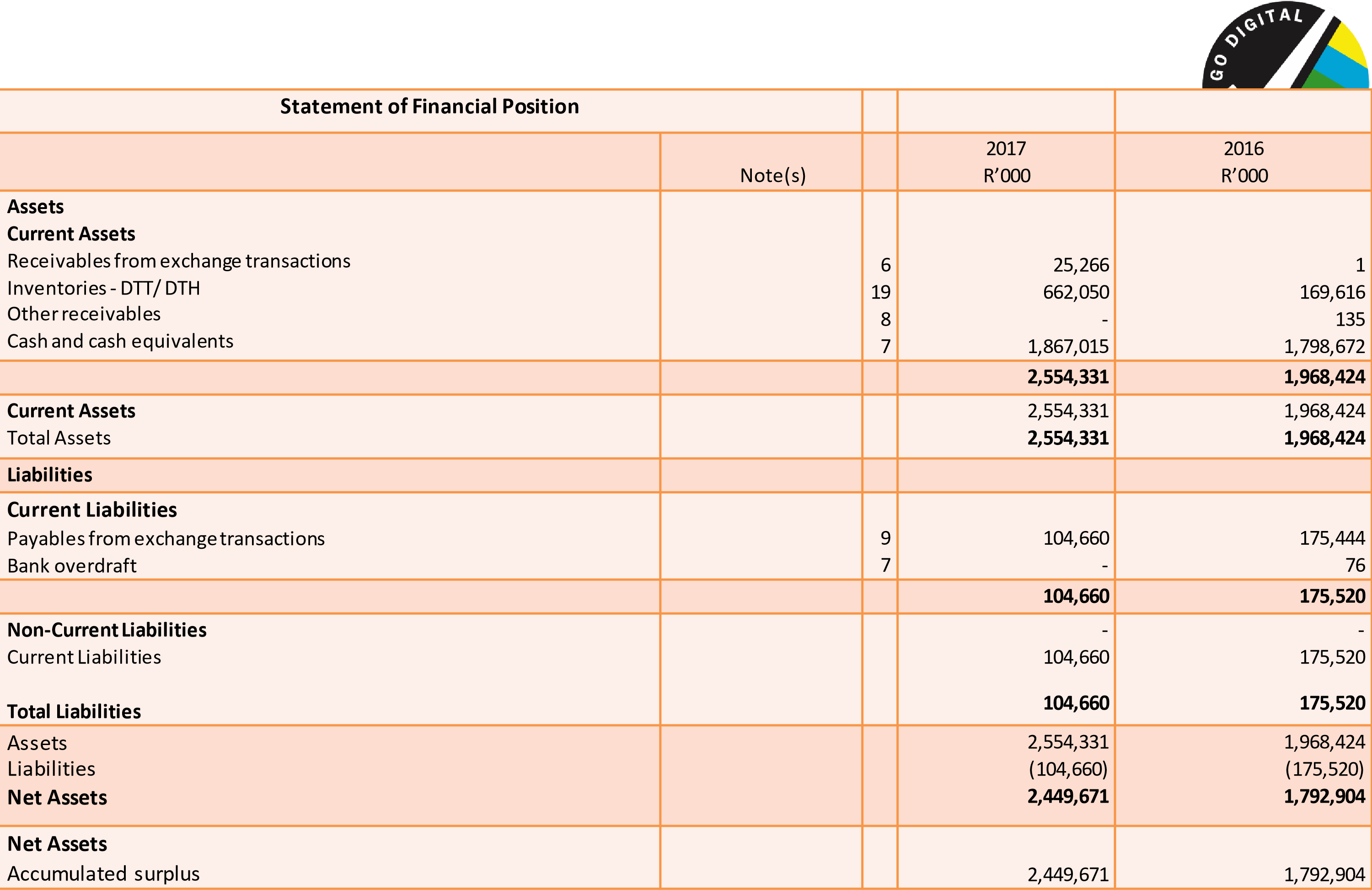
Note(s)

2017

R’000

2016

R’000

**The comparative figures have been adjusted accordingly to reflect correction of prior period errors.**

**The comparative figures have been adjusted accordingly to reflect correction of prior period errors.**



**Statement**

**of Changes in Net Assets**

Accumulated

surplus

R’000

Total

net assets

R’000

**Balance at 01 April 2015**

Changes in net assets

Surplus

for the

period

Transfer

of income surplus to

Nationa

l

Revenue

Fund

1,578,595

270,558

(

50,942)

1,578,595

270,558

(50,942)

**Total revenue**

219,616

219,616

Adjustments

Prior year adjustments (Refer to note 17 )

(5,307)

(5,307)

**Balance at 01 April 2016**

Changes in net assets

Surplus for the period

**1,792,904**

656,767

**1,792,904**

656,767

Total changes

656,767

656,767

**Balance at 31 March 2017**

**2,449,671**

**2,449,671**

**The comparative figures have been adjusted accordingly to reflect correction of prior period errors.**



**Statement**

**of Cash Flows**

Note(s)

2017

R’000

2016

R’000

Cash flows from operating activities

**Receipts**

Grants

644,540

233,540

**Payments**

Suppliers

(684,952)

(130,968)

**Total receipts**

Total

payments

Net cash flows from operating activities

10

644,540

(684,952)

**(40,412)**

233,540

(130,968)

**102,572**

**Cash flows from investing activities**

Interest Income

108,696

98,440

**Cash flows from financing activities**

**Repayment of inter**

**-**

**entity loan**

135

(161)

**Net cash from financing activities**

**135**

**(161)**

**Net**

**increase/(decrease)**

**in**

**cash**

**and**

**cash**

**equivalents**

**Cash**

**at**

**the**

**beginning**

**of**

**the**

**period**

**68,419**

1,798,596

**200,851**

1,597,745

**Net increase in cash and cash equivalents**

7

**1,867,015**

**1,798,596**

