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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022 (M12)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2021/2022 BUDGET FOR THE PERIOD ENDING 30 June 2022

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2021/22 Budget of the Ray Nkonyeni Municipality for the period ending 30 June 2022 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

Municipal Finance Management Act No 56, 2003 Chapter 8, Section 71.

4. BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality.

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 30 June 2022 is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Revenue By source
- 5.3 Expenditure by Type
- 5.4 Debtors Age Analysis
- 5.5 Creditors Age Analysis
- 5.6 Capital Expenditure
- 5.7 Transfers and Grants Receipts
- 5.8 Transfers and Grants Expenditure
- 5.9 Salaries Expenditure
- 5.10 Long-term Loans
- 5.11 Performance Indicators
- 5.12 Investment Register

6. MAIN TABLES

6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

6.5. Financial Position

5.1 Monthly Budget Statement of Financial Performance

This table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and expenditure by type.

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M12 June

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	447 331	475 785	475 785	(175)	464 641	475 785	(11 144)	-2%	475 785
Service charges	195 945	238 253	238 186	13 288	214 840	238 186	(23 346)	-10%	238 186
Investment revenue	3 513	4 500	5 150	939	4 737	5 150	(413)	-8%	5 150
Transfers and subsidies	289 550	257 885	259 456	2 218	256 801	259 456	(2 655)	-1%	259 456
Other own revenue	131 231	148 215	147 464	10 017	115 775	147 464	(31 689)	-21%	147 464
Total Revenue (excluding capital transfers and contributions)	1 067 571	1 124 639	1 126 042	26 287	1 056 794	1 126 042	(69 248)	-6%	1 126 042
Employee costs	428 524	415 480	423 008	21 383	421 635	423 008	(1 373)	-0%	423 008
Remuneration of Councillors	28 366	31 434	27 222	2 390	26 249	27 222	(973)	-4%	27 222
Depreciation & asset impairment	102 276	91 916	114 780	29	80 104	114 780	(34 677)	-30%	114 780
Finance charges	11 088	5 673	5 673	77	338	5 673	(5 335)	-94%	5 673
Inventory consumed and bulk purchases	120 110	137 906	139 762	22 958	136 269	139 762	(3 493)	-2%	139 762
Transfers and subsidies	6 635	7 349	10 030	1 950	9 680	10 030	(350)	-3%	10 030
Other expenditure	347 870	427 054	431 944	40 713	339 492	431 944	(92 452)	-21%	431 944
Total Expenditure	1 044 869	1 116 811	1 152 419	89 501	1 013 767	1 152 419	(138 653)	-12%	1 152 419
Surplus/(Deficit)	22 702	7 828	(26 378)	(63 215)	43 028	(26 378)	69 405	-263%	(26 378)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77 193	133 599	166 441	26 955	146 847	166 441	(19 594)	-12%	166 441
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)	12 008	11 668	11 668	12 015	12 015	11 668	347	3%	11 668
Surplus/(Deficit) after capital transfers & contributions	111 902	153 095	151 731	(24 244)	201 890	151 731	50 158	33%	151 731
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	111 902	153 095	151 731	(24 244)	201 890	151 731	50 158	33%	151 731
Capital expenditure & funds sources									
Capital expenditure	124 967	161 345	193 568	21 303	172 597	193 568	(20 971)	-11%	193 568
Capital transfers recognised	79 155	127 134	151 651	12 580	143 893	151 651	(7 759)	-5%	151 651
Borrowing	-	8 476	10 316	749	5 689	10 316	(4 627)	-45%	10 316
Internally generated funds	15 377	25 735	31 341	7 752	22 792	31 341	(8 548)	-27%	31 341
Total sources of capital funds	94 532	161 345	193 308	21 081	172 374	193 308	(20 934)	-11%	193 308
Financial position									
Total current assets	487 753	408 055	554 064		602 189				554 064
Total non current assets	1 799 499	1 843 645	1 878 375		1 892 020				1 878 375
Total current liabilities	296 741	255 305	296 263		302 301				296 263
Total non current liabilities	166 210	121 596	160 054		165 713				160 054
Community wealth/Equity	1 824 390	1 874 799	1 976 122		2 020 517				1 976 122
Cash flows									
Net cash from (used) operating	868 869	171 419	144 112	(91 914)	247 937	144 112	(103 825)	-72%	144 112
Net cash from (used) investing	(114 488)	(163 926)	(171 926)	(23 503)	(185 339)	(171 926)	13 413	-8%	(171 926)
Net cash from (used) financing	(15 585)	(1 425)	(10 371)	(2 776)	(35 474)	(12 721)	22 753	-179%	(10 371)
Cash/cash equivalents at the month/year end	818 295	102 433	104 887	-	170 195	102 536	(67 659)	-66%	104 887
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357
Creditors Age Analysis									
Total Creditors	2 722	-	-	-	-	-	-	320	3 042

5.2 Financial Performance -Revenue by Source

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Vote Description	Ref	Budget Year 2021/22								
		2020/21 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		447 331	475 785	475 785	(175)	464 641	475 785	(11 144)	-2%	475 785
Service charges - electricity revenue		141 263	169 514	170 147	13 284	157 454	170 147	(12 693)	-7%	170 147
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		54 682	68 739	68 039	4	57 387	68 039	(10 653)	-16%	68 039
Rental of facilities and equipment		3 785	466	2 443	509	3 024	2 443	581	24%	2 443
Interest earned - external investments		3 513	4 500	5 150	939	4 737	5 150	(413)	-8%	5 150
Interest earned - outstanding debtors		28 226	24 092	23 272	2 746	31 183	23 272	7 912	34%	23 272
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16 546	20 764	21 064	33	15 816	21 064	(5 248)	-25%	21 064
Licences and permits		5 567	11 698	7 424	505	8 138	7 424	714	10%	7 424
Agency services		5 400	4 000	4 670	396	4 965	4 670	295	6%	4 670
Transfers and subsidies		289 550	257 885	259 456	2 218	256 801	259 456	(2 655)	-1%	259 456
Other revenue		66 113	87 194	88 590	5 827	52 648	88 590	(35 942)	-41%	88 590
Gains		5 594	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 067 571	1 124 639	1 126 042	26 287	1 056 794	1 126 042	(69 248)	-6%	1 126 042
Expenditure By Type										
Employee related costs		428 524	415 480	423 008	21 383	421 635	423 008	(1 373)	0%	423 008
Remuneration of councillors		28 366	31 434	27 222	2 390	26 249	27 222	(973)	-4%	27 222
Debt impairment		24 530	9 600	9 600	728	4 375	9 600	(5 225)	-54%	9 600
Depreciation & asset impairment		102 276	91 916	114 780	29	80 104	114 780	(34 677)	-30%	114 780
Finance charges		11 088	5 673	5 673	77	338	5 673	(5 335)	-94%	5 673
Bulk purchases - electricity		108 129	125 067	125 067	21 007	122 799	125 067	(2 268)	-2%	125 067
Inventory consumed		11 981	12 839	14 695	1 952	13 470	14 695	(1 225)	-8%	14 695
Contracted services		190 476	250 244	257 655	19 622	204 861	257 655	(52 794)	-20%	257 655
Transfers and subsidies		6 635	7 349	10 030	1 950	9 680	10 030	(350)	-3%	10 030
Other expenditure		130 200	167 210	164 689	20 363	130 256	164 689	(34 433)	-21%	164 689
Losses		2 663	-	-	-	-	-	-	-	-
Total Expenditure		1 044 869	1 116 811	1 152 419	89 501	1 013 767	1 152 419	(138 653)	-12%	1 152 419
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		22 702	7 828	(26 378)	(63 215)	43 028	(26 378)	69 405	(0)	(26 378)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		77 193	133 599	166 441	26 955	146 847	166 441	(19 594)	(0)	166 441
Transfers and subsidies - capital (in-kind - all)		9 669	11 668	11 668	12 015	12 015	11 668	347	0	11 668
Surplus/(Deficit) after capital transfers & contributions		111 902	153 095	151 731	(24 244)	201 890	151 731			151 731
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		111 902	153 095	151 731	(24 244)	201 890	151 731			151 731
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		111 902	153 095	151 731	(24 244)	201 890	151 731			151 731
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		111 902	153 095	151 731	(24 244)	201 890	151 731			151 731

The above revenue by source and expenditure by type can be explained in detail as per the table below:

Revenue by Source

This table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and details explained below.

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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 Source										
Property rates		447 331	475 785	475 785	(175)	464 641	475 785	(11 144)	-2%	475 785
Service charges - electricity revenue		141 203	169 514	170 147	13 284	157 454	170 147	(12 693)	-7%	170 147
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		54 662	68 739	68 039	4	57 387	68 039	(10 653)	-16%	68 039
Rental of facilities and equipment		3 785	466	2 443	509	3 024	2 443	581	24%	2 443
Interest earned - external investments		3 513	4 500	5 150	939	4 737	5 150	(413)	-8%	5 150
Interest earned - outstanding debtors		28 226	24 092	23 272	2 748	31 183	23 272	7 912	34%	23 272
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16 546	20 764	21 064	33	15 816	21 064	(5 248)	-25%	21 064
Licences and permits		5 567	11 698	7 424	505	8 138	7 424	714	10%	7 424
Agency services		5 400	4 000	4 670	398	4 965	4 670	295	6%	4 670
Transfers and subsidies		289 550	257 885	259 456	1 068	259 551	259 456	(2 905)	-1%	259 456
Other revenue		66 113	87 194	88 590	5 797	52 618	88 590	(35 972)	-41%	88 590
Gains		5 594	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 067 671	1 124 699	1 128 042	28 007	1 068 614	1 128 042	(69 627)	-6%	1 128 042

Property Rates

Property rates comprise of multiple categories under the jurisdiction of Ray Nkonyeni Municipality, the bulk revenue is billed on three categories: Residential properties, Business and Commercial properties as well as State owned properties. The annual budget for Property rates is R475.7 million and The YTD actual billing is R464.6 million, compared to the YTD budget of R475.7 million. The R11.1 variance is attributed to the reviews of Property values and categories since its only done once there are applications sent by the ratepayers. Property rates budget was straight lined over 12 months and at the end of June 2022 the variance between budget versus actual is attributed to some public infrastructure properties that are billed for rates such as Telkom lines, substations but the 1st 30% of the market value is not billable. The rest such as roads, runaways, railway lines, water reservoirs and dams are no longer billable for rates.

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 30 June 2022 is R157.4 million while the YTD Budget is R170.1 million. There is an overall variance of R12.6 million between the YTD actual and YTD budget. This variance is due to low usage of electricity resulting from the recent spurs of increased load shedding which has had an impact on the electricity consumption.

Refuse Revenue

The overall YTD actual billing for refuse removals is R57.3 million and the YTD Budget billing is R68 million, with YTD variance of R10.6 million. This means that Refuse revenue billing was overbudgeted by R10.7 million since April was the last month of billing. The municipality will take this into account on the next financial year budget.

Interest on Investment

Investment revenue is the amount of interest earned on the amount invested with various financial institutions registered with South African Banking Council. The investment revenue YTD Actual is R4.7 million, YTD budget is R5.1 million, interest and there is a variance of R413 thousand. The municipality did not manage to generate the estimated interest in its investments due to the fluctuation of repo rate of the country caused by the current economic status of the country.

Interest earned on arrear debtors

The interest charged on arrear debtors to date is R31.1 million, 34% more compared to the YTD budget of R23.2 million and this is due to an increase in our debtors and has yielded more interest charged than anticipated which is in line with our revenue enhancement strategies.

Agency Services

Agency services comprise of driver's license application, learners license application and renewal fees, this is the commission earned by the municipality on the services performed by the municipality on behalf of the Department of transport and third parties on payroll section. The annual projected revenue is R4.6 million, with the YTD actual of R4.9 million This shows that the municipality is doing very well in collecting revenues on behalf of their principals and earns more commission than estimated.

Fines

Fines, Penalties, and forfeits are derived from Building fines, illegal connections, overdue books, and the bulk budget being on traffic fines for R20 million and the total budget being R21.06 million. The YTD actual is R15.8 million, there is a 25% variance which was a result of less fines charged in the month since there were less big events held with the municipal jurisdiction and due to the disaster there was limited Easter holiday activities.

Licenses and Permits

Licenses and permits actuals to date amounts to R8.1 million, Annual Budget is R7.4 million and there is a 10% variance which shows that the municipality is on the right track with this item as it has generated more revenue than projected.

Rental of Facilities

Rental of facilities annual budget is R2.4 million, this is the rental of fixed asset revenue such as halls, airport hangers, skip hire and garages. The YTD actuals for the rental of facilities is R3 million, there is a 24% variance. Rental of facilities has been performing well during the financial as the mid-year assessment indicated a need for an adjustment of R1.9 million, with the adjustment this revenue stream has exceeded projects during the current financial year.

Other revenue

Other revenue is made up of numerous miscellaneous items (e.g., town planning fees, market income, cemetery fees, clinics subsidies, etc.) and gains on disposal of assets are included. Other revenue also includes construction contract revenue that is revenue recognized on receipt of funding for housing projects with a budget of R75 million, this revenue is contingent on the actual expenditure as the funding is based on claims for work done on the various housing projects. The actuals of other revenue to date are R42.6 million, YTD Budget is R88.5 million and there is a 41% variance. The department of human settlement has projects that they make direct payments to service providers for work done which results in funds transferred to the municipality not reconciling to those tabled in the gazette used during the budget and this creates a huge variance to other revenue as housing revenue comprises of 88% of other revenue.

Overall revenue YTD budget to date

The YTD Actual revenue excluding capital transfers is R 1.056 billion for the period ending 30 June 2022, YTD Budget is R1.126 billion, the variance is caused by the differences within the different revenue streams and how they have been performing.

YTD Budget Implementation

The calculation below shows an overall budget implementation indicator on operating revenue, as the norm is between 95%-100%, as at the end of 30 June 2022 the actual revenue versus the budgeted YTD revenue amounts to 94% of projected revenue to date.

Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	95% - 100%		94%
			Actual Operating Revenue	1 056 514 079
			Budget Operating Revenue	1 126 041 541

5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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										
Expenditure By Type										
Employee related costs		428 524	415 480	423 008	21 383	421 635	423 008	(1 373)	0%	423 008
Remuneration of councillors		28 366	31 434	27 222	2 390	26 249	27 222	(973)	-4%	27 222
Debt impairment		24 530	9 600	9 600	728	4 375	9 600	(5 225)	-54%	9 600
Depreciation & asset impairment		102 276	91 916	114 780	29	80 104	114 780	(34 677)	-30%	114 780
Finance charges		11 088	5 673	5 673	77	338	5 673	(5 335)	-94%	5 673
Bulk purchases - electricity		108 129	125 067	125 067	21 007	122 799	125 067	(2 268)	-2%	125 067
Inventory consumed		11 981	12 839	14 695	1 952	13 470	14 695	(1 225)	-8%	14 695
Contracted services		190 476	250 244	257 655	19 622	204 861	257 655	(52 794)	-20%	257 655
Transfers and subsidies		6 635	7 349	10 030	1 950	9 680	10 030	(350)	-3%	10 030
Other expenditure		130 200	167 210	164 689	20 363	130 256	164 689	(34 433)	-21%	164 689
Losses		2 663	-	-	-	-	-	-	-	-
Total Expenditure		1 044 869	1 116 811	1 152 419	89 501	1 013 767	1 152 419	(138 653)	-12%	1 152 419

Employee related costs and Remuneration of Councillors

The YTD actuals for employee related costs amount to R421.6 million as of 30 June 2022, YTD Budget is R423 million, expenditure reconciliations for financial year ended will be accounted in period 13 in preparations for the annual financial statements. Remuneration of councillors YTD actuals are sitting at R 26.2 million with YTD Budget of R 27.2 million and there is a 4% variance. Employee related cost is further detailed under table 5.9 Salaries Expenditure Details.

Contracted Services

Contracted services are made up of various operational projects such as Housing, Repairs and maintenance and typical work stream. Contracted services YTD actuals for the period ended 30 June 2022 amounts to R204 million, the YTD Budget is R257 million and there is a 21% variance. The variance in contracted services is attributed to housing projects, the annual budget on housing projects amounts to R77 million with the YTD budget at 74 million and a YTD actual amount spent at R43 million, this is due to the department of human settlements directly paying the service providers for work done instead of transferring funds to the municipality of the projects being implemented in the current financial year resulting from a tripartite agreement that begun in the 4th quarter of the financial year.

Inventory Consumed

YTD Inventory consumed amounts to R13.4 million as of 30 June 2022 with the YTD Budget being R14.1 million and the 8% variance is attributed to cost containment measures put in place by the Municipality.

Other operating expenditure

Other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Budget Road shows, municipal running cost such as electricity consumption and water services. YTD Actuals for Other operating expenditure are R128.1 million, YTD Budget is R164.6 million and there is a 22% variance. The variance is a result of cost containment measures implemented by the municipality to ensure that the financial resources of the municipality are used efficiently, for example the use of Microsoft teams to attend meetings and trainings.

Depreciation and Asset Impairment

The YTD actuals for Depreciation and Asset Impairment amounts to R80.1 million as of 30 June 2022, YTD budget of R114.7 million and there is a 30% variance. The annual fixed asset verification has been completed and calculations for all asset impairments were not finalized as at the close on month 12 and will be posted in period 13 in preparation for the annual financial statements.

Debt Impairment

The YTD actuals for Debt Impairment amounts to R4.3 million, YTD budget of R9.6 million and there is a 54% variance. Debt impairment calculation will be posted in period 13 for the financial year end as only bad debt written off has been posted in the current financial year.

Transfers and Subsidies

Transfers and subsidies relate to donations made by the municipality to fund local economic development such as SMME development, Cooperative's development, and poverty alleviation projects with the jurisdiction of Ray Nkonyeni Municipality. The annual budget for transfers and subsidies is R10 million, YTD expenditure is R9.6 million with a variance of 3%.

Overall expenditure budget

The overall expenditure YTD Actual is R1.014 billion as of 30 June 2022, YTD Budget is R1.152 billion. There is 12% variance, due to the trends of different types of expenditure as explained above such as contracted services having housing projects that have been directly paid by the department of human settlements reducing the expenditure incurred by the municipality on behalf of the department of human settlements, as well as some of the cost containment measures in other items of expenditure.

Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R41.6 million compared to the YTD Budget deficit of R26.3 million due to less spending to date.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2021/22									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	40	38	34	37	35	29	86	345	645	533
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 802	5 437	1 544	1 241	968	740	3 452	9 233	37 417	15 634
Receivables from Non-exchange Transactions - Property Rates	1400	654	113	11 063	9 860	8 429	7 631	42 877	184 429	264 756	252 926
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0
Receivables from Exchange Transactions - Waste Management	1600	28	3	1 914	1 640	1 459	1 333	7 930	34 063	48 389	46 445
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	2 842	2 767	2 709	2 637	2 573	2 503	11 397	73 688	101 115	92 798
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	865	75	169	147	167	119	548	8 944	11 034	9 925
Total By Income Source	2000	19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357	418 260
2021/22 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	1 905	1 040	737	880	857	787	9 884	32 863	48 974	45 291
Commercial	2300	9 484	3 493	3 843	3 353	2 843	2 457	12 008	54 492	91 973	75 153
Households	2400	7 842	3 900	12 853	11 029	9 930	9 110	44 398	223 347	322 411	297 815
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357	418 260

Details on the consumer debtors are presented under revenue section report and detailed presentation is done by the revenue management team.

5.5 Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2021/22								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2 722	-	-	-	-	-	-	320	3 042
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	2 722	-	-	-	-	-	-	320	3 042

Details on outstanding creditors are presented under expenditure section report and detailed presentation is done by the expenditure team.


5.6 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital Expenditure - Functional Classification										
Governance and administration		24 298	3 488	4 884	1 180	3 791	4 884	(903)	-10%	4 884
Executive and council		494	225	225	-	182	225	(43)	-10%	225
Finance and administration		23 756	3 164	4 372	1 188	3 515	4 372	(857)	-20%	4 372
Internal audit		40	100	98	2	95	98	(3)	-3%	98
Community and public safety		9 784	8 027	10 604	4 811	9 250	10 604	(1 384)	-13%	10 604
Community and social services		6 502	5 087	3 554	1 415	3 078	3 554	(477)	-13%	3 554
Sport and recreation		900	-	-	-	-	-	-	-	-
Public safety		222	3 940	6 940	3 384	6 058	6 940	(882)	-13%	6 940
Housing		50	-	140	112	115	140	(25)	-18%	140
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		81 817	128 084	164 608	13 827	144 779	164 608	(9 730)	-6%	164 608
Planning and development		36 704	86 781	98 725	10 998	90 348	98 725	(8 379)	-6%	98 725
Road transport		45 213	40 382	54 884	2 324	53 630	54 884	(1 254)	-2%	54 884
Environmental protection		0	900	900	307	803	900	(97)	-11%	900
Trading services		4 664	17 680	18 748	1 487	11 888	18 748	(7 079)	-38%	18 748
Energy sources		1 902	13 586	15 576	914	9 778	15 576	(5 800)	-37%	15 576
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 652	4 026	3 172	552	1 893	3 172	(1 279)	-40%	3 172
Other		4 405	3 173	4 983	108	3 108	4 983	(1 875)	-38%	4 983
Total Capital Expenditure - Functional Classification	3	124 887	181 845	189 688	21 808	172 687	189 688	(20 871)	-11%	189 688
Funded by:										
National Government		60 058	113 038	130 038	11 853	128 008	130 038	(1 430)	-1%	130 038
Provincial Government		10 689	3 350	10 730	522	4 402	10 730	(6 328)	-50%	10 730
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		8 407	10 148	10 888	204	10 885	10 888	(0)	0%	10 888
Transfers recognised - capital		79 166	127 184	161 661	12 680	148 888	161 661	(7 769)	-6%	161 661
Borrowing	6	-	8 476	10 318	749	5 689	10 318	(4 627)	-45%	10 318
Internally generated funds		15 377	25 735	31 341	7 752	22 792	31 341	(8 548)	-27%	31 341
Total Capital Funding		94 632	181 845	189 808	21 881	172 874	189 808	(20 894)	-11%	189 808

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R172.3 million, the YTD budgeted is R193.3 million and there is 11% variance that is attributed mainly to the provincial grant for the construction of market stalls due to land right issues the projects was not implemented in the 2021/22 financial year. The R150.7 million of YTD actuals for capital expenditure, R128.6 million is funded by national grants, R4.4 million funded by provincial grants, R10.8 million from European grant, R5.6 million from DBSA loan with a budget of R10.7 million and R22.7 million from internally generated funds.

5.7 Transfers and Grants Receipts



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER


**KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER
JUNE 2022**

Name of grant	Vote Account Number - Liability	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Internally Funded	Closing Balance as at
INTERGRATED URBAN DEVELOPMENT (IUDG)	-	R -	R 99 131 000	R -	R 96 810 099		R 2 320 901
COGTA ELEC GRANT	-	R -	R 6 000 000	R 5 215 189	R -		R 784 811
MUNICIPAL DISASTER RECOVERY GRANT		R 327 945					R 327 945
MUNICIPAL DISASTER RELIEF GRANT	-	R -	R 8 100 000	R -	R -		R 8 100 000
INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	-	R 61 306	R 8 040 000	R 8 101 306			R -
FINANCIAL MANGEMENT GRANT (FMG)	-	R -	R 1 950 000	R 1 950 000	R -		R -
EXPANDED PUBLIC WORKS PROGRAMME INTERGATED GRANT FOR MUNICIPALITY (EPWP)	-	R -	R 5 558 000	R 9 000 795	R -	R 3 442 795	
PROVINCIALIZATION OF LIBRARIES GRANT	-	R -	R 12 017 000	R 12 017 000	R -		R 0
COMMUNITY LIBRARY SERVICE GRANT		R -	R 306 000	R 306 000	R -		R -
MUSEUM SUBSIDY GRANT	-	R -	R 429 000	R 429 000	R -		R -
CYBER CADET GRANT	-	R -	R 1 452 000	R 1 452 000	R -		R -
INTERMODAL FACILITY	-	R 5 383 380	R -	R -	R -		R 5 383 380
NEIGHBOURHOOD DEV GRANT	-	R 14 584 808	R 31 257 000	R -	R 45 044 005		R 797 803
EDTA-INFORMAL TRADERS GRANT	-	R -	R 817 000	R 817 000			R -
MARKET STALLS GRANT	-	R -	R 8 000 000		R 996 030		R 7 003 970
EU GRANT		R -	R 12 015 131		R 12 133 758	R 118 627	
MODULAR LIBRARIES GRANT		R 563 543	R 682 000		R 409 548		R 835 995
ENERGY EFFIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	-	R -	R 4 000 000	R 3 996 725			R 3 275
TOTAL		R 23 648 027	R 199 754 131	R 46 734 772	R 155 393 439	R 4 284 135	R 25 558 081

Transfers and Grants Receipts

The total grants received to date for period ending 30 June 2022 amounts to R199.7 million, which include R99.1 million from Integrated Urban Development Grant, R5.5 million from Expanded Public Work Programme, R31.3 million from Neighborhood Development Grant, R1.95 million from Financial Management Grant, R8 million from Market Stalls Grant, R4 million from Energy Efficient and Demand Side Management, R8 million from Integrated National Electrification Programme Grant, R12 Million provincialization of libraries grant, Museum Subsidies R429 thousand, Community Modular libraries grant R682 thousand, Community library services grant R306 thousand and COGTA Electrification Grant of R6 million. The municipality has also received R8.1 million disaster response grant.

5.8 Transfers and Grants Expenditure



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER JUNE 2022							
Name of grant	Vote Account Number - Liability	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Internally Funded	Closing Balance as at
INTERGRATED URBAN DEVELOPMENT (IUDG)	-	R -	R 99 131 000	R -	R 96 810 099		R 2 320 901
COGTA ELEC GRANT	-	R -	R 6 000 000	R 5 215 189	R -		R 784 811
MUNICIPAL DISASTER RECOVERY GRANT		R 327 945					R 327 945
MUNICIPAL DISASTER RELEIF GRANT	-	R -	R 8 100 000	R -	R -		R 8 100 000
INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	-	R 61 306	R 8 040 000	R 8 101 306			R -
FINANCIAL MANGEMENT GRANT (FMG)	-	R -	R 1 950 000	R 1 950 000	R -		R -
EXPANDED PUBLIC WORKS PROGRAMME INTERGATED GRANT FOR MUNICIPALITY (EPWP)	-	R -	R 5 598 000	R 9 000 795	R -	R 3 442 795	
PROVINCIALIZATION OF LIBRARIES GRANT	-	R -	R 12 017 000	R 12 017 000	R -		R 0
COMMUNITY LIBRARY SERVICE GRANT		R -	R 306 000	R 306 000	R -		R -
MUSEUM SUBSIDY GRANT	-	R -	R 429 000	R 429 000	R -		R -
CYBER CADET GRANT	-	R -	R 1 452 000	R 1 452 000	R -		R -
INTERMODAL FACILITY	-	R 5 383 380	R -	R -	R -		R 5 383 380
NEIGHBOURHOOD DEV GRANT	-	R 14 584 808	R 31 257 000	R -	R 45 044 005		R 797 803
EDTA-INFORMAL TRADERS GRANT	-	R -	R 817 000	R 817 000	R -		R -
MARKET STALLS GRANT	-	R -	R 8 000 000		R 996 030		R 7 003 970
EU GRANT		R -	R 12 015 131		R 12 133 758	R 118 627	
MODULAR LIBRARIES GRANT		R 563 543	R 682 000		R 409 548		R 835 995
ENERGY EFFIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	-	R -	R 4 000 000	R 3 996 725			R 3 275
TOTAL		R 23 648 027	R 199 754 131	R 46 734 772	R 155 393 439	R 4 284 135	R 25 558 081

Transfers and Grants Expenditure

Grants are monitored monthly, and Grant's register is communicated/ shared with management to ensure effective management of grants and 100% expenditure. As of 30 June 2022, Operating and Capital Expenditure has a closing balance of R25.5 million, with YTD spending of R46.7 million and R155.3 million, for operational grants and capital grants respectively. The table above also show the grants that spent more than the receipts like EPWP with R5.5 million and total spending of R9 million. Therefore, spending of R3.4 million is internal funded. The has been no movement in the intermodal facility grant as the municipality is still in engagements with the department of transport in finalizing the MOA for the upgrade of the Port Shepstone taxi rank.

Grant's expenditure

- **Integrated Urban Development Grant (IUDG)**

An amount of R99.1 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 30 June 2022 is R96 million and has been spent on various capital projects. The expenditure on this conditional capital grant is on track with the planned expenditure for IUDG funded projects is at 98% thus include the additional grant the municipality received in the month of March.

- **Expanded Public Works Program (EPWP)**

An amount of R 5.5 million has been received for EPWP grant. This is an operational grant and the YTD actual for the period ended 30 June 2022 is R9 million which is more than what has been allocated with R3.4 million internally funded, this is due to the increment of the EPWP staff employed as the approval of the Municipal Manager.

- **Neighborhood Development Partnership Grant**

An amount of R31.3 million has been received for the Neighborhood Development Partnership Grant together with an approved rollover from the 2020/21 financial year of R14 million. This is a capital grant and the YTD actual for the period ended 30 June 2022 is R45. million that has been spent. Upgrade of Main Harding and Road Upgrade Nelson Mandela Drive have commenced after a delay due the appeals that were received and finalized in December 2021, but the spending is on track as the spending is sitting at 98.2% the end of June.

5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		25 476	28 303	24 325	2 148	23 352	24 325	(973)	-4%	24 325
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 890	3 042	2 897	241	2 897	2 897	0	0%	2 897
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		28 366	31 434	27 222	2 890	26 349	27 222	(873)	-4%	27 222
% increase	4		10.8%	-4.0%						-4.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		8 124	4 303	4 303	384	7 328	4 303	2 925	67%	4 303
Pension and UIF Contributions		(0)	189	189	16	80	189	(100)	-58%	189
Medical Aid Contributions		-	1 251	1 251	17	72	1 251	(1 179)	-94%	1 251
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		700	957	778	-	806	778	89	11%	778
Motor Vehicle Allowance		-	1 158	1 158	99	495	1 158	(663)	-57%	1 158
Cellphone Allowance		102	115	115	10	109	115	(6)	-4%	115
Housing Allowances		-	3 488	3 488	285	1 425	3 488	(2 063)	-59%	3 488
Other benefits and allowances		-	0	0	0	0	0	(0)	-25%	0
Payments in lieu of leave		-	-	-	61	239	-	239	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8 866	11 562	11 978	872	10 616	11 978	(768)	-7%	11 978
% increase	4		28.8%	28.8%						28.8%
Other Municipal Staff										
Basic Salaries and Wages		263 507	266 832	276 396	22 597	275 506	276 396	(820)	0%	276 396
Pension and UIF Contributions		48 181	48 991	48 991	4 055	49 183	48 991	2 192	5%	48 991
Medical Aid Contributions		18 779	17 599	17 599	1 553	18 859	17 599	1 271	7%	17 599
Overtime		18 011	13 863	13 965	1 479	18 959	13 965	4 994	36%	13 965
Performance Bonus		20 949	19 927	19 927	2 707	20 958	19 927	1 029	5%	19 927
Motor Vehicle Allowance		16 999	16 077	16 077	1 507	17 850	16 077	1 772	11%	16 077
Cellphone Allowance		1 115	978	978	82	993	978	14	1%	978
Housing Allowances		3 964	2 259	2 259	316	3 771	2 259	1 513	67%	2 259
Other benefits and allowances		4 858	3 807	3 850	408	5 113	3 850	1 463	40%	3 850
Payments in lieu of leave		4 453	8 338	8 338	(9 381)	(239)	8 338	(8 577)	-103%	8 338
Long service awards		6 412	1 841	1 841	(930)	(0)	1 841	(1 841)	-100%	1 841
Post-retirement benefit obligations		12 312	3 616	3 616	(3 683)	-	3 616	(3 616)	-100%	3 616
Sub Total - Other Municipal Staff		419 539	408 928	411 838	20 611	411 020	411 838	(816)	0%	411 838
% increase	4		-3.7%	-1.9%						-1.9%
Total Parent Municipality		468 890	448 914	460 230	23 773	447 884	460 230	(2 348)	-1%	460 230

Councillors Remuneration

The variance on Remuneration of councilors actuals to date is R26.2million and YTD budgeted is R27.2million with the difference of R973 thousand.

Senior Managers of the Municipality

The head of departments on the municipality including the Municipal manager are classified under this subheading with a YTD actual of R10.6 million and a YTD budget of R11.3 million.

Other Municipal Staff

Basic salaries and wages YTD actual of R411 million and YTD Budget is R411.6 million.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 30 JUNE 2022



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING	LOAN	INTEREST	CAPITAL	CLOSING
				BALANCE	INTEREST	PAID	REPAYMENT	BALANCE
				01 JULY 2021	CHARGED			30 JUNE 2022
				R			R	R
DBSA	10.5%	30-Dec-21	61003298	R 112 500.00	R 4 130.36	-R 4 130.36	-R 112 500.00	R -
DBSA	9.36%	31-Mar-31	61007684	R 3 464 336.07	R 316 002.17	-R 316 002.17	-R 242 515.86	R 3 221 820.21
TOTAL DBSA LOANS				R 3 576 836.07	R 320 132.53	-R 320 132.53	-R 355 015.86	R 3 221 820.21
TOTAL LOANS				R 3 576 836.07	R 320 132.53	-R 320 132.53	-R 355 015.86	R 3 221 820.21

The municipality currently has a structured unsecured loan with the Development Bank of Southern Africa (DBSA), The Municipality entered into a loan agreement for the funding of Capital infrastructure projects, in the 2020/21 financial year the first drawdown of R3.5 million was received, current loan balance outstanding is R3.22 million as of 30 June 2022. The municipality is still able to make loan repayments as and when they fall due. The capital projects funded by borrowings in the 2021/22 financial year have been funded by a portion of unspent borrowing and internally generated funds. The loan agreement from DBSA is spread across four years funding various capital projects the application was made at the end of month 12 to receive the second drawdown of the loan the funds were deposited in the 1st month of the new financial year.

ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

PROJECTS TO BE INCLUDED IN RNLM BUDGET						
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Totals</u>	<u>Year 4</u>	<u>Total</u>
Electricity Meters Replacement	3,000,000	2,000,000	2,000,000	7,000,000		
Network infrastructure studies	500,000					
Electrical Cables Replacement	-	1,000,000	500,000	1,500,000		
Mini-substations Replacement	-	1,000,000	1,000,000	2,000,000		
Inter-switches (RMU) Replacement	-	1,000,000	1,000,000	2,000,000		
11kV Interconnector - Marburg to Port Shepstone Substation	-	-	-	-	14,500,000.00	
Memorial & Reynolds Sw/Sta Refurbishment & Replace Switchgear	-	3,476,000	3,476,000	6,952,000	6,952,000.00	
Totals	R 3,500,000.00	R 8,476,000.00	R 7,976,000.00	R 19,952,000.00	21,452,000.00	41,404,000.00

5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SG2 Monthly Budget Statement - performance indicators - M12 June

Description of financial indicator	Basis of calculation	Ref	2020/21	Budget Year 2021/22			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Changes to Operating Expenditure	Interest & principal paid/Operating Expenditure		-0.6%	8.7%	10.5%	0.0%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	5.3%	5.3%	3.3%	5.3%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		14.7%	12.8%	13.2%	13.6%	13.2%
Gearing	Long Term Borrowing/ Funds & Reserves		37.7%	28.0%	32.2%	37.6%	32.2%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	164.4%	159.8%	187.0%	195.1%	187.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		48.2%	23.0%	35.6%	47.5%	35.6%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		32.0%	30.8%	39.8%	43.2%	39.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		40.1%	36.9%	37.6%	41.4%	37.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.6%	8.7%	10.7%	0.0%	2.9%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		4594.9%	14760.5%	6116.6%	2193.7%	3467.6%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		174.4%	145.4%	188.0%	212.3%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		164.3%	63.1%	110.2%	193.1%	110.2%

The above table gives an overview of the financial indicators of the municipality for the period ended 30 June 2022 and the indicators are broken down below.

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R3 221 710 as of 30 June 2022.

Liquidity

Current Ratio: is calculated by a total of Current Assets/ Current Liabilities.

Budgeted Current Ratio: R554 064 377 /R296 263 415= **1.87:1**

Actual Current Ratio as 30 June 2022: R 611 333 706/ R313 388108= **1.95:1**

Current ratio is a liquidity ratio used to measure whether the municipality has enough resources to meet its short-term obligations. A good ratio is R1.5-R2 for every R1 owed. The budget showed a R1.87: R1 ratio and the actual ratio as of 30 June 2022 shows an improvement in the municipality's liquidity with a ratio of R1.95 for every R1 owed.


Acid test Ratio: Current Assets- Inventory/Current Liabilities.

Budgeted Acid test Ratio: (R554 431 517 – R1 135 271) / R295 582 410= **1.87:1**

Actual Acid test Ratio as 30 June 2022: (R649 011 712 – R6 501 331)/ R322 481 189= **1.93:1**

The acid-test ratio, commonly known as the quick ratio, uses an organization's balance sheet data as an indicator of whether it has sufficient short-term assets to cover its short-term liabilities. The acid-test ratio disregards current assets that are difficult to quickly liquidate such as inventory. The acid-test ratio may not give a reliable picture of an organization's financial condition if the municipality has accounts receivable that take longer than usual to collect or current liabilities that are due but have no immediate payment needed. A good ratio is R1 for every R1 owed. Both budgeted and actual to date acid test ratio are more than R1:R1 which shows that the municipality would be able to pay its short term liabilities with its easily liquidated short term assets.

5.12 Investment Register

															
RAY NKONYENI MUNICIPALITY															
INVESTMENT REGISTER FOR THE PERIOD ENDING 30/06/2022															
ACCOUNT NO	INVESTMENT DETAILS		CURRENT MONTH						YTD						
	INSTITUTION & TYPE	PROJECT NAME / DETAILS	MONTHLY	INTEREST	BANK				INVESTMENT		BANK		INVESTMENT		
			OPENING	INVESTED	CHARGES	DEPOSIT	WITHDRAWALS	CURRENT	BALANCES AS AT	INTEREST	DEPOSITS	CHARGES	WITHDRAWALS	BALANCE AS AT	
			30/06/2022	30/06/2022	30/06/2022	30/06/2022	30/06/2022	30/06/2022	01/07/2021 & 01/06/2022					30/06/2022	
37692984011	STANDARD BANK - CALL	LOUISIANA HSG	9 351 890.09	38 510.80	-	-	-	-	9 388 400.89	9 107 008.45	281 392.44	-	-	-	9 388 400.89
37692984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	602 301.50	2 351.45	-	-	-	-	604 652.95	586 883.10	17 769.85	-	-	-	604 652.95
37692984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	999 300.27	3 901.38	-	-	-	-	1 003 201.65	973 719.04	29 482.61	-	-	-	1 003 201.65
37692984005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	317 314.10	1 238.83	-	-	-	-	318 552.93	309 191.13	9 361.80	-	-	-	318 552.93
37692984006	STANDARD BANK - CALL	BHOBOYI EST-HSG	12 245.43	15.60	-	-	-	-	12 261.03	11 936.14	324.89	-	-	-	12 261.03
37692984007	STANDARD BANK - CALL	DAMAGED HSES	77 661.12	130.85	-	-	-	-	77 791.97	75 695.45	2 096.52	-	-	-	77 791.97
37692984008	STANDARD BANK - CALL	UPLANDS HSG	77 582.50	130.72	-	-	-	-	77 713.22	75 618.81	2 094.41	-	-	-	77 713.22
37692984009	STANDARD BANK - CALL	MKHOLOMBE HSG	1 415 150.78	5 524.90	-	-	-	-	1 420 675.68	1 378 924.14	41 751.54	-	-	-	1 420 675.68
37692984010	STANDARD BANK - CALL	AIDS PROJECT	140 697.61	549.30	-	-	-	-	141 246.91	137 095.87	4 151.04	-	-	-	141 246.91
89140356888	STANDARD BANK - CALL	MASINENGE HSG	32 076 250.79	107 413.22	-	-	-	-	32 183 664.01	31 146 363.92	1 037 300.09	-	-	-	32 183 664.01
89139356886	STANDARD BANK - CALL	KWAMAVUNDLA HSG	239 027.15	800.42	-	-	-	-	239 827.57	232 097.77	7 729.80	-	-	-	239 827.57
89141356889	STANDARD BANK - CALL	KWAKOLO HOUSING	11 351 179.82	38 011.51	-	-	-	-	11 389 191.33	11 022 110.39	367 080.94	-	-	-	11 389 191.33
90439364623	STANDARD BANK - CALL	KWADWALANE HOUSING	514 307.04	1 722.26	-	-	-	-	516 029.30	499 397.31	16 631.99	-	-	-	516 029.30
			57 174 908.20	198 301.24	-	-	-	-	57 373 209.44	42 839 969.39	1 817 167.32	-	-	-	57 373 209.44
74873852518	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUN	16 055 505.79	59 383.38	-	-	-	-	16 114 889.17	15 540 718.21	574 170.96	-	-	-	16 114 889.17
			16 055 505.79	59 383.38	-	-	-	-	16 114 889.17	15 540 718.21	574 170.96	-	-	-	16 114 889.17
89111356885	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANT	48 363.39	161.96	-	-	-	-	48 525.35	46 961.31	1 564.04	-	-	-	48 525.35
89111357732	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	10 696.06	35.82	-	-	-	-	10 731.88	10 385.94	345.94	-	-	-	10 731.88
			59 059.45	197.78	-	-	-	-	59 257.23	57 347.25	1 909.98	-	-	-	59 257.23
62726614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	109 046 517.31	388 940.40	-	20 000 000.00	-82 294 600.00	47 140 857.71	50 354 242.66	4 975 142.92	629 156 072.13	-	-637 344 600.00	-	47 140 857.71
			109 046 517.31	388 940.40	-	20 000 000.00	-82 294 600.00	47 140 857.71	50 354 242.66	4 975 142.92	629 156 072.13	-	-637 344 600.00	-	47 140 857.71
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 364 162.56	12 719.30	-	-	-	3 376 881.86	2 952 258.45	122 511.85	302 111.56	-	-	-	3 376 881.86
			3 364 162.56	12 719.30	-	-	-	3 376 881.86	2 952 258.45	122 511.85	302 111.56	-	-	-	3 376 881.86
		GRAND TOTAL RNM INVESTMENT + INTEREST	185 700 153.31	659 542.10	-	20 000 000.00	-82 294 600.00	124 065 095.41	111 804 535.96	7 490 903.63	629 458 183.69	-	-637 344 600.00	-	124 065 095.41

The Investment register as of 30 June 2022 has the closing balance of R125 million, with R659 thousand total interest earned for the month from which R388 thousand was made on primary investment and various investment accounts as shown in the above register including the housing development fund which is not a part of the interest earned shown on the statement of financial performance as this is not revenue generated for the municipality but rather interest earned on unspent housing development funds.

6.1 Monthly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M12 June

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	447 331	475 785	475 785	(175)	454 641	475 785	(11 144)	-2%	475 785
Service charges	195 945	238 253	238 186	13 288	214 840	238 186	(23 346)	-10%	238 186
Investment revenue	3 513	4 500	5 150	939	4 737	5 150	(413)	-8%	5 150
Transfers and subsidies	289 550	257 885	259 456	2 218	256 801	259 456	(2 655)	-1%	259 456
Other own revenue	131 231	148 215	147 464	10 017	115 775	147 464	(31 689)	-21%	147 464
Total Revenue (excluding capital transfers and contributions)	1 067 571	1 124 639	1 126 042	26 287	1 056 794	1 126 042	(69 248)	-6%	1 126 042
Employee costs	428 524	415 480	423 008	21 383	421 635	423 008	(1 373)	-0%	423 008
Remuneration of Councillors	28 366	31 434	27 222	2 390	26 249	27 222	(973)	-4%	27 222
Depreciation & asset impairment	102 276	91 916	114 780	29	80 104	114 780	(34 677)	-30%	114 780
Finance charges	11 088	5 673	5 673	77	338	5 673	(5 335)	-94%	5 673
Inventory consumed and bulk purchases	120 110	137 906	139 762	22 958	136 269	139 762	(3 493)	-2%	139 762
Transfers and subsidies	6 635	7 349	10 030	1 950	9 680	10 030	(350)	-3%	10 030
Other expenditure	347 870	427 054	431 944	40 713	339 492	431 944	(92 452)	-21%	431 944
Total Expenditure	1 044 869	1 116 811	1 152 419	89 501	1 013 767	1 152 419	(138 653)	-12%	1 152 419
Surplus/(Deficit)	22 702	7 828	(26 378)	(63 215)	43 028	(26 378)	69 405	-263%	(26 378)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77 193	133 599	166 441	26 955	146 847	166 441	(19 594)	-12%	166 441
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)	12 008	11 668	11 668	12 015	12 015	11 668	347	3%	11 668
Surplus/(Deficit) after capital transfers & contributions	111 902	153 095	151 731	(24 244)	201 890	151 731	50 158	33%	151 731
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	111 902	153 095	151 731	(24 244)	201 890	151 731	50 158	33%	151 731
Capital expenditure & funds sources									
Capital expenditure	124 967	161 345	193 568	21 303	172 597	193 568	(20 971)	-11%	193 568
Capital transfers recognised	79 155	127 134	151 651	12 580	143 893	151 651	(7 759)	-5%	151 651
Borrowing	-	8 476	10 316	749	5 689	10 316	(4 627)	-45%	10 316
Internally generated funds	15 377	25 735	31 341	7 752	22 792	31 341	(8 548)	-27%	31 341
Total sources of capital funds	94 532	161 345	193 308	21 081	172 374	193 308	(20 934)	-11%	193 308
Financial position									
Total current assets	487 753	408 055	554 064		602 189				554 064
Total non current assets	1 799 499	1 843 645	1 878 375		1 892 020				1 878 375
Total current liabilities	296 741	255 305	296 263		302 301				296 263
Total non current liabilities	166 210	121 596	160 054		165 713				160 054
Community wealth/Equity	1 824 390	1 874 799	1 976 122		2 020 517				1 976 122
Cash flows									
Net cash from (used) operating	868 869	171 419	144 112	(91 914)	247 937	144 112	(103 825)	-72%	144 112
Net cash from (used) investing	(114 488)	(163 926)	(171 926)	(23 503)	(185 339)	(171 926)	13 413	-8%	(171 926)
Net cash from (used) financing	(15 585)	(1 425)	(10 371)	(2 776)	(35 474)	(12 721)	22 753	-179%	(10 371)
Cash/cash equivalents at the month/year end	818 295	102 433	104 887	-	170 195	102 536	(67 659)	-66%	104 887
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357
Creditors Age Analysis									
Total Creditors	2 722	-	-	-	-	-	-	320	3 042

The above table provides a concise overview of the monthly actual, year to date actual of the operating expenditure, capital expenditure, and age analysis. The full year forecast as seen the table above takes in the account the original budget less the YTD budget plus the YTD actual, this therefore gives a projection based on the YTD performance on how the municipality will perform for the financial year in terms of the original budget

6.2 Statement of Financial Performance (Revenue and Expenditure)

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Vote Description	Ref	Budget Year 2021/22								
		2020/21 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		447 331	475 785	475 785	(175)	464 641	475 785	(11 144)	-2%	475 785
Service charges - electricity revenue		141 263	169 514	170 147	13 284	157 454	170 147	(12 693)	-7%	170 147
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		54 682	68 739	68 039	4	57 367	68 039	(10 653)	-16%	68 039
Rental of facilities and equipment		3 785	466	2 443	509	3 094	2 443	581	24%	2 443
Interest earned - external investments		3 513	4 500	5 150	939	4 737	5 150	(413)	-8%	5 150
Interest earned - outstanding debtors		28 226	24 092	23 272	2 748	31 183	23 272	7 912	34%	23 272
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16 546	20 764	21 064	33	15 616	21 064	(5 248)	-25%	21 064
Licences and permits		5 567	11 098	7 424	505	8 138	7 424	714	10%	7 424
Agency services		5 400	4 000	4 670	396	4 965	4 670	295	6%	4 670
Transfers and subsidies		289 550	257 885	259 456	2 218	256 801	259 456	(2 655)	-1%	259 456
Other revenue		66 113	87 194	88 590	5 827	52 648	88 590	(35 942)	-41%	88 590
Gains		5 594	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 067 671	1 124 688	1 128 042	28 287	1 068 784	1 128 042	(88 348)	-8%	1 128 042
Expenditure By Type										
Employee related costs		428 524	415 480	423 008	21 383	421 635	423 008	(1 373)	0%	423 008
Remuneration of councillors		28 366	31 434	27 222	2 390	26 249	27 222	(973)	-4%	27 222
Debt impairment		24 530	9 600	9 600	728	4 375	9 600	(5 225)	-54%	9 600
Depreciation & asset impairment		102 276	91 916	114 780	29	80 104	114 780	(34 677)	-30%	114 780
Finance charges		11 088	5 673	5 673	77	338	5 673	(5 335)	-94%	5 673
Bulk purchases - electricity		108 129	125 007	125 007	21 007	122 799	125 007	(2 208)	-2%	125 007
Inventory consumed		11 981	12 839	14 695	1 952	13 470	14 695	(1 225)	-6%	14 695
Contracted services		190 476	250 244	257 655	19 622	204 661	257 655	(52 794)	-20%	257 655
Transfers and subsidies		6 635	7 349	10 030	1 950	9 680	10 030	(350)	-3%	10 030
Other expenditure		130 200	167 210	164 689	20 363	130 256	164 689	(34 433)	-21%	164 689
Losses		2 663	-	-	-	-	-	-	-	-
Total Expenditure		1 044 688	1 116 811	1 162 418	89 601	1 019 767	1 162 418	(188 650)	-12%	1 162 418
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		77 193	133 599	166 441	26 955	146 647	166 441	(19 594)	(0)	166 441
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		9 660	11 668	11 668	12 015	12 015	11 668	347	0	11 668
Transfers and subsidies - capital (in-kind - all)		2 339	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		111 802	163 095	161 781	(24 244)	201 680	161 781			161 781
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		111 802	163 095	161 781	(24 244)	201 680	161 781			161 781
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		111 802	163 095	161 781	(24 244)	201 680	161 781			161 781
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		111 802	163 095	161 781	(24 244)	201 680	161 781			161 781

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and expenditure by type for the period ended 30 June 2022. The full year forecast provides a guideline in terms of overall performance, and it gives an overview whether the municipality will be able to spend as per budget.

6.3 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

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									
Capital Expenditure - Functional Classification										
Governance and administration		24 298	3 489	4 894	1 190	3 791	4 894	(903)	-19%	4 894
Executive and council		404	225	225	-	182	225	(43)	-19%	225
Finance and administration		23 758	3 164	4 372	1 188	3 515	4 372	(857)	-20%	4 372
Internal audit		46	100	98	2	95	98	(3)	-3%	98
Community and public safety		8 784	8 027	10 834	4 911	9 260	10 834	(1 384)	-13%	10 834
Community and social services		8 582	5 087	3 554	1 415	3 076	3 554	(477)	-13%	3 554
Sport and recreation		900	-	-	-	-	-	-	-	-
Public safety		222	3 940	6 940	3 384	6 058	6 940	(882)	-13%	6 940
Housing		50	-	140	112	115	140	(25)	-18%	140
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		81 917	128 084	164 608	19 827	144 779	164 608	(9 730)	-6%	164 608
Planning and development		38 704	88 781	98 725	10 998	90 348	98 725	(8 379)	-6%	98 725
Road transport		45 213	40 382	54 884	2 334	53 630	54 884	(1 254)	-2%	54 884
Environmental protection		0	900	900	307	603	900	(97)	-11%	900
Trading services		4 664	17 683	18 748	1 487	11 688	18 748	(7 079)	-38%	18 748
Energy sources		1 902	13 588	15 578	914	9 776	15 578	(5 800)	-37%	15 578
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 662	4 028	3 172	552	1 893	3 172	(1 279)	-40%	3 172
Other		4 405	3 173	4 983	108	3 108	4 983	(1 875)	-38%	4 983
Total Capital Expenditure - Functional Classification	3	124 987	181 945	189 688	21 908	172 687	189 688	(20 871)	-11%	189 688
Funded by:										
National Government		60 058	113 838	130 038	11 853	128 606	130 038	(1 430)	-1%	130 038
Provincial Government		10 689	3 360	10 730	922	4 402	10 730	(6 328)	-59%	10 730
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		8 407	10 148	10 888	204	10 885	10 888	(9)	0%	10 888
Transfers recognised - capital		79 165	127 184	161 861	12 680	149 888	161 861	(7 769)	-6%	161 861
Borrowing	6	-	8 478	10 318	749	5 689	10 318	(4 627)	-45%	10 318
Internally generated funds		15 377	25 735	31 341	7 732	22 792	31 341	(8 548)	-27%	31 341
Total Capital Funding		84 532	181 945	189 988	21 981	172 874	189 988	(20 894)	-11%	189 988

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 30 June 2022.

6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		406 074	427 547	426 737	13 661	437 642	426 737	10 905	3%	426 737
Service charges		200 532	214 430	214 428	13 400	212 902	214 428	(1 400)	-1%	214 428
Other revenue		63 997	41 190	37 534	18 412	227 440	37 534	189 906	506%	37 534
Transfers and Subsidies - Operational		386 761	334 018	347 133	3 485	314 029	347 133	(33 104)	-10%	347 133
Transfers and Subsidies - Capital		92 509	151 399	162 096	8 100	159 345	162 096	(2 751)	-2%	162 096
Interest		-	4 500	5 150	910	1 520	5 150	(3 630)	-70%	5 150
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(261 004)	(1 003 341)	(1 035 945)	(149 859)	(1 097 786)	(1 035 945)	61 841	-6%	(1 035 945)
Finance charges		-	(5 673)	(5 673)	(77)	(336)	(5 673)	(5 337)	94%	(5 673)
Transfers and Grants		-	7 349	(7 349)	-	(6 913)	(7 349)	(436)	6%	(7 349)
NET CASH FROM/(USED) OPERATING ACTIVITIES		886 888	171 418	144 112	(61 948)	247 802	144 112	(103 791)	-72%	144 112
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		(114 488)	(163 926)	(171 926)	(23 503)	(165 339)	(171 926)	13 413	-8%	(171 926)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(114 488)	(163 926)	(171 926)	(23 503)	(165 339)	(171 926)	13 413	-8%	(171 926)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	8 476	8 476	-	-	8 476	(8 476)	-100%	8 476
Increase (decrease) in consumer deposits		1 348	471	471	43	656	(40 515)	41 171	-102%	471
Payments										
Repayment of borrowing		(16 932)	(10 372)	(19 318)	(2 819)	(26 130)	19 318	55 447	287%	(19 318)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(15 586)	(1 426)	(10 371)	(2 776)	(86 474)	(12 721)	22 768	-176%	(10 371)
NET INCREASE/ (DECREASE) IN CASH HELD		736 796	6 066	(38 186)	(118 227)	27 088	(40 636)			(38 186)
Cash/cash equivalents at beginning:		79 499	96 365	143 072		143 072	143 072			143 072
Cash/cash equivalents at month/year end:		816 295	102 433	104 887		170 161	102 536			104 887

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 30 June 2022, Cash received from operations YTD actual is more than the anticipated cash collection such as Property Rates R437.6 million, 3% more than the YTD budget of R426.7 million, it should be noted that cash received from property rates includes interest on outstanding debtors, other revenue R227 million compared to the YTD budget of 37.5 million which is 506% more than what WAS budgeted. This high collection on other revenue is due to advance consumer and sundry payments.

6.5 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M12 June

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		21 021	(28 505)	(16 574)	28 115	(16 574)
Call investment deposits		122 051	87 251	122 051	120 590	122 051
Consumer debtors		224 056	274 809	308 409	283 761	308 409
Other debtors		117 573	71 671	139 295	172 425	139 295
Current portion of long-term receivables		143	-	143	-	143
Inventory		2 908	2 830	740	6 443	740
Total current assets		487 753	408 055	554 064	611 334	554 064
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		205 741	200 147	205 741	205 741	205 741
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 591 530	1 639 984	1 669 477	1 683 465	1 669 477
Biological		-	-	-	-	-
Intangible		246	1 672	1 086	832	1 086
Other non-current assets		2 071	1 841	2 071	2 071	2 071
Total non current assets		1 799 588	1 843 645	1 878 375	1 892 109	1 878 375
TOTAL ASSETS		2 287 341	2 251 700	2 432 439	2 503 443	2 432 439
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		5 161	8 519	475	(31 170)	475
Consumer deposits		32 039	31 162	32 510	32 695	32 510
Trade and other payables		220 515	199 302	224 253	263 585	224 253
Provisions		39 025	16 321	39 025	48 279	39 025
Total current liabilities		296 741	255 305	296 263	313 388	296 263
Non current liabilities						
Borrowing		42 102	31 255	35 947	41 948	35 947
Provisions		124 108	90 341	124 108	122 953	124 108
Total non current liabilities		166 210	121 596	160 054	164 901	160 054
TOTAL LIABILITIES		462 950	376 901	456 318	478 289	456 318
NET ASSETS	2	1 824 390	1 874 799	1 976 122	2 025 154	1 976 122
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 712 746	1 763 155	1 864 478	1 908 961	1 864 478
Reserves		111 644	111 644	111 644	111 644	111 644
TOTAL COMMUNITY WEALTH/EQUITY	2	1 824 390	1 874 799	1 976 122	2 020 606	1 976 122

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 30 June 2022. Total assets are R2.5 billion over the total liabilities of R478 million this therefore mean the municipality is still able to meet its financial obligations.