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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 MAY 2022 (M11)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2021/2022 BUDGET FOR THE PERIOD ENDING 31 MAY 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 31 May 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 31 May 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

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6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

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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 - M11 May

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	-	475 785	475 785	51	464 816	436 137	28 679	7%	504 465
Service charges	-	238 253	238 186	11 701	201 552	223 488	(21 936)	-10%	216 317
Investment revenue	-	4 500	5 150	21	3 798	4 645	(847)	-18%	3 653
Transfers and subsidies	-	257 885	259 456	961	254 583	239 002	15 581	7%	273 466
Other own revenue	-	148 215	147 464	6 275	105 758	139 342	(33 584)	-24%	114 631
Total Revenue (excluding capital transfers and contributions)	-	1 124 639	1 126 042	19 009	1 030 507	1 042 614	(12 107)	-1%	1 112 532
Employee costs	-	415 480	423 092	38 162	400 252	388 578	11 674	3%	427 154
Remuneration of Councillors	-	31 434	27 222	2 286	23 859	24 602	(743)	-3%	30 691
Depreciation & asset impairment	-	91 916	114 780	-	80 075	106 837	(26 762)	-25%	65 154
Finance charges	-	5 673	5 673	1	261	5 187	(4 925)	-95%	748
Inventory consumed and bulk purchases	-	137 906	139 367	8 870	113 310	128 829	(15 519)	-12%	122 387
Transfers and subsidies	-	7 349	8 088	-	7 730	7 319	411	6%	7 759
Other expenditure	-	427 054	430 497	21 252	298 779	416 570	(117 792)	-28%	309 262
Total Expenditure	-	1 116 811	1 148 719	70 572	924 265	1 077 922	(153 657)	-14%	963 154
Surplus/(Deficit)	-	7 828	(22 678)	(51 562)	106 242	(35 308)	141 550	-401%	149 378
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	133 599	166 441	12 888	119 892	144 611	###	-17%	108 879
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)	-	11 668	11 668	-	-	10 696	(10 696)	-100%	972
Surplus/(Deficit) after capital transfers & contributions	-	153 095	155 431	(38 674)	226 134	119 999	106 135	88%	259 230
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	153 095	155 431	(38 674)	226 134	119 999	106 135	88%	259 230
Capital expenditure & funds sources									
Capital expenditure	-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Capital transfers recognised	-	127 134	151 601	12 303	131 313	141 091	(9 777)	-7%	141 824
Borrowing	-	8 476	10 316	-	4 940	10 316	(5 376)	-52%	4 940
Internally generated funds	-	25 735	31 433	2 498	14 502	28 385	(13 883)	-49%	17 550
Total sources of capital funds	-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Financial position									
Total current assets	-	408 055	554 432		649 012				641 441
Total non current assets	-	1 843 645	1 881 027		1 907 097				1 938 805
Total current liabilities	-	255 305	295 582		322 481				283 274
Total non current liabilities	-	121 596	160 054		181 267				178 806
Community wealth/Equity	-	1 874 799	1 979 821		2 052 360				2 118 165
Cash flows									
Net cash from (used) operating	-	149 684	136 379	(37 840)	231 676	142 101	(89 575)	-63%	123 357
Net cash from (used) investing	-	(162 919)	(171 926)	(17 232)	(162 168)	(134 127)	28 041	-21%	(171 926)
Net cash from (used) financing	-	(1 590)	(1 590)	(48)	(10 207)	(1 119)	9 089	-812%	(1 590)
Cash/cash equivalents at the month/year end	-	81 541	105 935	144 943	1 998 724	149 928	#####	-1233%	1 881 054
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	16 093	26 287	17 691	14 950	13 291	12 394	67 100	306 402	474 208
Creditors Age Analysis									
Total Creditors	69 384	-	-	-	-	-	-	-	69 384

5.2 Financial Performance -Revenue by Source

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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		-	475 785	475 785	51	464 816	436 137	28 679	7%	504 465
Service charges - electricity revenue		-	169 514	170 147	11 619	144 170	155 524	(11 354)	-7%	158 160
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	68 739	68 039	82	57 382	67 964	(10 582)	-16%	58 157
Rental of facilities and equipment		-	466	2 443	214	2 515	2 020	495	25%	961
Interest earned - external investments		-	4 500	5 150	21	3 798	4 645	(847)	-18%	3 653
Interest earned - outstanding debtors		-	24 092	23 272	2 794	28 437	21 626	6 810	31%	30 903
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	20 764	21 064	41	15 783	20 917	(5 134)	-25%	15 630
Licences and permits		-	11 698	7 424	1 120	7 633	8 254	(621)	-8%	11 078
Agency services		-	4 000	4 670	523	4 569	4 536	33	1%	4 033
Transfers and subsidies		-	257 885	259 456	961	254 583	239 002	15 581	7%	273 466
Other revenue		-	87 194	88 590	1 583	46 821	81 989	(35 168)	-43%	52 026
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	1 124 639	1 126 042	19 009	1 030 507	1 042 614	(12 107)	-1%	1 112 532
Expenditure By Type										
Employee related costs		-	415 480	423 092	38 162	400 252	388 578	11 674	3%	427 154
Remuneration of councillors		-	31 434	27 222	2 286	23 859	24 602	(743)	-3%	30 691
Debt impairment		-	9 600	9 600	459	3 646	8 800	(5 154)	-59%	4 446
Depreciation & asset impairment		-	91 916	114 780	-	80 075	106 837	(26 762)	-25%	65 154
Finance charges		-	5 673	5 673	1	261	5 187	(4 925)	-95%	748
Bulk purchases - electricity		-	125 067	125 067	8 096	101 792	114 645	(12 853)	-11%	112 215
Inventory consumed		-	12 839	14 300	774	11 518	14 184	(2 666)	-19%	10 172
Contracted services		-	250 244	257 545	12 739	185 239	247 088	(61 849)	-25%	188 395
Transfers and subsidies		-	7 349	8 088	-	7 730	7 319	411	6%	7 759
Other expenditure		-	167 210	163 352	8 055	109 893	160 682	(50 789)	-32%	116 421
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		-	1 116 811	1 148 719	70 572	924 265	1 077 922	(153 657)	-14%	963 154
Surplus/(Deficit)		-	7 828	(22 678)	(51 562)	106 242	(35 308)	141 550	(0)	149 378
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	133 599	166 441	12 888	119 892	144 611	(24 720)	(0)	108 879
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	11 668	11 668	-	-	10 696	(10 696)	(0)	972
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	153 095	155 431	(38 674)	226 134	119 999			259 230
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	153 095	155 431	(38 674)	226 134	119 999			259 230
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	153 095	155 431	(38 674)	226 134	119 999			259 230
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	153 095	155 431	(38 674)	226 134	119 999			259 230

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) - M11 May

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		-	475 785	475 785	51	464 816	436 137	28 679	7%	504 465
Service charges - electricity revenue		-	169 514	170 147	11 619	144 170	155 524	(11 354)	-7%	158 160
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	68 739	68 039	82	57 382	67 964	(10 582)	-16%	58 157
Rental of facilities and equipment		-	466	2 443	214	2 515	2 020	495	25%	961
Interest earned - external investments		-	4 500	5 150	21	3 798	4 645	(847)	-18%	3 653
Interest earned - outstanding debtors		-	24 092	23 272	2 794	28 437	21 626	6 810	31%	30 903
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	20 764	21 064	41	15 783	20 917	(5 134)	-25%	15 630
Licences and permits		-	11 698	7 424	1 120	7 633	8 254	(621)	-8%	11 078
Agency services		-	4 000	4 670	523	4 569	4 536	33	1%	4 033
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Other revenue		-	87 194	88 590	1 583	46 821	81 989	(35 168)	-43%	52 026
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	1 124 639	1 126 042	19 009	1 030 507	1 042 614	(12 107)	-1%	1 112 532

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 R464.8 million, compared to the YTD budget of R436.1 million. The R28.6 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 will be that of Public Service Infrastructure Properties as they were billed R48 thousand of the R14 million budget in the current financial year as the billing in this property rates category has been phased out.

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 31 May 2022 is R144.1 million while the YTD Budget is R155.5 million. There is an overall variance of R11.3 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, the variance is anticipated to be billed in June as energy consumption is peaks in the beginning of the winter season increasing electricity sales

Refuse Revenue

The overall YTD actual billing for refuse removals is R57.3 million and the YTD Budget billing is R67.9 million, with YTD variance of R10.5 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 R 3.79 million, YTD budget is R 4.6 million, interest and there is a variance of R847 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 on investment earned in the month of June is anticipated to make up the variance to between the budget versus actual revenue.

Interest earned on arrear debtors

The interest charged on arrear debtors to date is R28.4 million, 31% more compared to the YTD budget of R21.6 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 R4.7 million, with the YTD actual of R4.5 million compared to the YTD budget of R 4.0 million. This shows that the municipality is doing very well in collecting revenues on behalf of their principals and it will earn 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 R15.7 million and YTD Budget is R20.9 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.

Licenses and Permits

Licenses and permits actuals to date amounts to R7.6 million, Annual Budget is R7.4 million and there is a 8% variance which shows that the municipality is on the right track with this item.

Rental of Facilities

Rental of facilities amounts 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 R2.5 million, YTD budget of R2 million and there is an 25% 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 R46.8 million, YTD Budget is R81.9 million and there is a 43% 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 1.03 billion for the period ending 31 May 2022, YTD Budget is R1.042 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 31 May 2022 the actual revenue versus the budgeted YTD revenue amounts to 99% of projected revenue to date.

Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	95% - 100%		99%
			Actual Operating Revenue	1 030 507 343
			Budget Operating Revenue	1 042 614 072

5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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		-	415 480	423 092	38 162	400 252	388 578	11 674	3%	427 154
Remuneration of councillors		-	31 434	27 222	2 286	23 859	24 602	(743)	-3%	30 691
Debt impairment		-	9 600	9 600	459	3 646	8 800	(5 154)	-59%	4 446
Depreciation & asset impairment		-	91 916	114 780	-	80 075	106 837	(26 762)	-25%	65 154
Finance charges		-	5 673	5 673	1	261	5 187	(4 925)	-95%	748
Bulk purchases - electricity		-	125 067	125 067	8 096	101 792	114 645	(12 853)	-11%	112 215
Inventory consumed		-	12 839	14 300	774	11 518	14 184	(2 666)	-19%	10 172
Contracted services		-	250 244	257 545	12 739	185 239	247 088	(61 849)	-25%	188 395
Transfers and subsidies		-	7 349	8 088	-	7 730	7 319	411	6%	7 759
Other expenditure		-	167 210	163 352	8 055	109 893	160 682	(50 789)	-32%	116 421
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		-	1 116 811	1 148 719	70 572	924 265	1 077 922	(153 657)	-14%	963 154

Employee related costs and Remuneration of Councillors

The YTD actuals for employee related costs amount to R400.2 million as of 31 May 2022, YTD Budget is R388.5 million and there is a 3% variance. Remuneration of councillors YTD actuals are sitting at R 23.8 million with YTD Budget of R 24.9 million and there is a 3% 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 31 May 2022 amounts to R185.2 million, the YTD Budget is R247 million and there is a 25% 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. Repairs and Maintenance has a variance of R5 million that is committed expenditure and will be accounted for in June payments reducing the variance between the budget and actual figures.

Inventory Consumed

YTD Inventory consumed amounts to R101.5 million as of 31 May 2022 with the YTD Budget being R14.1 million and there is a 19% variance this might be due 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 R109.8 million, YTD Budget is R160.6 million and there is a 32% 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 31 May 2022, YTD budget of R106.8 million and there is a 25% variance. There was no depreciation nor impairments posted in the month of May as the reconciliations of the fixed asset register are under way in preparation for the financial year end and depreciation will be posted in the month of June.

Debt Impairment

The YTD actuals for Debt Impairment amounts to R3.6 million, YTD budget of R8.8 million and there is a 59% variance. This variance shows that there was less debt impaired in May as estimated, and this gap will be closed from the month of June where all the journals for the close-off of the financial year will be prepared.

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 R8 million, YTD expenditure is R7.7 million and YTD budget is R5.7 million, with a variance of 6%.

Overall expenditure budget

The overall expenditure YTD Actual is R924.2 million as of 31 May 2022, YTD Budget is R1.07 billion. There is 32% 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 R106.2 million compared to the YTD Budget deficit of R35.3 million due to less spending to date.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2021/22									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	41	36	37	35	29	41	49	349	618	503	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	12 903	4 975	1 835	1 221	838	779	3 565	8 759	34 875	15 161	
Receivables from Non-exchange Transactions - Property Rates	1400	241	15 673	11 057	9 280	8 296	7 612	43 672	182 078	277 909	250 938	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	
Receivables from Exchange Transactions - Waste Management	1600	5	2 618	1 902	1 608	1 445	1 328	8 023	33 810	50 740	46 215	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	2 821	2 769	2 691	2 625	2 555	2 507	11 200	72 540	99 708	91 427	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	82	216	169	181	127	128	591	8 865	10 359	9 892	
Total By Income Source	2000	16 093	26 287	17 691	14 950	13 291	12 394	67 100	306 402	474 208	414 137	
2020/21 - totals only	2000	-	-	-	-	-	-	-	-	-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	1 793	841	958	903	812	820	10 204	32 482	48 813	45 222	
Commercial	2300	7 996	7 073	3 993	3 175	2 690	2 507	12 401	53 154	92 989	73 927	
Households	2400	6 305	18 373	12 740	10 872	9 789	9 066	44 495	220 766	332 405	294 988	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	16 093	26 287	17 691	14 950	13 291	12 394	67 100	306 402	474 208	414 137	

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 - M11 May

Description	NT Code	Budget Year 2021/22								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	M11 0100	64 517	-	-	-	-	-	-	-	64 517
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	(1 320)	-	-	-	-	-	-	-	(1 320)
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	4 680	-	-	-	-	-	-	-	4 680
Auditor General	0800	1 509	-	-	-	-	-	-	-	1 509
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	69 384	-	-	-	-	-	-	-	69 384

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) - M11 May

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									
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	225	225	-	182	217	(35)	-16%	190
Vote 2 - Finance and Administration		-	3 164	3 905	1 257	2 327	3 583	(1 256)	-35%	2 649
Vote 3 - Internal Audit		-	100	154	-	93	146	(52)	-36%	102
Vote 4 - Community and Social Services		-	5 087	2 617	(171)	1 662	2 209	(548)	-25%	2 069
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	3 940	6 940	489	2 674	6 112	(3 438)	-56%	3 502
Vote 7 - Housing		-	-	140	3	3	140	(137)	-98%	3
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	86 781	97 089	10 340	78 810	89 842	(11 032)	-12%	86 057
Vote 10 - Road Transport		-	40 382	56 780	2 811	51 306	53 415	(2 109)	-4%	54 671
Vote 11 - Environmental Protection		-	900	900	30	496	900	(404)	-45%	496
Vote 12 - Energy Sources		-	13 566	15 576	-	8 862	15 477	(6 615)	-43%	8 961
Vote 13 - Other		-	3 173	4 983	-	3 000	3 991	(991)	-25%	3 992
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	4 026	4 042	43	1 340	3 760	(2 420)	-64%	1 622
Total Capital single-year expenditure	4	-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Total Capital Expenditure		-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Capital Expenditure - Functional Classification										
Governance and administration		-	3 489	4 284	1 257	2 601	3 945	(1 344)	-34%	2 940
Executive and council		-	225	225	-	182	217	(35)	-16%	190
Finance and administration		-	3 164	3 962	1 257	2 327	3 639	(1 313)	-36%	2 649
Internal audit		-	100	98	-	93	89	4	4%	102
Community and public safety		-	9 027	9 697	321	4 339	8 461	(4 122)	-49%	5 574
Community and social services		-	5 087	2 617	(171)	1 662	2 209	(548)	-25%	2 069
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 940	6 940	489	2 674	6 112	(3 438)	-56%	3 502
Housing		-	-	140	3	3	140	(137)	-98%	3
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	128 064	154 769	13 181	130 613	144 157	(13 545)	-9%	141 225
Planning and development		-	86 781	97 089	10 340	78 810	89 842	(11 032)	-12%	86 057
Road transport		-	40 382	56 780	2 811	51 306	53 415	(2 109)	-4%	54 671
Environmental protection		-	900	900	30	496	900	(404)	-45%	496
Trading services		-	17 593	19 618	43	10 202	19 237	(9 035)	-47%	10 583
Energy sources		-	13 566	15 576	-	8 862	15 477	(6 615)	-43%	8 961
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	4 026	4 042	43	1 340	3 760	(2 420)	-64%	1 622
Other		-	3 173	4 983	-	3 000	3 991	(991)	-25%	3 992
Total Capital Expenditure - Functional Classification	3	-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Funded by:										
National Government		-	113 638	130 036	11 931	116 753	120 896	(4 143)	-3%	125 893
Provincial Government		-	3 350	10 680	13	3 879	10 155	(6 275)	-62%	4 404
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	10 146	10 886	359	10 681	10 040	641	6%	11 527
Transfers recognised - capital		-	127 134	151 601	12 303	131 313	141 091	(9 777)	-7%	141 824
Borrowing	6	-	8 476	10 316	-	4 940	10 316	(5 376)	-52%	4 940
Internally generated funds		-	25 735	31 433	2 498	14 502	28 385	(13 883)	-49%	17 550
Total Capital Funding		-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R150.7 million, the YTD budgeted is R179.7 million and there is 16% variance. The R150.7 million of YTD actuals for capital expenditure, R116.7 million is funded by national grants, R3.87 million funded by provincial grants, R10.6 million from European grant, R4.9 million from DBSA loan and R14.5 million from internally generated funds.

5.7 Transfers and Grants Receipts



The Gateway of East Coast Development

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER MAY 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 87 232 685		R 11 898 315
COGTA ELEC GRANT	-	R -	R 6 000 000	R -	R 3 170 164		R 2 829 836
MUNICIPAL DISASTER RECOVERY	-	R 327 945	R -	R -	R -		R 327 945
INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	-	R 61 306	R 8 040 000	R 5 756 047			R 2 345 259
FINANCIAL MANGEMENT GRANT (FMG)	-	R -	R 1 950 000	R 1 248 139	R -		R 701 861
EXPANDED PUBLIC WORKS PROGRAMME INTERGATED GRANT FOR MUNICIPALITY (EPWP)	-	R -	R 3 891 000	R 8 312 385	R -	R 3 714 095	R -
AIRPORT GRANT	-	R 2 727 044	R -	R 3 449 757		R 722 713	R -
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 268 750	R -		R 37 250
MUSEUM SUBSIDY GRANT	-	R -	R 429 000	R 429 000	R -		R -
CYBER CADET GRANT	-	R -	R 1 452 000	R 1 308 521	R -		R 143 479
INTERMODAL FACILITY	-	R 5 383 380	R -	R -			R 5 383 380
NEIGHBOURHOOD DEV GRANT	-	R 14 584 808	R 31 257 000	R -	R 41 297 015		R 4 544 793
EDTA STALLS GRANT	-	R -	R 817 000	R 817 000			R -
MARKET STALLS GRANT	-	R -	R 8 000 000		R 994 152		R 7 005 848
MODULAR LIBRARIES GRANT	-	R 563 543	R 682 000		R 159 534		R 1 086 009
ENERGY EFFIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	-	R -	R 4 000 000	R -	R 3 766 709		R 233 291
TOTAL		R 23 648 027	R 177 972 000	R 33 606 599	R 136 620 259	R 4 436 808	R 36 537 266

Transfers and Grants Receipts

The total grants received to date for period ending 31 May 2022 amounts to R177.9 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.

5.8 Transfers and Grants Expenditure



The Gateway of East Coast Development

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER MAY 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
INTEGRATED URBAN DEVELOPMENT (IUDG)	- R	-	R 99 131 000	R -	R 87 232 685		R 11 898 315
COGTA ELEC GRANT	- R	-	R 6 000 000	R -	R 3 170 164		R 2 829 836
MUNICIPAL DISASTER RECOVERY	- R	327 945	R -	R -	R -		R 327 945
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	- R	61 306	R 8 040 000	R 5 756 047			R 2 345 259
FINANCIAL MANGEMENT GRANT (FMG)	- R	-	R 1 950 000	R 1 248 139	R -		R 701 861
EXPANDED PUBLIC WORKS PROGRAMME INTERGATED GRANT FOR MUNICIPALITY (EPWP)	- R	-	R 3 891 000	R 8 312 385	R -	R 3 714 095	
AIRPORT GRANT	- R	2 727 044	R -	R 3 449 757		R 722 713	
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 268 750	R -		R 37 250
MUSEUM SUBSIDY GRANT	- R	-	R 429 000	R 429 000	R -		R -
CYBER CADET GRANT	- R	-	R 1 452 000	R 1 308 521	R -		R 143 479
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 41 297 015		R 4 544 793
EDTA STALLS GRANT	- R	-	R 817 000	R 817 000	R -		R -
MARKET STALLS GRANT	- R	-	R 8 000 000		R 994 152		R 7 005 848
MODULAR LIBRARIES GRANT	- R	563 543	R 682 000		R 159 534		R 1 086 009
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	- R	-	R 4 000 000	R -	R 3 766 709		R 233 291
TOTAL		R 23 648 027	R 177 972 000	R 33 606 599	R 136 620 259	R 4 436 808	R 36 537 266

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 31 May 2022, Operating and Capital Expenditure has a closing balance of R36.5 million, with YTD spending of R 33.6 million and R136.6 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 R8.3 million. Therefore, spending of R4.4 million is internal funded.

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 31 May 2022 is R87.2 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 88% 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 31 May 2022 is R8.3 million which is more than what has been allocated with R4.4 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 31 May 2022 is R41.2 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 90% the end of May.

5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	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	1	A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	28 393	24 325	2 045	21 204	21 959	756	3%	27 637
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	3 042	2 897	241	2 655	2 643	(12)	0%	3 054
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		-	31 434	27 222	2 286	23 859	24 602	(743)	-3%	30 691
% increase	4		0.0%	-13.4%						0.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		-	4 393	4 393	374	6 943	4 027	(2 916)	-72%	7 309
Pension and UIF Contributions		-	189	189	16	64	173	109	63%	80
Medical Aid Contributions		-	1 251	1 251	17	55	1 147	1 092	95%	159
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	957	778	866	866	743	(124)	-17%	1 081
Motor Vehicle Allowance		-	1 158	1 158	99	396	1 062	666	63%	493
Cellphone Allowance		-	115	115	10	100	106	6	6%	109
Housing Allowances		-	3 488	3 488	285	1 140	3 198	2 057	64%	1 431
Other benefits and allowances		-	0	0	0	0	0	0	35%	0
Payments in lieu of leave		-	-	-	31	179	-	(179)	#DIV/0!	179
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	11 552	11 373	1 698	9 743	10 455	(712)	-7%	10 840
% increase	4		0.0%	-1.6%						0.0%
Other Municipal Staff										
Basic Salaries and Wages		-	288 759	296 406	23 797	271 217	271 148	(69)	0%	288 828
Pension and UIF Contributions		-	46 991	46 991	4 083	45 128	43 075	(2 052)	-5%	49 044
Medical Aid Contributions		-	17 599	17 599	1 624	17 316	16 132	(1 184)	-7%	18 783
Overtime		-	13 663	13 965	2 348	17 480	13 786	(3 694)	-27%	17 357
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	16 077	16 077	1 501	16 343	14 738	(1 606)	-11%	17 683
Cellphone Allowance		-	978	978	82	910	897	(13)	-2%	992
Housing Allowances		-	2 259	2 259	316	3 455	2 071	(1 385)	-67%	3 644
Other benefits and allowances		-	3 602	3 444	381	4 522	3 444	(1 077)	-31%	4 679
Payments in lieu of leave		-	8 338	8 338	1 737	9 142	7 643	(1 499)	-20%	9 837
Long service awards		-	1 841	1 841	232	930	1 687	758	45%	1 083
Post-retirement benefit obligations		-	3 821	3 821	365	4 065	3 503	(563)	-16%	4 384
Sub Total - Other Municipal Staff		-	403 928	411 719	36 464	390 509	378 123	12 386	3%	416 313
% increase	4		0.0%	0.0%						0.0%
Total Parent Municipality		-	446 914	450 313	40 448	424 111	413 181	10 930	3%	457 845

Councillors Remuneration

The variance on Remuneration of councillors actuals to date is R23.8 million and YTD budgeted is R24.6 million with the difference of R743 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 R9.7 million and a YTD budget of R10.4 million with an overall variance of 7%.

Other Municipal Staff

Basic salaries and wages are directly affected by the budgeted projected salary increase of 3.9% and as per the approved collective agreement the increment is 3.5%. UIF, Medical aid contributions, motor vehicle allowances and housing allowances. The YTD actual is R390.5 million and YTD Budget is R 378.1 million, with an overall variance of 3%.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY

LONG TERM LOANS REGISTER : 31 May 2022

DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 May 2022 R	INTEREST CHARGED THIS MONTH	YTD INTEREST CHARGED	INTEREST PAID	CAPITAL REPAYMENT DURING PERIOD	CLOSING BALANCE 31 May 2022 R
DBSA	9.36%	31-Mar-31	61007684	R 3 284 796.08					R 3 284 796.08
TOTAL DBSA LOANS				R 3 284 796.08	R -	R -	R -	R -	R 3 284 796.08
TOTAL LOANS				R 3 284 796.08	R -	R -	R -	R -	R 3 284 796.08

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 R3.28 million as of 31 May 2022. The municipality is still able to make loan repayments as and when they fall due. The loan agreement from DBSA is spread across four years funding various capital projects no application has been made to receive the drawdown for year two of the loan, and 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.

ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

PROJECTS TO BE INCLUDED IN RNLM BUDGET	Year 1				Year 2				Year 3				Year 4				Total				
	Totals				Totals				Totals				Totals								
Electricity Meters Replacement	3,000,000				2,000,000				2,000,000				7,000,000				41,404,000.00				
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			

5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M11 May

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
Borrowing Management							
Capital Charges 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%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		14.7%	12.8%	13.1%	14.9%	13.1%
Gearing	Long Term Borrowing/ Funds & Reserves		37.7%	28.0%	32.2%	37.4%	32.2%
Liquidity							
Current Ratio	Current assets/current liabilities	1	164.4%	159.8%	187.6%	202.4%	187.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		48.2%	23.0%	35.7%	62.3%	35.7%
Revenue Management							
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%	45.1%	39.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
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%	38.8%	37.6%
Repairs & Maintenance	RSM/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	ISD/Total Revenue - capital revenue		10.6%	8.7%	10.7%	0.0%	2.9%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		4594.9%	14760.5%	6116.6%	2311.3%	3467.6%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		174.4%	145.4%	188.0%	230.6%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		164.3%	63.1%	110.2%	272.1%	110.2%

The above table gives an overview of the financial indicators of the municipality for the period ended 31 May 2022 and the indicators are broken down below.

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R3 284 796.08 as of 31 May 2022.

Liquidity

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

Budgeted Current Ratio: R554 431 517 /R295 582 410= **1.87:1**

Actual Current Ratio as 31 May 2022: R 649 012 000/ R322 481 189= **2.01:1**

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 31 May 2022 shows an improvement in the municipality's liquidity with a ratio of R2.01 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 31 May 2022: (R649 011 712 – R6 501 331)/ R322 481 189= **1.99:1**

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 31/05/2022

ACCOUNT NO	INSTITUTION & TYPE	PROJECT NAME / DETAILS	CURRENT MONTH						YTD								
			MONTHLY	INTEREST	BANK	DEPOSIT	WITHDRAWALS	CURRENT	INVESTMENT	INVESTMENT	INTEREST	BANK	INVESTMENT				
			OPENING	INVESTED	CHARGES	31/05/2022	31/05/2022	31/05/2022	BALANCES AS AT	BALANCES AS AT	INTEREST	DEPOSITS	CHARGES	WITHDRAWALS	BALANCE AS AT		
			BALANCES	31/05/2022						01/07/2021	01/06/2022 (Newly opened)				31/05/2022		
91-0281-5623	STANDARD BANK - CALOUISIANA HSG		9 345 233.21	6 656.88	-	-	-	9 351 890.09			9 345 233.21	6 656.88	-	-	-	9 351 890.09	
91-4947-4529	STANDARD BANK - CAZIMAKWE 1 HSG		601 988.14	313.36	-	-	-	602 301.50			601 988.14	313.36	-	-	-	602 301.50	
91-4947-4927	STANDARD BANK - CAZIMAKWE 2 HSG		998 780.36	519.91	-	-	-	999 300.27			998 780.36	519.91	-	-	-	999 300.27	
91-4947-5509	STANDARD BANK - CABHOBOYI SUB-HSG		317 149.01	165.09	-	-	-	317 314.10			317 149.01	165.09	-	-	-	317 314.10	
91-4947-5753	STANDARD BANK - CABHOBOYI EST-HSG		12 243.35	2.08	-	-	-	12 245.43			12 243.35	2.08	-	-	-	12 245.43	
91-4947-5208	STANDARD BANK - CADAMAGED HSES		77 643.68	17.44	-	-	-	77 661.12			77 643.68	17.44	-	-	-	77 661.12	
91-4940-1627	STANDARD BANK - CAUPLANDS HSG		77 565.07	17.43	-	-	-	77 582.50			77 565.07	17.43	-	-	-	77 582.50	
91-4940-1164	STANDARD BANK - CAIKHLOMBE HSG		1 414 414.51	736.27	-	-	-	1 415 150.78			1 414 414.51	736.27	-	-	-	1 415 150.78	
91-5277-5491	STANDARD BANK - CA AIDS PROJECT		140 624.41	73.20	-	-	-	140 697.61			140 624.41	73.20	-	-	-	140 697.61	
89140/356989	STANDARD BANK - CALMASINENGE HSG		31 977 689.42	98 561.37	-	-	-	32 076 250.79	31 146 363.92			929 886.87	-	-	-	32 076 250.79	
89139/356986	STANDARD BANK - CAIKWAMAVUNDLA HSG		238 292.69	734.46	-	-	-	239 027.15	232 097.77			6 929.38	-	-	-	239 027.15	
89141/356989	STANDARD BANK - CAIKWAKOLO HOUSING		11 316 300.81	34 879.01	-	-	-	11 351 179.82	11 022 110.39			329 069.43	-	-	-	11 351 179.82	
90439/364623	STANDARD BANK - CAIKWADWALANE HOUSING		512 726.72	1 580.32	-	-	-	514 307.04	499 397.31			14 909.73	-	-	-	514 307.04	
			57 030 651.38	144 256.82	-	-	-	57 174 908.20	42 899 969.39			12 985 641.74	1 289 297.07	-	-	57 174 908.20	
74873852518	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUN	15 998 524.74	56 981.05	-	-	-	16 055 505.79	15 540 718.21			514 787.58	-	-	-	16 055 505.79	
			15 998 524.74	56 981.05	-	-	-	16 055 505.79	15 540 718.21			514 787.58	-	-	-	16 055 505.79	
89111/356985	STANDARD BANK-CAL	RNM- UNSPENT CONDITIONAL GRANT	48 214.78	148.61	-	-	-	48 363.39	46 961.31			1 402.08	-	-	-	48 363.39	
89111/357732	STANDARD BANK-CAL	RNM-ACCREDITATION FUNDS	10 663.19	32.87	-	-	-	10 696.06	10 385.94			310.12	-	-	-	10 696.06	
			58 877.97	181.48	-	-	-	59 059.45	57 347.25			1 712.20	-	-	-	59 059.45	
62726614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	148 526 261.54	520 255.77	-	26 000 000.00	-66 000 000.00	109 046 517.31	50 354 242.66			4 586 202.52	609 156 072.13	-	-	-555 050 000.00	109 046 517.31
			148 526 261.54	520 255.77	-	26 000 000.00	-66 000 000.00	109 046 517.31	50 354 242.66			4 586 202.52	609 156 072.13	-	-	-555 050 000.00	109 046 517.31
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 351 985.21	12 177.35	-	-	-	3 364 162.56	2 952 258.45			109 792.55	302 111.56	-	-	-	3 364 162.56
			3 351 985.21	12 177.35	-	-	-	3 364 162.56	2 952 258.45			109 792.55	302 111.56	-	-	-	3 364 162.56
			224 966 300.84	733 852.47	-	26 000 000.00	-66 000 000.00	185 700 153.31	111 804 535.96			6 501 791.92	609 458 183.69	-	-	-555 050 000.00	185 700 153.31

The Investment register as of 31 May 2022 has the closing balance of R185.7 million, with R734 thousand total interest earned for the month from which R520 thousand was made on primary investment and various investment accounts as shown in the above register including the housing development fund which in not a part of the interest earned shown on the statement of financial performance as this in 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 - M11 May

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	-	475 785	475 785	51	464 816	436 137	28 679	7%	504 465
Service charges	-	238 253	238 186	11 701	201 552	223 488	(21 936)	-10%	216 317
Investment revenue	-	4 500	5 150	21	3 798	4 645	(847)	-18%	3 653
Transfers and subsidies	-	257 885	259 456	961	254 583	239 002	15 581	7%	273 466
Other own revenue	-	148 215	147 464	6 275	105 758	139 342	(33 584)	-24%	114 631
Total Revenue (excluding capital transfers and contributions)	-	1 124 639	1 126 042	19 009	1 030 507	1 042 614	(12 107)	-1%	1 112 532
Employee costs	-	415 480	423 092	38 162	400 252	388 578	11 674	3%	427 154
Remuneration of Councillors	-	31 434	27 222	2 286	23 859	24 602	(743)	-3%	30 691
Depreciation & asset impairment	-	91 916	114 780	-	80 075	106 837	(26 762)	-25%	65 154
Finance charges	-	5 673	5 673	1	261	5 187	(4 925)	-95%	748
Inventory consumed and bulk purchases	-	137 906	139 367	8 870	113 310	128 829	(15 519)	-12%	122 387
Transfers and subsidies	-	7 349	8 088	-	7 730	7 319	411	6%	7 759
Other expenditure	-	427 054	430 497	21 252	298 779	416 570	(117 792)	-28%	309 262
Total Expenditure	-	1 116 811	1 148 719	70 572	924 265	1 077 922	(153 657)	-14%	963 154
Surplus/(Deficit)	-	7 828	(22 678)	(51 562)	106 242	(35 308)	141 550	-401%	149 378
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	133 599	166 441	12 888	119 892	144 611	###	-17%	108 879
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	###	-	-
	-	11 668	11 668	-	-	10 696	(10 696)	-100%	972
Surplus/(Deficit) after capital transfers & contributions	-	153 095	155 431	(38 674)	226 134	119 999	106 135	88%	259 230
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	153 095	155 431	(38 674)	226 134	119 999	106 135	88%	259 230
Capital expenditure & funds sources									
Capital expenditure	-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Capital transfers recognised	-	127 134	151 601	12 303	131 313	141 091	(9 777)	-7%	141 824
Borrowing	-	8 476	10 316	-	4 940	10 316	(5 376)	-52%	4 940
Internally generated funds	-	25 735	31 433	2 498	14 502	28 385	(13 883)	-49%	17 550
Total sources of capital funds	-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Financial position									
Total current assets	-	408 055	554 432	-	649 012	-	-	-	641 441
Total non current assets	-	1 843 645	1 881 027	-	1 907 097	-	-	-	1 938 805
Total current liabilities	-	255 305	295 582	-	322 481	-	-	-	283 274
Total non current liabilities	-	121 596	160 054	-	181 267	-	-	-	178 806
Community wealth/Equity	-	1 874 799	1 979 821	-	2 052 360	-	-	-	2 118 165
Cash flows									
Net cash from (used) operating	-	149 684	136 379	(37 840)	231 676	142 101	(89 575)	-63%	123 357
Net cash from (used) investing	-	(162 919)	(171 926)	(17 232)	(162 168)	(134 127)	28 041	-21%	(171 926)
Net cash from (used) financing	-	(1 590)	(1 590)	(48)	(10 207)	(1 119)	9 089	-812%	(1 590)
Cash/cash equivalents at the month/year end	-	81 541	105 935	144 943	1 998 724	6 856	#####	-29053%	(50 159)
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	16 093	26 287	17 691	14 950	13 291	12 394	67 100	306 402	474 208
Creditors Age Analysis									
Total Creditors	69 384	-	-	-	-	-	-	-	69 384

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) - M11 May

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		-	475 785	475 785	51	464 816	436 137	28 679	7%	504 465
Service charges - electricity revenue		-	169 514	170 147	11 619	144 170	155 524	(11 354)	-7%	158 160
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	68 739	68 039	82	57 382	67 964	(10 582)	-16%	58 157
Rental of facilities and equipment		-	466	2 443	214	2 515	2 020	495	25%	961
Interest earned - external investments		-	4 500	5 150	21	3 798	4 645	(847)	-18%	3 653
Interest earned - outstanding debtors		-	24 092	23 272	2 794	28 437	21 626	6 810	31%	30 903
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	20 764	21 064	41	15 783	20 917	(5 134)	-25%	15 630
Licences and permits		-	11 698	7 424	1 120	7 633	8 254	(621)	-8%	11 078
Agency services		-	4 000	4 670	523	4 569	4 536	33	1%	4 033
Transfers and subsidies		-	257 885	259 456	961	254 583	239 002	15 581	7%	273 466
Other revenue		-	87 194	88 590	1 583	46 821	81 989	(35 168)	-43%	52 026
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	1 124 639	1 126 042	19 009	1 030 507	1 042 614	(12 107)	-1%	1 112 532
Expenditure By Type										
Employee related costs		-	415 480	423 092	38 162	400 252	388 578	11 674	3%	427 154
Remuneration of councillors		-	31 434	27 222	2 286	23 859	24 602	(743)	-3%	30 691
Debt impairment		-	9 600	9 600	459	3 646	8 800	(5 154)	-59%	4 446
Depreciation & asset impairment		-	91 916	114 780	-	80 075	106 837	(26 762)	-25%	65 154
Finance charges		-	5 673	5 673	1	261	5 187	(4 925)	-95%	748
Bulk purchases - electricity		-	125 067	125 067	8 096	101 792	114 645	(12 853)	-11%	112 215
Inventory consumed		-	12 839	14 300	774	11 518	14 184	(2 666)	-19%	10 172
Contracted services		-	250 244	257 545	12 739	185 239	247 088	(61 849)	-25%	188 395
Transfers and subsidies		-	7 349	8 088	-	7 730	7 319	411	6%	7 759
Other expenditure		-	167 210	163 352	8 055	109 893	160 682	(50 789)	-32%	116 421
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		-	1 116 811	1 148 719	70 572	924 265	1 077 922	(153 657)	-14%	963 154
Surplus/(Deficit)		-	7 828	(22 678)	(51 562)	106 242	(35 308)	141 550	(0)	149 378
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	133 599	166 441	12 888	119 892	144 611	(24 720)	(0)	108 879
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	11 668	11 668	-	-	10 696	(10 696)	(0)	972
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	153 095	155 431	(38 674)	226 134	119 999			259 230
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	153 095	155 431	(38 674)	226 134	119 999			259 230
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	153 095	155 431	(38 674)	226 134	119 999			259 230
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	153 095	155 431	(38 674)	226 134	119 999			259 230

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 31 May 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) - M11 May

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									
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	225	225	-	182	217	(35)	-16%	190
Vote 2 - Finance and Administration		-	3 164	3 905	1 257	2 327	3 583	(1 256)	-35%	2 649
Vote 3 - Internal Audit		-	100	154	-	93	146	(52)	-36%	102
Vote 4 - Community and Social Services		-	5 087	2 617	(171)	1 662	2 209	(548)	-25%	2 069
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	3 940	6 940	489	2 674	6 112	(3 438)	-56%	3 502
Vote 7 - Housing		-	-	140	3	3	140	(137)	-98%	3
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	86 781	97 089	10 340	78 810	89 842	(11 032)	-12%	86 057
Vote 10 - Road Transport		-	40 382	56 780	2 811	51 306	53 415	(2 109)	-4%	54 671
Vote 11 - Environmental Protection		-	900	900	30	496	900	(404)	-45%	496
Vote 12 - Energy Sources		-	13 566	15 576	-	8 862	15 477	(6 615)	-43%	8 961
Vote 13 - Other		-	3 173	4 983	-	3 000	3 991	(991)	-25%	3 992
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	4 026	4 042	43	1 340	3 760	(2 420)	-64%	1 622
Total Capital single-year expenditure	4	-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Total Capital Expenditure		-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Capital Expenditure - Functional Classification										
Governance and administration		-	3 489	4 284	1 257	2 601	3 945	(1 344)	-34%	2 940
Executive and council		-	225	225	-	182	217	(35)	-16%	190
Finance and administration		-	3 164	3 962	1 257	2 327	3 639	(1 313)	-36%	2 649
Internal audit		-	100	98	-	93	89	4	4%	102
Community and public safety		-	9 027	9 697	321	4 339	8 461	(4 122)	-49%	5 574
Community and social services		-	5 087	2 617	(171)	1 662	2 209	(548)	-25%	2 069
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 940	6 940	489	2 674	6 112	(3 438)	-56%	3 502
Housing		-	-	140	3	3	140	(137)	-98%	3
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	128 064	154 769	13 181	130 613	144 157	(13 545)	-9%	141 225
Planning and development		-	86 781	97 089	10 340	78 810	89 842	(11 032)	-12%	86 057
Road transport		-	40 382	56 780	2 811	51 306	53 415	(2 109)	-4%	54 671
Environmental protection		-	900	900	30	496	900	(404)	-45%	496
Trading services		-	17 593	19 618	43	10 202	19 237	(9 035)	-47%	10 583
Energy sources		-	13 566	15 576	-	8 862	15 477	(6 615)	-43%	8 961
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	4 026	4 042	43	1 340	3 760	(2 420)	-64%	1 622
Other		-	3 173	4 983	-	3 000	3 991	(991)	-25%	3 992
Total Capital Expenditure - Functional Classification	3	-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314
Funded by:										
National Government		-	113 638	130 036	11 931	116 753	120 896	(4 143)	-3%	125 893
Provincial Government		-	3 350	10 680	13	3 879	10 155	(6 275)	-62%	4 404
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	10 146	10 886	359	10 681	10 040	641	6%	11 527
Transfers recognised - capital		-	127 134	151 601	12 303	131 313	141 091	(9 777)	-7%	141 824
Borrowing	6	-	8 476	10 316	-	4 940	10 316	(5 376)	-52%	4 940
Internally generated funds		-	25 735	31 433	2 498	14 502	28 385	(13 883)	-49%	17 550
Total Capital Funding		-	161 345	193 351	14 802	150 754	179 791	(29 037)	-16%	164 314

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 31 May 2022.

6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Ref	2020/21	Budget Year 2021/22							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	427 547	426 737	35 079	423 960	391 270	32 690	8%	426 737
Service charges		-	214 430	214 428	18 466	199 562	196 203	3 359	2%	214 428
Other revenue		-	41 190	37 534	14 655	159 528	36 593	122 936	336%	37 534
Transfers and Subsidies - Operational		-	334 018	347 133	2 628	310 544	317 153	(6 609)	-2%	347 133
Transfers and Subsidies - Capital		-	151 399	162 096	(15)	151 245	149 901	1 344	1%	162 096
Interest		-	4 500	5 150	-	-	5 020	(5 020)	-100%	5 150
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(1 025 076)	(1 043 678)	(108 651)	(1 000 142)	(944 587)	(55 555)	6%	(1 056 700)
Finance charges		-	(5 673)	(5 673)	-	(5 673)	(5 186)	(488)	9%	(5 673)
Transfers and Grants		-	7 349	(7 349)	-	(7 349)	(4 266)	(3 083)	72%	(7 349)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	149 684	136 379	(37 840)	231 676	142 101	(89 575)	-63%	123 357
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		-	(162 919)	(171 926)	(17 232)	(162 168)	(134 127)	(28 041)	21%	(171 926)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(162 919)	(171 926)	(17 232)	(162 168)	(134 127)	28 041	-21%	(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		-	(471)	(471)	(48)	(613)	-	(613)	#DIV/0!	(471)
Payments										
Repayment of borrowing		-	(9 595)	(9 595)	-	(9 595)	(9 595)	-		(9 595)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(1 590)	(1 590)	(48)	(10 207)	(1 119)	9 089	-812%	(1 590)
NET INCREASE/ (DECREASE) IN CASH HELD		-	(14 824)	(37 137)	(55 120)	59 301	6 856			(50 159)
Cash/cash equivalents at beginning:		-	96 365	143 072	200 063	124 914	-			-
Cash/cash equivalents at month/year end:		-	81 541	105 935	144 943	184 215	6 856			(50 159)

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 31 May 2022, Cash received from operations YTD actual is more than the anticipated cash collection such as Property Rates R423.9 million, 8% more than the YTD budget of R391.2 million, it should be noted that cash received from property rates includes interest on outstanding debtors, other revenue R159.8 million compared to the YTD budget of 36.5 million which is 335% more than what is 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 - M11 May						
Description	Ref	2020/21	Budget Year 2021/22			Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
R thousands	1					
ASSETS						
Current assets						
Cash		-	(28 505)	(16 602)	21 683	8 773
Call investment deposits		-	87 251	122 051	162 532	162 532
Consumer debtors		-	274 809	308 409	291 374	293 527
Other debtors		-	71 671	139 295	166 922	169 134
Current portion of long-term receivables		-	-	143	-	-
Inventory		-	2 830	1 135	6 501	7 474
Total current assets		-	408 055	554 432	649 012	641 441
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		-	200 147	205 741	220 154	220 154
Investments in Associate		-	-	-	-	-
Property, plant and equipment		-	1 639 984	1 672 129	1 684 561	1 716 319
Biological		-	-	-	-	-
Intangible		-	1 672	1 086	246	196
Other non-current assets		-	1 841	2 071	2 136	2 136
Total non current assets		-	1 843 645	1 881 027	1 907 097	1 938 805
TOTAL ASSETS		-	2 251 700	2 435 458	2 556 109	2 580 246
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	8 519	475	(28 150)	(28 457)
Consumer deposits		-	31 162	32 510	32 652	32 730
Trade and other payables		-	199 302	223 572	276 884	237 906
Provisions		-	16 321	39 025	41 095	41 095
Total current liabilities		-	255 305	295 582	322 481	283 274
Non current liabilities						
Borrowing		-	31 255	35 947	41 810	39 349
Provisions		-	90 341	124 108	139 457	139 457
Total non current liabilities		-	121 596	160 054	181 267	178 806
TOTAL LIABILITIES		-	376 901	455 637	503 748	462 081
NET ASSETS	2	-	1 874 799	1 979 821	2 052 360	2 118 165
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		-	1 763 155	1 868 177	1 940 716	2 006 521
Reserves		-	111 644	111 644	111 644	111 644
TOTAL COMMUNITY WEALTH/EQUITY	2	-	1 874 799	1 979 821	2 052 360	2 118 165

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 31 May 2022. Total assets are R2.55 billion over the total liabilities of R503.7 million this therefore mean the municipality is still able to meet its financial obligations.