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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### QUARTERLY BUDGET STATEMENT FOR THE 4<sup>th</sup> QUARTER ENDED 30 JUNE 2022

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 S52d of the Municipal Finance Management Act (2003).

## **2. AUTHORITY**

Mayor

## **3. LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act No 56 of 2003, Section 52d

## **4. BACKGROUND**

In terms of Section 52d of the MFMA No 56 of 2003, the mayor of a municipality must by no later than 30 working days after the end of each quarter submit to the council on the implementation of the budget and financial state of affairs of the municipality.

## **5. EXECUTIVE SUMMARY**

The quarterly budget statement in terms of section 52d of the Municipal Finance Management Act for the fourth quarter ended 30 June 2022 is detailed below. The Quarterly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
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**5.1 Statement of Financial Performance**

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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 4 Actuals	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	447,331	475,785	475,785	41,154	464,641	475,785	(11,144)	-2%	475,785
Service charges	195,945	238,253	238,186	41,979	214,840	238,186	(23,346)	-10%	238,186
Investment revenue	3,513	4,500	5,150	1,598	4,737	5,150	(413)	-8%	5,150
Transfers and subsidies	289,550	257,885	259,456	62,985	256,801	259,456	(2,655)	-1%	259,456
Other own revenue	131,231	148,215	147,464	39,513	115,775	147,464	(31,689)	-21%	147,464
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,067,571</b>	<b>1,124,639</b>	<b>1,126,042</b>	<b>187,229</b>	<b>1,056,794</b>	<b>1,126,042</b>	<b>(69,248)</b>	<b>-6%</b>	<b>1,126,042</b>
Employee costs	428,524	415,480	423,008	132,762	421,635	423,008	(1,373)	-0%	423,008
Remuneration of Councillors	28,366	31,434	27,222	8,768	26,249	27,222	(973)	-4%	27,222
Depreciation & asset impairment	102,276	91,916	114,780	8,036	80,104	114,780	(34,677)	-30%	114,780
Finance charges	11,088	5,673	5,673	78	338	5,673	(5,335)	-94%	5,673
Inventory consumed and bulk purchases	120,110	137,906	139,762	42,017	136,269	139,762	(3,493)	-2%	139,762
Transfers and subsidies	6,635	7,349	10,030	1,964	9,680	10,030	(350)	-3%	10,030
Other expenditure	347,870	427,054	431,944	86,895	339,492	431,944	(92,452)	-21%	431,944
<b>Total Expenditure</b>	<b>1,044,869</b>	<b>1,116,811</b>	<b>1,152,419</b>	<b>280,522</b>	<b>1,013,767</b>	<b>1,152,419</b>	<b>(138,653)</b>	<b>-12%</b>	<b>1,152,419</b>
<b>Surplus/(Deficit)</b>	<b>22,702</b>	<b>7,828</b>	<b>(26,378)</b>	<b>(93,293)</b>	<b>43,028</b>	<b>(26,378)</b>	<b>69,405</b>	<b>-263%</b>	<b>(26,378)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77,193	133,599	166,441	80,351	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
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>111,902</b>	<b>153,095</b>	<b>151,731</b>	<b>(927)</b>	<b>201,890</b>	<b>151,731</b>	<b>50,158</b>	<b>33%</b>	<b>151,731</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>111,902</b>	<b>153,095</b>	<b>151,731</b>	<b>(927)</b>	<b>201,890</b>	<b>151,731</b>	<b>50,158</b>	<b>33%</b>	<b>151,731</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>124,967</b>	<b>161,345</b>	<b>193,568</b>	<b>58,146</b>	<b>172,597</b>	<b>193,568</b>	<b>(20,971)</b>	<b>-11%</b>	<b>193,568</b>
Capital transfers recognised	79,155	127,134	151,651	44,764	143,893	151,651	(7,759)	-5%	151,651
Borrowing	-	8,476	10,316	1,124	5,689	10,316	(4,627)	-45%	10,316
Internally generated funds	15,377	25,735	31,341	12,036	22,792	31,341	(8,548)	-27%	31,341
<b>Total sources of capital funds</b>	<b>94,532</b>	<b>161,345</b>	<b>193,308</b>	<b>57,924</b>	<b>172,374</b>	<b>193,308</b>	<b>(20,934)</b>	<b>-11%</b>	<b>193,308</b>
<b>Financial position</b>									
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	<b>1,824,390</b>	<b>1,874,799</b>	<b>1,976,122</b>		<b>2,020,517</b>				<b>1,976,122</b>
<b>Cash flows</b>									
Net cash from (used) operating	868,869	171,419	144,112	(195,381)	(195,381)	13,842	209,223	1512%	144,112
Net cash from (used) investing	(114,488)	(163,926)	(171,926)	(63,479)	(63,479)	(56,070)	7,408	-13%	(171,926)
Net cash from (used) financing	(15,585)	(1,425)	(10,371)	(8,226)	(8,226)	4,496	12,722	283%	(10,371)
<b>Cash/cash equivalents at the month/year end</b>	<b>818,295</b>	<b>102,433</b>	<b>104,887</b>	<b>-</b>	<b>(124,014)</b>	<b>105,339</b>	<b>229,353</b>	<b>218%</b>	<b>104,887</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	19,230	8,433	17,433	15,262	13,630	12,355	66,291	310,723	463,357
<b>Creditors Age Analysis</b>									
Total Creditors	2,722	-	-	-	-	-	-	320	3,042

## Quarterly Budget Statement of Financial Performance

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

### 5.2 Financial Performance -Revenue by Source

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

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	Quarter 4 Actuals	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		447,331	475,785	475,785	41,154	464,641	475,785	(11,144)	-2%	475,785
Service charges - electricity revenue		141,263	169,514	170,147	36,734	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	5,245	57,387	68,039	(10,653)	-16%	68,039
Rental of facilities and equipment		3,785	466	2,443	939	3,024	2,443	581	24%	2,443
Interest earned - external investments		3,513	4,500	5,150	1,598	4,737	5,150	(413)	-8%	5,150
Interest earned - outstanding debtors		28,226	24,092	23,272	8,313	31,183	23,272	7,912	34%	23,272
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16,546	20,764	21,064	83	15,816	21,064	(5,248)	-25%	21,064
Licences and permits		5,567	11,698	7,424	2,195	8,138	7,424	714	10%	7,424
Agency services		5,400	4,000	4,670	1,240	4,965	4,670	295	6%	4,670
Transfers and subsidies		289,550	257,885	259,456	62,735	256,551	259,456	(2,905)	-1%	259,456
Other revenue		66,113	87,194	88,590	22,165	48,070	88,590	(40,520)	-46%	88,590
Gains		5,594	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,067,571</b>	<b>1,124,639</b>	<b>1,126,042</b>	<b>182,401</b>	<b>1,051,966</b>	<b>1,126,042</b>	<b>(74,076)</b>	<b>-7%</b>	<b>1,126,042</b>

### Revenue by Source

This table provides a structured format overview of the financial information of the quarterly actual, year to date actual and year to date Budget of revenue by Source by type which is easier to understand.

### Property Rates

The YTD Actual for property rates for the last quarter ending 30 June 2022 is R464.6 million YTD Budget for property rates R 475.8 million with the variance being R11.1 million. The variance is caused by the unforeseen circumstances that happen during the year mentioned as the adjustment of market values, changes in the property categories, increase on the pensioners rebate as well as the increase on the indigents. These are the circumstances the municipality cannot predict.

### Electricity Revenue

Total Electricity revenue actual for the fourth quarter ending 30 June 2022 is R 157.5 million, against the total budget of R 170.2 million. The variance Electricity revenue for the fourth quarter is R 12.7 million. This is as result of low revenue generated from the prepaid card electricity as the actual was lower than the budget by R8 million.

## **Refuse Revenue**

Refuse revenue YTD actual is R57.4 million which is 84% of the annual budget of R68.0 million. Refuse revenue billing is linked to the billing of property rates, any changes that happen on the property rates will also affect the refuse revenue billing. The reclassification of the property rates categories, the change in market value of the property affect the value of the billing. There was also an increase in the number of pensioners rebate as well the increment on the indigents.

## **Grants Recognized**

Operational grant revenues for the last quarter ending 30 June 2022 amounts to R 256.6 million against R 259.5 million with the variance of R 2.9 million resulted from the accreditation grant from Human settlement. The municipality manage to claim R 1.2 million since the municipality is allowed to withdraw 3% of the costs spent on housing projects. This is affected by the change of the agreement between Human settlement and municipality from Human Settlements converting Bilateral Agreements to Tripartite.

## **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 R5.2 million, variance of R413 thousand which is not material. Revenues received by the municipality such as conditional grants are invested to generate interest for the municipality and withdrawn to make payments in line with the conditions attached the grant and Interest generated on grants becomes municipality's own revenue. The municipality managed to collect 92% of the budget amount.

## **Interest earned on arrear debtors**

The interest earned on arrear debtors to date is R31.2 million, 34% more compared to the YTD budget of R23.3 million the increase in our debtors and has yielded more interest charged than anticipated with an average monthly interest receivable on outstanding debtors. This interest is based on the outstanding debtors, this shows that most of our customers are failing to pay their debts on time. Debt collection policy is also implemented to improve the collection rate.

## **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. The annual projected revenue is R4.6 million, with the YTD actual of R4.96 million. The municipality managed to collect 295 thousand more than the annual projection for drivers' license application.

## **Fines**

Fines, Penalties, and forfeits are derived from Building fines, illegal connections, overdue books, property rates and the bulk budget being on traffic fines for R20 million and the total budget being R21.0 million. Revenue from traffic fines throughout the year there will be differences between the actual versus budget this is mainly attributed by timing difference in the capturing of fines in the financial system from the Traffman system. The municipality held a meeting between Traffman and Munsoft for the 2 systems to be integrated so that fines revenue is recorded timeously in the General Ledger.

## **Licenses and Permits**

Licenses and permits actual to date amounts to R8.1 million as of 30 June 2022, against total budget of R7.4 million. The annual budget is R7.4 million with the new CBD public parking fees anticipated to collect new of revenue with a budget of R 5.5 million. The municipality generated more than what was anticipated on the budget.

## **Rental of Facilities**

Rental of facilities annual budget is R2.4 million, this is the rental of fixed asset revenue such as halls, airport hangars and garages. YTD actual is R3.0 million. A conservative approach was used in budgeting for rental of fixed assets during these uncertain times with restrictions on gatherings, now with the restrictions being eased. The easing of the restrictions resulted in collecting more than the projections were made on the budget.

## **Other revenue**

The actual revenue to date is R48.1million "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, with an annual budget of R87 million. Also included in the other revenue also includes construction contract revenue that is revenue recognized on the expenditure on housing projects with a budget of R75 million, R45.1 million has been recognized as revenue, to date. There was a change on the agreements between the municipality and the department of Human Settlement, some of the invoices were paid directly to the service providers. The municipality could not recognize the revenue for the invoices that were paid directly to service providers.

## **Overall revenue YTD budget to date**

The YTD Actual revenue is R1.1 billion for the period ending 30 June 2022, total budget of R1.1 billion. The municipality managed to generate about 93% of the total budget.



### **5.3 Expenditure by Type**

<b>Expenditure By Type</b>										
Employee related costs	428,524	415,480	423,008	132,762	421,635	423,008	(1,373)	0%	423,008	
Remuneration of councillors	28,366	31,434	27,222	8,768	26,249	27,222	(973)	-4%	27,222	
Debt impairment	24,530	9,600	9,600	1,538	4,375	9,600	(5,225)	-54%	9,600	
Depreciation & asset impairment	102,276	91,916	114,780	8,036	80,104	114,780	(34,677)	-30%	114,780	
Finance charges	11,088	5,673	5,673	78	338	5,673	(5,335)	-94%	5,673	
Bulk purchases - electricity	108,129	125,067	125,067	39,020	122,799	125,067	(2,268)	-2%	125,067	
Inventory consumed	11,981	12,839	14,695	2,997	13,470	14,695	(1,225)	-8%	14,695	
Contracted services	190,476	250,244	257,655	48,673	204,861	257,655	(52,794)	-20%	257,655	
Transfers and subsidies	6,635	7,349	10,030	1,964	9,680	10,030	(350)	-3%	10,030	
Other expenditure	130,200	167,210	164,689	36,685	130,256	164,689	(34,433)	-21%	164,689	
Losses	2,663	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>	<b>1,044,869</b>	<b>1,116,811</b>	<b>1,152,419</b>	<b>280,522</b>	<b>1,013,767</b>	<b>1,152,419</b>	<b>(138,653)</b>	<b>-12%</b>	<b>1,152,419</b>	

### **Employee related costs and Remuneration of Councillors**

Employee related costs has spent R132.8 million for the fourth quarter, with total annual expenditure of R421.6 against annual budget of R423.0 million. Employee related costs spent about 99% of the allocated budget.

Remuneration of councillors actual spending is sitting at R 26.2 million which is 96% against the Budget of R 27.2 million. The variance can be attributed to the new council was elected but some of the Executive positions were filled later.

### **Contracted Services**

Contracted services are made up of various operational projects such as Housing, Repairs and maintenance and typical work stream. Contracted services for the quarter ending 30 June 2022 amounts to R204.7 million, against the Budget R257.7 million. Variance is R 52.9 million for contracted & services, R32.2 million is related to housing projects. This huge variance of the housing projects was due to that the department of Human settlements changed contracts from Bilateral agreements to Tripartite agreements. That means that Department of Human Settlement was now paying service provider directly, the municipality only confirms that the work was done. These changes were communicated in March 2022. The other R20 million variance was due to the cost containment measures as the municipality is try

### **Other Materials**

YTD Inventory consumed amounts to R13.5 million as of 30 June 2022 with the YTD Budget being R14.7 million. The municipality is implementing the cost containment measure as was instructed by the department of Treasury that each municipality must reduce costs. On this item municipality save up to 7% of the allocated budget.

### **Other operating expenditure**

YTD Actuals is R 128.2 million, total budget R164.7 million, other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Road shows, municipal running costs such as electricity consumption and water services. The YTD variance of R36.5 million can be attributed to cost saving initiatives implemented by the municipality as the municipality is conducting most meetings and training using virtual platforms thus saving on travelling costs, audit costs and various other operating expenditure.

### **Depreciation**

Depreciation has annual budget of R 114.8 million which is a non-financial expense, total actual of R 80.1 million. The asset section is finalizing the Fixed Asset Register for the year. As they need to ensure that all the damage as result of the disaster that happen on April 2022. Assets are procured based on the current needs of the departments and depreciation expense is charged from the day the asset is available for use and this will result in the variance between budget versus actual depreciation expense.

### **Debt Impairment**

Debt impairment has an annual budget of R9.6 million and the actual expenditure of R4.4 million for the fourth quarter ended 30 June 2022. The R2.0 million YTD expenditure relates to interest written-off on outstanding accounts where consumers arrange with the municipality to pay the capital portion of the debt as a once off payment and have the interest written off and the conditions of write-off are based on the age of the debt if it is over 2 years then the full interest in written off on payment of the capital portion. Interest write-offs less than two years must be in the Covid 19 relief period approved by council as part of covid relief measures implemented by the municipality. Debt impairment expenditure is contingent on consumer applications for payment arrangement with the municipality and this is a contributing factor to the variance between the YTD actual versus the YTD budget.

### **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 R9.7 million and YTD expenditure is R10.0 million 103% of the annual budget as of the end of June 2022, projects identified for economic development have been funded for the year through once off payments resulting the YTD figure being higher than the YTD budget.

### **Overall expenditure budget**

The overall expenditure total Actual is R1.013 billion as of 30 June 2022, and Annual Budget is R1.152 billion. The actual amount is less than budget amount, due to the different types of expenditure and how they have been performing based on the reasons above such as contracted services having Housing projects that has changed contract agreements, finance charges being lower than expected due to the R8.4 million loan from DBSA has been received in July 2022 which falls in the financial year 2023, therefore the interest portion from that loan has not been incurred resulting in the amount of interest paid to date being lower than that of the YTD budget.

## Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R43.0 million compared to the YTD Budget (Deficit) of (R26.4 million) due to less spending to date as the implementation of the cost containment measures.

## 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										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	40	38	34	37	35	29	86	345	646	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	9,560	8,429	7,631	42,877	184,429	264,756	252,906	-	-
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	34,083	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	189	147	167	119	548	8,944	11,034	9,925	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>19,230</b>	<b>8,433</b>	<b>17,433</b>	<b>15,262</b>	<b>13,630</b>	<b>12,355</b>	<b>66,291</b>	<b>310,723</b>	<b>463,357</b>	<b>418,260</b>	-	-
<b>2021/22 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	1,905	1,040	737	880	857	787	9,884	32,883	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	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>19,230</b>	<b>8,433</b>	<b>17,433</b>	<b>15,262</b>	<b>13,630</b>	<b>12,355</b>	<b>66,291</b>	<b>310,723</b>	<b>463,357</b>	<b>418,260</b>	-	-

Details on the consumer debtors are presented under revenue section report and detailed presentation is done by the revenue 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
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
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	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>2,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>3,042</b>

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	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4 Actuals	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Other		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Mayor and Council		448	125	125	-	121	125	(4)	-4%	125
Vote 2 - Finance and Administration		23,756	3,164	4,315	2,499	3,493	4,315	(822)	-19%	4,315
Vote 3 - Internal Audit		46	100	154	24	117	154	(37)	-24%	154
Vote 4 - Community and Social Services		8,562	5,087	3,554	1,642	3,076	3,554	(477)	-13%	3,554
Vote 5 - Sport and Recreation		960	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		283	4,240	7,795	3,930	6,550	7,795	(1,245)	-16%	7,795
Vote 7 - Housing		50	-	140	115	115	140	(25)	-18%	140
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		36,751	86,881	98,825	32,339	90,407	98,825	(8,418)	-9%	98,825
Vote 10 - Road Transport		45,152	40,082	54,029	14,152	53,138	54,029	(891)	-2%	54,029
Vote 11 - Environment Protection		0	900	900	367	803	900	(97)	-11%	900
Vote 12 - Energy Sources		1,902	13,566	15,576	1,932	9,776	15,576	(5,800)	-37%	15,576
Vote 13 - Other		4,405	3,173	4,983	108	3,108	4,983	(1,875)	-38%	4,983
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2,652	4,026	3,172	1,038	1,893	3,172	(1,279)	-40%	3,172
<b>Total Capital single-year expenditure</b>	4	124,967	161,345	193,568	58,146	172,597	193,568	(20,971)	-11%	193,568
<b>Total Capital Expenditure</b>		124,967	161,345	193,568	58,146	172,597	193,568	(20,971)	-11%	193,568
<b>Capital Expenditure - Functional Classification</b>										
Governance and administration		24,298	3,489	4,894	2,523	3,791	4,894	(903)	-19%	4,894
Executive and council		494	225	225	-	182	225	(43)	-19%	225
Finance and administration		23,756	3,164	4,372	2,521	3,515	4,372	(857)	-20%	4,372
Internal audit		46	100	98	2	95	98	(3)	-3%	98
Community and public safety		9,794	9,027	10,834	5,830	9,250	10,834	(1,384)	-13%	10,834
Community and social services		8,562	5,087	3,554	1,642	3,076	3,554	(477)	-13%	3,554
Sport and recreation		960	-	-	-	-	-	-	-	-
Public safety		222	3,940	6,940	3,873	6,058	6,940	(882)	-13%	6,940
Housing		50	-	140	115	115	140	(25)	-18%	140
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		81,917	128,064	154,509	48,914	144,779	154,509	(9,730)	-6%	154,509
Planning and development		36,704	86,781	98,725	32,339	90,346	98,725	(8,379)	-8%	98,725
Road transport		45,213	40,382	54,884	14,209	53,630	54,884	(1,254)	-2%	54,884
Environmental protection		0	900	900	367	803	900	(97)	-11%	900
Trading services		4,554	17,593	18,748	2,970	11,669	18,748	(7,079)	-38%	18,748
Energy sources		1,902	13,566	15,576	1,932	9,776	15,576	(5,800)	-37%	15,576
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2,652	4,026	3,172	1,038	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
<b>Total Capital Expenditure - Functional Classification</b>	3	124,967	161,345	193,568	58,146	172,597	193,568	(20,971)	-11%	193,568
<b>Funded by:</b>										
National Government		60,058	113,638	130,036	43,487	128,606	130,036	(1,430)	-1%	130,036
Provincial Government		10,689	3,350	10,730	537	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	10,146	10,886	739	10,885	10,886	(0)	0%	10,886
Transfers recognised - capital		79,155	127,134	151,651	44,764	143,893	151,651	(7,759)	-5%	151,651
Borrowing	6	-	8,476	10,316	1,124	5,689	10,316	(4,627)	-45%	10,316
Internally generated funds		15,377	25,735	31,341	12,036	22,792	31,341	(8,548)	-27%	31,341

The above table give details of YTD actual capital expenditure and the funding. The total actual capital expenditure is R 172.6 million which is 89% of the annual budget. This capital expenditure is funded by R84.2 million from Integrated Urban Development Grant, R10.6 million from European Union grant, R5 million from the DBSA loan, R13 million internally generated funds, R3.99 million Energy Efficiency Demand Side Management grant, and R39.2 million funded by the Neighborhood Development partnership grant. The R20.9 million variance can be attributed to capital projects that have not be implemented in the financial year 2022 with various reason that causes delays for them to be implemented. Market stalls were delayed due to the ownership of land then the municipality will apply for rollover for this grant.

## 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 R
COGTA ELEC GRANT	- R	- R	6,000,000 R	5,215,189 R	- R		784,811 R
MUNICIPAL DISASTER RECOVERY GRANT		327,945 R					327,945 R
MUNICIPAL DISASTER RELIEF GRANT	- R	- R	8,100,000 R	- R	- R		8,100,000 R
INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	- R	61,306 R	8,040,000 R	8,101,306 R			- 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		3,442,795 R	- R
PROVINCIALIZATION OF LIBRARIES GRANT	- R	- R	12,017,000 R	12,017,000 R			0 R
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			5,383,380 R
NEIGHBOURHOOD DEV GRANT	- R	14,584,808 R	31,257,000 R	- R	45,044,005 R		797,803 R
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 R
EU GRANT	- R	- R	12,015,131 R		12,133,758 R	118,627 R	- R
MODULAR LIBRARIES GRANT	R	563,543 R	682,000 R		409,548 R		835,995 R
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	- R	- R	4,000,000 R	3,996,725 R			3,275 R
<b>TOTAL</b>		<b>23,648,027 R</b>	<b>199,754,131 R</b>	<b>46,734,772 R</b>	<b>155,393,439 R</b>	<b>4,284,135 R</b>	<b>25,558,081 R</b>

## Transfers and Grants Receipts

The total grants received to date for period ending 30 June 2022 amounts to R199.754 million, which include R99.1 million from Integrated Urban Development Grant, R5.56 million from Expanded Public Work Programme, R31.3 million from Neighborhood Development Grant, R1.95 million from Financial Management Grant, R 4 million from Energy Efficient and Demand Side Management and R8 million Small town rehabilitation grant, R12 million provincialization of libraries, R306 thousand community library services grant, R429 thousand Museum subsidy, R1.4 million Cyber cadet grant, R682 thousand Modular libraries grant, R6 million from COGTA Electrification grant and a new allocation for the funding of Municipal Disaster Relief projects amounting to R8.1 million.

## 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	96,810,099		2,320,901
COGTA ELEC GRANT	- R	- R	6,000,000	5,215,189	- R		784,811
MUNICIPAL DISASTER RECOVERY GRANT	- R	327,945					327,945
MUNICIPAL DISASTER RELIEF GRANT	- R	- R	8,100,000	- R	- R		8,100,000
INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	- R	61,306	8,040,000	8,101,306			-
FINANCIAL MANGEMENT GRANT (FMG)	- R	- R	1,950,000	1,950,000	- R		-
EXPANDED PUBLIC WORKS PROGRAMME INTERGATED GRANT FOR MUNICIPALITY (EPWP)	- R	- R	5,558,000	9,000,795	- R	3,442,795	-
PROVINCIALIZATION OF LIBRARIES GRANT	- R	- R	12,017,000	12,017,000	- R		0
COMMUNITY LIBRARY SERVICE GRANT	- R	- R	306,000	306,000	- R		-
MUSEUM SUBSIDY GRANT	- R	- R	429,000	429,000	- R		-
CYBER CADET GRANT	- R	- R	1,452,000	1,452,000	- R		-
INTERMODAL FACILITY	- R	5,383,380	- R	- R	- R		5,383,380
NEIGHBOURHOOD DEV GRANT	- R	14,584,808	31,257,000	- R	45,044,005		797,803
EDTA-INFORMAL TRADERS GRANT	- R	- R	817,000	817,000	- R		-
MARKET STALLS GRANT	- R	- R	8,000,000		996,030		7,003,970
EU GRANT	- R	- R	12,015,131		12,133,758	118,627	-
MODULAR LIBRARIES GRANT	- R	563,543	682,000		409,548		835,995
ENERGY EFFIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	- R	- R	4,000,000	3,996,725			3,275
<b>TOTAL</b>		<b>R 23,648,027</b>	<b>R 199,754,131</b>	<b>R 46,734,772</b>	<b>R 155,993,439</b>	<b>R 4,284,135</b>	<b>R 25,558,081</b>

### 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 R25.56 million, with YTD spending of R46.73 million and R155.4 million, for operational grants and capital grants, respectively. The table above also show the grants that spent more than the receipts but within the grant's allocation as we are still waiting for certain transfers from National Treasury.

### Grant expenditure

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

The allocation for the 2021/22 financial year is R 99.13 million and has been received. This is a capital grant and the YTD actual for the period ended 30 June 2022 is R96.81 million 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 as 97% of the portion of the grant that has been received has been spent already on the various capital projects.

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

The allocation for the 2021/22 financial year is R5.56 million and the amount has been received. This is an operational grant and the YTD actual for the period ended 30 June 2022 is R5.56 million. All funds were utilized and some of the expenditure was covered by the internal funds.

- **Neighborhood Development Partnership Grant**

The allocation for the 2021/22 financial year is R 31.23 million with an opening balance of R14.58 million that was approved as the roll over grant. The current year allocation was all received. This is a capital grant and the YTD actual for the period ended 30 June 2022 is R40.04 million has been spent which makes 98%.

- **Integrated National Electrification Programme Grant (INEP)**

The total allocation for the 2021/22 financial year is R8.04 million the grant had unspent funds of R61 thousand from the 2020/21 financial year. The total allocated amount was received. Total expenditure as of 30 June 2022 is R8.1 million. All funds were utilized.

- **Energy Efficiency Demand Side Management Grant (EEDSM)**

The allocation for the 2021/22 financial year is R 4 million and an amount of R 4 million has been received. The YTD expenditure as of the end of the 30 June 2022 amounts to R3.9 million.

## **5.8 Salaries Expenditure details**

This report detailed the salaries report as per the requirement of section 66 of the municipal finance management act 56 of 2003.

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	Quarter 4 Actuals	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		25,476	28,393	24,325	7,803	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	966	2,897	2,897	0	0%	2,897
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>28,366</b>	<b>31,434</b>	<b>27,222</b>	<b>8,788</b>	<b>26,249</b>	<b>27,222</b>	<b>(973)</b>	<b>-4%</b>	<b>27,222</b>
<b>% increase</b>	4		<b>10.8%</b>	<b>-4.0%</b>						<b>-4.0%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		8,124	4,393	4,393	1,512	7,328	4,393	2,935	67%	4,393
Pension and UIF Contributions		(0)	189	189	64	80	189	(109)	-58%	189
Medical Aid Contributions		-	1,251	1,251	69	72	1,251	(1,179)	-94%	1,251
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		760	957	778	866	866	778	89	11%	778
Motor Vehicle Allowance		-	1,158	1,158	396	495	1,158	(663)	-57%	1,158
Cellphone Allowance		102	115	115	38	109	115	(6)	-6%	115
Housing Allowances		-	3,488	3,488	1,140	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		-	-	-	213	239	-	239	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>8,985</b>	<b>11,552</b>	<b>11,373</b>	<b>4,299</b>	<b>10,615</b>	<b>11,373</b>	<b>(758)</b>	<b>-7%</b>	<b>11,373</b>
<b>% increase</b>	4		<b>28.6%</b>	<b>26.6%</b>						<b>26.6%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		263,507	268,832	276,396	89,812	275,566	276,396	(829)	0%	276,396
Pension and UIF Contributions		48,181	46,991	46,991	16,327	49,183	46,991	2,192	5%	46,991
Medical Aid Contributions		18,779	17,599	17,599	6,397	18,869	17,599	1,271	7%	17,599
Overtime		18,011	13,663	13,965	6,389	18,959	13,965	4,994	36%	13,965
Performance Bonus		20,949	19,927	19,927	5,827	20,956	19,927	1,029	5%	19,927
Motor Vehicle Allowance		16,999	16,077	16,077	6,005	17,850	16,077	1,772	11%	16,077
Cellphone Allowance		1,115	978	978	329	993	978	14	1%	978
Housing Allowances		3,964	2,259	2,259	1,264	3,771	2,259	1,513	67%	2,259
Other benefits and allowances		4,858	3,807	3,650	1,558	5,113	3,650	1,463	40%	3,650
Payments in lieu of leave		4,453	8,338	8,338	(2,416)	(239)	8,338	(8,577)	-103%	8,338
Long service awards		6,412	1,841	1,841	(226)	(0)	1,841	(1,841)	-100%	1,841
Post-retirement benefit obligations		12,312	3,616	3,616	(2,803)	-	3,616	(3,616)	-100%	3,616
<b>Sub Total - Other Municipal Staff</b>		<b>419,539</b>	<b>403,928</b>	<b>411,636</b>	<b>128,483</b>	<b>411,020</b>	<b>411,636</b>	<b>(615)</b>	<b>0%</b>	<b>411,636</b>
<b>% increase</b>	4		<b>-3.7%</b>	<b>-1.9%</b>						<b>-1.9%</b>
<b>Total Parent Municipality</b>		<b>456,890</b>	<b>446,914</b>	<b>450,230</b>	<b>141,530</b>	<b>447,884</b>	<b>450,230</b>	<b>(2,346)</b>	<b>-1%</b>	<b>450,230</b>
Unpaid salary, allowances & benefits in arrears:										

## Councillors Remuneration

Councillors' remuneration has a budget of R27.2 million with quarterly expenditure of R 8.8 million. Total annual expenditure is R26.2 million.

## Senior Managers of the Municipality

Senior Managers has a budget of R11.4 million and total annual expenditure of R10.6 million.

## Other Municipal Staff

Other municipal staff has total budget of R411.6 million and total expenditure of R 411.0 million.



## 5.9 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
<b>TOTAL DBSA LOANS</b>				<b>R 3,576,836.07</b>	<b>R 320,132.53</b>	<b>-R 320,132.53</b>	<b>-R 355,015.86</b>	<b>R 3,221,820.21</b>
<b>TOTAL LOANS</b>				<b>R 3,576,836.07</b>	<b>R 320,132.53</b>	<b>-R 320,132.53</b>	<b>-R 355,015.86</b>	<b>R 3,221,820.21</b>

The municipality currently has a structured unsecured loan with the Development Bank of Southern Africa (DBSA), The Municipality has entered into a loan agreement for the funding of Capital infrastructure projects. In the financial year ended 2020/21 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.

## 5.10 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 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
<b>Borrowing Management</b>							
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%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		14.7%	12.8%	13.2%	14.3%	13.2%
Gearing	Long Term Borrowing/ Funds & Reserves		37.7%	28.0%	32.2%	37.6%	32.2%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	164.4%	159.8%	187.0%	189.6%	187.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		48.2%	23.0%	35.6%	48.3%	35.6%
<b>Revenue Management</b>							
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%	43.4%	39.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
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%	41.6%	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%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		4594.9%	14760.5%	6116.6%	9123.7%	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%	205.2%	110.2%

The above table gives an overview of the financial indicators of the municipality for the 3rd Quarter 30 June 2022.

### **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R 3 221 820.21 as of 30 June 2022.

### **Liquidity**

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

**Adjusted Budget Current Ratio**:  $554\ 064/296\ 263 = 1.87:1$

**Actual Current Ratio as 30 June 2022**  $R602\ 189/ R302\ 301 = 1.99:1$

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 R1.99 for every R1 owed.

**Cash Ratio**: Cash and Cash Equivalent/Current Liabilities.

**Adjusted Budget Current Ratio**:  $R553\ 324/R296\ 263= 1.86:1$

**Actual Cash Ratio as 30 June 2022**:  $R595\ 746 /R302\ 301 1.97:1$

The municipality has a cash ratio that is greater than 1 which therefore means the municipality does have enough cash on hand to pay off its short-term debt and this is being monitored monthly as we build reserves.

## 6.1 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	Quarter 4 Actuals	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	447,331	475,785	475,785	41,154	464,641	475,785	(11,144)	-2%	475,785
Service charges	195,945	238,253	238,186	41,979	214,840	238,186	(23,346)	-10%	238,186
Investment revenue	3,513	4,500	5,150	1,598	4,737	5,150	(413)	-8%	5,150
Transfers and subsidies	289,550	257,885	259,456	62,985	256,801	259,456	(2,655)	-1%	259,456
Other own revenue	131,231	148,215	147,464	39,513	115,775	147,464	(31,689)	-21%	147,464
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,067,571</b>	<b>1,124,639</b>	<b>1,126,042</b>	<b>187,229</b>	<b>1,056,794</b>	<b>1,126,042</b>	<b>(69,248)</b>	<b>-6%</b>	<b>1,126,042</b>
Employee costs	428,524	415,480	423,008	132,762	421,635	423,008	(1,373)	-0%	423,008
Remuneration of Councillors	28,366	31,434	27,222	8,768	26,249	27,222	(973)	-4%	27,222
Depreciation & asset impairment	102,276	91,916	114,780	8,036	80,104	114,780	(34,677)	-30%	114,780
Finance charges	11,088	5,673	5,673	78	338	5,673	(5,335)	-94%	5,673
Inventory consumed and bulk purchases	120,110	137,906	139,762	42,017	136,269	139,762	(3,493)	-2%	139,762
Transfers and subsidies	6,635	7,349	10,030	1,964	9,680	10,030	(350)	-3%	10,030
Other expenditure	347,870	427,054	431,944	86,895	339,492	431,944	(92,452)	-21%	431,944
<b>Total Expenditure</b>	<b>1,044,869</b>	<b>1,116,811</b>	<b>1,152,419</b>	<b>280,522</b>	<b>1,013,767</b>	<b>1,152,419</b>	<b>(138,653)</b>	<b>-12%</b>	<b>1,152,419</b>
<b>Surplus/(Deficit)</b>	<b>22,702</b>	<b>7,828</b>	<b>(26,378)</b>	<b>(93,293)</b>	<b>43,028</b>	<b>(26,378)</b>	<b>69,405</b>	<b>-263%</b>	<b>(26,378)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77,193	133,599	166,441	80,351	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
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>111,902</b>	<b>153,095</b>	<b>151,731</b>	<b>(927)</b>	<b>201,890</b>	<b>151,731</b>	<b>50,158</b>	<b>33%</b>	<b>151,731</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>111,902</b>	<b>153,095</b>	<b>151,731</b>	<b>(927)</b>	<b>201,890</b>	<b>151,731</b>	<b>50,158</b>	<b>33%</b>	<b>151,731</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>124,967</b>	<b>161,345</b>	<b>193,568</b>	<b>58,146</b>	<b>172,597</b>	<b>193,568</b>	<b>(20,971)</b>	<b>-11%</b>	<b>193,568</b>
Capital transfers recognised	79,155	127,134	151,651	44,764	143,893	151,651	(7,759)	-5%	151,651
Borrowing	-	8,476	10,316	1,124	5,689	10,316	(4,627)	-45%	10,316
Internally generated funds	15,377	25,735	31,341	12,036	22,792	31,341	(8,548)	-27%	31,341
<b>Total sources of capital funds</b>	<b>94,532</b>	<b>161,345</b>	<b>193,308</b>	<b>57,924</b>	<b>172,374</b>	<b>193,308</b>	<b>(20,934)</b>	<b>-11%</b>	<b>193,308</b>
<b>Financial position</b>									
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	<b>1,824,390</b>	<b>1,874,799</b>	<b>1,976,122</b>		<b>2,020,517</b>				<b>1,976,122</b>
<b>Cash flows</b>									
Net cash from (used) operating	868,869	171,419	144,112	(195,381)	(195,381)	13,842	209,223	1512%	144,112
Net cash from (used) investing	(114,488)	(163,926)	(171,926)	(63,479)	(63,479)	(56,070)	7,408	-13%	(171,926)
Net cash from (used) financing	(15,585)	(1,425)	(10,371)	(8,226)	(8,226)	4,496	12,722	283%	(10,371)
<b>Cash/cash equivalents at the month/year end</b>	<b>818,295</b>	<b>102,433</b>	<b>104,887</b>	<b>-</b>	<b>(124,014)</b>	<b>105,339</b>	<b>229,353</b>	<b>218%</b>	<b>104,887</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	19,230	8,433	17,433	15,262	13,630	12,355	66,291	310,723	463,357
<b>Creditors Age Analysis</b>									
Total Creditors	2,722	-	-	-	-	-	-	320	3,042

The above table provides a concise overview of the quarterly 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 C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4 Actuals	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue - Functional</b>										
Governance and administration		758,880	737,029	739,655	111,149	735,605	739,655	(4,050)	-1%	739,655
Executive and council		267,278	233,214	233,214	58,283	233,133	233,214	(81)	0%	233,214
Finance and administration		491,601	503,815	506,441	52,866	502,472	506,441	(3,970)	-1%	506,441
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		72,145	94,146	96,633	26,263	61,956	96,633	(34,677)	-36%	96,633
Community and social services		14,724	16,085	15,181	1,519	15,173	15,181	(8)	0%	15,181
Sport and recreation		42	46	46	3	63	46	17	37%	46
Public safety		418	-	168	41	86	168	(82)	-49%	168
Housing		56,961	78,015	81,238	24,700	46,634	81,238	(34,604)	-43%	81,238
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		111,006	177,432	207,282	95,703	186,179	207,282	(21,103)	-10%	207,282
Planning and development		81,693	139,504	172,810	92,077	156,905	172,810	(15,905)	-9%	172,810
Road transport		28,878	37,579	34,098	3,434	28,862	34,098	(5,236)	-15%	34,098
Environmental protection		435	349	374	193	411	374	37	10%	374
Trading services		206,813	254,318	253,668	46,313	230,750	253,668	(22,918)	-9%	253,668
Energy sources		142,122	175,039	175,422	38,473	162,666	175,422	(12,756)	-7%	175,422
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		64,691	79,279	78,246	7,840	68,084	78,246	(10,162)	-13%	78,246
Other	4	7,928	6,980	6,912	167	1,166	6,912	(5,746)	-83%	6,912
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1,156,771</b>	<b>1,269,906</b>	<b>1,304,151</b>	<b>279,585</b>	<b>1,215,656</b>	<b>1,304,151</b>	<b>(88,495)</b>	<b>-7%</b>	<b>1,304,151</b>
<b>Expenditure - Functional</b>										
Governance and administration		414,431	405,065	429,317	91,391	358,280	429,317	(71,038)	-17%	429,317
Executive and council		122,271	55,516	44,101	11,648	40,486	44,101	(3,616)	-8%	44,101
Finance and administration		267,878	320,170	354,482	67,230	285,514	354,482	(68,968)	-19%	354,482
Internal audit		24,282	29,379	30,734	12,513	32,280	30,734	1,546	5%	30,734
Community and public safety		138,996	175,692	176,782	41,750	150,212	176,782	(26,570)	-15%	176,782
Community and social services		30,674	33,027	33,615	12,151	34,782	33,615	1,167	3%	33,615
Sport and recreation		4,714	5,016	4,926	1,699	5,080	4,926	154	3%	4,926
Public safety		35,193	47,418	45,376	16,875	49,812	45,376	4,436	10%	45,376
Housing		66,415	90,232	92,866	11,025	60,539	92,866	(32,327)	-35%	92,866
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		189,127	203,067	209,039	61,890	204,672	209,039	(4,367)	-2%	209,039
Planning and development		36,003	45,381	46,692	12,760	43,068	46,692	(3,624)	-8%	46,692
Road transport		136,666	133,496	136,223	43,075	136,314	136,223	91	0%	136,223
Environmental protection		16,458	24,190	26,124	6,055	25,290	26,124	(834)	-3%	26,124
Trading services		301,868	326,684	332,457	84,389	297,481	332,457	(34,976)	-11%	332,457
Energy sources		131,308	151,016	152,150	46,689	147,049	152,150	(5,101)	-3%	152,150
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		170,560	175,668	180,307	37,700	150,432	180,307	(29,875)	-17%	180,307
Other		2,447	6,303	4,824	1,103	3,122	4,824	(1,702)	-35%	4,824
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1,044,869</b>	<b>1,116,811</b>	<b>1,152,419</b>	<b>280,522</b>	<b>1,013,767</b>	<b>1,152,419</b>	<b>(138,653)</b>	<b>-12%</b>	<b>1,152,419</b>
<b>Surplus/ (Deficit) for the year</b>		<b>111,902</b>	<b>153,095</b>	<b>151,731</b>	<b>(927)</b>	<b>201,890</b>	<b>151,731</b>	<b>50,158</b>	<b>33%</b>	<b>151,731</b>

This table provides a structured format overview of the financial information of the monthly actual, year to date actual and year to date Budget of revenue by Source and expenditure by type which is easier to understand.

## 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	Quarter 4 Actuals	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Multi-Year expenditure appropriation</b>										
Vote 1 - Mayor and Council	2	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Other		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>										
Vote 1 - Mayor and Council	2	448	125	125	-	121	125	(4)	-4%	125
Vote 2 - Finance and Administration		23,756	3,164	4,315	2,499	3,493	4,315	(822)	-19%	4,315
Vote 3 - Internal Audit		46	100	154	24	117	154	(37)	-24%	154
Vote 4 - Community and Social Services		8,562	5,087	3,554	1,642	3,076	3,554	(477)	-13%	3,554
Vote 5 - Sport and Recreation		960	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		283	4,240	7,795	3,930	6,550	7,795	(1,245)	-16%	7,795
Vote 7 - Housing		50	-	140	115	115	140	(25)	-18%	140
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		36,751	86,881	98,825	32,339	90,407	98,825	(8,418)	-9%	98,825
Vote 10 - Road Transport		45,152	40,082	54,029	14,152	53,138	54,029	(891)	-2%	54,029
Vote 11 - Environment Protection		0	900	900	367	803	900	(97)	-11%	900
Vote 12 - Energy Sources		1,902	13,566	15,576	1,932	9,776	15,576	(5,800)	-37%	15,576
Vote 13 - Other		4,405	3,173	4,983	108	3,108	4,983	(1,875)	-38%	4,983
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2,652	4,026	3,172	1,038	1,893	3,172	(1,279)	-40%	3,172
<b>Total Capital single-year expenditure</b>	4	124,967	161,345	193,588	58,146	172,597	193,588	(20,971)	-11%	193,568
<b>Total Capital Expenditure</b>		124,967	161,345	193,588	58,146	172,597	193,588	(20,971)	-11%	193,568
<b>Capital Expenditure - Functional Classification</b>										
Governance and administration		24,296	3,489	4,694	2,523	3,791	4,694	(903)	-19%	4,694
Executive and council		494	225	225	-	182	225	(43)	-19%	225
Finance and administration		23,756	3,164	4,372	2,521	3,515	4,372	(857)	-20%	4,372
Internal audit		46	100	98	2	95	98	(3)	-3%	98
Community and public safety		9,794	9,027	10,634	5,630	9,250	10,634	(1,384)	-13%	10,634
Community and social services		8,562	5,087	3,554	1,642	3,076	3,554	(477)	-13%	3,554
Sport and recreation		960	-	-	-	-	-	-	-	-
Public safety		222	3,940	6,940	3,873	6,058	6,940	(882)	-13%	6,940
Housing		50	-	140	115	115	140	(25)	-18%	140
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		81,917	128,064	154,509	48,914	144,779	154,509	(9,730)	-6%	154,509
Planning and development		36,704	86,781	98,725	32,339	90,346	98,725	(8,379)	-8%	98,725
Road transport		45,213	40,382	54,884	14,209	53,630	54,884	(1,254)	-2%	54,884
Environmental protection		0	900	900	367	803	900	(97)	-11%	900
Trading services		4,554	17,593	18,748	2,970	11,689	18,748	(7,079)	-38%	18,748
Energy sources		1,902	13,566	15,576	1,932	9,776	15,576	(5,800)	-37%	15,576
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2,652	4,026	3,172	1,038	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
<b>Total Capital Expenditure - Functional Classification</b>	3	124,967	161,345	193,588	58,146	172,597	193,588	(20,971)	-11%	193,568
<b>Funded by:</b>										
National Government		60,058	113,638	130,036	43,487	128,606	130,036	(1,430)	-1%	130,036
Provincial Government		10,689	3,350	10,730	537	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	10,146	10,886	739	10,885	10,886	(0)	0%	10,886
Transfers recognised - capital		79,155	127,134	151,651	44,784	143,893	151,651	(7,759)	-5%	151,651
Borrowing	6	-	8,476	10,316	1,124	5,689	10,316	(4,627)	-45%	10,316
Internally generated funds		15,377	25,735	31,341	12,036	22,792	31,341	(8,548)	-27%	31,341

This table provides an overview of actuals to date of the capital expenditure per department for the 4th Quarter ended 30 June 2022.

## 6.4 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					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		21,021	(28,505)	(16,574)	16,373	(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	175,021	139,295
Current portion of long-term receivables		143	-	143	-	143
Inventory		2,908	2,830	740	6,443	740
<b>Total current assets</b>		<b>487,753</b>	<b>408,055</b>	<b>554,064</b>	<b>602,189</b>	<b>554,064</b>
<b>Non current assets</b>						
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		157	1,672	1,086	743	1,086
Other non-current assets		2,071	1,841	2,071	2,071	2,071
<b>Total non current assets</b>		<b>1,799,499</b>	<b>1,843,645</b>	<b>1,878,375</b>	<b>1,892,020</b>	<b>1,878,375</b>
<b>TOTAL ASSETS</b>		<b>2,287,252</b>	<b>2,251,700</b>	<b>2,432,439</b>	<b>2,494,210</b>	<b>2,432,439</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
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	252,498	224,253
Provisions		39,025	16,321	39,025	48,279	39,025
<b>Total current liabilities</b>		<b>296,741</b>	<b>255,305</b>	<b>296,263</b>	<b>302,301</b>	<b>296,263</b>
<b>Non current liabilities</b>						
Borrowing		42,102	31,255	35,947	41,948	35,947
Provisions		124,108	90,341	124,108	123,764	124,108
<b>Total non current liabilities</b>		<b>166,210</b>	<b>121,596</b>	<b>160,054</b>	<b>165,713</b>	<b>160,054</b>
<b>TOTAL LIABILITIES</b>		<b>462,950</b>	<b>376,901</b>	<b>456,318</b>	<b>468,014</b>	<b>456,318</b>
<b>NET ASSETS</b>	2	<b>1,824,301</b>	<b>1,874,799</b>	<b>1,976,122</b>	<b>2,026,196</b>	<b>1,976,122</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1,712,746	1,763,155	1,864,478	1,908,872	1,864,478
Reserves		111,644	111,644	111,644	111,644	111,644
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1,824,390</b>	<b>1,874,799</b>	<b>1,976,122</b>	<b>2,020,517</b>	<b>1,976,122</b>

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the liquidity of the municipality for the last quarter ended 30 June 2022. Current assets are R608.1 million over the current liabilities at R302.3 million this therefore mean the municipality is still able to meet its financial obligations.

## 6.5 Statement of Cash Flow

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

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Quarter 4 Actuals	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		406,074	427,547	426,737	88,231	88,231	106,952	(18,721)	-18%	426,737
Service charges		200,532	214,430	214,428	49,537	49,537	53,820	(4,283)	-8%	214,428
Other revenue		63,997	41,190	37,534	35,444	35,444	8,144	27,300	335%	37,534
Transfers and Subsidies - Operational		386,761	334,018	347,133	64,658	64,658	91,776	(27,118)	-30%	347,133
Transfers and Subsidies - Capital		92,509	151,399	162,096	(50,218)	(50,218)	44,866	(95,085)	-212%	162,096
Interest		-	4,500	5,150	1,520	1,520	840	680	81%	5,150
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(281,004)	(1,003,341)	(1,035,945)	(377,303)	(377,303)	(281,874)	95,429	-34%	(1,035,945)
Finance charges		-	(5,673)	(5,673)	(336)	(336)	(1,463)	(1,127)	77%	(5,673)
Transfers and Grants		-	7,349	(7,349)	(6,913)	(6,913)	(9,218)	(2,306)	25%	(7,349)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>808,809</b>	<b>171,419</b>	<b>144,112</b>	<b>(185,381)</b>	<b>(185,381)</b>	<b>13,842</b>	<b>209,223</b>	<b>1512%</b>	<b>144,112</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(114,488)	(163,926)	(171,926)	(63,479)	(63,479)	(56,070)	7,408	-13%	(171,926)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(114,488)</b>	<b>(163,926)</b>	<b>(171,926)</b>	<b>(63,479)</b>	<b>(63,479)</b>	<b>(56,070)</b>	<b>7,408</b>	<b>-13%</b>	<b>(171,926)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	8,476	8,476	-	-	848	(848)	-100%	8,476
Increase (decrease) in consumer deposits		1,348	471	471	155	155	(848)	1,003	-118%	471
<b>Payments</b>										
Repayment of borrowing		(16,932)	(10,372)	(19,318)	(8,382)	(8,382)	4,496	12,877	286%	(19,318)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(15,585)</b>	<b>(1,425)</b>	<b>(10,371)</b>	<b>(8,226)</b>	<b>(8,226)</b>	<b>4,496</b>	<b>12,722</b>	<b>283%</b>	<b>(10,371)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>738,796</b>	<b>6,068</b>	<b>(38,185)</b>	<b>(267,086)</b>	<b>(267,086)</b>	<b>(37,733)</b>			<b>(38,185)</b>
Cash/cash equivalents at beginning:		79,499	96,365	143,072		143,072	143,072			143,072
Cash/cash equivalents at month/year end:		818,295	102,433	104,887		(124,014)	105,339			104,887