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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### QUARTERLY BUDGET STATEMENT FOR THE 3<sup>rd</sup> QUARTER ENDED 31 MARCH 2022

Prepared By: Budget and Treasury Office

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2021/2022 BUDGET FOR THE PERIOD ENDING 31 March 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 March 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 3rd quarter ended 31 March 2022 is detailed below. The Quarterly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Revenue By source
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## 5.1 Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	475 785	475 785	41 148	423 487	356 839	66 648	19%	542 434
Service charges	-	238 253	238 186	17 154	172 862	188 365	(15 503)	-8%	222 750
Investment revenue	-	4 500	5 150	508	3 139	3 635	(496)	-14%	4 004
Transfers and subsidies	-	257 885	259 456	-	193 816	196 246	(2 431)	-1%	255 454
Other own revenue	-	148 215	147 464	4 382	76 261	111 154	(34 893)	-31%	113 323
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>1 124 639</b>	<b>1 126 042</b>	<b>63 192</b>	<b>869 565</b>	<b>856 240</b>	<b>13 326</b>	<b>2%</b>	<b>1 137 965</b>
Employee costs	-	415 480	423 092	738	288 873	316 466	(27 593)	-9%	387 887
Remuneration of Councillors	-	31 434	27 222	-	17 480	23 576	(6 095)	-26%	25 339
Depreciation & asset impairment	-	91 916	91 916	8 007	72 067	68 766	3 301	5%	95 217
Finance charges	-	5 673	5 673	78	260	4 212	(3 952)	-94%	1 721
Inventory consumed and bulk purchases	-	137 906	139 367	11 792	94 251	105 399	(11 148)	-11%	126 758
Transfers and subsidies	-	7 349	7 982	803	7 716	5 691	2 025	36%	9 374
Other expenditure	-	427 054	430 497	32 038	252 597	345 725	(93 128)	-27%	333 926
<b>Total Expenditure</b>	-	<b>1 116 811</b>	<b>1 125 748</b>	<b>53 457</b>	<b>733 244</b>	<b>869 835</b>	<b>(136 591)</b>	<b>-16%</b>	<b>980 221</b>
<b>Surplus/(Deficit)</b>	-	<b>7 828</b>	<b>293</b>	<b>9 735</b>	<b>136 321</b>	<b>(13 595)</b>	<b>149 916</b>	<b>-1103%</b>	<b>157 744</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	133 599	149 510	-	66 496	110 122	###	-40%	89 973
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	-	-	8 751	(8 751)	-100%	2 917
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>153 095</b>	<b>161 471</b>	<b>9 735</b>	<b>202 817</b>	<b>105 278</b>	<b>97 539</b>	<b>93%</b>	<b>250 633</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>153 095</b>	<b>161 471</b>	<b>9 735</b>	<b>202 817</b>	<b>105 278</b>	<b>97 539</b>	<b>93%</b>	<b>250 633</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>161 345</b>	<b>177 876</b>	<b>18 546</b>	<b>114 451</b>	<b>128 120</b>	<b>(13 669)</b>	<b>-11%</b>	<b>164 207</b>
Capital transfers recognised	-	127 134	136 126	14 801	99 129	98 904	226	0%	136 352
Borrowing	-	8 476	10 316	1 167	4 565	7 628	(3 063)	-40%	7 253
Internally generated funds	-	25 735	31 433	2 578	10 756	21 587	(10 831)	-50%	20 602
<b>Total sources of capital funds</b>	-	<b>161 345</b>	<b>177 876</b>	<b>18 546</b>	<b>114 451</b>	<b>128 120</b>	<b>(13 669)</b>	<b>-11%</b>	<b>164 207</b>
<b>Financial position</b>									
Total current assets	-	408 055	537 501	-	743 282	-	-	-	724 705
Total non current assets	-	1 843 645	1 888 416	-	1 878 261	-	-	-	1 912 834
Total current liabilities	-	255 305	280 001	-	411 234	-	-	-	361 333
Total non current liabilities	-	121 596	160 054	-	181 267	-	-	-	178 041
Community wealth/Equity	-	1 874 799	1 985 862	-	2 029 043	-	-	-	2 098 165
<b>Cash flows</b>									
Net cash from (used) operating	-	149 684	121 760	51 575	421 358	114 432	(306 927)	-268%	456 472
Net cash from (used) investing	-	(162 919)	(171 926)	(19 202)	(121 648)	(116 107)	5 540	-5%	(131 785)
Net cash from (used) financing	-	(1 590)	(1 590)	(38)	(500)	(1 966)	(1 466)	75%	(542)
<b>Cash/cash equivalents at the month/year end</b>	-	<b>81 541</b>	<b>91 316</b>	<b>291 000</b>	<b>1 594 417</b>	<b>(3 642)</b>	<b>#####</b>	<b>43880%</b>	<b>324 145</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	61 315	27 618	16 752	14 496	12 965	14 163	56 429	307 441	511 181
<b>Creditors Age Analysis</b>									
Total Creditors	22	-	-	-	-	-	-	320	342

## Monthly Budget Statement of Financial Performance

This table provides an overview of the monthly actual, year to date actual and Q3 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) - Q3 Third Quarter**

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		-	475 785	475 785	41 148	423 487	356 839	66 648	19%	542 434
Service charges - electricity revenue		-	169 514	170 147	12 571	120 720	127 167	(6 447)	-5%	163 068
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	68 739	68 039	4 583	52 142	61 198	(9 056)	-15%	59 683
Rental of facilities and equipment		-	466	2 443	248	2 085	1 160	925	80%	1 391
Interest earned - external investments		-	4 500	5 150	508	3 139	3 635	(496)	-14%	4 004
Interest earned - outstanding debtors		-	24 092	23 272	2 665	22 870	18 098	4 772	26%	28 865
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	20 764	21 064	71	15 733	16 621	(888)	-5%	19 877
Licences and permits		-	11 698	7 424	615	5 943	5 639	304	5%	12 002
Agency services		-	4 000	4 670	402	3 725	3 468	257	7%	4 257
Transfers and subsidies		-	257 885	259 456	-	193 816	196 246	(2 431)	-1%	255 454
Other revenue		-	87 194	88 590	381	25 905	66 168	(40 263)	-61%	46 931
Gains		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>1 124 639</b>	<b>1 126 042</b>	<b>63 192</b>	<b>869 565</b>	<b>856 240</b>	<b>13 326</b>	<b>2%</b>	<b>1 137 965</b>

### Revenue by Source

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.

### Property Rates

The YTD Actual for property rates for the 3rd quarter ended 31 March 2022 is R299.8 million YTD Budget for property rates R 237.8 million with the variance being R61.9 million. The variance between YTD budget and actual is attributed to the annual property rates billing within the various categories, this is done on the 1<sup>st</sup> quarter of every financial year. Property rates billing for the 1<sup>st</sup>, 2<sup>nd</sup> and 3rd quarter were R173 million, R126 million and R123.6 million respectively. Property rates budget was straight lined over 12 months and the billing over 10 months resulting in the variance which did not prompt an adjustment in the February adjustment budget.

## **Electricity Revenue**

Electricity revenue YTD Actual for the 3<sup>rd</sup> quarter ended 31 March 2022 is R120.7 million, YTD Budget is R127.1 million with a variance of R6.4 million. Electricity revenue for the 3<sup>rd</sup> quarter is 95% of the projected YTD budget, the 5% variance is linked to electricity sales for the quarter dropping from the first quarter although the variance between budget and actual is considered reasonable taking into consideration the seasonal changes and its impact on energy consumption as the summer months require less energy compared to those of winter as well as the impact of load-shedding that was experienced in quarter 2.

## **Refuse Revenue**

Refuse revenue YTD actual is R52.1 million as of 31 March 2022, YTD Budget is R61.1 million. Refuse revenue billing is linked to the billing of property rates and the annual billing for the categories under property rates such as residential properties contributed towards the billing for refuse removal that amounted to 32% of the total annual budget in the 1<sup>st</sup> Quarter of the financial year.

## **Grants Recognized**

For the 3<sup>rd</sup> quarter ended 31 March 2022 the grant recognized /received to date amounts to R193.8 million, YTD Budget is R 196.2 million. The last trench of equitable share was received in the 3<sup>rd</sup> Quarter of R58.3 million making the amount received to date R233.2 million 100% of the allocation for the 2021/22 financial year which is in line with the payment schedule for the grant, Equitable share is an unconditional grant therefore monies receive are recognized as revenue on receipt whereas operational conditional grants are recognized as revenue when conditions being met as per the set guidelines. Grant Revenue budget was straight lined over the 12 months on the financial year and not according to the grant payment schedules which results in the receipt of the equitable share creating a variance between YTD actual and YTD budget in Grant revenue.

## **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 R3.1 million, YTD budget is R3.6 million, variance of R496 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. Interest on investments increased by 62% from the 1<sup>st</sup> quarter of R841 thousand to R1.3 million in the 2<sup>nd</sup> quarter and a decrease in the 3<sup>rd</sup> quarter to R932 thousand taking the YTD actual to R3.1 million.

### **Interest earned on arrear debtors**

The interest earned on arrear debtors to date is R22.8 million, 26% more compared to the YTD budget of R18 million the increase in our debtors and has yielded more interest charged than anticipated with an average monthly interest receivable on outstanding debtors of R2.4 million. This is monitored based on the collection rate over the first half of the financial year and an adjustment was made during the adjustment budget period in February and 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 million, with the YTD actual of R3.7 million compared to the YTD budget of R3.4 million, license applications and renewals in the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter have led the municipality to collect more revenue than projected due to stability in the country and reduction in covid-19 levels which has allowed more people to move around and an upwards adjustment was made in anticipation of more revenue to be generated in the current financial year.

### **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 R20.7 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. This project is expected to be complete by the end of the 3<sup>rd</sup> quarter which is expected to eliminate timing differences in reporting. In the 3<sup>rd</sup> quarter traffic fines have increased to 95% of the YTD budget of R16.6 million versus a YTD actual of R15.7 million.

### **Licenses and Permits**

Licenses and permits actual to date amounts to R5.9 million as of 31 March 2022, YTD Budget is R5.6 million. The annual budget is R11.6 million with the new CBD public parking fees anticipated to collect new revenue with a budget of R 5.5 million this budgeted line item was removed in the adjustment budget in February adjustment budget as it was not performing as anticipated to have a more realistic revenue projection with the adjusted budget being R7.4 million the YTD actual are a true reflection of the current annual budget.

### **Rental of Facilities**

Rental of facilities amounts annual budget is R466 thousand, this is the rental of fixed asset revenue such as halls, airport hangers and garages. YTD actual of R2 million YTD budget of R1.1 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 an analysis of the monthly trends is monitored and projections for any adjustment will be determined by the monthly performance during the first 6 months of the financial year and an adjustment was made during the adjustment budget period in February with the adjusted budget being R2.4 million. The revenue in rental of facilities is exceeding projection

### **Other revenue**

The actual revenue to date is R25.9million “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, YTD Budget is R66.1 million with an adjusted annual budget of R88.5 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 R77 million, R21.6 million has been recognized as revenue, to date. This revenue is contingent on the actual expenditure incurred for the month and will cause a variance between actual versus budget revenue, as the progress is slow on the implementation of the housing projects.

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

The YTD Actual revenue is R869.5 million for the period ending 31 March 2022, YTD Budget is R856.2 million. Actual amount is more than the Budget amount, this variance is caused by the difference within the different revenue streams and how they have been performing from the beginning of the financial year to date as reported above.



### 5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

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
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		-	415 480	423 092	738	288 873	316 466	(27 593)	-9%	387 887
Remuneration of councillors		-	31 434	27 222	-	17 480	23 576	(6 095)	-26%	25 339
Debt impairment		-	9 600	9 600	352	2 837	7 200	(4 363)	-61%	5 237
Depreciation & asset impairment		-	91 916	91 916	8 007	72 067	68 766	3 301	5%	95 217
Finance charges		-	5 673	5 673	78	260	4 212	(3 952)	-94%	1 721
Bulk purchases - electricity		-	125 067	125 067	9 575	83 779	93 800	(10 022)	-11%	115 046
Inventory consumed		-	12 839	14 300	2 217	10 472	11 599	(1 127)	-10%	11 712
Contracted services		-	250 244	257 445	21 744	156 188	202 758	(46 570)	-23%	203 674
Transfers and subsidies		-	7 349	7 982	803	7 716	5 691	2 025	36%	9 374
Other expenditure		-	167 210	163 452	9 942	93 572	135 767	(42 195)	-31%	125 014
Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	<b>1 116 811</b>	<b>1 125 748</b>	<b>53 457</b>	<b>733 244</b>	<b>869 835</b>	<b>(136 591)</b>	<b>-16%</b>	<b>980 221</b>

### Employee related costs and Remuneration of Councillors

The 3<sup>rd</sup> quarter ended 31 March 2022 YTD Budget is R316.4 million with the YTD Actual being R 288.8 million. Employee cost for the 2021/22 financial year were budgeted for at an increase on 3.9% and the collective agreement stated an increment of 3.5% with once payment of R 3000 and R 4000 per employee for employees earning more than R 12 500 and employees earning less than R12 500, respectively. This once off payment created a variance that is greater than 0.04% which is the difference between budgeted employee related cost and the approved percentage increase to employee related cost for the 2021/22 financial year as the total amount paid at the end of the 2<sup>nd</sup> quarter as the once off non-pensionable payment amounted to R3.5 million, this was adjusted for in the adjustment budget in February 2022 the variance of R27 million is due to the employee cost for March that was not posted due to system challenges during the rollover period for March and will be accounted for in the April reporting period. Employee related cost is further detailed in table 5.8 Salaries expenditure details.

Remuneration of councillors actual spending is sitting at R 17.4 million with YTD Budget of R 23.5 million. The new council that was elected in the 2<sup>nd</sup> quarter in November and no Mayor and Deputy Mayor nor chief whip was elected, the appointment was made in the beginning of the 3<sup>rd</sup> quarter and therefore the remuneration associated with these offices created a variance as of the end of the 2<sup>nd</sup> quarter and this prompted an adjustment in the February adjustment budget. Furthermore, the budget for remuneration of councillors was done with an anticipated increase that is issued by COGTA and the increase has not yet been granted and thus giving another reason the variance in YTD expenditure as well as the remuneration for March that was not posted due to system challenges during the rollover period for March and will be accounted for in the April reporting period.

### **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 period ended 31 March 2022 amounts to R156.1million, The YTD Budget is R202.7 million and YTD Variance is R46.5 million. Contracted services for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter amounted to R41.3 million, R64 million and R 50.5 million respectively.

### **Other Materials**

YTD Inventory consumed amounts to R10.4 million as of 31 March 2022 with the YTD Budget being R11.5 million, the amount of inventory consumed from the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Quarter are R2.5 million, R3.9 million and R3.9 million respectively. The R1.1 million YTD variance can be attributed to the inventory consumed in the 1<sup>st</sup> quarter, this is due to the 1<sup>st</sup> quarter employee personnel were not at fully capacity due to the restriction under covid level adjustments and that resulted in less inventory being consumed and the tender process for refuse bags that are supplied to residence was not yet finalized.

### **Other operating expenditure**

YTD Actuals is R 93.5 million, YTD Budget R135.7 million, 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. The YTD variance of R42.1 million based on the YTD budget of R135.7 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 91.9 million which is a non-financial expense, YTD budget of R 68.7 million with YTD actual for the 3rd quarter of R 72 million. The actual is 5% more than the YTD budget amount, which is not material. 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 YTD budget of R4.8 million, actual YTD R2.8 million for the 3rd quarter ended 31 March 2022. The R2.8 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 is 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 R7.9 million and YTD expenditure is R7.7 million 97% of the adjusted annual budget as of the end of March, 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, in the adjustment budget an additional allocation of R817 thousand was for the funding SMME development and these payments were done in the month of March, with the remainder of the allocation to be paid in April.

### **Overall expenditure budget**

The overall expenditure YTD Actual is R733.2 million as of 31 March 2022, YTD Budget is R869.8 million. 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 projects that have not yet been implemented, finance charges being lower than expected due to the R8.4 million loan from DBSA has not been received therefore the interest portion from that loan has not been incurred resulting in the amount of interest paid to date as well as the finance cost on finance lease which will be reconciled at year end has resulted in the YTD actual 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 R136.3 million compared to the YTD Budget (Deficit) of (R13.5 million) due to less spending to date.

## 5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

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			
<b>R thousands</b>												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water	1200	42	38	31	45	21	6	30	348	560	449	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 429	6 117	1 534	1 076	865	892	4 461	7 903	38 276	15 197	
Receivables from Non-exchange Transactions - Property Rates	1400	37 424	15 859	10 540	9 061	8 088	9 402	32 435	187 809	310 619	246 795	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	
Receivables from Exchange Transactions - Waste Management	1600	5 246	2 631	1 846	1 573	1 395	1 282	6 116	34 855	54 943	45 221	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	2 770	2 718	2 645	2 590	2 514	2 454	10 908	69 583	96 182	88 049	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	404	255	158	151	83	128	2 480	6 943	10 601	9 785	
<b>Total By Income Source</b>	<b>2000</b>	<b>61 315</b>	<b>27 618</b>	<b>16 752</b>	<b>14 496</b>	<b>12 965</b>	<b>14 163</b>	<b>56 429</b>	<b>307 441</b>	<b>511 181</b>	<b>405 495</b>	
<b>2020/21 - totals only</b>	<b>2000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	2 552	1 083	880	863	814	2 342	10 093	33 055	51 681	47 167	
Commercial	2300	20 877	8 158	3 584	3 046	2 714	2 630	12 639	51 359	105 007	72 388	
Households	2400	37 887	18 376	12 289	10 587	9 438	9 192	33 697	223 027	354 493	285 940	
Other	2500	-	-	-	-	-	-	-	-	-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>61 315</b>	<b>27 618</b>	<b>16 752</b>	<b>14 496</b>	<b>12 965</b>	<b>14 163</b>	<b>56 429</b>	<b>307 441</b>	<b>511 181</b>	<b>405 495</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 - Q3 Third Quarter

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		
<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	22	-	-	-	-	-	-	-	320	342
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>342</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) - Q3 Third Quarter

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
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	225	225	-	182	187	(6)	-3%	219
Vote 2 - Finance and Administration		-	3 164	3 905	522	994	2 845	(1 852)	-65%	2 054
Vote 3 - Internal Audit		-	100	154	-	93	94	(1)	-1%	153
Vote 4 - Community and Social Services		-	5 087	2 617	-	1 434	2 621	(1 187)	-45%	1 430
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	3 940	6 940	6	2 185	3 955	(1 770)	-45%	5 170
Vote 7 - Housing		-	-	140	-	-	-	-	-	140
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	86 781	93 283	12 440	58 007	63 513	(5 506)	-9%	87 777
Vote 10 - Road Transport		-	40 382	45 111	2 645	39 421	36 911	2 510	7%	47 622
Vote 11 - Environmental Protection		-	900	900	-	437	810	(374)	-46%	527
Vote 12 - Energy Sources		-	13 566	15 576	2 222	7 844	11 457	(3 613)	-32%	11 963
Vote 13 - Other		-	3 173	4 983	360	3 000	2 382	618	26%	5 601
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	4 026	4 042	351	855	3 344	(2 489)	-74%	1 552
<b>Total Capital single-year expenditure</b>	4	-	161 345	177 876	18 546	114 451	128 120	(13 669)	-11%	164 207
<b>Total Capital Expenditure</b>		-	161 345	177 876	18 546	114 451	128 120	(13 669)	-11%	164 207
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	3 489	4 284	522	1 269	3 127	(1 858)	-59%	2 426
Executive and council		-	225	225	-	182	187	(6)	-3%	219
Finance and administration		-	3 164	3 962	522	994	2 864	(1 870)	-65%	2 091
Internal audit		-	100	98	-	93	75	18	24%	116
<b>Community and public safety</b>		-	9 027	9 697	6	3 619	6 576	(2 956)	-45%	6 740
Community and social services		-	5 087	2 617	-	1 434	2 621	(1 187)	-45%	1 430
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 940	6 940	6	2 185	3 955	(1 770)	-45%	5 170
Housing		-	-	140	-	-	-	-	-	140
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	128 064	139 294	15 086	97 864	101 234	(3 369)	-3%	135 925
Planning and development		-	86 781	93 283	12 440	58 007	63 513	(5 506)	-9%	87 777
Road transport		-	40 382	45 111	2 645	39 421	36 911	2 510	7%	47 622
Environmental protection		-	900	900	-	437	810	(374)	-46%	527
<b>Trading services</b>		-	17 593	19 618	2 573	8 699	14 801	(6 103)	-41%	13 515
Energy sources		-	13 566	15 576	2 222	7 844	11 457	(3 613)	-32%	11 963
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	4 026	4 042	351	855	3 344	(2 489)	-74%	1 552
<b>Other</b>		-	3 173	4 983	360	3 000	2 382	618	26%	5 601
<b>Total Capital Expenditure - Functional Classification</b>	3	-	161 345	177 876	18 546	114 451	128 120	(13 669)	-11%	164 207
<b>Funded by:</b>										
National Government		-	113 638	115 300	14 220	85 119	84 092	1 026	1%	116 326
Provincial Government		-	3 350	10 680	360	3 864	7 202	(3 337)	-46%	7 343
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	10 146	221	10 146	7 610	2 537	33%	12 683
<b>Transfers recognised - capital</b>		-	127 134	136 126	14 801	99 129	98 904	226	0%	136 352
<b>Borrowing</b>	6	-	8 476	10 316	1 167	4 565	7 628	(3 063)	-40%	7 253
<b>Internally generated funds</b>		-	25 735	31 433	2 578	10 756	21 587	(10 831)	-50%	20 602
<b>Total Capital Funding</b>		-	161 345	177 876	18 546	114 451	128 120	(13 669)	-11%	164 207

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R114.4 million which is 64% of the annual budget. This capital expenditure is funded by R60.6 million from Integrated Urban Development Grant, R10.1 million from European Union grant, R4.5 million from the DBSA loan, R10.7 million internally generated funds, R3.2 million Energy Efficiency Demand Side Management grant, R2.9 million from the Airport Grant and R21.1 million funded by the Neighborhood Development partnership grant and R864 thousand funded by small town rehabilitation grant. The R13 million variance can be attributed to capital projects that have not begun implementation or have not yet been procured due to delays in the SCM processes including appeals that were only finalized in December as well as the con court judgement issued in the in February.

The table below shows a breakdown of the capital expenditure as per the budgeted asset classifications.

	Adjusted Budget	YTD Budget	YTD Total Actual	1st Quarter	2nd Quarter	3rd Quarter
<b>Assets</b>	<b>R 178 135 757.00</b>	<b>R 133 601 817.75</b>	<b>R 114 450 719.80</b>	<b>R 29 287 152.94</b>	<b>R 43 702 947.82</b>	<b>R 41 460 619.04</b>
<b>Non-current Assets</b>	<b>R 178 135 757.00</b>	<b>R 133 601 817.75</b>	<b>R 114 450 719.80</b>	<b>R 29 287 152.94</b>	<b>R 43 702 947.82</b>	<b>R 41 460 619.04</b>
Intangible Assets	R 840 000.00	R 630 000.00	R -	R 110 000.00	R 135 000.00	-R 245 000.00
Property Plant and Equipment	R 177 295 757.00	R 132 971 817.75	R 114 450 719.80	R 29 177 152.94	R 43 567 947.82	R 41 705 619.04
Computer Equipment	R 5 933 534.00	R 4 450 150.50	R 923 820.80	R 17 400.00	R 292 691.80	R 613 729.00
Furniture and Office Equipment	R 1 958 700.00	R 1 469 025.00	R 265 018.61	R 19 530.00	R 130 450.00	R 115 038.61
Machinery and Equipment	R 6 031 500.00	R 4 523 625.00	R 2 875 086.55	R 176 922.81	R 202 118.69	R 2 496 045.05
Community Assets	R 20 092 582.00	R 15 069 436.50	R 10 841 181.45	R 3 949 920.87	R 3 561 205.05	R 3 330 055.53
Coastal Infrastructure	R 900 000.00	R 675 000.00	R 436 500.00	R -	R 332 000.00	R 104 500.00
Electrical Infrastructure	R 15 817 249.00	R 11 862 936.75	R 8 110 080.20	R 1 471 847.37	R 3 563 121.39	R 3 075 111.44
Information and Communication Infrastructure	R 510 000.00	R 382 500.00	R -	R -	R -	R -
Other Assets	R 14 559 959.00	R 10 919 969.25	R 10 837 487.93	R 3 345 764.00	R 6 004 905.81	R 1 486 818.12
Roads Infrastructure	R 104 967 450.00	R 78 725 587.50	R 76 494 902.43	R 17 552 302.26	R 28 802 307.20	R 30 140 292.97
Storm water Infrastructure	R 5 224 783.00	R 3 918 587.25	R 3 666 641.83	R 2 643 465.63	R 679 147.88	R 344 028.32
Water Supply Infrastructure	R 1 300 000.00	R 975 000.00	R -	R -	R -	R -
<b>Grand Total</b>	<b>R 178 135 757.00</b>	<b>R 133 601 817.75</b>	<b>R 114 450 719.80</b>	<b>R 29 287 152.94</b>	<b>R 43 702 947.82</b>	<b>R 41 460 619.04</b>

## 5.7 Transfers and Grants Receipts



### KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER MARCH 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 71 310 986		R 27 820 014
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 4 725 684			R 3 375 622
FINANCIAL MANGEMENT GRANT (FMG)	-	R -	R 1 950 000	R 897 722	R -		R 1 052 278
EXPANDED PUBLIC WORKS PROGRAMME INTERGATED GRANT FOR MUNICIPALITY (EPWP)	-	R -	R 3 891 000	R 6 931 215	R -	R 3 040 215	R -3 040 215
AIRPORT GRANT	-	R 2 727 044	R -	R 3 449 757		R 722 713	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 217 750	R -		R 88 250
MUSEUM SUBSIDY GRANT	-	R -	R 429 000	R 429 000	R -		R -
CYBER CADET GRANT	-	R -	R 1 452 000	R 1 049 000	R -		R 403 000
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 23 962 226		R 21 879 582
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 93 502		R 1 152 041
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	-	R -	R 4 000 000	R -	R 3 766 709		R 233 291
<b>TOTAL</b>		<b>R 23 648 027</b>	<b>R 177 155 000</b>	<b>R 29 717 128</b>	<b>R 103 297 740</b>	<b>R 3 762 928</b>	<b>R 67 788 159</b>

### Transfers and Grants Receipts

The total grants received to date for period ending 31 March 2022 amounts to R177.1 million, which include R99.1 million from Integrated Urban Development Grant, R3.89 million from Expanded Public Work Programme, R31.2 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 and a new allocation from COGTA for the funding of electrical projects amounting to R6 million. R8 million Integrated National Electrification Programme Grant.

## 5.8 Transfers and Grants Expenditure



### KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER MARCH 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	71 310 986 R		27 820 014 R
COGTA ELEC GRANT	- R	- R	6 000 000 R	- R	3 170 164 R		2 829 836 R
MUNICIPAL DISASTER RECOVERY	- R	327 945 R	- R	- R	- R		327 945 R
INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	- R	61 306 R	8 040 000 R	4 725 684 R			3 375 622 R
FINANCIAL MANGEMENT GRANT (FMG)	- R	- R	1 950 000 R	897 722 R	- R		1 052 278 R
EXPANDED PUBLIC WORKS PROGRAMME INTERGATED GRANT FOR MUNICIPALITY (EPWP)	- R	- R	3 891 000 R	6 931 215 R	- R	3 040 215 R	-3 040 215 R
AIRPORT GRANT	- R	2 727 044 R	- R	3 449 757 R		722 713 R	-722 713 R
PROVINCIALIZATION OF LIBRARIES GRANT	- R	- R	12 017 000 R	12 017 000 R	- R		0 R
COMMUNITY LIBRARY SERVICE GRANT	- R	- R	306 000 R	217 750 R	- R		88 250 R
MUSEUM SUBSIDY GRANT	- R	- R	429 000 R	429 000 R	- R		- R
CYBER CADET GRANT	- R	- R	1 452 000 R	1 049 000 R	- R		403 000 R
INTERMODAL FACILITY	- R	5 383 380 R	- R	- R	- R		5 383 380 R
NEIGHBOURHOOD DEV GRANT	- R	14 584 808 R	31 257 000 R	- R	23 962 226 R		21 879 582 R
MARKET STALLS GRANT	- R	- R	8 000 000 R		994 152 R		7 005 848 R
MODULAR LIBRARIES GRANT	- R	563 543 R	682 000 R		93 502 R		1 152 041 R
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	- R	- R	4 000 000 R	- R	3 766 709 R		233 291 R
<b>TOTAL</b>		<b>23 648 027 R</b>	<b>177 155 000 R</b>	<b>29 717 128 R</b>	<b>103 297 740 R</b>	<b>3 762 928 R</b>	<b>67 788 159 R</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 31 March 2022, Operating and Capital Expenditure has a closing balance of R67.7 million, with YTD spending of R29.7 million and R103.2 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 adjusted allocation for the 2021/22 financial year is R99.1 million and an amount of R 99.1 million has been received. This is a capital grant and the YTD actual for the period ended 31 March 2022 is R71.3 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 71.9% of the total allocation 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 R5.558 million and an amount of R3.89 million has been received. This is an operational grant and the YTD actual for the period ended 31 March 2022 is R6.9 million, of which R3 million is internal funded and adjustment will be made when the final tranche of the grant is received. Expenditure on this grant is on track with the planned expenditure as at the close of the 3rd quarter.

- **Neighborhood Development Partnership Grant**

The allocation for the 2021/22 financial year is R 50 million and an amount of R 31.2 million has been received. This is a capital grant and the YTD actual for the period ended 31 March 2022 is R23.9 has been spent. This grant is budgeted for the Upgrade of Main Harding and Road Upgrade Nelson Mandela Drive, and these procurement process has been finalized and have been awarded by BAC with construction commenced in the beginning of the 3<sup>rd</sup> quarter. The delays in spending were due to appeals that were received and finalized by the Provincial Appeals Tribunal which was finalized in December 2021. The R50 million allocation has been revised and decrease by R12.6 million by National Treasury for the 2021/22 financial year and the adjustment will be made in the adjustment budget in February. An additional adjustment to this grant has been made and will be accounted for in the reporting for the fourth quarter.

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

The total allocation for the 2021/22 financial year is R9.6 million the grant had unspent funds of R61 thousand from the 2020/21 financial year. There has been R8 million received as of the end of the 3<sup>rd</sup> quarter and R4.7 million YTD expenditure and implementation is on track and monitoring is continuous.

- **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 3<sup>rd</sup> quarter 31 March 2022 amounts to R3.7 million, 94% of the allocation. The spending is on track and monitoring is continuous.

## 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 - Q3 Third Quarter**

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		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		-	28 393	24 325	-	15 549	21 294	5 745	27%	22 647
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	3 042	2 897	-	1 931	2 281	350	15%	2 692
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		-	<b>31 434</b>	<b>27 222</b>	-	<b>17 480</b>	<b>23 576</b>	<b>(6 095)</b>	<b>-26%</b>	<b>25 339</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	3	-	4 393	4 393	-	5 816	3 295	(2 521)	-77%	6 914
Pension and UIF Contributions		-	189	189	-	16	142	126	89%	63
Medical Aid Contributions		-	1 251	1 251	-	3	938	935	100%	315
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	957	778	-	-	673	673	100%	284
Motor Vehicle Allowance		-	1 158	1 158	-	99	869	770	89%	389
Cellphone Allowance		-	115	115	-	71	87	16	18%	100
Housing Allowances		-	3 488	3 488	-	285	2 616	2 331	89%	1 157
Other benefits and allowances		-	0	0	-	0	0	0	81%	0
Payments in lieu of leave		-	-	-	-	26	-	(26)	#DIV/0!	26
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		-	<b>11 552</b>	<b>11 373</b>	-	<b>6 316</b>	<b>8 619</b>	<b>(2 303)</b>	<b>-27%</b>	<b>9 249</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		-	288 759	296 406	-	200 145	220 071	19 926	9%	268 833
Pension and UIF Contributions		-	46 991	46 991	-	32 855	35 243	2 388	7%	44 603
Medical Aid Contributions		-	17 599	17 599	-	12 472	13 199	727	6%	16 872
Overtime		-	13 663	13 965	-	12 570	11 560	(1 010)	-9%	14 673
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	16 077	16 077	-	11 844	12 058	214	2%	15 864
Cellphone Allowance		-	978	978	-	664	734	70	10%	908
Housing Allowances		-	2 259	2 259	-	2 508	1 694	(813)	-48%	3 072
Other benefits and allowances		-	3 602	3 444	-	3 421	2 788	(633)	-23%	4 235
Payments in lieu of leave		-	8 338	8 338	-	2 176	6 253	4 077	65%	4 261
Long service awards		-	1 841	1 841	-	226	1 381	1 154	84%	686
Post-retirement benefit obligations		-	3 821	3 821	-	2 937	2 866	(71)	-2%	3 892
<b>Sub Total - Other Municipal Staff</b>		-	<b>403 928</b>	<b>411 719</b>	-	<b>281 819</b>	<b>307 847</b>	<b>(26 028)</b>	<b>-8%</b>	<b>377 900</b>
<b>Total Parent Municipality</b>		-	<b>446 914</b>	<b>450 313</b>	-	<b>305 616</b>	<b>340 042</b>	<b>(34 426)</b>	<b>-10%</b>	<b>412 488</b>

## Councillors Remuneration

Councillor's remuneration was budgeted for with an expected salary increase, and there currently is no increase for councillors and therefore the projected increase will be the variance between the budgeted versus actual monthly remuneration. Furthermore, the budget for remuneration of councillors was done with an anticipated increase that is issued by COGTA and the increase has not yet been granted and thus giving another reason the variance in YTD expenditure as well as the remuneration for March that was not posted due to system challenges during the rollover period for March and will be accounted for in the April reporting period.

## **Senior Managers of the Municipality**

The head of departments on the municipality including the Municipal manager are classified under this subheading. Re-alignments were done during the adjustment budget and reconciliations are done monthly to reconcile the budget to actual and the current variance can be attributed to the employee cost for March that was not posted due to system challenges during the rollover period for March and will be accounted for in the April reporting period. There were no performance bonuses paid the current month.

## **Other Municipal Staff**

Basic salaries and wages are directly affected by the budgeted projected salary increase of 3.9 and the salary and wage collective agreement concluded on an increase of 3.5% a further once of non-pensionable payment was agreed upon during the salary negotiations and was paid in December this has yielded in the 6% variance over the 2<sup>nd</sup> quarter. UIF, Medical aid contributions, motor vehicle allowances and housing allowances, Overtime is more than the projected YTD budget as overtime solely depends on the work being done at that point in time and therefor will vary compared to the month-to-month budget. Payments in lieu of leave and long service awards, the provisions have been made and will reflect in the reports after the adjustment budget has been adopted. The YTD actuals for employee related costs appear to be less than the YTD budget, this is due to the employee cost for March that was not posted due to system challenges during the rollover period for March and will be accounted for in the April reporting period

## 5.9 Long-term Loans

### RAY NKONYENI MUNICIPALITY

#### LONG TERM LOANS REGISTER : 31 MARCH 2022

DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 March 2022	INTEREST CHARGED THIS MONTH	YTD INTEREST CHARGED	INTEREST PAID	CAPITAL REPAYMENT DURING PERIOD	CLOSING BALANCE 31 March 2022
				R				R	R
DBSA	10.5%	30-Dec-21	61003298						R -
DBSA	9.36%	31-Mar-31	61007684	R 3 347 174.63		R 77 250.96	-R 77 250.96	-R 62 378.55	R 3 284 796.08
<b>TOTAL DBSA LOANS</b>				R 3 347 174.63	R -	R 77 250.96	-R 77 250.96	-R 62 378.55	R 3 284 796.08
<b>TOTAL LOANS</b>				R 3 347 174.63	R -	R 77 250.96	-R 77 250.96	-R 62 378.55	R 3 284 796.08

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 R3.28 million as of 31 March 2022. The municipality is still able to make loan repayments as and when they fall due. A capital repayment of the loan of R62.3 thousand was due and paid in March 2022 and an interest portion of R77.2 thousand totaling a loan payment of R139 thousand for the 3<sup>rd</sup> quarter ended 31 March 2022. DBSA loan under project number 61003298 has been fully paid up and the municipality remains with one loan account with DBSA. The DBSA loan for the 2021/22 financial year under year 2 of the table below, the draw down of the loan for R8.4 million has been put on hold as the Municipality received a R6 million grant from COGTA for the facilitation of the projects that are being implemented under year of the electrification projects.

#### ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

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

## 5.10 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q3 Third Quarter

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		0.0%	8.7%	8.7%	0.0%	2.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	5.3%	5.8%	4.0%	4.4%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		0.0%	12.8%	12.3%	18.7%	15.5%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	28.0%	32.2%	37.4%	34.6%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	0.0%	159.8%	192.0%	180.7%	200.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	23.0%	31.6%	60.8%	57.2%
<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		0.0%	30.8%	39.8%	55.9%	44.9%
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		0.0%	36.9%	37.6%	33.2%	34.1%
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		0.0%	8.7%	8.7%	0.0%	2.4%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

The above table gives an overview of the financial indicators of the municipality for the 3rd Quarter 31 March 2022.

## **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R 3 284 796.08 as of 31 March 2022.

## **Liquidity**

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

**Budgeted Current Ratio**: R409 098 904/R255 304 705= **1.60:1**

**Adjusted Budget Current Ratio**: 537 500 521/280 000 774 = **1.92:1**

**Actual Current Ratio as 31 March 2022** R88 517 969/ R411 233 544 = **1.82:1**

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 R1.60: R1 ratio and the actual ratio as of 31 March shows an improvement in the municipality's liquidity with a ratio of R1.82 for every R1 owed.

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

**Budgeted Cash Ratio**: R58 745 878.00 / R255 304 705= **0.23:1**

**Adjusted Budget Current Ratio**: R88 517 969/R280 000 774= **0.32:1**

**Actual Cash Ratio as 31 March 2022**: R250 043 831.00 /R411 233 544 **0.61:1**

The municipality has an actual cash ratio than is higher than the budgeted cash ratio. This is an increase from the 1<sup>st</sup> quarter where the ratio was 0.55:1, this is due to an increase in current liabilities a such as unspent conditional grants which will be transferred to revenue as and when the conditions of the grant are met. The municipality has a cash ratio that is less than 1 which therefore means the municipality does not 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 - Q3 Third Quarter**

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	475 785	475 785	41 148	423 487	356 839	66 648	19%	542 434
Service charges	-	238 253	238 186	17 154	172 862	188 365	(15 503)	-8%	222 750
Investment revenue	-	4 500	5 150	508	3 139	3 635	(496)	-14%	4 004
Transfers and subsidies	-	257 885	259 456	-	193 816	196 246	(2 431)	-1%	255 454
Other own revenue	-	148 215	147 464	4 382	76 261	111 154	(34 893)	-31%	113 323
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>1 124 639</b>	<b>1 126 042</b>	<b>63 192</b>	<b>869 565</b>	<b>856 240</b>	<b>13 326</b>	<b>2%</b>	<b>1 137 965</b>
Employee costs	-	415 480	423 092	738	288 873	316 466	(27 593)	-9%	387 887
Remuneration of Councillors	-	31 434	27 222	-	17 480	23 576	(6 095)	-26%	25 339
Depreciation & asset impairment	-	91 916	91 916	8 007	72 067	68 766	3 301	5%	95 217
Finance charges	-	5 673	5 673	78	260	4 212	(3 952)	-94%	1 721
Inventory consumed and bulk purchases	-	137 906	139 367	11 792	94 251	105 399	(11 148)	-11%	126 758
Transfers and subsidies	-	7 349	7 982	803	7 716	5 691	2 025	36%	9 374
Other expenditure	-	427 054	430 497	32 038	252 597	345 725	(93 128)	-27%	333 926
<b>Total Expenditure</b>	-	<b>1 116 811</b>	<b>1 125 748</b>	<b>53 457</b>	<b>733 244</b>	<b>869 835</b>	<b>(136 591)</b>	<b>-16%</b>	<b>980 221</b>
<b>Surplus/(Deficit)</b>	-	<b>7 828</b>	<b>293</b>	<b>9 735</b>	<b>136 321</b>	<b>(13 595)</b>	<b>149 916</b>	<b>-1103%</b>	<b>157 744</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	133 599	149 510	-	66 496	110 122	###	-40%	89 973
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	-	-	8 751	(8 751)	-100%	2 917
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>153 095</b>	<b>161 471</b>	<b>9 735</b>	<b>202 817</b>	<b>105 278</b>	<b>97 539</b>	<b>93%</b>	<b>250 633</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>153 095</b>	<b>161 471</b>	<b>9 735</b>	<b>202 817</b>	<b>105 278</b>	<b>97 539</b>	<b>93%</b>	<b>250 633</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>161 345</b>	<b>177 876</b>	<b>18 546</b>	<b>114 451</b>	<b>128 120</b>	<b>(13 669)</b>	<b>-11%</b>	<b>164 207</b>
Capital transfers recognised	-	127 134	136 126	14 801	99 129	98 904	226	0%	136 352
Borrowing	-	8 476	10 316	1 167	4 565	7 628	(3 063)	-40%	7 253
Internally generated funds	-	25 735	31 433	2 578	10 756	21 587	(10 831)	-50%	20 602
<b>Total sources of capital funds</b>	-	<b>161 345</b>	<b>177 876</b>	<b>18 546</b>	<b>114 451</b>	<b>128 120</b>	<b>(13 669)</b>	<b>-11%</b>	<b>164 207</b>
<b>Financial position</b>									
Total current assets	-	408 055	537 501	-	743 282	-	-	-	724 705
Total non current assets	-	1 843 645	1 888 416	-	1 878 261	-	-	-	1 912 834
Total current liabilities	-	255 305	280 001	-	411 234	-	-	-	361 333
Total non current liabilities	-	121 596	160 054	-	181 267	-	-	-	178 041
Community wealth/Equity	-	1 874 799	1 985 862	-	2 029 043	-	-	-	2 098 165
<b>Cash flows</b>									
Net cash from (used) operating	-	149 684	121 760	51 575	421 358	114 432	(306 927)	-268%	456 472
Net cash from (used) investing	-	(162 919)	(171 926)	(19 202)	(121 648)	(116 107)	5 540	-5%	(131 785)
Net cash from (used) financing	-	(1 590)	(1 590)	(38)	(500)	(1 966)	(1 466)	75%	(542)
<b>Cash/cash equivalents at the month/year end</b>	-	<b>81 541</b>	<b>91 316</b>	<b>291 000</b>	<b>1 594 417</b>	<b>(3 642)</b>	<b>#####</b>	<b>43880%</b>	<b>324 145</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	61 315	27 618	16 752	14 496	12 965	14 163	56 429	307 441	511 181
<b>Creditors Age Analysis</b>									
Total Creditors	22	-	-	-	-	-	-	320	342

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) - Q3 Third Quarter

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		-	475 785	475 785	41 148	423 487	356 839	66 648	19%	542 434
Service charges - electricity revenue		-	169 514	170 147	12 571	120 720	127 167	(6 447)	-5%	163 068
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	68 739	68 039	4 583	52 142	61 198	(9 056)	-15%	59 683
Rental of facilities and equipment		-	466	2 443	248	2 085	1 160	925	80%	1 391
Interest earned - external investments		-	4 500	5 150	508	3 139	3 635	(496)	-14%	4 004
Interest earned - outstanding debtors		-	24 092	23 272	2 665	22 870	18 098	4 772	26%	28 865
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	20 764	21 064	71	15 733	16 621	(888)	-5%	19 877
Licences and permits		-	11 698	7 424	615	5 943	5 639	304	5%	12 002
Agency services		-	4 000	4 670	402	3 725	3 468	257	7%	4 257
Transfers and subsidies		-	257 885	259 456	-	193 816	196 246	(2 431)	-1%	255 454
Other revenue		-	87 194	88 590	381	25 905	66 168	(40 263)	-61%	46 931
Gains		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>1 124 639</b>	<b>1 126 042</b>	<b>63 192</b>	<b>869 565</b>	<b>856 240</b>	<b>13 326</b>	<b>2%</b>	<b>1 137 965</b>
<b>Expenditure By Type</b>										
Employee related costs		-	415 480	423 092	738	288 873	316 466	(27 593)	-9%	387 887
Remuneration of councillors		-	31 434	27 222	-	17 480	23 576	(6 095)	-26%	25 339
Debt impairment		-	9 600	9 600	352	2 837	7 200	(4 363)	-61%	5 237
Depreciation & asset impairment		-	91 916	91 916	8 007	72 067	68 766	3 301	5%	95 217
Finance charges		-	5 673	5 673	78	260	4 212	(3 952)	-94%	1 721
Bulk purchases - electricity		-	125 067	125 067	9 575	83 779	93 800	(10 022)	-11%	115 046
Inventory consumed		-	12 839	14 300	2 217	10 472	11 599	(1 127)	-10%	11 712
Contracted services		-	250 244	257 445	21 744	156 188	202 758	(46 570)	-23%	203 674
Transfers and subsidies		-	7 349	7 982	803	7 716	5 691	2 025	36%	9 374
Other expenditure		-	167 210	163 452	9 942	93 572	135 767	(42 195)	-31%	125 014
Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	<b>1 116 811</b>	<b>1 125 748</b>	<b>53 457</b>	<b>733 244</b>	<b>869 835</b>	<b>(136 591)</b>	<b>-16%</b>	<b>980 221</b>
<b>Surplus/(Deficit)</b>		-	<b>7 828</b>	<b>293</b>	<b>9 735</b>	<b>136 321</b>	<b>(13 595)</b>	<b>149 916</b>	<b>(0)</b>	<b>157 744</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	133 599	149 510	-	66 496	110 122	(43 626)	(0)	89 973
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	-	-	8 751	(8 751)	(0)	2 917
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	<b>153 095</b>	<b>161 471</b>	<b>9 735</b>	<b>202 817</b>	<b>105 278</b>			<b>250 633</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		-	<b>153 095</b>	<b>161 471</b>	<b>9 735</b>	<b>202 817</b>	<b>105 278</b>			<b>250 633</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		-	<b>153 095</b>	<b>161 471</b>	<b>9 735</b>	<b>202 817</b>	<b>105 278</b>			<b>250 633</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		-	<b>153 095</b>	<b>161 471</b>	<b>9 735</b>	<b>202 817</b>	<b>105 278</b>			<b>250 633</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) - Q3 Third Quarter

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
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	225	225	-	182	187	(6)	-3%	219
Vote 2 - Finance and Administration		-	3 164	3 905	522	994	2 845	(1 852)	-65%	2 054
Vote 3 - Internal Audit		-	100	154	-	93	94	(1)	-1%	153
Vote 4 - Community and Social Services		-	5 087	2 617	-	1 434	2 621	(1 187)	-45%	1 430
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	3 940	6 940	6	2 185	3 955	(1 770)	-45%	5 170
Vote 7 - Housing		-	-	140	-	-	-	-	-	140
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	86 781	93 283	12 440	58 007	63 513	(5 506)	-9%	87 777
Vote 10 - Road Transport		-	40 382	45 111	2 645	39 421	36 911	2 510	7%	47 622
Vote 11 - Environmental Protection		-	900	900	-	437	810	(374)	-46%	527
Vote 12 - Energy Sources		-	13 566	15 576	2 222	7 844	11 457	(3 613)	-32%	11 963
Vote 13 - Other		-	3 173	4 983	360	3 000	2 382	618	26%	5 601
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	4 026	4 042	351	855	3 344	(2 489)	-74%	1 552
<b>Total Capital single-year expenditure</b>	4	-	161 345	177 876	18 546	114 451	128 120	(13 669)	-11%	164 207
<b>Total Capital Expenditure</b>		-	161 345	177 876	18 546	114 451	128 120	(13 669)	-11%	164 207
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	3 489	4 284	522	1 269	3 127	(1 858)	-59%	2 426
Executive and council		-	225	225	-	182	187	(6)	-3%	219
Finance and administration		-	3 164	3 962	522	994	2 864	(1 870)	-65%	2 091
Internal audit		-	100	98	-	93	75	18	24%	116
<b>Community and public safety</b>		-	9 027	9 697	6	3 619	6 576	(2 956)	-45%	6 740
Community and social services		-	5 087	2 617	-	1 434	2 621	(1 187)	-45%	1 430
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 940	6 940	6	2 185	3 955	(1 770)	-45%	5 170
Housing		-	-	140	-	-	-	-	-	140
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	128 064	139 294	15 086	97 864	101 234	(3 369)	-3%	135 925
Planning and development		-	86 781	93 283	12 440	58 007	63 513	(5 506)	-9%	87 777
Road transport		-	40 382	45 111	2 645	39 421	36 911	2 510	7%	47 622
Environmental protection		-	900	900	-	437	810	(374)	-46%	527
<b>Trading services</b>		-	17 593	19 618	2 573	8 699	14 801	(6 103)	-41%	13 515
Energy sources		-	13 566	15 576	2 222	7 844	11 457	(3 613)	-32%	11 963
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	4 026	4 042	351	855	3 344	(2 489)	-74%	1 552
<b>Other</b>		-	3 173	4 983	360	3 000	2 382	618	26%	5 601
<b>Total Capital Expenditure - Functional Classification</b>	3	-	161 345	177 876	18 546	114 451	128 120	(13 669)	-11%	164 207
<b>Funded by:</b>										
National Government		-	113 638	115 300	14 220	85 119	84 092	1 026	1%	116 326
Provincial Government		-	3 350	10 680	360	3 864	7 202	(3 337)	-46%	7 343
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	10 146	221	10 146	7 610	2 537	33%	12 683
<b>Transfers recognised - capital</b>		-	127 134	136 126	14 801	99 129	98 904	226	0%	136 352
<b>Borrowing</b>	6	-	8 476	10 316	1 167	4 565	7 628	(3 063)	-40%	7 253
<b>Internally generated funds</b>		-	25 735	31 433	2 578	10 756	21 587	(10 831)	-50%	20 602
<b>Total Capital Funding</b>		-	161 345	177 876	18 546	114 451	128 120	(13 669)	-11%	164 207

This table provides an overview of actuals to date of the capital expenditure per department for the 3rd Quarter ended 31 March 2022.

## 6.4 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		–	(28 505)	(33 533)	(6 193)	(49 402)
Call investment deposits		–	87 251	122 051	256 237	256 237
Consumer debtors		–	274 809	308 409	328 010	346 008
Other debtors		–	71 671	139 295	158 338	165 028
Current portion of long-term receivables		–	–	143	143	143
Inventory		–	2 830	1 135	6 746	6 690
<b>Total current assets</b>		–	<b>408 055</b>	<b>537 501</b>	<b>743 282</b>	<b>724 705</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		–	200 147	205 741	220 154	220 154
Investments in Associate		–	–	–	–	–
Property, plant and equipment		–	1 639 984	1 679 519	1 655 726	1 690 313
Biological		–	–	–	–	–
Intangible		–	1 672	1 086	246	231
Other non-current assets		–	1 841	2 071	2 136	2 136
<b>Total non current assets</b>		–	<b>1 843 645</b>	<b>1 888 416</b>	<b>1 878 261</b>	<b>1 912 834</b>
<b>TOTAL ASSETS</b>		–	<b>2 251 700</b>	<b>2 425 917</b>	<b>2 621 544</b>	<b>2 637 539</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	8 519	475	(22 587)	(30 073)
Consumer deposits		–	31 162	32 510	32 539	32 696
Trade and other payables		–	199 302	207 991	360 186	317 614
Provisions		–	16 321	39 025	41 095	41 095
<b>Total current liabilities</b>		–	<b>255 305</b>	<b>280 001</b>	<b>411 234</b>	<b>361 333</b>
<b>Non current liabilities</b>						
Borrowing		–	31 255	35 947	41 810	38 584
Provisions		–	90 341	124 108	139 457	139 457
<b>Total non current liabilities</b>		–	<b>121 596</b>	<b>160 054</b>	<b>181 267</b>	<b>178 041</b>
<b>TOTAL LIABILITIES</b>		–	<b>376 901</b>	<b>440 055</b>	<b>592 501</b>	<b>539 374</b>
<b>NET ASSETS</b>	2	–	<b>1 874 799</b>	<b>1 985 862</b>	<b>2 029 043</b>	<b>2 098 165</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		–	1 763 155	1 874 217	1 917 399	1 986 521
Reserves		–	111 644	111 644	111 644	111 644
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	–	<b>1 874 799</b>	<b>1 985 862</b>	<b>2 029 043</b>	<b>2 098 165</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 3<sup>rd</sup> quarter ended 31 March 2022. Current assets are R743.2 million over the current liabilities at R411.2 million this therefore mean the municipality is still able to meet its financial obligations.