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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023 (M12)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 30 JUNE 2023

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2022/23 Budget of the Ray Nkonyeni Municipality for the period ending 30 June 2023 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 30 June 2023 is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Revenue By source
- 5.3 Expenditure by Type
- 5.4 Debtors Age Analysis
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- 5.6 Capital Expenditure
- 5.7 Transfers and Grants Receipts
- 5.8 Transfers and Grants Expenditure
- 5.9 Salaries Expenditure
- 5.10 Long-term Loans
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6.3. Capital Expenditure

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5.1 Monthly Budget Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C-1 Monthly Budget Statement Summary - M12 June

Description	Budget Year 2022/23								
	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	464 477	498 623	492 118	(6 283)	480 199	492 118	(11 919)	-2%	492 118
Service charges	214 942	253 618	236 691	13 055	213 390	236 691	(23 301)	-10%	236 691
Investment revenue	5 182	5 397	7 067	835	9 505	7 067	2 438	35%	7 067
Transfers and subsidies	257 076	285 102	285 279	-	277 636	285 279	(7 643)	-3%	285 279
Other own revenue	141 612	131 888	118 573	12 570	94 517	118 573	(24 055)	-20%	118 573
Total Revenue (excluding capital transfers and contributions)	1 083 288	1 174 628	1 139 727	20 177	1 075 248	1 139 727	(64 479)	-6%	1 139 727
Employee costs	446 000	447 279	462 586	38 887	459 649	462 586	(2 938)	-1%	462 586
Remuneration of Councilors	26 249	31 434	31 434	2 414	29 567	31 434	(1 867)	-6%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	-	75 168	101 619	(26 451)	-26%	101 619
Finance charges	19 931	12 922	12 902	340	1 359	12 902	(11 543)	-89%	12 902
Inventory consumed and bulk purchases	136 545	149 809	149 951	9 132	119 115	149 951	(30 837)	-21%	149 951
Transfers and subsidies	9 890	13 178	13 078	5 958	10 721	13 078	(2 357)	-18%	13 078
Other expenditure	392 589	415 344	399 128	46 152	348 524	399 128	(50 604)	-13%	399 128
Total Expenditure	1 125 063	1 171 585	1 170 699	102 881	1 044 102	1 170 699	(126 596)	-11%	1 170 699
Surplus/(Deficit)	(41 775)	3 043	(30 971)	(82 705)	31 146	(30 971)	62 117	-201%	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	193 287	-	125 477	193 287	(67 810)	-35%	193 287
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)	18 612	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 767	135 403	162 316	(82 705)	156 623	162 316	(5 693)	-4%	162 316
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	123 767	135 403	162 316	(82 705)	156 623	162 316	(5 693)	-4%	162 316
Capital expenditure & funds sources									
Capital expenditure	187 654	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Capital transfers recognised	138 668	115 052	168 076	26 235	161 949	168 076	(6 127)	-4%	168 076
Borrowing	1 867	7 166	7 976	3 093	6 094	7 976	(1 882)	-24%	7 976
Internally generated funds	33 256	58 521	54 704	25 625	47 806	54 704	(6 898)	-13%	54 704
Total sources of capital funds	173 791	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Financial position									
Total current assets	630 629	553 761	672 729	-	729 450	-	-	-	672 729
Total non current assets	1 987 740	1 878 708	2 116 876	-	2 128 421	-	-	-	2 116 876
Total current liabilities	345 217	321 834	370 177	-	420 208	-	-	-	370 177
Total non current liabilities	191 699	150 842	176 331	-	199 309	-	-	-	176 331
Community wealth/Equity	2 081 453	1 959 793	2 243 097	-	2 238 354	-	-	-	2 243 097
Cash flows									
Net cash from (used) operating	348 279	167 979	191 796	(35 171)	92 378	191 796	99 418	52%	191 796
Net cash from (used) investing	(185 208)	(179 130)	(237 264)	(63 910)	(243 654)	(237 264)	6 390	-3%	(237 264)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 337)	(38 876)	(4 359)	34 517	-792%	(19 098)
Cash/cash equivalents at the month/year end	270 949	112 823	67 025	-	(58 489)	81 764	140 252	172%	67 098
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	37 790	9 496	19 378	17 340	14 873	13 773	12 870	14 179	139 700
Creditors Age Analysis									
Total Creditors	6 479	-	-	-	-	-	-	-	6 479

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

5.2 Financial Performance -Revenue by Source

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

Revenue by Source

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

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

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	492 118	(6 283)	480 199	492 118	(11 919)	-2%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	13 317	154 018	170 943	(16 925)	-10%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	(262)	59 372	65 748	(6 376)	-10%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	454	4 399	3 710	689	19%	3 710
Interest earned - external investments		5 182	5 397	7 067	835	9 505	7 067	2 438	35%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 101	34 645	28 719	5 927	21%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	5 586	23 971	29 658	(5 687)	-19%	29 658
Licences and permits		8 138	7 824	9 911	838	8 330	9 911	(1 580)	-16%	9 911
Agency services		4 965	4 894	6 044	550	5 363	6 044	(681)	-11%	6 044
Transfers and subsidies		257 076	285 102	285 279	-	277 636	285 279	(7 643)	-3%	285 279
Other revenue		55 569	70 013	40 531	2 041	17 808	40 531	(22 722)	-56%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 288	1 174 628	1 139 727	20 177	1 075 248	1 139 727	(64 479)	-6%	1 139 727

Property Rates

Property rates consists of multiple categories under the jurisdiction of Ray Nkonyeni Municipality, the bulk revenue is billed on three categories: Residential properties, Business and Commercial properties as well as State owned properties. The adjusted annual budget for Property rates is R492.1 million and The YTD actual billing is R480.2 million. The YTD actual is 2% less than the YTD Budget, this variance is reasonable in comparison to the anticipated annual billing revenue for property rates. The variance is caused by changing the category of property rates, the new applications of pensioner's rebates as well as Indigents applications. There was a reduction of R6 million on business and commercial. Reduction is due to a section 78 of the MPRA adjustment with an effective date of 24 January 2019. A journal will need to be passed to the correct financial year (prior year/s).

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 30 June 2023 is R154.0 million while the YTD Budget is R170.9 million. There is a variance of R16.9 million between the YTD actual and YTD budget. Electricity billing was adjusted downwards by R12 million in the adjustment budget which was based on the YTD performance as at the midyear assessment, electricity units consumed has continued to decline which yield to an underperformance in the anticipated revenue billing forecasted in the adjustment budget. An analysis of the decline in units consumed has been considered in the budget for the next financial year and will be closely monitored to ensure actual revenue is closely linked to budgeted revenue.

Refuse Revenue

The overall YTD actual billing for refuse removals is R59.3 million and the YTD Budget billing is R65.7 million, with YTD variance of 10%. The budget was adjusted downwards by 4.9 million in the adjustment budget which was based on the YTD performance as at the midyear assessment. Refuse revenue is billed over ten months and an underperformance in the anticipated revenue billing forecasted in the adjustment budget is due to the new applications of rebate pensioners and indigents. The YTD performance has been considered in the budget for the next financial year and will be closely monitored to ensure actual revenue is closely linked to budgeted 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 R9.5 million, YTD budget is R7.1 million with a variance of R2.4 million which is more than year to date budget. This over performance was reviewed in the adjustment budget and adjusted upwards to 7 million, interest on investments has continued to exceed projects through the various financial institutions.

Interest earned on arrear debtors

The interest charged on arrear debtors to date is R34.6 million, 21% more compared to the YTD budget of R28.7 million. This results from an increase in debtors that fail to pay timeously and therefore the debt collection policy is applied to encourage settlement of debt while also recovering revenue to the municipality.

Agency Services

Agency services comprise of driver's license application, learners license application and renewal fees, this is the commission earned by the municipality on the services performed by the municipality on behalf of the Department of transport and third parties commission on employee deductions. The annual projected revenue is R6.0 million, with the YTD actual of R5.4 million. This shows that the anticipated commission from Department of Transport was slightly more than the actual figures. The municipality received less applications for drivers and learners licenses and earns less commission than estimated.

Fines

Fines, Penalties, and forfeits are derived from building fines, illegal connections, overdue books, and the bulk budget being on traffic fines and the total budget being R29.6 million. The YTD actual is R23.9 million with the variance of 19%. The municipality issued less traffic fines than what was anticipated.

Licenses and Permits

Licenses and permits actuals to date amounts to R8.3 million and there is a 16% variance against year-to-date budget of R9.9 million. An upward adjustment of R2 million was made in the adjustment budget due to how well this revenue stream performed over the 1st & 2nd quarter of the financial year. Motor Licensing received less than the anticipated amount because the performance of the 3rd and 4th quarter declined.

Rental of Facilities

Rental of facilities annual budget is R3.7 million, this is the rental of fixed asset revenue such as halls, airport hangers, skip hire and garages. The YTD actuals for the rental of facilities is R4.4 million, showing a 19% variance between actual and budgeted figures. The variance is due to that March and April were the peak months as most of the fixed assets were rented out to community. An upwards adjustment of R1.1 million was made in the adjustment budget since the performance has exceeded the projections.

Transfers and Subsidies

Operational grants recognized YTD actual amounts to R277.6 million, YTD Budget is R285.3 million. YTD variance is R7.7 million. Grant revenue in the financial system is straight lined across 12 months, yet the grants are recognized once the expenditure is incurred which further creates a variance monthly on transfers and subsidies. The expenditure of month 12 still needs to be recognized as revenue as the municipality is finalizing all the transactions for year end and preparing for the annual financial statements.

Other Revenue

Other revenue is made up of numerous miscellaneous items (e.g., town planning fees, market income, cemetery fees, clinics subsidies, etc.) and gains on disposal of assets are included. Other revenue also includes construction contract revenue that is revenue recognized on receipt of funding for housing projects with a budget of R27 million, this revenue is contingent on the actual expenditure as the funding is based on claims for work done on the various housing projects. The actuals of other revenue to date are R17.8 million, YTD Budget is R40.5 million. A downward adjustment of R29 million was made from the initial allocation of R56 million for housing projects. The municipality will no longer be implementing the following housing projects due to the change in agreement as they will be directly implemented by the department of human settlement which has resulted in R29 million decrease in other revenue.

- KWANDWALANE PHASE 2 RURAL HOUSING
- HOUSING GAMALAKHE RETIFICATION- PRE-1994 HOUSES
- KWANYUSWA PHASE 2 (WOSIYANE & NKULU)
- GAMALAKHE IN-SITU UPGRADE RURAL HOUSING PHASE 2
- KWANZIMAKWE PHASE 2 RURAL HOUSING PROJECTS
- KWANDWALANE PHASE 1 RURAL HOUSING

Overall Revenue YTD Budget to Date

The YTD Actual revenue excluding capital transfers is R1.08 billion for the period ending 30 June 2023, YTD Budget is R1.1 billion, the variance of R64 million is results from the differences within the different revenue streams and how they have been performing. The differences will decrease as there are some grants recognition journals that will be processed in period 13.

5.3 Expenditure by Type

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

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		446 000	447 279	462 586	38 887	459 649	462 586	(2 938)	-1%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 414	29 567	31 434	(1 867)	-6%	31 434
Debt impairment		34 456	9 984	9 984	998	7 794	9 984	(2 190)	-22%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	-	75 168	101 619	(26 451)	-26%	101 619
Finance charges		19 931	12 922	12 902	340	1 359	12 902	(11 543)	-89%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 488	107 470	137 074	(29 604)	-22%	137 074
Inventory consumed		13 825	12 735	12 878	643	11 645	12 878	(1 233)	-10%	12 878
Contracted services		213 910	244 881	230 936	19 901	202 779	230 936	(28 157)	-12%	230 936
Transfers and subsidies		9 890	13 178	13 078	5 958	10 721	13 078	(2 357)	-18%	13 078
Other expenditure		143 732	160 480	158 207	25 054	137 754	158 207	(20 453)	-13%	158 207
Losses		491	-	-	199	197	-	197	#DIV/0!	-
Total Expenditure		1 125 063	1 171 585	1 170 699	102 881	1 044 102	1 170 699	(126 596)	-11%	1 170 699

Employee Related Costs and Remuneration of Councillors

Actual YTD for employee related costs amount to R459.7 million against YTD Budget is R462.6 million as of 30 June 2023. The variance in Employee Related of 1% is caused by the vacant posts that were filled but were included on the adjustment budget. Actual YTD remuneration of councillors YTD actuals amounts to R29.6 million with YTD Budget of R31.4 million and there is a 6% variance. Employee related cost is further detailed under table 5.9 Salaries Expenditure Details.

Contracted Services

Contracted services are made up of various operational projects such as Housing, Repairs and maintenance and typical work stream. Contracted services for the period ended 30 June 2023 amounts to R202.8 million, The YTD Budget is R230.9 million and YTD Variance is R28.2 million. A 14.3 million downward adjustment has been made mainly to account for the housing projects that have been removed from the municipality's scope of housing projects. The annual budget of human settlement projects is R 21.5 million with the year-to-date expenditures of R 14.9 million.

Inventory Consumed

YTD Inventory consumed amounts to R11.6 million as of 30 June 2023 with the YTD Budget being R12.9 million. This reflects a variance of R1.3 million less than year annual budget.

Other Operating Expenditure

Other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Budget Road shows, municipal running cost such as electricity consumption and water services. YTD Actuals for Other operating expenditure are R137.8 million, YTD Budget is R158.2 million and there is a 13% variance. The variance is a result of cost containment measures implemented by the municipality to ensure that the financial resources of the municipality are used efficiently.

Depreciation and Asset Impairment

Depreciation and asset impairment expenditure amount of R75.2 million to date from the beginning of the year. The year-to-date budget is R101.6 million, resulting in a variance of 26%. Depreciation for May and June was not processed on the financial system because Assets Management section is busy with asset verifications and finalizing the Fixed Assets Register. The journal will be processed in Period 13.

Debt Impairment

The YTD actuals for Debt Impairment amounts to R7.8 million and the annual budget is R9.9 million. The R7.7 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. 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 within the jurisdiction of Ray Nkonyeni Municipality. YTD actual of R10.7 million and YTD budget of R13.1 million with a variance of R 2.4 million. There were delays in the implementation of funding SMMEs which has been resolved in the month of June.

Overall Expenditure Budget

The overall expenditure YTD Actual is R 1.044 billion as of 30 June 2023, YTD Budget is R1.2 billion. There is a 11% variance in the expenditure from various components such as the contracted services expenditure reduction from the exclusion of housing projects as well as some of the cost containment measures in other items of expenditure.

Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R156.6 million compared to the YTD Budget surplus R162.3 million.

5.4 Debtors Age Analysis

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

Description	NT Code	Budget Year 2022/23										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 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	34	20	36	34	35	35	34	38	267	177	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 673	6 132	1 787	1 151	986	690	679	808	27 905	4 314	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 836	177	12 273	10 331	9 264	8 522	7 978	7 837	58 218	43 932	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	27	4	2 111	1 789	1 617	1 493	1 363	1 285	9 689	7 546	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	19 468	3 087	3 048	2 955	2 881	2 797	2 712	2 640	39 588	13 984	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	753	76	124	1 080	90	235	105	1 571	4 034	3 081	-	-
Total By Income Source	2000	37 790	9 496	19 378	17 340	14 873	13 773	12 870	14 179	139 700	73 035	-	-
2022/23 - totals only		19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357	418 260	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 896	710	766	794	714	668	702	674	7 723	3 552	-	-
Commercial	2300	13 207	4 192	4 304	3 538	3 270	2 929	2 668	4 502	38 610	16 907	-	-
Households	2400	21 888	4 594	14 309	13 008	10 889	10 176	9 501	9 002	93 366	52 576	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	37 790	9 496	19 378	17 340	14 873	13 773	12 870	14 179	139 700	73 035	-	-

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 2022/23								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	6 479	-	-	-	-	-	-	-	6 479
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	6 479	-	-	-	-	-	-	-	6 479

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	2022/23	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R:thousands	1									
Multi-Year expenditure appropriation	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		--	--	--	--	--	--	--	--	--
Total Capital Multi-year expenditure	4,7	--	--	--	--	--	--	--	--	--
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		130	--	400	48	298	400	(102)	-25%	400
Vote 2 - Finance and Administration		21 374	3 075	6 125	1 368	3 973	6 125	(2 152)	-35%	6 125
Vote 3 - Internal Audit		115	185	185	80	130	185	(55)	-30%	185
Vote 4 - Community and Social Services		5 881	200	--	195	195	--	195	401/0%	--
Vote 5 - Sport and Recreation		--	--	--	--	--	--	--	--	--
Vote 6 - Public Safety		7 014	5 440	2 675	(178)	1 622	2 675	(1 053)	-39%	2 675
Vote 7 - Housing		115	273	353	85	328	353	(25)	-7%	353
Vote 8 - Health		--	--	--	--	--	--	--	--	--
Vote 9 - Planning and Development		93 515	99 409	131 567	17 300	112 652	131 567	(18 916)	-14%	131 567
Vote 10 - Road Transport		51 752	55 006	68 963	28 042	78 712	68 963	9 749	14%	68 963
Vote 11 - Environment Protection		--	--	500	389	389	500	(111)	-22%	500
Vote 12 - Energy Sources		2 599	15 348	15 380	4 367	13 308	15 380	(2 072)	-13%	15 380
Vote 13 - Other		3 108	--	800	286	286	800	(514)	-64%	800
Vote 14 - Waste Water Management		--	--	--	--	--	--	--	--	--
Vote 15 - Waste Management		2 052	1 804	3 807	2 970	3 957	3 807	150	4%	3 807
Total Capital single-year expenditure	4	187 654	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Total Capital Expenditure		187 654	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Capital Expenditure - Functional Classification										
Governance and administration		21 675	3 280	6 740	1 497	4 423	6 740	(2 317)	-34%	6 740
Executive and council		186	20	430	48	320	430	(110)	-26%	430
Finance and administration		21 367	3 075	6 125	1 368	3 973	6 125	(2 152)	-35%	6 125
Internal audit		92	185	185	80	130	185	(55)	-30%	185
Community and public safety		12 521	5 813	2 728	101	1 985	2 728	(732)	-27%	2 728
Community and social services		5 881	200	--	195	195	--	195	401/0%	--
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		6 525	5 340	2 375	(178)	1 473	2 375	(902)	-38%	2 375
Housing		115	273	353	85	328	353	(25)	-7%	353
Health		--	--	--	--	--	--	--	--	--
Economic and environmental services		145 700	154 495	201 301	45 730	191 679	201 301	(9 422)	-6%	201 301
Planning and development		93 459	99 389	131 537	17 300	112 630	131 537	(18 908)	-14%	131 537
Road transport		52 241	55 106	68 263	28 042	78 861	68 263	9 598	14%	68 263
Environmental protection		--	--	500	389	389	500	(111)	-22%	500
Trading services		4 650	17 152	19 188	7 337	17 355	19 188	(1 922)	-10%	19 188
Energy sources		2 599	15 348	15 380	4 367	13 308	15 380	(2 072)	-13%	15 380
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		2 052	1 804	3 807	2 970	3 957	3 807	150	4%	3 807
Other		3 108	--	800	286	286	800	(514)	-64%	800
Total Capital Expenditure - Functional Classification	3	187 654	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Funded by										
National Government		123 194	115 052	131 661	14 863	130 437	131 661	(1 224)	-1%	131 661
Provincial Government		4 618	--	36 415	11 372	31 512	36 415	(4 903)	-13%	36 415
District Municipality		--	--	--	--	--	--	--	--	--
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 885	--	--	--	--	--	--	--	--
Transfers recognised - capital		138 668	115 052	168 076	26 235	181 949	168 076	(6 127)	-4%	168 076
Borrowing	6	1 867	7 166	7 079	3 093	6 094	7 076	(1 882)	-24%	7 076

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R215.8 million, the YTD budgeted is R230.8 million and there is 6% variance. The capital expenditure has been adjusted upwards by 32.6 million, this was for the inclusion of the upgrade for the Port Shepstone taxi rank and the construction of market stalls in Hibberdene and St Michaels Beach and implementation has begun.

5.7 Transfers and Grants Receipts



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER


**KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER
JUNE 2023**

Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Internally Funded	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 81 360 000	-	R 76 887 753		R 4 472 247
NEIGHBOURHOOD GRANT	R -	R 46 000 000	-	R 45 291 368		R 708 632
ENERGY EFFICIENT & DEMAND SIDE MANAGANEMENT		R 5 000 000	R 4 968 488			R 31 512
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 6 076 000	R 6 121 991	-	R 45 991	R -
MUNICIPAL DISASTER RESPONSE	R 8 100 000	R 11 000 000	-	R 18 642 389		R 457 611
INTERMODAL FACILITIES GRANT	R -	R 30 000 000	-	R 29 986 410		R 13 590
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	R -	R 5 332 000	R 5 005 480			R 326 520
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 1 881 727	-		R 68 273
PROVINCIALIZATION OF LIBRARY GRANT	R -	R 12 418 000	R 18 094 307	-	R 5 586 176	R -
CYBER CADET GRANT	R -	R 1 778 000	R 1 778 000	-		R -
COMMUNITY LIBRARIES GRANT (MOB)	R -	R 324 000	R 324 000	-		R -
MUSEUM GRANT	R -	R 449 000	R 2 694 120		R 2 027 223	R -
MODULAR LIBRARIES GRANT	R 272 452	R -	R 272 452	-		R 0
AIRPORT GRANT	R -	R 5 000 000		R 1 236 627		R 3 763 374
EDT-INFORMAL TRADERS GRANT	R -	R 1 000 000	R 1 000 000.00			R -
COGTA ELECT GRANT	R 784 811	R -	-	-		R 784 811
MARKET STALLS GRANT	R 7 003 970	R -	-	R 4 512 767		R 2 491 202
TOTAL	R 16 161 232	R 207 687 000	R 42 140 565	R 176 557 314	R 7 659 390	R 13 117 771

Transfers and Grants Receipts

The total grants received to date for period ending 30 June 2023 amounts to R207.7 million, which include R46 million from Neighborhood Development Grant, R5.0 million from Energy Efficiency and Demand Side Management Grant, R5.0 million from Margate Airport Grant, R81.3 million from Integrated Urban Development Grant, R11 million from Municipal Disaster Relief Grant, R5.3 million from Integrated National Electrification Programme, R 1.95 million from Financial Management Grant, R6 million from Expanded Public Works Programme, R449 thousand from Museum, R12.4 million for the provincialization of libraries, R1,8 million from community libraries. R30 million for the Intermodal facility and cyber cadet grants and R1 million from the informal traders grant.

5.8 Transfers and Grants Expenditure



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

**KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER
JUNE 2023**

Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Internally Funded	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 81 360 000	-	R 76 887 753		R 4 472 247
NEIGHBOURHOOD GRANT	R -	R 46 000 000	-	R 45 291 368		R 708 632
ENERGY EFFICIENT & DEMAND SIDE MANAGANEMENT		R 5 000 000	R 4 968 488			R 31 512
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 6 076 000	R 6 121 991	-	R 45 991	R -
MUNICIPAL DISASTER RESPONSE	R 8 100 000	R 11 000 000	-	R 18 642 389		R 457 611
INTERMODAL FACILITIES GRANT	R -	R 30 000 000	-	R 29 986 410		R 13 590
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	R -	R 5 332 000	R 5 005 480			R 326 520
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 1 881 727	-		R 68 273
PROVINCIALIZATION OF LIBRARY GRANT	R -	R 12 418 000	R 18 094 307	-	R 5 586 176	R -
CYBER CADET GRANT	R -	R 1 778 000	R 1 778 000	-		R -
COMMUNITY LIBRARIES GRANT (MOB)	R -	R 324 000	R 324 000	-		R -
MUSEUM GRANT	R -	R 449 000	R 2 694 120		R 2 027 223	R -
MODULAR LIBRARIES GRANT	R 272 452	R -	R 272 452	-		R 0
AIRPORT GRANT	R -	R 5 000 000		R 1 236 627		R 3 763 374
EDT-INFORMAL TRADERS GRANT	R -	R 1 000 000	R 1 000 000.00			R -
COGTA ELECT GRANT	R 784 811	R -	-	-		R 784 811
MARKET STALLS GRANT	R 7 003 970	R -	-	R 4 512 767		R 2 491 202
TOTAL	R 16 161 232	R 207 687 000	R 42 140 565	R 176 557 314	R 7 659 390	R 13 117 771

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 2023, Operating and Capital Expenditure has a closing balance of R13.1 million, with YTD spending of R42 million and R176.6 million, for operational grants and capital grants respectively.

Grant's expenditure

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

An amount of R81.3 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 30 June 2023 is R76.9 million and has been spent on various capital projects.

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

An amount of R6.079 million has been received for EPWP grant. This is an operational grant to pay salaries for EPWP employees and the YTD actual for the period ended 30 June 2023 is R6.122 million with an expenditure of R 46 thousand funded internally.

- **Neighborhood Development Partnership Grant**

An amount of R46 million has been received for the Neighborhood Development Partnership Grant. This is a capital grant and the YTD actual for the period ended 30 June 2023 is R45.291 million.

- **Finance Management Grant**

An amount of R 1.95 million has been received for Finance management grant. This is an operational grant and the YTD actual for the period ended 30 June 2023 is R1.881 million.

- **Municipal Disaster Relief Grant**

An amount of R 11 million has been received for the disaster relief grant with an opening amount of R 8.1 million. This is a capital grant and the YTD actual for the period ended 30 June 2023 amounts to R 18.642 against total budget of R19.1 million.

5.9 Salaries Expenditure details

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

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		23 352	28 393	28 393	2 172	26 688	28 393	(1 705)	-6%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	241	2 880	3 042	(162)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		26 249	31 434	31 434	2 414	29 567	31 434	(1 867)	-6%	31 434
% increase	4		19.8%	19.8%						19.8%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7 328	4 393	3 537	240	3 766	3 537	229	6%	3 537
Pension and UIF Contributions		80	189	192	8	145	192	(47)	-24%	192
Medical Aid Contributions		72	78	230	10	198	230	(32)	-14%	230
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	960	960	1 059	(98)	-9%	1 059
Motor Vehicle Allowance		495	1 158	964	54	838	964	(126)	-13%	964
Cellphone Allowance		109	115	114	7	87	114	(28)	-24%	114
Housing Allowances		1 425	3 488	2 774	184	2 655	2 774	(119)	-4%	2 774
Other benefits and allowances		0	0	1	0	1	1	0	2%	1
Payments in lieu of leave		239	-	332	8	326	332	(6)	-2%	332
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 615	10 481	9 203	1 472	8 977	9 203	(227)	-2%	9 203
% increase	4		-1.3%	-13.3%						-13.3%
Other Municipal Staff										
Basic Salaries and Wages		275 568	276 977	276 720	23 048	275 555	276 720	(1 164)	0%	276 720
Pension and UIF Contributions		49 183	51 553	52 154	4 185	50 765	52 154	(1 389)	-3%	52 154
Medical Aid Contributions		18 869	20 813	20 384	1 760	20 276	20 384	(108)	-1%	20 384
Overtime		18 959	14 695	19 395	1 552	21 821	19 395	2 426	13%	19 395
Performance Bonus		21 372	23 805	21 807	2 739	21 997	21 807	190	1%	21 807
Motor Vehicle Allowance		17 850	18 637	19 154	1 665	18 911	19 154	(242)	-1%	19 154
Cellphone Allowance		993	1 046	1 125	83	1 021	1 125	(104)	-9%	1 125
Housing Allowances		3 771	3 946	4 125	423	4 152	4 125	28	1%	4 125
Other benefits and allowances		5 101	3 006	6 259	414	5 444	6 259	(814)	-13%	6 259
Payments in lieu of leave		3 802	4 200	13 591	971	23 498	13 591	9 907	73%	13 591
Long service awards		5 264	2 270	2 819	194	2 715	2 819	(104)	-4%	2 819
Post-retirement benefit obligations		14 654	15 852	15 852	380	4 516	15 852	(11 336)	-72%	15 852
Sub Total - Other Municipal Staff		435 385	436 798	453 383	37 415	450 672	453 383	(2 711)	-1%	453 383
% increase	4		0.3%	4.1%						4.1%
Total Parent Municipality		472 249	478 713	494 021	41 300	489 216	494 021	(4 805)	-1%	494 021

Councillors Remuneration

An actual amount of R29.6 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R31.4 million. This indicates a variance of only R1.8 million.

Senior Managers of the Municipality

The head of departments on the municipality including the Municipal manager are classified under this subheading with a YTD actual of R8.977 million and a YTD budget of R9.203 million with the variance of R227 thousand.

Other Municipal Staff

The municipal staff year to date spending is sitting at R450.672 million against the year-to-date budget of R453.383 million with the variance of R2.711 million and the variance is caused by the unfilled posts that were budgeted for to be filled during the year.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 30 JUNE 2023



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 JUNE 2023	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 30 JUNE 2023
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	-R 3 024 802.24		-R 70 586.45		R 139 629.50	-R 2 955 759.19
DBSA	12.67%	22-Nov-30	61007761	-R 8 037 020.62		-R 253 835.09		R 414 268.04	-R 7 876 587.67
TOTAL DBSA LOANS				-R 11 061 822.86	R -	-R 324 421.54	R -	R 553 897.54	-R 10 832 346.86
TOTAL LOANS				-R 11 061 822.86	R -	-R 324 421.54	R -	R 553 897.54	-R 10 832 346.86

The municipality currently has a structured unsecured loan with the Development Bank of Southern Africa (DBSA), The Municipality entered into a loan agreement for the funding of Capital infrastructure projects. In the 2020/21 financial year the first drawdown of R3.5 million was received, as well as the second drawdown of R8.47 million and current loan balance outstanding is R10.832 million as of 30 June 2023. The municipality is still able to make loan repayments as and when they are due. The loan agreement from DBSA is spread across four years funding various capital projects.

ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

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

Receipts and Expenditure of the DBSA loan in funding the specified capital projects is as follows:

Receipts		
2020/2021	2022/2023	Total
R 3 500 000.00	R 8 476 000.00	R 11 976 000.00

- A total of **R11 976 000** has been received from 2020/2021 to 2022/2023.

DBSA LOAN RECEIPT AND EXPENDITURE RECONCILIATION				
	Expenditure 2020/2021	Expenditure 2021/2022	YTD Expenditure 2022/2023	Total Project Expenditure
Meter replacement DBSA funded	R 1 795 400.22	R 3 813 014.36	R 982 121.90	R 6 590 536.48
Network studies DBSA funded	R 390 473.20	R 495 746.10	R -	R 886 219.30
Cable Replacement DBSA funded			R -	R -
Inter switch replacements DBSA funded			R 1 735 864.21	R 1 735 864.21
Mini sub replacement DBSA funded			R 577 350.18	R 577 350.18
MEMORIAL & REYNOLDS SW/STA REFURB & REPLACE SWITCHGEAR			R -	R -
Network studies DBSA funded			R -	R -
Total Expenditure	R 2 185 873.42	R 4 308 760.46	R 3 295 336.29	R 9 789 970.17

- A total of **R9 789 970.17** has been spent on the above-mentioned capital projects, a total of **R2 186 029.83** remains unspent in the 2022/2023 financial year.

5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 June

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-1.4%	9.8%	9.8%	0.1%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		1.0%	4.0%	3.5%	2.8%	3.5%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	14.1%	14.7%	17.0%	14.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	23.9%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	182.7%	172.1%	181.7%	173.6%	181.7%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	18.1%	27.8%	18.1%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		45.4%	37.0%	52.5%	56.5%	52.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		41.2%	38.1%	40.6%	42.7%	40.6%
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		10.5%	9.8%	10.0%	0.1%	3.9%
<u>IDP regulation financial viability indicators</u>							
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 period ended 30 June 2023 and the indicators are broken down below.

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R10 832 347 as of 30 June 2023.

Liquidity

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

Budgeted Current Ratio: R553 761/R321 834 = **1.72:1**

Adjusted Budget Current Ratio: R672 729/R370 177 =**1.81:1**

Actual Current Ratio as 30 June 2023: R729 450/R420 208 = **1.73:1**

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 adjusted budget showed a 1.81:1 ratio and the actual ratio of 1.73:1 as of 30 June 2023. The ratio is performing reasonably well as it still within the expected norm.

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

Budgeted Acid test Ratio: (R 553 761 - R3 301) / R321 834 = **1.71:1**

Adjusted Budget Current Ratio: (R672 729 – R7109)/370 177 = **1.80:1**

Actual Acid test Ratio: (R729 450 – R5 494)/420 208 = **1.72:1**

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

5.12 Investment Register



RAY NKONYENI MUNICIPALITY
INVESTMENT REGISTER FOR THE PERIOD ENDING 31/05/2023

ACCOUNT NO	INVESTMENT DETAILS INSTITUTION & TYPE PROJECT NAME / DETAILS		CURRENT MONTH						YTD					
			MONTHLY	INTEREST	BANK				INVESTMENT	INTEREST	BANK	INVESTMENT	BALANCE AS AT	
			OPENING BALANCES	INVESTED 30/06/2023	CHARGES 30/06/2023	DEPOSIT 30/06/2023	WITHDRAWALS 30/06/2023	CURRENT BALANCE	BALANCES AS AT 01/07/2022		DEPOSITS	CHARGES	WITHDRAWALS	BALANCE AS AT 30/06/2023
378692984011	STANDARD BANK - CALL	LOUISIANA HSG	9 974 831.27	67 637.55	-	-	-	10 042 468.82	9 388 400.89	654 067.93	-	-	-	10 042 468.82
378692984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	642 421.56	4 356.15	-	-	-	646 777.71	604 652.95	42 124.76	-	-	-	646 777.71
378692984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 065 864.92	7 227.44	-	-	-	1 073 092.36	1 003 201.65	69 890.71	-	-	-	1 073 092.36
378692984005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	338 450.80	2 294.97	-	-	-	340 745.77	318 552.93	22 192.84	-	-	-	340 745.77
378692984006	STANDARD BANK - CALL	BHOBOYI EST-HSG	12 629.84	49.63	-	-	-	12 679.47	12 261.03	418.44	-	-	-	12 679.47
378692984007	STANDARD BANK - CALL	DAMAGED HSES	80 499.40	350.67	-	-	-	80 850.07	77 791.97	3 058.10	-	-	-	80 850.07
378692984008	STANDARD BANK - CALL	UPLANDS HSG	80 417.90	350.31	-	-	-	80 768.21	77 713.22	3 054.99	-	-	-	80 768.21
378692984009	STANDARD BANK - CALL	MKHOLOMBE HSG	1 509 415.75	10 235.08	-	-	-	1 519 650.83	1 420 675.68	98 975.15	-	-	-	1 519 650.83
378692984010	STANDARD BANK - CALL	AIDS PROJECT	150 069.65	1 017.60	-	-	-	151 087.25	141 246.91	9 840.34	-	-	-	151 087.25
378692984012	STANDARD BANK - CALL	MASINENGE HSG	33 948 494.27	379 617.97	-	-	-	34 328 112.24	32 183 664.01	2 144 448.23	-	-	-	34 328 112.24
378692984013	STANDARD BANK - CALL	KWAMAVUNDLA HSG	252 978.82	2 828.86	-	-	-	255 807.68	239 827.57	15 980.11	-	-	-	255 807.68
378692984014	STANDARD BANK - CALL	KWAXOLO HOUSING	12 013 731.47	134 339.63	-	-	-	12 148 071.10	11 389 191.33	758 879.77	-	-	-	12 148 071.10
378692984015	STANDARD BANK - CALL	KWADWALANE HOUSING	544 326.40	6 086.75	-	-	-	550 413.15	516 029.30	34 383.85	-	-	-	550 413.15
			60 614 132.05	616 392.81	-	-	-	61 230 524.86	44 328 712.21	3 857 315.42	-	-	-	61 230 524.86
74873852518	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUND)	14 050 460.41	90 935.73	-	-	-3 309 762.35	10 831 633.79	16 114 889.17	973 993.69	-	-	-6 257 249.07	10 831 633.79
			14 050 460.41	90 935.73	-	-	-3 309 762.35	10 831 633.79	16 114 889.17	973 993.69	-	-	-6 257 249.07	10 831 633.79
378692984016	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	51 186.33	572.38	-	-	-	51 758.71	48 525.35	3 233.36	-	-	-	51 758.71
378692984017	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	11 320.40	126.59	-	-	-	11 446.99	10 731.88	715.11	-	-	-	11 446.99
			62 506.73	698.97	-	-	-	63 205.70	59 257.23	3 948.47	-	-	-	63 205.70
6272614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	117 766 241.32	763 000.71	-	21 500 000.00	-132 500 000.00	7 529 242.03	47 140 857.71	8 988 402.52	767 000 000.00	-	-815 600 018.20	7 529 242.03
			117 766 241.32	763 000.71	-	21 500 000.00	-132 500 000.00	7 529 242.03	47 140 857.71	8 988 402.52	767 000 000.00	-	-815 600 018.20	7 529 242.03
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 582 903.85	23 853.31	-	-	-	3 606 757.16	3 376 881.86	229 875.30	-	-	-	3 606 757.16
			3 582 903.85	23 853.31	-	-	-	3 606 757.16	3 376 881.86	229 875.30	-	-	-	3 606 757.16
037881000791	NEDBANK	RESERVES INVESTMENT ACCOUNT	26 968 174.36	171 783.60	-	-	-	27 139 957.96	25 800 000.00	1 339 957.96	-	-	-	27 139 957.96
			26 968 174.36	171 783.60	-	-	-	27 139 957.96	25 800 000.00	1 339 957.96	-	-	-	27 139 957.96
		GRAND TOTAL RNM INVESTMENT + INTEREST	223 044 418.72	1 696 665.13	-	21 500 000.00	-135 809 762.35	110 401 321.50	136 820 598.18	15 393 493.36	767 000 000.00	-	-821 857 267.27	110 401 321.50

The Investment register as of 30 June 2023 has the closing balance of R110 million, with R15.4 million total YTD interest earned from which R8.9 million was made on primary investment and various investment accounts as shown in the above register including the housing development fund which is not a part of the interest earned shown on the statement of financial performance as this is not revenue generated for the municipality but rather interest earned on unspent housing development funds.

6.1 Monthly Budget Statement Summary

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

Description	Budget Year 2022/23								
	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	464 477	498 623	492 118	(6 283)	480 199	492 118	(11 919)	-2%	492 118
Service charges	214 942	253 618	236 691	13 055	213 390	236 691	(23 301)	-10%	236 691
Investment revenue	5 182	5 397	7 067	835	9 505	7 067	2 438	35%	7 067
Transfers and subsidies	257 076	285 102	285 279	-	277 636	285 279	(7 643)	-3%	285 279
Other own revenue	141 612	131 888	118 573	12 570	94 517	118 573	(24 055)	-20%	118 573
Total Revenue (excluding capital transfers and contributions)	1 083 288	1 174 628	1 139 727	20 177	1 075 248	1 139 727	(64 479)	-6%	1 139 727
Employee costs	446 000	447 279	462 586	38 887	459 649	462 586	(2 938)	-1%	462 586
Remuneration of Councillors	26 249	31 434	31 434	2 414	29 567	31 434	(1 867)	-6%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	-	75 168	101 619	(26 451)	-26%	101 619
Finance charges	19 931	12 922	12 902	340	1 359	12 902	(11 543)	-89%	12 902
Inventory consumed and bulk purchases	136 545	149 809	149 951	9 132	119 115	149 951	(30 837)	-21%	149 951
Transfers and subsidies	9 890	13 178	13 078	5 958	10 721	13 078	(2 357)	-18%	13 078
Other expenditure	392 589	415 344	399 128	46 152	348 524	399 128	(50 604)	-13%	399 128
Total Expenditure	1 125 063	1 171 585	1 170 699	102 681	1 044 102	1 170 699	(126 596)	-11%	1 170 699
Surplus/(Deficit)	(41 775)	3 043	(30 971)	(82 705)	31 146	(30 971)	62 117	-201%	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	193 287	-	125 477	193 287	(67 810)	-35%	193 287
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)	18 612	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 767	135 403	162 316	(82 705)	156 623	162 316	(5 693)	-4%	162 316
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 767	135 403	162 316	(82 705)	156 623	162 316	(5 693)	-4%	162 316
Capital expenditure & funds sources									
Capital expenditure	187 654	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Capital transfers recognised	138 668	115 052	168 076	26 235	161 949	168 076	(6 127)	-4%	168 076
Borrowing	1 867	7 166	7 976	3 093	6 094	7 976	(1 882)	-24%	7 976
Internally generated funds	33 256	58 521	54 704	25 625	47 806	54 704	(6 898)	-13%	54 704
Total sources of capital funds	173 791	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Financial position									
Total current assets	630 629	553 761	672 729	-	729 450	-	-	-	672 729
Total non current assets	1 987 740	1 878 708	2 116 876	-	2 128 421	-	-	-	2 116 876
Total current liabilities	345 217	321 834	370 177	-	420 208	-	-	-	370 177
Total non current liabilities	191 699	150 842	176 331	-	199 309	-	-	-	176 331
Community wealth/Equity	2 081 453	1 959 793	2 243 097	-	2 238 354	-	-	-	2 243 097
Cash flows									
Net cash from (used) operating	348 279	167 979	191 796	(35 171)	92 378	191 796	99 418	52%	191 796
Net cash from (used) investing	(185 208)	(179 130)	(237 264)	(63 910)	(243 654)	(237 264)	6 390	-3%	(237 264)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 337)	(38 876)	(4 359)	34 517	-792%	(19 098)
Cash/cash equivalents at the month/year end	270 949	112 823	67 025	-	(58 489)	81 764	140 252	172%	67 098
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	37 790	9 496	19 378	17 340	14 873	13 773	12 870	14 179	139 700
Creditors Age Analysis									
Total Creditors	6 479	-	-	-	-	-	-	-	6 479

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 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 compared to the original budget.

6.2 Statement of Financial Performance (Revenue and Expenditure)

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

Vote Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	492 118	(6 283)	480 199	492 118	(11 919)	-2%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	13 317	154 018	170 943	(16 925)	-10%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	(262)	59 372	65 748	(6 376)	-10%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	454	4 399	3 710	689	19%	3 710
Interest earned - external investments		5 182	5 397	7 067	835	9 505	7 067	2 438	35%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 101	34 645	28 719	5 927	21%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	5 586	23 971	29 658	(5 687)	-19%	29 658
Licences and permits		8 138	7 824	9 911	838	8 330	9 911	(1 580)	-16%	9 911
Agency services		4 965	4 894	6 044	550	5 363	6 044	(681)	-11%	6 044
Transfers and subsidies		257 076	285 102	285 279	-	277 636	285 279	(7 643)	-3%	285 279
Other revenue		55 569	70 013	40 531	2 041	17 808	40 531	(22 722)	-56%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 288	1 174 628	1 139 727	20 177	1 075 248	1 139 727	(64 479)	-6%	1 139 727
Expenditure By Type										
Employee related costs		446 000	447 279	462 586	38 887	459 649	462 586	(2 938)	-1%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 414	29 567	31 434	(1 867)	-6%	31 434
Debt impairment		34 456	9 984	9 984	998	7 794	9 984	(2 190)	-22%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	-	75 168	101 619	(26 451)	-26%	101 619
Finance charges		19 931	12 922	12 902	340	1 359	12 902	(11 543)	-89%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 488	107 470	137 074	(29 604)	-22%	137 074
Inventory consumed		13 825	12 735	12 878	643	11 645	12 878	(1 233)	-10%	12 878
Contracted services		213 910	244 881	230 936	19 901	202 779	230 936	(28 157)	-12%	230 936
Transfers and subsidies		9 890	13 178	13 078	5 958	10 721	13 078	(2 357)	-18%	13 078
Other expenditure		143 732	160 480	158 207	25 054	137 754	158 207	(20 453)	-13%	158 207
Losses		491	-	-	199	197	-	197	#DIV/0!	-
Total Expenditure		1 125 063	1 171 585	1 170 699	102 881	1 044 102	1 170 699	(126 596)	-11%	1 170 699
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(41 775)	3 043	(30 971)	(82 705)	31 146	(30 971)	62 117	(0)	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		146 929	132 360	193 287	-	125 477	193 287	(67 810)	(0)	193 287
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 767	135 403	162 316	(82 705)	156 623	162 316	-	-	162 316
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 767	135 403	162 316	(82 705)	156 623	162 316	-	-	162 316
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 767	135 403	162 316	(82 705)	156 623	162 316	-	-	162 316
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 767	135 403	162 316	(82 705)	156 623	162 316	-	-	162 316

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by source and expenditure by type for the period ended 30 June 2023. The full year forecast provides a guideline in terms of overall performance, and it gives an overview whether the municipality will be able to spend as per budget.

6.3 Capital Expenditure

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

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	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		--	--	--	--	--	--	--	--	--
Total Capital Multi-year expenditure	4,7	--	--	--	--	--	--	--	--	--
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		130	--	400	48	298	400	(102)	-25%	400
Vote 2 - Finance and Administration		21 374	3 075	6 125	1 368	3 973	6 125	(2 152)	-35%	6 125
Vote 3 - Internal Audit		115	185	185	80	130	185	(55)	-30%	185
Vote 4 - Community and Social Services		5 881	200	--	195	195	--	195	#DIV/0!	--
Vote 5 - Sport and Recreation		--	--	--	--	--	--	--	--	--
Vote 6 - Public Safety		7 014	5 440	2 675	(178)	1 622	2 675	(1 053)	-39%	2 675
Vote 7 - Housing		115	273	353	85	328	353	(25)	-7%	353
Vote 8 - Health		--	--	--	--	--	--	--	--	--
Vote 9 - Planning and Development		93 515	99 409	131 567	17 300	112 852	131 567	(18 916)	-14%	131 567
Vote 10 - Road Transport		51 752	55 006	68 963	28 042	78 712	68 963	9 749	14%	68 963
Vote 11 - Environment Protection		--	--	500	389	389	500	(111)	-22%	500
Vote 12 - Energy Sources		2 599	15 348	15 380	4 367	13 308	15 380	(2 072)	-13%	15 380
Vote 13 - Other		3 138	--	800	286	286	800	(514)	-64%	800
Vote 14 - Waste Water Management		--	--	--	--	--	--	--	--	--
Vote 15 - Waste Management		2 052	1 804	3 807	2 970	3 957	3 807	150	4%	3 807
Total Capital single-year expenditure	4	187 654	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Total Capital Expenditure		187 654	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Capital Expenditure - Functional Classification										
Government and administration		21 675	3 280	6 740	1 497	4 423	6 740	(2 317)	-34%	6 740
Executive and council		186	20	430	48	320	430	(110)	-26%	430
Finance and administration		21 397	3 075	6 125	1 368	3 973	6 125	(2 152)	-35%	6 125
Internal audit		92	185	185	80	130	185	(55)	-30%	185
Community and public safety		12 521	5 813	2 728	101	1 995	2 728	(732)	-27%	2 728
Community and social services		5 881	200	--	195	195	--	195	#DIV/0!	--
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		6 525	5 340	2 375	(178)	1 473	2 375	(902)	-38%	2 375
Housing		115	273	353	85	328	353	(25)	-7%	353
Health		--	--	--	--	--	--	--	--	--
Economic and environmental services		145 700	154 495	201 301	45 730	191 679	201 301	(9 422)	-5%	201 301
Planning and development		93 499	99 389	131 537	17 300	112 630	131 537	(18 908)	-14%	131 537
Road transport		52 241	55 106	68 263	28 042	78 861	68 263	9 598	14%	68 263
Environmental protection		--	--	500	389	389	500	(111)	-22%	500
Trading services		4 650	17 152	19 188	7 337	17 265	19 188	(1 922)	-10%	19 188
Energy sources		2 599	15 348	15 380	4 367	13 308	15 380	(2 072)	-13%	15 380
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		2 052	1 804	3 807	2 970	3 957	3 807	150	4%	3 807
Other		3 138	--	800	286	286	800	(514)	-64%	800
Total Capital Expenditure - Functional Classification	3	187 654	180 739	230 756	54 952	215 849	230 756	(14 907)	-6%	230 756
Funded by:										
National Government		129 154	115 052	131 661	14 863	130 437	131 661	(1 224)	-1%	131 661
Provincial Government		4 618	--	36 415	11 372	31 512	36 415	(4 903)	-13%	36 415
District Municipality		--	--	--	--	--	--	--	--	--
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 885	--	--	--	--	--	--	--	--
Transfers recognised - capital		138 668	115 052	168 076	26 235	161 949	168 076	(6 127)	-4%	168 076
Borrowing	6	1 867	7 196	7 576	3 093	6 094	7 976	(1 882)	-24%	7 976

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 30 June 2023.

6.4 Statement Cash Flow

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		437 643	468 731	441 404	16 196	462 134	441 404	20 730	5%	441 404
Service charges		212 962	228 256	213 022	17 163	232 461	213 022	19 439	9%	213 022
Other revenue		228 121	44 677	47 718	19 694	85 791	47 718	38 074	80%	47 718
Transfers and Subsidies - Operational		314 043	341 677	312 796	104	291 716	312 796	(21 079)	-7%	312 796
Transfers and Subsidies - Capital		159 345	132 360	178 233	-	184 599	178 233	6 366	4%	178 233
Interest		1 520	5 397	7 047	764	8 992	7 047	1 945	28%	7 047
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(998 105)	(1 027 019)	(982 325)	(88 767)	(1 171 993)	(982 325)	189 668	-19%	(982 325)
Finance charges		(336)	(12 922)	(12 922)	(324)	(1 324)	(12 922)	(11 598)	90%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(13 178)	(13 178)	100%	(13 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES		348 279	167 979	191 796	(35 171)	92 378	191 796	99 418	52%	191 796
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(185 208)	(179 130)	(237 264)	(63 910)	(243 654)	(237 264)	6 390	-3%	(237 264)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(185 208)	(179 130)	(237 264)	(63 910)	(243 654)	(237 264)	6 390	-3%	(237 264)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	7 976	7 976	-	-	7 976	(7 976)	-100%	7 976
Increase (decrease) in consumer deposits		807	1 412	1 412	294	2 467	(40 822)	43 289	-106%	1 412
Payments										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 631)	(41 344)	28 486	69 830	245%	(28 486)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(35 009)	(19 098)	(19 098)	(3 337)	(38 876)	(4 359)	34 517	-792%	(19 098)
NET INCREASE/ (DECREASE) IN CASH HELD		128 063	(30 248)	(64 566)	(102 417)	(190 153)	(49 827)			(64 566)
Cash/cash equivalents at beginning:		142 886	143 072	131 591		131 664	131 591			131 664
Cash/cash equivalents at month/year end:		270 949	112 823	67 025		(58 489)	81 764			67 098

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 30 June 2023, cash from operating activities actual to date is 52% less than the budgeted YTD due to payments to suppliers and employees. The fluctuation in payments to suppliers is affected by timing of the suppliers' invoicing to the municipality which has an impact on the municipality's cash coverage. Property Rates and Service Charges are in line with the cash flow projections.

6.5 Statement financial Position

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

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		10 470	(6 528)	(54 169)	20 099	(54 169)
Call investment deposits		121 194	122 051	121 194	96 770	121 194
Consumer debtors		310 244	294 403	378 989	365 780	378 989
Other debtors		181 663	140 390	219 606	241 307	219 606
Current portion of long-term receivables		-	143	-	-	-
Inventory		7 058	3 301	7 109	5 494	7 109
Total current assets		630 629	553 761	672 729	729 450	672 729
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		307 811	205 741	307 811	307 811	307 811
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 676 867	1 668 460	1 805 164	1 817 930	1 805 164
Biological		-	-	-	-	-
Intangible		857	2 436	1 697	475	1 697
Other non-current assets		2 205	2 071	2 205	2 205	2 205
Total non current assets		1 987 740	1 878 708	2 116 876	2 128 421	2 116 876
TOTAL ASSETS		2 618 369	2 432 469	2 789 605	2 857 871	2 789 605
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		14 580	1 378	10 798	(26 763)	10 798
Consumer deposits		32 846	33 452	34 258	35 313	34 258
Trade and other payables		257 696	247 979	285 027	350 371	285 027
Provisions		40 094	39 025	40 094	61 287	40 094
Total current liabilities		345 217	321 834	370 177	420 208	370 177
Non current liabilities						
Borrowing		49 160	26 734	33 792	56 770	33 792
Provisions		142 539	124 108	142 539	142 539	142 539
Total non current liabilities		191 699	150 842	176 331	199 309	176 331
TOTAL LIABILITIES		536 916	472 676	546 508	619 517	546 508
NET ASSETS	2	2 081 453	1 959 793	2 243 097	2 238 354	2 243 097
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 081 453	1 848 149	2 243 097	2 238 354	2 243 097
Reserves		-	111 644	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 081 453	1 959 793	2 243 097	2 238 354	2 243 097

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 30 June 2023. Total assets are R2.2 billion over the total liabilities, this indicates that the municipality can cover its financial obligations.