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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 JULY 2023 (M01)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/2024 BUDGET FOR THE PERIOD ENDING 31 July 2023

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2023/24 Budget of the Ray Nkonyeni Municipality for the period ending 31 July 2024 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 31 July 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
- 5.5 Creditors Age Analysis
- 5.6 Capital Expenditure
- 5.7 Transfers and Grants Receipts
- 5.8 Transfers and Grants Expenditure
- 5.9 Salaries Expenditure
- 5.10 Long-term Loans
- 5.11 Performance Indicators
- 5.12 Investment Register

6. MAIN TABLES

6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

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5.1 Monthly Budget Statement of Financial Performance

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

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M01 - July

Description	2022/23	Budget Year 2023/24							
	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	509 406	-	45 042	45 042	46 310	(1 268)	-3%	509 406
Service charges	214 942	245 147	-	20 850	20 850	20 904	(54)	-0%	245 147
Investment revenue	5 182	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	5 182	8 511	-	1 216	1 216	709	507	71%	8 511
Other own revenue	393 506	488 043	-	123 433	123 433	40 670	82 763	203%	-
Total Revenue (excluding capital transfers and contributions)	1 083 288	1 251 108	-	190 541	190 541	108 593	81 948	75%	1 251 108
Employee costs	446 000	483 929	-	38 461	38 461	112	38 350	-	483 929
Remuneration of Councillors	26 249	31 164	-	2 414	2 414	-	2 414	-	31 164
Depreciation and amortisation	93 889	104 756	-	-	-	8 872	(8 872)	-	104 756
Interest	19 931	9 958	-	0	0	808	(808)	-	9 958
Inventory consumed and bulk purchases	136 545	168 819	-	390	390	900	(510)	-	168 819
Transfers and subsidies	9 890	13 838	-	941	941	168	773	459%	13 838
Other expenditure	392 589	440 726	-	24 830	24 830	19 550	5 280	27%	440 726
Total Expenditure	1 125 084	1 253 191	-	67 036	67 036	30 409	36 627	120%	1 253 191
Surplus/(Deficit)	(41 805)	(2 083)	-	123 505	123 505	78 184	45 321	58%	(2 083)
Transfers and subsidies - capital (monetary allocations)	158 945	109 848	-	-	-	9 154	(9 154)	-100%	109 848
Transfers and subsidies - capital (in-kind)	6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	123 736	107 765	-	123 505	123 505	87 338	36 167	41%	107 765
Surplus/ (Deficit) for the year	123 736	107 765	-	123 505	123 505	87 338	36 167	41%	107 765
Capital expenditure & funds sources									
Capital expenditure	211 155	154 893	-	8 910	8 910	496	8 414	1668%	154 893
Capital transfers recognised	141 092	95 520	-	8 338	8 338	-	8 338	#DIV/0!	95 520
Borrowing	1 867	21 452	-	-	-	-	-	-	21 452
Internally generated funds	33 256	37 921	-	571	571	496	76	15%	37 921
Total sources of capital funds	176 215	154 893	-	8 910	8 910	496	8 414	1668%	154 893
Financial position									
Total current assets	630 698	645 023	-	-	720 848	-	-	-	645 023
Total non current assets	2 022 983	2 037 876	-	-	2 167 269	-	-	-	2 037 876
Total current liabilities	345 874	335 379	-	-	290 397	-	-	-	335 379
Total non current liabilities	191 699	158 975	-	-	194 143	-	-	-	158 975
Community wealth/Equity	2 116 139	2 188 546	-	-	2 403 576	-	-	-	2 188 546
Cash flows									
Net cash from (used) operating	86 106	86 106	-	126 926	126 926	60 027	(66 899)	-111%	86 106
Net cash from (used) investing	(168 358)	(168 358)	-	(13 176)	(13 176)	152 361	165 537	109%	(168 358)
Net cash from (used) financing	(18 414)	(18 414)	-	(3 286)	(3 286)	152 361	155 647	102%	(18 414)
Cash/cash equivalents at the month/year end	30 925	30 925	-	-	110 465	496 340	385 876	78%	(100 666)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dye-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	59 786	28 261	5 169	16 787	16 004	14 041	13 111	401 969	555 129
Debtors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

5.2 Financial Performance -Revenue by Source

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 - July

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		157 558	182 436	-	15 132	15 132	15 203	(71)	(0)	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		57 384	62 711	-	5 718	5 718	5 701	17	0	62 711
Sale of Goods and Rendering of Services		53 502	9 571	-	456	456	798	(342)	(0)	9 571
Agency services		4 965	5 371	-	516	516	448	68	0	5 371
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 554	6 982	-	592	592	582	11	0	6 982
Interest from Current and Non Current Assets		5 182	8 511	-	1 216	1 216	709	507	0	8 511
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		3 897	3 498	-	336	336	291	45	0	3 498
Licence and permits		269	636	-	51	51	53	(2)	(0)	636
Operational Revenue		2 067	1 106	-	40	40	92	(53)	(0)	1 106
Non-Exchange Revenue										
Property rates		454 477	509 406	-	45 042	45 042	46 310	(1 268)	(0)	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	31 062	-	7	7	2 588	(2 581)	(0)	31 062
Licence and permits		7 870	9 628	-	55	55	802	(747)	(0)	9 628
Transfers and subsidies - Operational		257 076	390 026	-	118 912	118 912	32 502	86 409	0	390 026
Interest		25 602	30 164	-	2 468	2 468	2 514	(45)	(0)	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		0	-	-	-	-	-	-	-	-
Other Gains		7 697	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 288	1 251 108	-	190 541	190 541	108 593	81 948	75%	1 251 108
Expenditure By Type										
Employee related costs		446 000	483 929	-	38 461	38 461	112	38 350	0	483 929
Remuneration of councillors		26 249	31 164	-	2 414	2 414	-	2 414	#DIV/0!	31 164
Bulk purchases - electricity		122 720	158 320	-	-	-	-	-	-	158 320
Inventory consumed		13 825	10 499	-	390	390	900	(510)	(0)	10 499
Debt impairment		23 235	-	-	-	-	-	-	-	-
Depreciation and amortisation		93 889	104 756	-	-	-	8 872	(8 872)	(0)	104 756
Interest		19 931	9 958	-	0	0	808	(808)	(0)	9 958
Contracted services		213 910	273 776	-	11 518	11 518	11 157	361	0	273 776
Transfers and subsidies		9 890	13 838	-	941	941	168	773	0	13 838
Irrecoverable debts written off		11 221	10 513	-	105	105	876	(771)	(0)	10 513
Operational costs		143 732	156 437	-	13 207	13 207	7 517	5 690	0	156 437
Losses on Disposal of Assets		491	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1 125 094	1 253 191	-	67 036	67 036	30 409	36 627	120%	1 253 191
Surplus/(Deficit)		(41 805)	(2 083)	-	123 505	123 505	78 184	45 321	0	(2 083)
Transfers and subsidies - capital (monetary allocations)		158 945	109 848	-	-	-	9 154	(9 154)	(0)	109 848
Transfers and subsidies - capital (in-kind)		6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 736	107 765	-	123 505	123 505	87 338			107 765
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		123 736	107 765	-	123 505	123 505	87 338			107 765
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 736	107 765	-	123 505	123 505	87 338			107 765
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		123 736	107 765	-	123 505	123 505	87 338			107 765

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

Revenue

This table provides an overview of the monthly actual, year to date actual and year to date Budget of Exchange and Non-Exchange Revenue and details explained below.

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 - July

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		157 558	182 436	-	15 132	15 132	15 203	(71)	(0)	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		57 384	62 711	-	5 718	5 718	5 701	17	0	62 711
Sale of Goods and Rendering of Services		53 502	9 571	-	456	456	798	(342)	(0)	9 571
Agency services		4 965	5 371	-	516	516	448	68	0	5 371
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 554	6 982	-	592	592	582	11	0	6 982
Interest from Current and Non Current Assets		5 182	8 511	-	1 216	1 216	709	507	0	8 511
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		3 897	3 498	-	336	336	291	45	0	3 498
Licence and permits		269	636	-	51	51	53	(2)	(0)	636
Operational Revenue		2 067	1 106	-	40	40	92	(53)	(0)	1 106
Non-Exchange Revenue										
Property rates		464 477	509 406	-	45 042	45 042	46 310	(1 268)	(0)	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	31 062	-	7	7	2 588	(2 581)	(0)	31 062
Licence and permits		7 870	9 628	-	55	55	802	(747)	(0)	9 628
Transfers and subsidies - Operational		257 076	390 026	-	118 912	118 912	32 502	86 409	0	390 026
Interest		25 602	30 164	-	2 468	2 468	2 514	(45)	(0)	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		0	-	-	-	-	-	-	-	-
Other Gains		7 697	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 288	1 251 108	-	190 541	190 541	108 593	81 948	75%	1 251 108

Property Rates

Property rates comprise of multiple categories under the jurisdiction of Ray Nkonyeni Municipality, the bulk revenue is billed on three categories: Residential properties, Business and Commercial properties as well as State owned properties. The annual budget for Property rates is R509,4 million and The YTD actual billing is R43.12 million, compared to the YTD budget of R45 million. There is a R1.3 million variance.

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 31 July 2023 is R15.1 million while the YTD Budget is R 15.2 million. There is a variance of R71 thousand between the YTD actual and YTD budget. The YTD actual is in line with the budget.

Refuse Revenue

The overall YTD actual billing for refuse removals is R5.72 million and the YTD Budget billing is R5.70 million, with YTD variance of R17 thousand.

Interest earned on arrear debtors

The interest charged on arrear debtors to date is R2.47 million, 45 thousand less compared to the YTD budget of R2.5 million. The YTD Actual is in line with the YTD budget.

Agency Services

Agency services comprise of driver's license application, learners license application and renewal fees, this is the commission earned by the municipality on the services performed by the municipality on behalf of the Department of transport and third parties on payroll section. The annual projected revenue is R5.4 million, with the YTD actual of R516 thousand showing a 68 thousand variance. YTD Actual is in line with revenue projections.

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 R31 million. The YTD actual is R7 thousand compared to a YTD budget of R2.6 million there is a large variance which is a result of the billing-of fines being less than expected.

Exchange Revenue - Licenses and Permits

Licenses and permits for exchange revenue actuals to date amounts to R51 thousand with a YTD budget of R53 thousand and there is a 2 thousand variance against. This shows that the revenue is in line with revenue projections.

Non-Exchange Revenue – Licenses and Permits

Licenses and permits for non-exchange revenue actuals to date amount to R55 thousand with a YTD budget of 802 thousand. The YTD actual mainly comprises of public driver permits and taxi rank fees.

Rental of Facilities

Rental of facilities amounts annual budget is R3.5 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 R336 thousand compared to a YTD budget, resulting to a 45 thousand positive variance. This indicates that more rental revenue was collected as anticipated.

Total Revenue

The YTD Actual revenue excluding capital transfers is R 190.5 million for the period ending 31 July 2023, YTD Budget is R108.6 million, the variance is caused by the differences within the different revenue streams and how they have been performing.

5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 - July

Description	Ref	Budget Year 2023/24								
		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	483 929	-	38 461	38 461	112	38 350	0	483 929
Remuneration of councillors		26 249	31 164	-	2 414	2 414	-	2 414	#DIV/0!	31 164
Bulk purchases - electricity		122 720	158 320	-	-	-	-	-		158 320
Inventory consumed		13 825	10 499	-	390	390	900	(510)	(0)	10 499
Debt impairment		23 235	-	-	-	-	-	-		-
Depreciation and amortisation		93 889	104 756	-	-	-	8 872	(8 872)	(0)	104 756
Interest		19 931	9 958	-	0	0	808	(808)	(0)	9 958
Contracted services		213 910	273 776	-	11 518	11 518	11 157	361	0	273 776
Transfers and subsidies		9 890	13 838	-	941	941	168	773	0	13 838
Irrecoverable debts written off		11 221	10 513	-	105	105	876	(771)	(0)	10 513
Operational costs		143 732	156 437	-	13 207	13 207	7 517	5 690	0	156 437
Losses on Disposal of Assets		491	-	-	-	-	-	-		-
Other Losses		-	-	-	-	-	-	-		-
Total Expenditure		1 125 094	1 253 191	-	67 036	67 036	30 409	36 627	120%	1 253 191

Employee related costs and Remuneration of Councillors

The YTD actuals for employee related costs amount to R38.5 million as of 31 July 2023 which comprises of salaries, bonuses and various allowances amongst other items that are directly attributable to employee remuneration.. Remuneration of councillors YTD actuals are sitting at R 2.4 million. 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 Repairs and maintenance and typical work stream. Contracted services YTD actuals for the period ended 31 July 2023 amounts to R11.5 million, the YTD Budget is R11.2 million.

Inventory Consumed

YTD Inventory consumed amounts to R390 thousand as of 31 July 2023 with the YTD Budget being R900 thousand. There is less consumption of stationery and stores since this is the beginning of the year.

Depreciation and Amortization

The figure for depreciation and amortization has not yet been finalized for the month of July 2023 due to the compilation of financial statements for the year under assessment.

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 YTD actual for July 2023 stands at R941 thousand with a YTD budget of R168 thousand. The annual budget for transfers and subsidies is R13.8 million.

Overall expenditure budget

The overall expenditure YTD Actual is R67 million as of 31 July 2023, YTD Budget is R30.4 million. There is R36 million variance, due to the trends of different types of expenditure as explained above such as transfers and subsidies and operational costs which reflect a large variance compared to YTD budget.

Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R123.5 million compared to the YTD Budget surplus of R78.2 million due to budget spread over the months.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 - July

Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.To Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-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	32	32	19	35	34	35	35	809	1 031	948	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	17 182	6 917	1 873	1 160	936	869	640	16 292	45 869	19 897	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	33 931	1 598	150	10 637	9 417	8 692	8 008	242 998	315 430	279 752	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	-	-
Receivables from Exchange Transactions - Waste Management	1600	4 882	18	4	1 638	1 637	1 508	1 397	47 830	59 114	54 210	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	3 029	19 413	3 080	3 013	2 922	2 853	2 771	84 075	121 125	95 634	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	731	283	74	105	1 057	84	261	9 964	12 559	11 472	-	-
Total By Income Source	2000	59 786	28 261	5 169	16 787	16 004	14 041	13 111	401 969	555 129	461 912	-	-
2022/23 - totals only		66 130	8 890	4 295	15 062	13 923	12 713	55 864	326 294	503 171	423 855	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 631	1 218	662	751	792	714	668	39 178	46 615	42 103	-	-
Commercial	2300	23 529	7 736	1 398	3 702	3 193	3 102	2 773	70 146	115 578	82 916	-	-
Households	2400	33 626	19 307	3 109	12 334	12 019	10 225	9 670	292 645	392 936	336 893	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	59 786	28 261	5 169	16 787	16 004	14 041	13 111	401 969	555 129	461 912	-	-

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

5.5 Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 - July

Description	NT Code	Budget Year 2023/24								
		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	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-

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) - M01 - July

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		39 432	4 001	-	-	-	17	(17)	-100%	4 001
Executive and council		186	-	-	-	-	-	-	-	-
Finance and administration		39 154	3 801	-	-	-	-	-	-	3 801
Internal audit		92	200	-	-	-	17	(17)	(0)	200
Community and public safety		14 454	4 520	-	571	571	376	196	52%	4 520
Community and social services		7 814	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	4 340	-	571	571	376	196	0	4 340
Housing		115	180	-	-	-	-	-	-	180
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		151 330	122 920	-	8 338	8 338	62	8 277	13421%	122 920
Planning and development		98 922	115 220	-	8 338	8 338	-	8 338	#DIV/0!	115 220
Road transport		52 408	7 200	-	-	-	20	(20)	(0)	7 200
Environmental protection		-	500	-	-	-	42	(42)	(0)	500
Trading services		2 831	23 452	-	-	-	42	(42)	-100%	23 452
Energy sources		2 599	22 952	-	-	-	-	-	-	22 952
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		232	500	-	-	-	42	(42)	(0)	500
Other		3 108	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	211 155	154 893	-	8 910	8 910	496	8 414	1698%	154 893
Funded by:										
National Government		123 508	93 781	-	8 338	8 338	-	8 338	#DIV/0!	93 781
Provincial Government		6 699	1 739	-	-	-	-	-	-	1 739
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat./ Prov Departm Agencies,		10 885	-	-	-	-	-	-	-	-
Transfers recognised - capital		141 092	95 520	-	8 338	8 338	-	8 338	#DIV/0!	95 520
Borrowing	6	1 867	21 452	-	-	-	-	-	-	21 452
Internally generated funds		33 256	37 921	-	571	571	496	76	0	37 921
Total Capital Funding		176 215	154 893	-	8 910	8 910	496	8 414	1698%	154 893

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R8.9 million, the YTD budgeted is R496 thousand and there is R8.4 million variance. The R8.9 million of YTD actuals for capital expenditure, R8.3 million is funded by national grants, and R571 thousand from internally generated funds.

5.7 Transfers and Grants Receipts



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER JULY 2023					
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 35,500,000	R -	R 6,711,196	R 28,788,804
NEIGHBOURHOOD GRANT	R -	R 14,292,000	R -	R 2,880,175	R 11,411,825
TOTAL	R -	R 49,792,000	R -	R 9,591,371	R 40,200,629

Transfers and Grants Receipts

The total grants received to date for period ending 31 July 2023 amounts to R49.8 million, which include R35.5 million from Integrated Urban Development Grant, R14.3 million from Neighbourhood Development Grant.

5.8 Transfers and Grants Expenditure



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER JULY 2023					
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 35,500,000	R -	R 6,711,196	R 28,788,804
NEIGHBOURHOOD GRANT	R -	R 14,292,000	R -	R 2,880,175	R 11,411,825
TOTAL	R -	R 49,792,000	R -	R 9,591,371	R 40,200,629

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 July 2023, there is no operating expenditure recorded but there is capital expenditure amounting to R9 591 371 for both integrated Urban Development and Neighbourhood Grant.

Grant's expenditure

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

An amount of R35.5 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 31 July 2023 is R6.7 million and has been spent on various capital projects.

- **Neighbourhood Development Partnership Grant**

An amount of R14.3 million has been received for the Neighbourhood Development Partnership Grant together with an unspent amount of R1.2 million from the previous year which the municipality needs to apply for rollover. This is a capital grant and the YTD actual for the period ended 31 July 2023 is R2.9 million.

5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 - July

Summary of Employee and Councillor remuneration	Ref	Budget Year 2023/24								
		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		-	19 040	-	1 392	1 392	-	1 392	#DIV/0!	19 040
Pension and UIF Contributions		-	758	-	63	63	-	63	#DIV/0!	758
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	2 815	-	241	241	-	241	#DIV/0!	2 815
Housing Allowances		-	5 953	-	489	489	-	489	#DIV/0!	5 953
Other benefits and allowances		-	2 599	-	228	228	-	228	#DIV/0!	2 599
Sub Total - Councillors		-	31 164	-	2 414	2 414	-	2 414	#DIV/0!	31 164
% increase	4		#DIV/0!							#DIV/0!
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7 328	3 946	-	568	568	-	568	#DIV/0!	3 946
Pension and UIF Contributions		80	192	-	8	8	-	8	#DIV/0!	192
Medical Aid Contributions		72	230	-	10	10	-	10	#DIV/0!	230
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	-	-	-	-	-	-	1 059
Motor Vehicle Allowance		495	1 060	-	54	54	-	54	#DIV/0!	1 060
Cellphone Allowance		109	114	-	7	7	-	7	#DIV/0!	114
Housing Allowances		1 425	3 275	-	199	199	-	199	#DIV/0!	3 275
Other benefits and allowances		0	1	-	0	0	-	0	#DIV/0!	1
Payments in lieu of leave		239	332	-	(178)	(178)	-	(178)	#DIV/0!	332
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 615	10 209	-	668	668	-	668	#DIV/0!	10 209
% increase	4		-3.8%							-3.8%
Other Municipal Staff										
Basic Salaries and Wages		274 958	289 060	-	24 086	24 086	112	23 975	21469%	289 060
Pension and UIF Contributions		49 382	50 460	-	4 382	4 382	-	4 382	#DIV/0!	50 460
Medical Aid Contributions		18 869	20 668	-	1 747	1 747	-	1 747	#DIV/0!	20 668
Overtime		18 959	18 985	-	1 484	1 484	-	1 484	#DIV/0!	18 985
Performance Bonus		21 372	22 473	-	1 480	1 480	-	1 480	#DIV/0!	22 473
Motor Vehicle Allowance		17 850	18 975	-	1 691	1 691	-	1 691	#DIV/0!	18 975
Cellphone Allowance		993	1 007	-	89	89	-	89	#DIV/0!	1 007
Housing Allowances		3 771	4 059	-	282	282	-	282	#DIV/0!	4 059
Other benefits and allowances		4 903	6 038	-	403	403	-	403	#DIV/0!	6 038
Payments in lieu of leave		3 802	22 480	-	1 247	1 247	-	1 247	#DIV/0!	22 480
Long service awards		5 264	2 751	-	470	470	-	470	#DIV/0!	2 751
Post-retirement benefit obligations		14 654	15 852	-	383	383	-	383	#DIV/0!	15 852
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		609	912	-	48	48	-	48	#DIV/0!	912
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		435 385	473 720	-	37 794	37 794	112	37 682	33744%	473 720
% increase	4		8.8%							8.8%
Total Parent Municipality		446 000	515 094	-	40 875	40 875	112	40 783	36503%	515 094

Councillors Remuneration

The remuneration of councillors actuals to date is R2.4 million with an identical variance since there is no TYD Budget for this item as it budgeted from the month of August.

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 R568 thousand and it does not yet have an allocation as per budget allocations.

Other Municipal Staff

The municipal staff year to date spending is sitting at R24 million.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 31 July 2023



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 July 2023	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 31 July 2023
				R				R	R
DBSA	9.38%	31-Mar-31	61007684	-R 2,955,759.19	-R 7,976,000.00				-R 10,931,759.19
DBSA	12.87%	22-Nov-30	61007781	-R 7,876,587.67					-R 7,876,587.67
TOTAL DBSA LOANS				-R 10,832,346.86	-R 7,976,000.00	R -	R -	R -	-R 18,808,346.86
TOTAL LOANS				-R 10,832,346.86	-R 7,976,000.00	R -	R -	R -	-R 18,808,346.86

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 R18.8 million as of 31 July 2023. The municipality is still able to make loan repayments as and when they fall due. The capital projects funded by borrowings in the 2023/24 financial year have been funded by a portion of unspent borrowing and internally generated funds. The loan agreement from DBSA is spread across four years funding various capital projects the application was made at the end of last financial year and was received on the 1st month of the financial year.

ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

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

5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M01 - July

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Actual	Original Budget	Revised Budget	YearTD actual	Full Year
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.1%	9.2%	0.0%	0.0%	3.3%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.9%	13.8%	0.0%	0.0%	240.8%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		16.5%	14.0%	0.0%	16.3%	14.0%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	182.3%	192.3%	0.0%	248.2%	192.3%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	12.1%	0.0%	77.7%	12.1%
<u>Revenue Management</u>							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		35.5%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		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%	38.7%	0.0%	20.2%	38.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.1%	15.5%	0.0%	2.9%	15.5%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.5%	9.2%	0.0%	0.0%	3.3%
<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						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational						

The above table gives an overview of the financial indicators of the municipality for the period ended 31 July 2023 and the indicators are broken down below.

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R18 808 346.86 as of 31 July 2023.

Liquidity

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

Budgeted Current Ratio: 645 023 000/335 379 000= **1.92:1**

Actual Current Ratio as 31 July 2022: R 720 808 000/ R290 397 000= **2.48:1**

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 R1.92: R1 ratio and the actual ratio as of 31 July 2023 is R2.48:R1 which is still above the norm.

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

Budgeted Acid test Ratio: (R645 023 000 - R2 559 000)/R335 379 000 = **1.91:1**

Actual Acid test Ratio as 31 July 2022: (R720 808 000 – R6 098 000) / R290 397 000 = **2.46:1**

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

5.12 Investment Register

KZN216 Ray Nkonyeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 - July

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
STANDARD BANK - CALL -378692984011										10 042	70			10 113
STANDARD BANK - CALL -378692984003										847	5			851
STANDARD BANK - CALL -378692984004										1 073	8			1 081
STANDARD BANK - CALL -378692984005										341	2			343
STANDARD BANK - CALL -378692984006										13	0			13
STANDARD BANK - CALL -378692984007										81	0			81
STANDARD BANK - CALL -378692984008										81	0			81
STANDARD BANK - CALL -378692984009										1 520	11			1 530
STANDARD BANK - CALL -378692984010										151	1			152
STANDARD BANK - CALL -378692984012										34 328	241			34 569
STANDARD BANK - CALL -378692984013										256	2			258
STANDARD BANK - CALL -378692984014										12 148	85			12 233
STANDARD BANK - CALL -378692984015										550	4			554
INVESTEC - CALL-74873852518										10 832	74			10 905
STANDARD BANK-CALL-378692984016										52	0			52
STANDARD BANK-CALL-378692984017										11	0			12
FNB - CALL-62726614151										7 529	944	(72 500)	180 000	115 973
FNB-74873852518										3 607	25			3 632
NEDBANK-37881000791										27 140	179			27 319
Municipality sub-total										110 401	1 650	(72 500)	180 000	219 551

The Investment register as of 31 July 2023 has the closing balance of R219.6 million, with R659 thousand total interest earned for the month from which R1.69 million was made on primary investment and various investment accounts as shown in the above register.

6.1 Monthly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M01 - July

Description	2022/23	Budget Year 2023/24							
	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	509 406	–	45 042	45 042	46 310	(1 268)	-3%	509 406
Service charges	214 942	245 147	–	20 850	20 850	20 904	(54)	-0%	245 147
Investment revenue	5 182	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	5 182	8 511	–	1 216	1 216	709	507	71%	8 511
Other own revenue	393 506	488 043	–	123 433	123 433	40 670	82 763	203%	–
Total Revenue (excluding capital transfers and contributions)	1 083 288	1 251 108	–	190 541	190 541	108 593	81 948	75%	1 251 108
Employee costs	446 000	483 929	–	38 461	38 461	112	38 350	–	483 929
Remuneration of Councillors	26 249	31 164	–	2 414	2 414	–	2 414	–	31 164
Depreciation and amortisation	93 889	104 756	–	–	–	8 872	(8 872)	–	104 756
Interest	19 931	9 958	–	0	0	808	(808)	–	9 958
Inventory consumed and bulk purchases	136 545	168 819	–	390	390	900	(510)	–	168 819
Transfers and subsidies	9 890	13 838	–	941	941	168	773	459%	13 838
Other expenditure	392 589	440 726	–	24 830	24 830	19 550	5 280	27%	440 726
Total Expenditure	1 125 094	1 253 191	–	67 036	67 036	30 409	36 627	120%	1 253 191
Surplus/(Deficit)	(41 805)	(2 083)	–	123 505	123 505	78 184	45 321	58%	(2 083)
Transfers and subsidies - capital (monetary allocations)	158 945	109 848	–	–	–	9 154	(9 154)	-100%	109 848
Transfers and subsidies - capital (in-kind)	6 597	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers &	123 736	107 765	–	123 505	123 505	87 338	36 167	41%	107 765
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	123 736	107 765	–	123 505	123 505	87 338	36 167	41%	107 765
Capital expenditure & funds sources									
Capital expenditure	211 155	154 893	–	8 910	8 910	496	8 414	1698%	154 893
Capital transfers recognised	141 092	95 520	–	8 338	8 338	–	8 338	#DIV/0!	95 520
Borrowing	1 867	21 452	–	–	–	–	–	–	21 452
Internally generated funds	33 256	37 921	–	571	571	496	76	15%	37 921
Total sources of capital funds	176 215	154 893	–	8 910	8 910	496	8 414	1698%	154 893
Financial position									
Total current assets	630 698	645 023	–	–	720 848	–	–	–	645 023
Total non current assets	2 022 983	2 037 876	–	–	2 167 269	–	–	–	2 037 876
Total current liabilities	345 874	335 379	–	–	290 397	–	–	–	335 379
Total non current liabilities	191 699	158 975	–	–	194 143	–	–	–	158 975
Community wealth/Equity	2 116 139	2 188 546	–	–	2 403 576	–	–	–	2 188 546
Cash flows									
Net cash from (used) operating	86 106	86 106	–	126 926	126 926	60 027	(66 899)	-111%	86 106
Net cash from (used) investing	(168 358)	(168 358)	–	(13 176)	(13 176)	152 361	165 537	109%	(168 358)
Net cash from (used) financing	(18 414)	(18 414)	–	(3 286)	(3 286)	152 361	155 647	102%	(18 414)
Cash/cash equivalents at the month/year end	30 925	30 925	–	–	110 465	496 340	385 876	78%	(100 666)
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	59 786	28 261	5 169	16 787	16 004	14 041	13 111	401 969	555 129
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

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) - M01 - July

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		157 558	182 436	-	15 132	15 132	15 203	(71)	(0)	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		57 384	62 711	-	5 718	5 718	5 701	17	0	62 711
Sale of Goods and Rendering of Services		53 502	9 571	-	456	456	798	(342)	(0)	9 571
Agency services		4 965	5 371	-	516	516	448	68	0	5 371
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5 554	6 982	-	592	592	582	11	0	6 982
Interest from Current and Non Current Assets		5 182	8 511	-	1 216	1 216	709	507	0	8 511
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		3 897	3 498	-	336	336	291	45	0	3 498
Licence and permits		269	636	-	51	51	53	(2)	(0)	636
Operational Revenue		2 067	1 106	-	40	40	92	(53)	(0)	1 106
Non-Exchange Revenue										
Property rates		464 477	509 406	-	45 042	45 042	46 310	(1 268)	(0)	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	31 062	-	7	7	2 588	(2 581)	(0)	31 062
Licence and permits		7 870	9 628	-	55	55	802	(747)	(0)	9 628
Transfers and subsidies - Operational		257 076	390 026	-	118 912	118 912	32 502	86 409	0	390 026
Interest		25 602	30 164	-	2 468	2 468	2 514	(45)	(0)	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		0	-	-	-	-	-	-	-	-
Other Gains		7 697	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 288	1 251 108	-	190 541	190 541	108 593	81 948	75%	1 251 108
Expenditure By Type										
Employee related costs		446 000	483 929	-	38 461	38 461	112	38 350	0	483 929
Remuneration of councillors		26 249	31 164	-	2 414	2 414	-	2 414	#DIV/0!	31 164
Bulk purchases - electricity		122 720	158 320	-	-	-	-	-	-	158 320
Inventory consumed		13 825	10 499	-	390	390	900	(510)	(0)	10 499
Debt impairment		23 235	-	-	-	-	-	-	-	-
Depreciation and amortisation		93 889	104 756	-	-	-	8 872	(8 872)	(0)	104 756
Interest		19 931	9 958	-	0	0	808	(808)	(0)	9 958
Contracted services		213 910	273 776	-	11 518	11 518	11 157	361	0	273 776
Transfers and subsidies		9 890	13 838	-	941	941	168	773	0	13 838
Irrecoverable debts written off		11 221	10 513	-	105	105	876	(771)	(0)	10 513
Operational costs		143 732	156 437	-	13 207	13 207	7 517	5 690	0	156 437
Losses on Disposal of Assets		491	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1 125 094	1 253 191	-	67 036	67 036	30 409	36 627	120%	1 253 191
Surplus/(Deficit)		(41 805)	(2 083)	-	123 505	123 505	78 184	45 321	0	(2 083)
Transfers and subsidies - capital (monetary allocations)		158 945	109 848	-	-	-	9 154	(9 154)	(0)	109 848
Transfers and subsidies - capital (in-kind)		6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 736	107 785	-	123 505	123 505	87 338			107 785
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		123 736	107 785	-	123 505	123 505	87 338			107 785
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 736	107 785	-	123 505	123 505	87 338			107 785
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 736	107 785	-	123 505	123 505	87 338			107 785

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and Expenditure by Type for the period ended 31 July 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) - M01 - July

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
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	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		39 132	3 801	-	-	-	-	-	-	3 801
Vote 3 - Internal Audit		115	200	-	-	-	17	(17)	-100%	200
Vote 4 - Community and Social Services		7 814	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 014	4 340	-	571	571	376	196	52%	4 340
Vote 7 - Housing		115	180	-	-	-	-	-	-	180
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		98 978	115 220	-	8 338	8 338	-	8 338	#DIV/0!	115 220
Vote 10 - Road Transport		51 919	7 200	-	-	-	20	(20)	-100%	7 200
Vote 11 - Environment Protection		-	500	-	-	-	42	(42)	-100%	500
Vote 12 - Energy Sources		2 599	22 952	-	-	-	-	-	-	22 952
Vote 13 - Other		3 108	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		232	500	-	-	-	42	(42)	-100%	500
Total Capital single-year expenditure	4	211 155	154 893	-	8 910	8 910	496	8 414	1698%	154 893
Total Capital Expenditure		211 155	154 893	-	8 910	8 910	496	8 414	1698%	154 893

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 31 July 2023.

6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M01 - July

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		483 936	483 936	-	19 097	19 097	40 328	(21 231)	-53%	483 936
Service charges		232 890	232 890	-	16 721	16 721	14 443	2 278	16%	232 890
Other revenue		26 628	26 628	-	1 748	1 748	-	1 748	#DIV/0!	26 628
Transfers and Subsidies - Operational		390 290	390 290	-	118 915	118 915	-	118 915	#DIV/0!	390 290
Transfers and Subsidies - Capital		109 848	109 848	-	49 792	49 792	4 965	44 827	903%	109 848
Interest		8 511	8 511	-	1 123	1 123	-	1 123	#DIV/0!	8 511
Dividends		-	-	-	-	-	291	(291)	-100%	-
Payments										
Suppliers and employees		(1 156 039)	(1 156 039)	-	(80 470)	(80 470)	-	(80 470)	#DIV/0!	(1 156 039)
Interest		(9 958)	(9 958)	-	-	-	-	-	-	(9 958)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		86 106	86 106	-	126 926	126 926	60 027	(66 899)	-111%	86 106
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	115 745	(115 745)	-100%	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	36 616	(36 616)	-100%	-
Payments										
Capital assets		(168 358)	(168 358)	-	(13 176)	(13 176)	-	(13 176)	#DIV/0!	(168 358)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(168 358)	(168 358)	-	(13 176)	(13 176)	152 361	165 537	109%	(168 358)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	152 361	(152 361)	-100%	-
Payments										
Repayment of borrowing		(18 414)	(18 414)	-	(3 286)	(3 286)	-	(3 286)	#DIV/0!	(18 414)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(18 414)	(18 414)	-	(3 286)	(3 286)	152 361	155 647	102%	(18 414)
NET INCREASE/ (DECREASE) IN CASH HELD		(100 666)	(100 666)	-	110 465	110 465	364 750			(100 666)
Cash/cash equivalents at beginning:		131 591	131 591	-	-	-	131 591			-
Cash/cash equivalents at month/year end:		30 925	30 925	-	-	110 465	496 340			(100 666)

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 31 July 2023, Cash received from operations YTD actual is more than the anticipated cash collection due to that the municipality received more grants on the first month of the financial year.

6.5 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M01 - July

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		131 664	40 427	–	225 597	40 427
Trade and other receivables from exchange transactions		94 249	143 554	–	119 537	143 554
Receivables from non-exchange transactions		286 899	333 984	–	218 476	333 984
Current portion of non-current receivables		–	–	–	–	–
Inventory		7 058	2 559	–	6 098	2 559
VAT		107 350	121 348	–	147 989	121 348
Other current assets		3 477	3 151	–	3 151	3 151
Total current assets		630 698	645 023	–	720 848	645 023
Non current assets						
Investments		–	–	–	–	–
Investment property		337 065	307 811	–	347 816	307 811
Property, plant and equipment		1 682 856	1 726 164	–	1 816 182	1 726 164
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		2 205	2 205	–	2 210	2 205
Intangible assets		857	1 697	–	1 061	1 697
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2 022 983	2 037 876	–	2 167 269	2 037 876
TOTAL ASSETS		2 653 681	2 682 899	–	2 888 117	2 682 899
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		14 580	28 891	–	14 195	28 891
Consumer deposits		32 846	32 846	–	35 659	32 846
Trade and other payables from exchange transactions		134 673	112 595	–	124 585	112 595
Trade and other payables from non-exchange transactions		49 104	46 376	–	101 445	46 376
Provision		35 473	35 473	–	(102 405)	35 473
VAT		74 576	74 576	–	112 298	74 576
Other current liabilities		4 622	4 622	–	4 622	4 622
Total current liabilities		345 874	335 379	–	290 397	335 379
Non current liabilities						
Financial liabilities		49 160	16 435	–	51 604	16 435
Provision		41 487	41 487	–	41 487	41 487
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		101 052	101 052	–	101 052	101 052
Total non current liabilities		191 699	158 975	–	194 143	158 975
TOTAL LIABILITIES		537 572	494 353	–	484 541	494 353
NET ASSETS	2	2 116 109	2 188 546	–	2 403 576	2 188 546
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2 116 139	2 188 546	–	2 403 576	2 188 546
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2 116 139	2 188 546	–	2 403 576	2 188 546

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 31 July 2023. Total assets are R2.9 billion over the total liabilities of R484.5 million this therefore mean the municipality is still able to meet its financial obligations.