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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 MARCH 2023 (M09)

Prepared By: Budget and Treasury Office

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 31 MARCH 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 31 March 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 31 March 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

6.5. Financial Position

## 5.1 Monthly Budget Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M09 March

Description	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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	464 477	498 623	492 118	43 222	443 329	452 014	(8 684)	-2%	492 118
Service charges	214 942	253 618	236 691	17 918	168 215	197 239	(29 024)	-15%	236 691
Investment revenue	5 182	5 397	7 067	964	6 352	4 476	1 877	42%	7 067
Transfers and subsidies	256 804	285 102	285 279	82 946	273 557	228 208	45 348	20%	285 279
Other own revenue	141 612	131 888	118 573	8 680	68 320	97 035	(28 715)	-30%	118 573
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 083 016</b>	<b>1 174 628</b>	<b>1 139 727</b>	<b>153 730</b>	<b>959 772</b>	<b>978 971</b>	<b>(19 199)</b>	<b>-2%</b>	<b>1 139 727</b>
Employee costs	446 000	447 279	462 586	37 559	344 304	340 348	3 956	1%	462 586
Remuneration of Councillors	26 249	31 434	31 434	2 386	22 306	23 576	(1 270)	-5%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	67 651	89 550	(21 899)	-24%	101 619
Finance charges	19 931	12 922	12 902	331	1 014	737	276	37%	12 902
Inventory consumed and bulk purchases	136 545	149 809	150 151	10 725	90 163	120 385	(30 222)	-25%	150 151
Transfers and subsidies	9 890	13 178	13 078	1 766	3 693	12 227	(8 534)	-70%	13 078
Other expenditure	392 589	415 344	398 928	33 502	244 739	321 008	(76 269)	-24%	398 928
<b>Total Expenditure</b>	<b>1 125 063</b>	<b>1 171 585</b>	<b>1 170 699</b>	<b>93 786</b>	<b>773 869</b>	<b>907 830</b>	<b>(133 961)</b>	<b>-15%</b>	<b>1 170 699</b>
<b>Surplus/(Deficit)</b>	<b>(42 047)</b>	<b>3 043</b>	<b>(30 971)</b>	<b>59 944</b>	<b>185 904</b>	<b>71 141</b>	<b>114 762</b>	<b>161%</b>	<b>(30 971)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	193 287	18 286	105 206	141 569	(36 363)	-26%	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>	<b>78 400</b>	<b>37%</b>	<b>162 316</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>	<b>78 400</b>	<b>37%</b>	<b>162 316</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>187 654</b>	<b>180 739</b>	<b>230 756</b>	<b>24 209</b>	<b>131 318</b>	<b>174 447</b>	<b>(43 130)</b>	<b>-25%</b>	<b>230 756</b>
Capital transfers recognised	138 668	115 052	168 076	17 086	115 202	118 091	(2 889)	-2%	168 076
Borrowing	1 867	7 166	7 976	35	1 959	7 571	(5 612)	-74%	7 976
Internally generated funds	33 256	58 521	54 704	7 088	14 157	48 786	(34 629)	-71%	54 704
<b>Total sources of capital funds</b>	<b>173 791</b>	<b>180 739</b>	<b>230 756</b>	<b>24 209</b>	<b>131 318</b>	<b>174 447</b>	<b>(43 130)</b>	<b>-25%</b>	<b>230 756</b>
<b>Financial position</b>									
Total current assets	630 556	553 761	672 729		951 356				672 729
Total non current assets	1 987 740	1 878 708	2 116 876		2 051 407				2 116 876
Total current liabilities	345 489	321 834	370 177		430 656				370 177
Total non current liabilities	191 699	150 842	176 331		199 539				176 331
Community wealth/Equity	2 087 905	1 959 793	2 243 097		2 372 568				2 243 097
<b>Cash flows</b>									
Net cash from (used) operating	348 279	167 979	191 796	86 494	180 277	198 637	18 360	9%	191 796
Net cash from (used) investing	(185 208)	(179 130)	(237 264)	(29 411)	(145 223)	(177 992)	(32 769)	18%	(237 264)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(2 797)	(28 907)	(11 216)	17 691	-158%	(19 098)
<b>Cash/cash equivalents at the month/year end</b>	<b>270 876</b>	<b>112 823</b>	<b>67 025</b>	<b>-</b>	<b>137 738</b>	<b>141 019</b>	<b>3 281</b>	<b>2%</b>	<b>67 025</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	62 674	30 429	18 758	16 140	14 554	15 404	65 399	359 954	583 311
<b>Creditors Age Analysis</b>									
Total Creditors	499	-	-	-	(1 784)	1 784	-	-	499

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:

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	492 118	43 222	443 329	452 014	(8 684)	-2%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	12 543	113 927	134 164	(20 238)	-15%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	5 376	54 288	63 075	(8 787)	-14%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	718	3 076	2 298	779	34%	3 710
Interest earned - external investments		5 182	5 397	7 067	964	6 352	4 476	1 877	42%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 086	25 857	19 429	6 428	33%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	1 894	14 932	18 570	(3 638)	-20%	29 658
Licences and permits		8 138	7 824	9 911	724	6 451	6 420	30	0%	9 911
Agency services		4 965	4 894	6 044	520	3 921	3 967	(47)	-1%	6 044
Transfers and subsidies		256 804	285 102	285 279	82 946	273 557	228 208	45 348	20%	285 279
Other revenue		55 569	70 013	40 531	1 737	14 083	46 350	(32 267)	-70%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 139 727</b>	<b>153 730</b>	<b>959 772</b>	<b>978 971</b>	<b>(19 199)</b>	<b>-2%</b>	<b>1 139 727</b>
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	462 586	37 559	344 304	340 348	3 956	1%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 386	22 306	23 576	(1 270)	-5%	31 434
Debt impairment		34 456	9 984	9 984	289	5 987	7 488	(1 501)	-20%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	67 651	89 550	(21 899)	-24%	101 619
Finance charges		19 931	12 922	12 902	331	1 014	737	276	37%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 738	80 571	109 246	(28 675)	-26%	137 074
Inventory consumed		13 825	12 735	13 078	1 987	9 592	11 139	(1 547)	-14%	13 078
Contracted services		213 910	244 881	230 936	15 377	145 536	177 874	(32 338)	-18%	230 936
Transfers and subsidies		9 890	13 178	13 078	1 766	3 693	12 227	(8 534)	-70%	13 078
Other expenditure		143 732	160 480	158 007	17 836	93 216	135 646	(42 429)	-31%	158 007
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 125 063</b>	<b>1 171 585</b>	<b>1 170 699</b>	<b>93 786</b>	<b>773 869</b>	<b>907 830</b>	<b>(133 961)</b>	<b>-15%</b>	<b>1 170 699</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		146 929	132 360	193 287	18 286	105 206	141 569	(36 363)	(0)	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		12 015	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		6 597	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>			<b>162 316</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>			<b>162 316</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>			<b>162 316</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>			<b>162 316</b>

## 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) - M09 March

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										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	492 118	43 222	443 329	452 014	(8 684)	-2%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	12 543	113 927	134 164	(20 238)	-15%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	5 376	54 288	63 075	(8 787)	-14%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	718	3 076	2 298	779	34%	3 710
Interest earned - external investments		5 182	5 397	7 067	964	6 352	4 476	1 877	42%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 086	25 857	19 429	6 428	33%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	1 894	14 932	18 570	(3 638)	-20%	29 658
Licences and permits		8 138	7 824	9 911	724	6 451	6 420	30	0%	9 911
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Transfers and subsidies		256 804	285 102	285 279	82 946	273 557	228 208	45 348	20%	285 279
Other revenue		55 569	70 013	40 531	1 737	14 083	46 350	(32 267)	-70%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 139 727</b>	<b>153 730</b>	<b>959 772</b>	<b>978 971</b>	<b>(19 199)</b>	<b>-2%</b>	<b>1 139 727</b>

## 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 R443.3 million, compared to the YTD budget of R452 million. The R8.6 million variance which is 2% less than the YTD Budget, this variance is reasonable in comparison to the anticipated billing revenue for property rates.

## Electricity Revenue

The YTD Actual for the electricity billing for the period ended 31 March 2023 is R113.9 million while the YTD Budget is R134.1 million. There is a variance of R20.2 million between the YTD actual and YTD budget. Electricity billing was adjusted downwards by R12 million in the adjustment budget, and the current variance is attributed to the budget taking into consideration the electricity tariff increases in from April till the end of the financial year.

## Refuse Revenue

The overall YTD actual billing for refuse removals is R54.2 million and the YTD Budget billing is R63 million, with YTD variance of 14%. The budget was adjusted downwards by 4.9 million in a forecast of total revenue billing anticipated for the remaining months in the financial year which will have the actual billing being in line with the budget.

## **Interest on Investment**

Investment revenue is the amount of interest earned on the amount invested with various financial institutions registered with South African Banking Council. The investment revenue YTD Actual is R6.3 million, YTD budget is R4.4 million with a variance of R1.9 million which is more than year to date budget. This over performance has been reviewed in the adjustment budget and adjusted upwards to 7 million.

## **Interest earned on arrear debtors**

The interest charged on arrear debtors to date is R25.8 million, 33% more compared to the YTD budget of R19.4 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. This has been monitored and a R4.3 million adjustment was made in the adjustment 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 commission on employee deductions. The annual projected revenue is R4.8 million, with the YTD actual of R3.9 million against YTD Budget of R3.9 million. This shows that the municipality is doing very well in collecting revenues on behalf of their principals and earns more commission than estimated. The revenue was adjusted upwards by R1.2 million. This revenue is in par with the 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 R29.6 million. The YTD actual is R13 million with the YTD budget of R18.5 million there is a 20% variance. A 7.5 million adjustment to the budget has been made to address the variances.

## **Licenses and Permits**

Licenses and permits actuals to date amounts to R6.4 million and there is a 9% variance against year-to-date budget of R6.4 million. This positive variance arises from an increase in the rate at which collection motor vehicle licenses and permits takes place. The municipality is doing well on this revenue item. An upward adjustment budget has been considered and has been adjusted upwards by R2 million. This revenue is in par with the revenue projections.

## **Rental of Facilities**

Rental of facilities amounts 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 R3 million, with the YTD budget being R2.2 million showing a 31% variance between actual and budgeted figures. 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 R273.5 million, YTD Budget is R228.2 million. YTD variance is R45.3 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.

## **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 R14 million, YTD Budget is R46 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 R959.7 million for the period ending 31 March 2023, YTD Budget is R978.9 million, the variance of R19.1 million is results from 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) - M09 March

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
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	462 586	37 559	344 304	340 348	3 956	1%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 386	22 306	23 576	(1 270)	-5%	31 434
Debt impairment		34 456	9 984	9 984	289	5 987	7 488	(1 501)	-20%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	67 651	89 550	(21 899)	-24%	101 619
Finance charges		19 931	12 922	12 902	331	1 014	737	276	37%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 738	80 571	109 246	(28 675)	-26%	137 074
Inventory consumed		13 825	12 735	13 078	1 987	9 592	11 139	(1 547)	-14%	13 078
Contracted services		213 910	244 881	230 936	15 377	145 536	177 874	(32 338)	-18%	230 936
Transfers and subsidies		9 890	13 178	13 078	1 766	3 693	12 227	(8 534)	-70%	13 078
Other expenditure		143 732	160 480	158 007	17 836	93 216	135 646	(42 429)	-31%	158 007
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 125 063</b>	<b>1 171 585</b>	<b>1 170 699</b>	<b>93 786</b>	<b>773 869</b>	<b>907 830</b>	<b>(133 961)</b>	<b>-15%</b>	<b>1 170 699</b>

### Employee Related Costs and Remuneration of Councillors

Actual YTD for employee related costs amount to R344.3 million YTD Budget is R340.3 million as of 31 March 2023. Actual YTD remuneration of councillors YTD actuals amounts to R22.3 million with YTD Budget of R23.5 million and there is a 5% 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 31 March 2023 amounts to R145.5 million, The YTD Budget is R177.8 million and YTD Variance is R32.3 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.

### Inventory Consumed

YTD Inventory consumed amounts to R9.5 million as of 31 March 2023 with the YTD Budget being R11.1 million. This reflects a variance of R1.9 million. Inventory budget was straight lined across the 12 months of the financial year and will be a variance as consumption differs. An upward adjustment of R343 thousand was made.

### **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 R93.2 million, YTD Budget is R135.6 million and there is a 31% 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 R67.6 million to date from the beginning of the year. The year-to-date budget is R89.5 million, resulting in a variance of 24%. Assets are procured based on the current needs of the departments and depreciation expense is charged from the day the asset is available for use and this will result in the variance between the budget versus actual depreciation expense.

### **Debt Impairment**

The YTD actuals for Debt Impairment amounts to R5.9 million while the year-to-date budget is R7.4 million. The R5.9 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 R3.6 million and YTD budget of R12.2 million with a variance of R8.5 million. Applications for SMME's are still being vetted, the completion of this process will have expenditure in line with the amount budgeted for.

### **Overall Expenditure Budget**

The overall expenditure YTD Actual is R773.8 million as of 31 March 2023, YTD Budget is R907.8 million. There is a 15% 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 R59.9 million compared to the YTD Budget surplus R71.1 million.

## 5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2022/23									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
<b>R thousands</b>												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water	1200	38	38	37	35	39	34	170	538	930	817	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 362	5 523	1 640	1 151	1 078	1 187	3 023	12 550	40 513	18 989	
Receivables from Non-exchange Transactions - Property Rates	1400	38 317	18 639	11 786	10 111	8 979	9 889	42 606	212 335	352 662	283 920	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	
Receivables from Exchange Transactions - Waste Management	1600	5 405	2 928	2 059	1 745	1 566	1 402	6 356	40 651	62 113	51 720	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Ameer Debtor Accounts	1810	3 093	3 031	2 940	2 856	2 803	2 708	12 297	84 714	114 444	105 379	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	1 459	269	295	241	89	183	947	9 166	12 648	10 626	
<b>Total By Income Source</b>	<b>2000</b>	<b>62 674</b>	<b>30 429</b>	<b>18 758</b>	<b>16 140</b>	<b>14 554</b>	<b>15 404</b>	<b>65 399</b>	<b>359 954</b>	<b>583 311</b>	<b>471 451</b>	
<b>2022/23 - totals only</b>		<b>19 230</b>	<b>8 433</b>	<b>17 433</b>	<b>15 262</b>	<b>13 630</b>	<b>12 355</b>	<b>66 291</b>	<b>310 723</b>	<b>463 357</b>	<b>418 260</b>	
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	2 675	787	706	725	711	2 166	18 429	31 530	57 728	53 560	
Commercial	2300	20 495	9 610	4 328	3 670	3 220	3 011	9 853	67 872	122 060	87 627	
Households	2400	39 505	20 031	13 724	11 745	10 622	10 227	37 117	260 552	403 523	330 263	
Other	2500	-	-	-	-	-	-	-	-	-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>62 674</b>	<b>30 429</b>	<b>18 758</b>	<b>16 140</b>	<b>14 554</b>	<b>15 404</b>	<b>65 399</b>	<b>359 954</b>	<b>583 311</b>	<b>471 451</b>	

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

## 5.5 Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2022/23								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	301	-	-	-	-	-	-	-	301
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	197	-	-	-	(1 784)	1 784	-	-	197
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>499</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 784)</b>	<b>1 784</b>	<b>-</b>	<b>-</b>	<b>499</b>

Details on outstanding creditors are presented under expenditure section report and detailed presentation is done by the expenditure team.

## 5.6 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

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	1									
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		21 675	3 280	6 740	295	821	5 455	(4 634)	-85%	6 740
Executive and council		186	20	430	108	108	100	8	8%	430
Finance and administration		21 397	3 075	6 125	167	664	5 320	(4 656)	-88%	6 125
Internal audit		92	185	185	20	50	35	15	42%	185
<i>Community and public safety</i>		12 521	5 813	2 728	176	1 810	3 082	(1 271)	-41%	2 728
Community and social services		5 881	200	-	-	-	(50)	50	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	2 375	24	1 601	2 819	(1 218)	-43%	2 375
Housing		115	273	353	152	209	313	(103)	-33%	353
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		145 700	154 495	201 301	23 197	120 360	149 690	(29 330)	-20%	201 301
Planning and development		93 459	99 389	131 537	16 366	77 568	93 670	(16 102)	-17%	131 537
Road transport		52 241	55 106	69 263	6 831	42 792	55 820	(13 028)	-23%	69 263
Environmental protection		-	-	500	-	-	200	(200)	-100%	500
<i>Trading services</i>		4 650	17 152	19 188	542	8 327	16 021	(7 694)	-48%	19 188
Energy sources		2 599	15 348	15 380	51	7 444	13 791	(6 347)	-46%	15 380
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	3 807	491	882	2 230	(1 348)	-60%	3 807
<i>Other</i>		3 108	-	800	-	-	200	(200)	-100%	800
<b>Total Capital Expenditure - Functional Classification</b>	3	187 654	180 739	230 756	24 209	131 318	174 447	(43 130)	-25%	230 756
<b>Funded by:</b>										
National Government		123 164	115 052	131 661	4 365	100 286	99 750	536	1%	131 661
Provincial Government		4 618	-	36 415	12 721	14 916	18 341	(3 425)	-19%	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	17 086	115 202	118 091	(2 889)	-2%	168 076
Borrowing	6	1 867	7 166	7 976	35	1 959	7 571	(5 612)	-74%	7 976
Internally generated funds		33 256	58 521	54 704	7 088	14 157	48 786	(34 629)	-71%	54 704
<b>Total Capital Funding</b>		173 791	180 739	230 756	24 209	131 318	174 447	(43 130)	-25%	230 756

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R131.3 million, the YTD budgeted is R174.4 million and there is 25% 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 MARCH 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 -	R 46 057 924		R 35 302 076
COGTA ELEC GRANT	R 784 811	R -	R -	R -		R 784 811
MUNICIPAL DISASTER RELIEF GRANT	R 8 100 000	R 11 000 000	R -	R 19 012 416		R 87 584
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 5 332 000	R 641 715			R 4 690 285
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 1 531 082	R -		R 418 918
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)	R -	R 6 076 000	R 4 722 559	R -		R 1 353 441
AIRPORT GRANT	R -	R 5 000 000		R 1 236 627		R 3 763 374
PROVINCIALIZATION OF LIBRARIES GRANT	R -	R 12 418 000	R 11 838 019	R -		R 579 981
COMMUNITY LIBRARY SERVICE GRANT	R -	R 324 000	R 185 000	R -		R 139 000
MUSEUM SUBSIDY GRANT	R -	R 449 000	R 2 044 358		R 1 595 358	
CYBER CADET GRANT	R -	R 1 524 000	R 1 300 692	R -		R 223 308
NEIGHBOURHOOD DEV GRANT	R -	R 45 820 000	R -	R 43 276 045		R 2 543 955
EDTA-INFORMAL TRADERS GRANT	R -	R 1 000 000	R -			R 1 000 000
MARKET STALLS GRANT	R 7 003 970	R -		R 1 789 745		R 5 214 225
MODULAR LIBRARIES GRANT	R 272 452	R -		R -		R 272 452
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)		R 5 000 000	R 4 256 505			R 743 495
<b>TOTAL</b>	<b>R 16 161 232</b>	<b>R 177 253 000</b>	<b>R 26 519 928</b>	<b>R 111 372 757</b>	<b>R 1 595 358</b>	<b>R 57 116 905</b>

### Transfers and Grants Receipts

The total grants received to date for period ending 31 March 2023 amounts to R177.2 million, which include R45.8 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 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 MARCH 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 -	R 46 057 924		R 35 302 076
COGTA ELEC GRANT	R 784 811	R -	R -	R -		R 784 811
MUNICIPAL DISASTER RELIEF GRANT	R 8 100 000	R 11 000 000	R -	R 19 012 416		R 87 584
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 5 332 000	R 641 715			R 4 690 285
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 1 531 082	R -		R 418 918
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)	R -	R 6 076 000	R 4 722 559	R -		R 1 353 441
AIRPORT GRANT	R -	R 5 000 000		R 1 236 627		R 3 763 374
PROVINCIALIZATION OF LIBRARIES GRANT	R -	R 12 418 000	R 11 838 019	R -		R 579 981
COMMUNITY LIBRARY SERVICE GRANT	R -	R 324 000	R 185 000	R -		R 139 000
MUSEUM SUBSIDY GRANT	R -	R 449 000	R 2 044 358		R 1 595 358	
CYBER CADET GRANT	R -	R 1 524 000	R 1 300 692	R -		R 223 308
NEIGHBOURHOOD DEV GRANT	R -	R 45 820 000	R -	R 43 276 045		R 2 543 955
EDTA-INFORMAL TRADERS GRANT	R -	R 1 000 000	R -			R 1 000 000
MARKET STALLS GRANT	R 7 003 970	R -		R 1 789 745		R 5 214 225
MODULAR LIBRARIES GRANT	R 272 452	R -		R -		R 272 452
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)		R 5 000 000	R 4 256 505			R 743 495
<b>TOTAL</b>	<b>R 16 161 232</b>	<b>R 177 253 000</b>	<b>R 26 519 928</b>	<b>R 111 372 757</b>	<b>R 1 595 358</b>	<b>R 57 116 905</b>

### Transfers and Grants Expenditure

Grants are monitored monthly, and Grant's register is communicated/ shared with management to ensure effective management of grants and 100% expenditure. As of 31 March 2023, Operating and Capital Expenditure has a closing balance of R57.1 million, with YTD spending of R26.5 million and R111.3 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 31 March 2023 is R46 million and has been spent on various capital projects.

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

An amount of R6 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 31 March 2023 is R4.7 million.

- **Neighborhood Development Partnership Grant**

An amount of R45.8 million has been received for the Neighborhood Development Partnership Grant. This is a capital grant and the YTD actual for the period ended 31 March 2023 is R43.3 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 31 March 2023 is R1.53 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 an operational grant and the YTD actual for the period ended 31 March 2023 to fund the repairs to roads due to the floods amounts to R19 million.

## 5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration	Ref	2021/22		Budget Year 2022/23						Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		23 352	28 393	28 393	2 148	20 147	21 294	(1 148)	-5%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	238	2 159	2 281	(122)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>26 249</b>	<b>31 434</b>	<b>31 434</b>	<b>2 386</b>	<b>22 306</b>	<b>23 576</b>	<b>(1 270)</b>	<b>-5%</b>	<b>31 434</b>
% increase	4		19.8%	19.8%						19.8%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		7 328	4 393	3 537	270	3 017	2 867	150	5%	3 537
Pension and UIF Contributions		80	189	192	12	117	143	(26)	-18%	192
Medical Aid Contributions		72	78	230	18	161	135	26	19%	230
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	-	-	794	(794)	-100%	1 059
Motor Vehicle Allowance		495	1 158	964	69	661	712	(51)	-7%	964
Cellphone Allowance		109	115	114	8	66	86	(20)	-23%	114
Housing Allowances		1 425	3 488	2 774	218	2 069	2 259	(190)	-8%	2 774
Other benefits and allowances		0	0	1	0	1	1	0	21%	1
Payments in lieu of leave		239	-	332	19	278	166	112	67%	332
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>10 615</b>	<b>10 481</b>	<b>9 203</b>	<b>613</b>	<b>6 370</b>	<b>7 162</b>	<b>(792)</b>	<b>-11%</b>	<b>9 203</b>
% increase	4		-1.3%	-13.3%						-13.3%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		275 568	276 977	276 720	23 119	206 222	203 504	2 718	1%	276 720
Pension and UIF Contributions		49 183	51 553	52 154	4 269	38 179	38 676	(497)	-1%	52 154
Medical Aid Contributions		18 869	20 813	20 384	1 727	14 986	15 296	(310)	-2%	20 384
Overtime		18 959	14 695	19 395	1 223	16 263	15 481	781	5%	19 395
Performance Bonus		21 372	23 805	21 807	1 303	17 164	16 882	282	2%	21 807
Motor Vehicle Allowance		17 850	18 637	19 154	1 584	13 953	14 628	(675)	-5%	19 154
Cellphone Allowance		993	1 046	1 125	84	768	824	(56)	-7%	1 125
Housing Allowances		3 771	3 946	4 125	341	3 049	3 063	(14)	0%	4 125
Other benefits and allowances		5 101	3 006	6 259	370	3 952	4 260	(308)	-7%	6 259
Payments in lieu of leave		3 802	4 200	13 591	2 355	17 899	7 662	10 237	134%	13 591
Long service awards		5 264	2 270	2 819	203	2 124	1 020	1 105	108%	2 819
Post-retirement benefit obligations		14 654	15 852	15 852	369	3 374	11 889	(8 515)	-72%	15 852
<b>Sub Total - Other Municipal Staff</b>		<b>435 385</b>	<b>436 798</b>	<b>453 383</b>	<b>36 946</b>	<b>337 934</b>	<b>333 186</b>	<b>4 748</b>	<b>1%</b>	<b>453 383</b>
% increase	4		0.3%	4.1%						4.1%
<b>Total Parent Municipality</b>		<b>472 249</b>	<b>478 713</b>	<b>494 021</b>	<b>39 945</b>	<b>366 609</b>	<b>363 924</b>	<b>2 686</b>	<b>1%</b>	<b>494 021</b>

### Councillors Remuneration

An actual amount of R22.3 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R23.5 million. This indicates a variance of only R1.2 million. This indicates that this item is on schedule and the variance is not material.

### 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 R6.3 million and a YTD budget of R7.1 million with the variance of R792 thousand.

### Other Municipal Staff

The municipal staff year to date spending is sitting at R366.6 million against the year-to-date budget of R363.9 million with the variance of R4.7 million and the variance is mainly caused by the different months of bonuses & salary notches for the employees.



## 5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY  
LONG TERM LOANS REGISTER : 31 MARCH 2023



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING		LOAN		INTEREST		LOAN		CLOSING	
				BALANCE		ADVANCE	INTEREST	PAID	REPAYMENT	BALANCE			
				01 MARCH 2023			CHARGED					31 MARCH 2023	
				R						R		R	
DBSA	9.36%	31-Mar-31	61007684	-R	3 092 270.86			-R	72 160.89	R	139 629.51	-R	3 024 802.24
DBSA	12.67%	22-Nov-30	61007761	-R	8 192 541.71			-R	258 746.95	R	414 268.04	-R	8 037 020.62
<b>TOTAL DBSA LOANS</b>				-R	11 284 812.57	R	-	R	-	-R	330 907.84	R	553 897.55
<b>TOTAL LOANS</b>				-R	11 284 812.57	R	-	R	-	-R	330 907.84	R	553 897.55

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 R11 million as of 31 March 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 RNLB BUDGET				Totals		
	Year 1	Year 2	Year 3		Year 4	Total
Electricity Meters Replacement	3,000,000	2,000,000	2,000,000	7,000,000		
Network infrastructure studies	500,000					
Electrical Cables Replacement	-	1,000,000	500,000	1,500,000		
Mini-substations Replacement	-	1,000,000	1,000,000	2,000,000		
Inter-switches (RMU) Replacement	-	1,000,000	1,000,000	2,000,000		
11kV Interconnector - Marburg to Port Shepstone Substation	-	-	-	-		14,500,000.00
Memorial & Reynolds Sw/Sta Refurbishment & Replace Switchgear	-	3,476,000	3,476,000	6,952,000		6,952,000.00
						-
<b>Totals</b>	<b>R 3,500,000.00</b>	<b>R 8,476,000.00</b>	<b>R 7,976,000.00</b>	<b>R 19,952,000.00</b>		<b>21,452,000.00</b>
						<b>41,404,000.00</b>

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

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

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

	<b>DBSA LOAN CAPITAL EXPENDITURE</b>			
	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>Total</b>
Meter replacement DBSA funded	R 1 795 400.22	R 3 813 014.36	R 434 295.82	R 6 042 710.40
Network studies DBSA funded	R 390 473.20	R 495 746.10		R 886 219.30
Cable Replacement DBSA funded				R -
Inter switch replacements DBSA funded			R 1 241 408.17	R 1 241 408.17
Mini sub replacement DBSA funded			R 577 350.18	R 577 350.18
MEMORIAL & REYNOLDS SW/STA REFURB & REPLACE SWITCHGEAR				
Network studies DBSA funded				
	<b>R 2 185 873.42</b>	<b>R 4 308 760.46</b>	<b>R 2 253 054.17</b>	<b>R 8 747 688.05</b>

- A total of **R8 747 688** has been spent on the above-mentioned capital projects, a total of **R3 228 312** remains unspent in the 2022/2023 financial year.

## 5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M09 March

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
<b><u>Borrowing Management</u></b>							
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%	1.5%	3.5%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	14.1%	14.7%	16.7%	14.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	23.9%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	182.5%	172.1%	181.7%	220.9%	181.7%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	18.1%	69.3%	18.1%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		45.4%	37.0%	52.5%	67.4%	52.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		41.2%	38.1%	40.6%	35.9%	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%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

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

## **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R11 061 822 as of 31 March 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 31 March 2023:** R951 356/R430 656 = **2.21:1**

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 2.21:1 as of 31 March 2023. The ratio is performing reasonably well.

**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:** (R951 356 – R6356)/430 656 = **2.19:1**

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 its short term liabilities with its easily liquidated short term assets.

## 5.12 Investment Register

RAY NKONYENI MUNICIPALITY														
INVESTMENT REGISTER FOR THE PERIOD ENDING 31/03/2023														
INVESTMENT DETAILS			CURRENT MONTH						YTD					
ACCOUNT NO	INSTITUTION & TYPE	PROJECT NAME / DETAILS	MONTHLY	INTEREST	BANK				INVESTMENT		BANK		INVESTMENT	
			OPENING	INVESTED	CHARGES	DEPOSIT	WITHDRAWALS	CURRENT	BALANCES AS AT	INTEREST	DEPOSITS	CHARGES	WITHDRAWALS	BALANCE AS AT
			BALANCES	31/03/2023	31/03/2023	31/03/2023	31/03/2023	BALANCE	01/07/2022					
378692984011	STANDARD BANK - CALL	LOUISIANA HSG	9 785 954.32	60 257.35	-	-	-	9 846 211.67	9 388 400.89	457 810.78	-	-	-	9 846 211.67
378692984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	630 257.08	3 880.83	-	-	-	634 137.91	604 652.95	29 484.96	-	-	-	634 137.91
378692984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 045 682.39	6 438.83	-	-	-	1 052 121.22	1 003 201.65	48 919.57	-	-	-	1 052 121.22
378692984005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	332 042.11	2 044.56	-	-	-	334 086.67	318 552.93	15 533.74	-	-	-	334 086.67
378692984006	STANDARD BANK - CALL	BHOBOYI EST-HSG	12 498.37	40.34	-	-	-	12 538.71	12 281.03	277.68	-	-	-	12 538.71
378692984007	STANDARD BANK - CALL	DAMAGED HSES	79 561.50	290.56	-	-	-	79 852.06	77 791.97	2 060.09	-	-	-	79 852.06
378692984008	STANDARD BANK - CALL	UPLANDS HSG	79 480.95	290.27	-	-	-	79 771.22	77 713.22	2 058.00	-	-	-	79 771.22
378692984009	STANDARD BANK - CALL	IKHOLOMBE HSG	1 480 834.43	9 118.29	-	-	-	1 489 952.72	1 420 675.68	69 277.04	-	-	-	1 489 952.72
378692984010	STANDARD BANK - CALL	AIDS PROJECT	147 228.03	906.56	-	-	-	148 134.59	141 246.91	6 887.68	-	-	-	148 134.59
89140356988	STANDARD BANK - CALL	WASINENGE HSG	33 381 719.59	172 853.29	-	-	-	33 554 572.88	32 183 664.01	1 370 908.87	-	-	-	33 554 572.88
89138356986	STANDARD BANK - CALL	KWAMAVUNDLA HSG	248 755.28	1 288.08	-	-	-	250 043.36	239 827.57	10 215.79	-	-	-	250 043.36
89141356989	STANDARD BANK - CALL	KWAKOLO HOUSING	11 813 160.60	61 169.52	-	-	-	11 874 330.12	11 389 191.33	485 138.79	-	-	-	11 874 330.12
80439364623	STANDARD BANK - CALL	KWADWALANE HOUSING	535 238.79	2 771.51	-	-	-	538 010.30	516 029.30	21 981.00	-	-	-	538 010.30
			59 572 413.44	321 349.99	-	-	-	59 893 763.43	44 328 712.21	2 520 553.99	-	-	-	59 893 763.43
74873852518	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUND)	13 792 668.10	82 189.19	-	-	-	13 874 857.29	16 114 889.17	707 454.84	-	-	-2 947 486.72	13 874 857.29
			13 792 668.10	82 189.19	-	-	-	13 874 857.29	16 114 889.17	707 454.84	-	-	-2 947 486.72	13 874 857.29
89111356985	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	50 331.76	260.62	-	-	-	50 592.38	48 525.35	2 067.03	-	-	-	50 592.38
89111357732	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	11 131.39	57.64	-	-	-	11 189.03	10 731.88	457.15	-	-	-	11 189.03
			61 463.15	318.26	-	-	-	61 781.41	59 257.23	2 524.18	-	-	-	61 781.41
82728614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	84 587 487.02	883 750.69	-	131 500 000.00	-44 800 000.00	172 171 237.71	47 140 857.71	6 030 398.20	655 500 000.00	-	-536 500 018.20	172 171 237.71
			84 587 487.02	883 750.69	-	131 500 000.00	-44 800 000.00	172 171 237.71	47 140 857.71	6 030 398.20	655 500 000.00	-	-536 500 018.20	172 171 237.71
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 516 380.96	21 204.26	-	-	-	3 537 585.22	3 376 881.86	160 703.36	-	-	-	3 537 585.22
			3 516 380.96	21 204.26	-	-	-	3 537 585.22	3 376 881.86	160 703.36	-	-	-	3 537 585.22
037881000791	NEDBANK	RESERVES INVESTMENT ACCOUNT	26 489 958.90	152 226.60	-	-	-	26 642 185.50	25 800 000.00	842 185.50	-	-	-	26 642 185.50
			26 489 958.90	152 226.60	-	-	-	26 642 185.50	25 800 000.00	842 185.50	-	-	-	26 642 185.50
		<b>GRAND TOTAL RNM INVESTMENT + INTEREST</b>	<b>188 020 371.57</b>	<b>1 461 038.99</b>	<b>-</b>	<b>131 500 000.00</b>	<b>-44 800 000.00</b>	<b>276 181 410.56</b>	<b>136 820 598.18</b>	<b>10 263 820.07</b>	<b>655 500 000.00</b>	<b>-</b>	<b>-539 447 504.92</b>	<b>276 181 410.56</b>

The Investment register as of 31 March 2023 has the closing balance of R276 million, with R1.4 million total interest earned for the month from which R883 thousand was made on primary investment and various investment accounts as shown in the above register including the housing development fund which in not a part of the interest earned shown on the statement of financial performance as this in not revenue generated for the municipality but rather interest earned on unspent housing development funds.

## 6.1 Monthly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M09 March

Description	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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	464 477	498 623	492 118	43 222	443 329	452 014	(8 684)	-2%	492 118
Service charges	214 942	253 618	236 691	17 918	168 215	197 239	(29 024)	-15%	236 691
Investment revenue	5 182	5 397	7 067	964	6 352	4 476	1 877	42%	7 067
Transfers and subsidies	256 804	285 102	285 279	82 946	273 557	228 208	45 348	20%	285 279
Other own revenue	141 612	131 888	118 573	8 680	68 320	97 035	(28 715)	-30%	118 573
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 083 016</b>	<b>1 174 628</b>	<b>1 139 727</b>	<b>153 730</b>	<b>959 772</b>	<b>978 971</b>	<b>(19 199)</b>	<b>-2%</b>	<b>1 139 727</b>
Employee costs	446 000	447 279	462 586	37 559	344 304	340 348	3 956	1%	462 586
Remuneration of Councillors	26 249	31 434	31 434	2 386	22 306	23 576	(1 270)	-5%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	67 651	89 550	(21 899)	-24%	101 619
Finance charges	19 931	12 922	12 902	331	1 014	737	276	37%	12 902
Inventory consumed and bulk purchases	136 545	149 809	150 151	10 725	90 163	120 385	(30 222)	-25%	150 151
Transfers and subsidies	9 890	13 178	13 078	1 766	3 693	12 227	(8 534)	-70%	13 078
Other expenditure	392 589	415 344	398 928	33 502	244 739	321 008	(76 269)	-24%	398 928
<b>Total Expenditure</b>	<b>1 125 063</b>	<b>1 171 585</b>	<b>1 170 699</b>	<b>93 786</b>	<b>773 869</b>	<b>907 830</b>	<b>(133 961)</b>	<b>-15%</b>	<b>1 170 699</b>
<b>Surplus/(Deficit)</b>	<b>(42 047)</b>	<b>3 043</b>	<b>(30 971)</b>	<b>59 944</b>	<b>185 904</b>	<b>71 141</b>	<b>114 762</b>	<b>161%</b>	<b>(30 971)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	193 287	18 286	105 206	141 569	(36 363)	-26%	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	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>	<b>78 400</b>	<b>37%</b>	<b>162 316</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>	<b>78 400</b>	<b>37%</b>	<b>162 316</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>187 654</b>	<b>180 739</b>	<b>230 756</b>	<b>24 209</b>	<b>131 318</b>	<b>174 447</b>	<b>(43 130)</b>	<b>-25%</b>	<b>230 756</b>
Capital transfers recognised	138 668	115 052	168 076	17 086	115 202	118 091	(2 889)	-2%	168 076
Borrowing	1 867	7 166	7 976	35	1 959	7 571	(5 612)	-74%	7 976
Internally generated funds	33 256	58 521	54 704	7 088	14 157	48 786	(34 629)	-71%	54 704
<b>Total sources of capital funds</b>	<b>173 791</b>	<b>180 739</b>	<b>230 756</b>	<b>24 209</b>	<b>131 318</b>	<b>174 447</b>	<b>(43 130)</b>	<b>-25%</b>	<b>230 756</b>
<b>Financial position</b>									
Total current assets	630 556	553 761	672 729		951 356				672 729
Total non current assets	1 987 740	1 878 708	2 116 876		2 051 407				2 116 876
Total current liabilities	345 489	321 834	370 177		430 656				370 177
Total non current liabilities	191 699	150 842	176 331		199 539				176 331
Community wealth/Equity	<b>2 087 905</b>	<b>1 959 793</b>	<b>2 243 097</b>		<b>2 372 568</b>				<b>2 243 097</b>
<b>Cash flows</b>									
Net cash from (used) operating	348 279	167 979	191 796	86 494	180 277	198 637	18 360	9%	191 796
Net cash from (used) investing	(185 208)	(179 130)	(237 264)	(29 411)	(145 223)	(177 992)	(32 769)	18%	(237 264)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(2 797)	(28 907)	(11 216)	17 691	-158%	(19 098)
<b>Cash/cash equivalents at the month/year end</b>	<b>270 876</b>	<b>112 823</b>	<b>67 025</b>	<b>-</b>	<b>137 738</b>	<b>141 019</b>	<b>3 281</b>	<b>2%</b>	<b>67 025</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	62 674	30 429	18 758	16 140	14 554	15 404	65 399	359 954	583 311
<b>Creditors Age Analysis</b>									
Total Creditors	499	-	-	-	(1 784)	1 784	-	-	499

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) - M09 March

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	492 118	43 222	443 329	452 014	(8 684)	-2%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	12 543	113 927	134 164	(20 238)	-15%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	5 375	54 288	63 075	(8 787)	-14%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	718	3 076	2 298	779	34%	3 710
Interest earned - external investments		5 182	5 397	7 067	964	6 352	4 476	1 877	42%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 086	25 857	19 429	6 428	33%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	1 894	14 932	18 570	(3 638)	-20%	29 658
Licences and permits		8 138	7 824	9 911	724	6 451	6 420	30	0%	9 911
Agency services		4 965	4 894	6 044	520	3 921	3 967	(47)	-1%	6 044
Transfers and subsidies		256 804	285 102	285 279	82 946	273 557	228 208	45 348	20%	285 279
Other revenue		55 569	70 013	40 531	1 737	14 083	46 350	(32 267)	-70%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 139 727</b>	<b>153 730</b>	<b>959 772</b>	<b>978 971</b>	<b>(19 199)</b>	<b>-2%</b>	<b>1 139 727</b>
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	462 586	37 559	344 304	340 348	3 956	1%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 386	22 306	23 576	(1 270)	-5%	31 434
Debt impairment		34 456	9 984	9 984	289	5 987	7 488	(1 501)	-20%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	67 651	89 550	(21 899)	-24%	101 619
Finance charges		19 931	12 922	12 902	331	1 014	737	276	37%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 738	80 571	109 246	(28 675)	-26%	137 074
Inventory consumed		13 825	12 735	13 078	1 987	9 592	11 139	(1 547)	-14%	13 078
Contracted services		213 910	244 881	230 936	15 377	145 536	177 874	(32 338)	-18%	230 936
Transfers and subsidies		9 890	13 178	13 078	1 766	3 693	12 227	(8 534)	-70%	13 078
Other expenditure		143 732	160 480	158 007	17 836	93 216	135 646	(42 429)	-31%	158 007
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 125 063</b>	<b>1 171 585</b>	<b>1 170 699</b>	<b>93 786</b>	<b>773 869</b>	<b>907 830</b>	<b>(133 961)</b>	<b>-15%</b>	<b>1 170 699</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(42 047)	3 043	(30 971)	59 944	185 904	71 141	114 762	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	18 286	105 206	141 569	(36 363)	(0)	193 287
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
		6 597	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>			<b>162 316</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>			<b>162 316</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>			<b>162 316</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>123 494</b>	<b>135 403</b>	<b>162 316</b>	<b>78 230</b>	<b>291 110</b>	<b>212 710</b>			<b>162 316</b>

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 March 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) - M09 March

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	1									
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		21 675	3 280	6 740	295	821	5 455	(4 634)	-85%	6 740
Executive and council		186	20	430	108	108	100	8	8%	430
Finance and administration		21 397	3 075	6 125	167	664	5 320	(4 656)	-88%	6 125
Internal audit		92	185	185	20	50	35	15	42%	185
<i>Community and public safety</i>		12 521	5 813	2 728	176	1 810	3 082	(1 271)	-41%	2 728
Community and social services		5 881	200	-	-	-	(50)	50	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	2 375	24	1 601	2 819	(1 218)	-43%	2 375
Housing		115	273	353	152	209	313	(103)	-33%	353
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		145 700	154 495	201 301	23 197	120 360	149 690	(29 330)	-20%	201 301
Planning and development		93 459	99 389	131 537	16 366	77 568	93 670	(16 102)	-17%	131 537
Road transport		52 241	55 106	69 263	6 831	42 792	55 820	(13 028)	-23%	69 263
Environmental protection		-	-	500	-	-	200	(200)	-100%	500
<i>Trading services</i>		4 650	17 152	19 188	542	8 327	16 021	(7 694)	-48%	19 188
Energy sources		2 599	15 348	15 380	51	7 444	13 791	(6 347)	-46%	15 380
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	3 807	491	882	2 230	(1 348)	-60%	3 807
<i>Other</i>		3 108	-	800	-	-	200	(200)	-100%	800
<b>Total Capital Expenditure - Functional Classification</b>	3	187 654	180 739	230 756	24 209	131 318	174 447	(43 130)	-25%	230 756
<b>Funded by:</b>										
National Government		123 164	115 052	131 661	4 365	100 286	99 750	536	1%	131 661
Provincial Government		4 618	-	36 415	12 721	14 916	18 341	(3 425)	-19%	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	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		138 668	115 052	168 076	17 086	115 202	118 091	(2 889)	-2%	168 076
<b>Borrowing</b>	6	1 867	7 166	7 976	35	1 959	7 571	(5 612)	-74%	7 976
<b>Internally generated funds</b>		33 256	58 521	54 704	7 088	14 157	48 786	(34 629)	-71%	54 704
<b>Total Capital Funding</b>		173 791	180 739	230 756	24 209	131 318	174 447	(43 130)	-25%	230 756

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



## 6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		437 643	468 731	441 404	39 337	359 223	343 312	15 911	5%	441 404
Service charges		212 962	228 256	213 022	21 194	176 168	163 575	12 593	8%	213 022
Other revenue		228 121	44 677	47 718	6 147	44 633	35 359	9 274	26%	47 718
Transfers and Subsidies - Operational		314 043	341 677	312 796	72 134	290 637	262 279	28 358	11%	312 796
Transfers and Subsidies - Capital		159 345	132 360	178 233	38 376	184 599	144 393	40 206	28%	178 233
Interest		1 520	5 397	7 047	884	6 033	4 471	1 562	35%	7 047
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(998 105)	(1 027 019)	(982 325)	(91 248)	(880 017)	(743 334)	136 684	-18%	(982 325)
Finance charges		(336)	(12 922)	(12 922)	(331)	(1 000)	(692)	308	-45%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(10 728)	(10 728)	100%	(13 178)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>348 279</b>	<b>167 979</b>	<b>191 796</b>	<b>86 494</b>	<b>180 277</b>	<b>198 637</b>	<b>18 360</b>	<b>9%</b>	<b>191 796</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(185 208)	(179 130)	(237 264)	(29 411)	(145 223)	(177 992)	(32 769)	18%	(237 264)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(185 208)</b>	<b>(179 130)</b>	<b>(237 264)</b>	<b>(29 411)</b>	<b>(145 223)</b>	<b>(177 992)</b>	<b>(32 769)</b>	<b>18%</b>	<b>(237 264)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
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	298	1 541	(40 822)	42 362	-104%	1 412
<b>Payments</b>										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 095)	(30 447)	21 630	52 077	241%	(28 486)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(35 009)</b>	<b>(19 098)</b>	<b>(19 098)</b>	<b>(2 797)</b>	<b>(28 907)</b>	<b>(11 216)</b>	<b>17 691</b>	<b>-158%</b>	<b>(19 098)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at beginning:		142 813	143 072	131 591		131 591	131 591			131 591
Cash/cash equivalents at month/year end:		270 876	112 823	67 025		137 738	141 019			67 025

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 31 March 2023, cash from operating activities actual to date is 33% 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 - M09 March

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		10 397	(6 528)	(54 169)	37 422	(54 169)
Call investment deposits		121 194	122 051	121 194	261 007	121 194
Consumer debtors		310 244	294 403	378 989	428 664	378 989
Other debtors		181 663	140 390	219 606	217 907	219 606
Current portion of long-term receivables		–	143	–	–	–
Inventory		7 058	3 301	7 109	6 356	7 109
<b>Total current assets</b>		<b>630 556</b>	<b>553 761</b>	<b>672 729</b>	<b>951 356</b>	<b>672 729</b>
<b>Non current assets</b>						
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	1 740 766	1 805 164
Biological		–	–	–	–	–
Intangible		857	2 436	1 697	625	1 697
Other non-current assets		2 205	2 071	2 205	2 205	2 205
<b>Total non current assets</b>		<b>1 987 740</b>	<b>1 878 708</b>	<b>2 116 876</b>	<b>2 051 407</b>	<b>2 116 876</b>
<b>TOTAL ASSETS</b>		<b>2 618 295</b>	<b>2 432 469</b>	<b>2 789 605</b>	<b>3 002 763</b>	<b>2 789 605</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		14 580	1 378	10 798	(15 867)	10 798
Consumer deposits		32 846	33 452	34 258	34 386	34 258
Trade and other payables		257 969	247 979	285 027	355 783	285 027
Provisions		40 094	39 025	40 094	56 353	40 094
<b>Total current liabilities</b>		<b>345 489</b>	<b>321 834</b>	<b>370 177</b>	<b>430 656</b>	<b>370 177</b>
<b>Non current liabilities</b>						
Borrowing		49 160	26 734	33 792	57 000	33 792
Provisions		142 539	124 108	142 539	142 539	142 539
<b>Total non current liabilities</b>		<b>191 699</b>	<b>150 842</b>	<b>176 331</b>	<b>199 539</b>	<b>176 331</b>
<b>TOTAL LIABILITIES</b>		<b>537 188</b>	<b>472 676</b>	<b>546 508</b>	<b>630 195</b>	<b>546 508</b>
<b>NET ASSETS</b>	2	<b>2 081 107</b>	<b>1 959 793</b>	<b>2 243 097</b>	<b>2 372 568</b>	<b>2 243 097</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		2 087 905	1 848 149	2 243 097	2 372 568	2 243 097
Reserves		–	111 644	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2 087 905</b>	<b>1 959 793</b>	<b>2 243 097</b>	<b>2 372 568</b>	<b>2 243 097</b>

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 March 2023. Total assets are R3 billion over the total liabilities of R630 million this indicates that the municipality can cover its financial obligations.