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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2023 (M06)

Prepared By: Budget and Treasury Office

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/2024 BUDGET FOR THE PERIOD ENDING 31 DECEMBER 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 December 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 December 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

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 - M06 - December

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	486 141	509 406	-	45 014	328 583	324 167	4 416	1%	509 406
Service charges	212 429	245 147	-	20 613	133 539	131 125	2 414	2%	245 147
Investment revenue	10 845	8 511	-	1 087	5 581	4 256	1 326	31%	8 511
Transfers and subsidies - Operational	285 417	390 026	-	130 594	257 809	195 013	62 796	32%	390 026
Other own revenue	132 063	98 017	-	8 641	45 649	49 008	(3 359)	-7%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 126 895</b>	<b>1 251 108</b>	<b>-</b>	<b>205 949</b>	<b>771 162</b>	<b>703 570</b>	<b>67 592</b>	<b>10%</b>	<b>1 251 108</b>
Employee costs	455 419	484 629	-	38 388	236 855	234 389	2 466	1%	484 629
Remuneration of Councillors	29 567	31 164	-	2 953	23 011	15 582	7 429	48%	31 164
Depreciation and amortisation	94 294	106 706	-	7 273	43 635	53 353	(9 718)	-18%	106 706
Interest	24 062	9 958	-	0	480	4 979	(4 499)	-90%	9 958
Inventory consumed and bulk purchases	119 244	173 972	-	11 361	69 257	87 887	(18 630)	-21%	173 972
Transfers and subsidies	14 465	14 888	-	196	6 024	5 760	264	5%	14 888
Other expenditure	377 212	435 089	-	35 826	200 459	224 364	(23 906)	-11%	435 089
<b>Total Expenditure</b>	<b>1 114 263</b>	<b>1 256 406</b>	<b>-</b>	<b>95 997</b>	<b>579 720</b>	<b>626 314</b>	<b>(46 594)</b>	<b>-7%</b>	<b>1 256 406</b>
<b>Surplus/(Deficit)</b>	<b>12 632</b>	<b>(5 298)</b>	<b>-</b>	<b>109 952</b>	<b>191 442</b>	<b>77 255</b>	<b>114 186</b>	<b>148%</b>	<b>(5 298)</b>
Transfers and subsidies - capital (monetary allocations)	185 621	109 848	-	18 217	61 089	54 924	6 165	11%	109 848
Transfers and subsidies - capital (in-kind) contributions	1 490	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>	<b>120 352</b>	<b>91%</b>	<b>104 550</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>227 317</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>
Capital transfers recognised	155 862	95 520	-	5 721	54 003	47 760	6 243	13%	95 520
Borrowing	6 412	-	-	-	-	-	-	-	-
Internally generated funds	56 641	20 799	-	4 507	15 580	12 404	3 176	26%	20 799
<b>Total sources of capital funds</b>	<b>218 915</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>
<b>Financial position</b>									
Total current assets	735 851	681 213	-	-	987 287	-	-	-	681 213
Total non current assets	2 162 440	1 997 352	-	-	2 188 388	-	-	-	1 997 352
Total current liabilities	395 179	303 486	-	-	412 506	-	-	-	303 486
Total non current liabilities	189 711	191 699	-	-	197 237	-	-	-	191 699
Community wealth/Equity	<b>2 313 400</b>	<b>2 185 331</b>	<b>-</b>	<b>-</b>	<b>2 565 931</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 185 331</b>
<b>Cash flows</b>									
Net cash from (used) operating	32 103	108 651	-	121 330	224 832	98 225	(126 606)	-129%	108 651
Net cash from (used) investing	242 572	(139 110)	-	(10 209)	(80 698)	(71 395)	9 303	-13%	(139 110)
Net cash from (used) financing	(31 987)	(27 127)	-	(3 899)	(21 192)	(13 563)	7 629	-56%	(27 127)
<b>Cash/cash equivalents at the month/year end</b>	<b>374 381</b>	<b>74 005</b>	<b>-</b>	<b>-</b>	<b>237 193</b>	<b>144 858</b>	<b>(92 335)</b>	<b>-64%</b>	<b>56 665</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	66 606	35 733	27 644	16 905	40 184	14 600	21 270	#####	636 680
<b>Creditors Age Analysis</b>									
Total Creditors	1 273	12	5	-	-	-	-	0%	1 290

## 5.2 Financial Performance -Revenue by Source

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - December

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		153 095	182 436	-	14 832	92 852	91 218	1 634	2%	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		59 334	62 711	-	5 781	40 687	39 907	780	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	-	455	4 531	4 786	(255)	-5%	9 571
Agency services		5 341	5 371	-	400	2 778	2 686	92	3%	5 371
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	-	740	3 816	3 491	326	9%	6 982
Interest from Current and Non Current Assets		10 845	8 511	-	1 087	5 581	4 256	1 326	31%	8 511
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	-	326	2 444	1 749	695	40%	3 498
Licence and permits		596	636	-	39	290	318	(28)	-9%	636
Operational Revenue		3 673	1 106	-	112	372	553	(181)	-33%	1 106
<b>Non-Exchange Revenue</b>										
Property rates		486 141	509 406	-	45 014	328 583	324 167	4 416	1%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	-	2 689	10 384	15 531	(5 147)	-33%	31 062
Licence and permits		7 734	9 628	-	638	5 139	4 814	325	7%	9 628
Transfers and subsidies - Operational		285 417	390 026	-	130 594	257 809	195 013	62 796	32%	390 026
Interest		28 075	30 164	-	2 738	15 391	15 082	309	2%	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		25 653	-	-	503	503	-	503	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 126 895</b>	<b>1 251 108</b>	<b>-</b>	<b>205 949</b>	<b>771 162</b>	<b>703 570</b>	<b>67 592</b>	<b>10%</b>	<b>1 251 108</b>
<b>Expenditure By Type</b>										
Employee related costs		455 419	484 629	-	38 388	236 855	234 389	2 466	1%	484 629
Remuneration of councillors		29 567	31 164	-	2 953	23 011	15 582	7 429	48%	31 164
Bulk purchases - electricity		107 470	162 706	-	10 580	61 594	81 353	(19 760)	-24%	162 706
Inventory consumed		11 774	11 265	-	781	7 663	6 534	1 130	17%	11 265
Debt impairment		(29 418)	-	-	-	-	-	-	-	-
Depreciation and amortisation		94 294	106 706	-	7 273	43 635	53 353	(9 718)	-18%	106 706
Interest		24 062	9 958	-	0	480	4 979	(4 499)	-90%	9 958
Contracted services		211 569	272 493	-	27 999	126 368	140 429	(14 061)	-10%	272 493
Transfers and subsidies		14 465	14 888	-	196	6 024	5 760	264	5%	14 888
Irrecoverable debts written off		27 590	10 513	-	416	2 531	5 257	(2 725)	-52%	10 513
Operational costs		161 955	152 083	-	7 412	72 211	78 679	(6 468)	-8%	152 083
Losses on Disposal of Assets		5 320	-	-	-	(652)	-	(652)	#DIV/0!	-
Other Losses		197	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 114 263</b>	<b>1 256 406</b>	<b>-</b>	<b>95 997</b>	<b>579 720</b>	<b>626 314</b>	<b>(46 594)</b>	<b>-7%</b>	<b>1 256 406</b>
<b>Surplus/(Deficit)</b>		<b>12 632</b>	<b>(5 298)</b>	<b>-</b>	<b>109 952</b>	<b>191 442</b>	<b>77 255</b>	<b>114 186</b>	<b>148%</b>	<b>(5 298)</b>
Transfers and subsidies - capital (monetary allocations)		185 621	109 848	-	18 217	61 089	54 924	6 165	11%	109 848
Transfers and subsidies - capital (in-kind)		1 490	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</b>

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) - M06 - December

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		153 095	182 436	-	14 832	92 852	91 218	1 634	2%	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		59 334	62 711	-	5 781	40 687	39 907	780	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	-	455	4 531	4 786	(255)	-5%	9 571
Agency services		5 341	5 371	-	400	2 778	2 686	92	3%	5 371
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	-	740	3 816	3 491	326	9%	6 982
Interest from Current and Non Current Assets		10 845	8 511	-	1 087	5 581	4 256	1 326	31%	8 511
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	-	326	2 444	1 749	695	40%	3 498
Licence and permits		596	636	-	39	290	318	(28)	-9%	636
Operational Revenue		3 673	1 106	-	112	372	553	(181)	-33%	1 106
<b>Non-Exchange Revenue</b>										
Property rates		486 141	509 406	-	45 014	328 583	324 167	4 416	1%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	-	2 689	10 384	15 531	(5 147)	-33%	31 062
Licence and permits		7 734	9 628	-	638	5 139	4 814	325	7%	9 628
Transfers and subsidies - Operational		285 417	390 026	-	130 594	257 809	195 013	62 796	32%	390 026
Interest		28 075	30 164	-	2 738	15 391	15 082	309	2%	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		25 653	-	-	503	503	-	503	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 126 895</b>	<b>1 251 108</b>	<b>-</b>	<b>205 949</b>	<b>771 162</b>	<b>703 570</b>	<b>67 592</b>	<b>10%</b>	<b>1 251 108</b>

## Revenue from Exchange Transactions

### Service charges - Electricity

The YTD Actual for electricity billing for the period ended 31 December 2023 is R92.9 million while the YTD Budget is R91.2 million. There is a positive variance of R1.6 million between the YTD actual and YTD budget.

### Service charges – Waste Management

The overall YTD actual billing for refuse removals is R40.6 million and the YTD Budget billing is R39.9 million, which indicates a positive variance of R780 thousand.

### Sale of goods and Rendering of Services

The YTD actual amounts to R4.5 million with a YTD budget of R4.8 million. The R255 thousand negative variances attributed to seasonal revenue streams such as beach parking as we were anticipating higher revenue due to festive season but there weren't as many tourists as expected.

### **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 R2.8 million showing a positive variance of R92 thousand variance.

### **Interest earned from receivables**

The YTD budget amounts to R3.5 million compared to the YTD actual amount of R3.8 million, YTD actual showing a positive variance of R326 thousand variance. YTD actual performance is in line with budgeted projections.

### **Interest from Investments**

The YTD actual is R5.6 million and a YTD budget of R4.3 million. This shows a positive variance since there was more interest earned than the investment accounts of the investment accounts.

### **Rental from fixed assets**

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 R2.4 million compared to YTD budget of R1.7 million, resulting to a R695 thousand positive variance. This indicates that more rental revenue was collected than anticipated.

### **Licenses and Permits**

Licenses and permits for exchange revenue actuals to date amounts to R290 thousand with a YTD budget of R318 thousand resulting in a negative variance of R28 thousand.

### **Revenue from non-exchange transactions**

#### **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 R328.6 million, compared to the YTD budget of R324.2 million

and a positive variance of R4.4 million due to the application of annual rate payers for public benefit organizations, residential properties, and state-owned entities.

### **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 R10.4 million compared to a YTD budget of R15.5 million. The variance is mainly caused by low fines issued and the budget amount will be revised in adjustment budget.

### **Licenses and Permits**

Licenses and permits for non-exchange revenue performance to date amount to R5.1 million with a YTD budget of R4.8 million. The YTD actual revenue mainly comprises of motor vehicle licenses with the budget of R8.7 million and the actual of R4.7 million.

### **Transfers and Subsidies -Operational**

The YTD as of 31 December 2023 for operational grant recognized /received to date amounts to R257.8 million, YTD Budget is R195 million with a variance of R62 million as operational conditional grants are recognized as revenue when conditions being met as per the set guidelines which results in the YTD variance.

### **Interest on Property Rates**

The YTD actual amounts to R15.4 million compared to YTD budget of R15 million. The item is in line with budget projections.

### **Total Revenue**

The YTD Actual revenue excluding capital transfers is R771.1 million for the period ending 31 December 2023, YTD Budget is R703.6 million, the variance is caused by the differences within the different revenue streams as stated above and how they have been performing.



## **5.3 Expenditure by Type**

KZ216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - December

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										
<b>Expenditure By Type</b>										
Employee related costs		455 419	484 629	-	38 388	236 855	234 389	2 466	1%	484 629
Remuneration of councillors		29 567	31 164	-	2 953	23 011	15 582	7 429	48%	31 164
Bulk purchases - electricity		107 470	162 706	-	10 580	61 594	81 353	(19 760)	-24%	162 706
Inventory consumed		11 774	11 265	-	781	7 663	6 534	1 130	17%	11 265
Debt impairment		(29 418)	-	-	-	-	-	-	-	-
Depreciation and amortisation		94 294	106 706	-	7 273	43 635	53 353	(9 718)	-18%	106 706
Interest		24 062	9 958	-	0	480	4 979	(4 499)	-90%	9 958
Contracted services		211 569	272 493	-	27 999	126 368	140 429	(14 061)	-10%	272 493
Transfers and subsidies		14 465	14 888	-	196	6 024	5 760	264	5%	14 888
Irrecoverable debts written off		27 590	10 513	-	416	2 531	5 257	(2 725)	-52%	10 513
Operational costs		161 955	152 083	-	7 412	72 211	78 679	(6 468)	-8%	152 083
Losses on Disposal of Assets		5 320	-	-	-	(652)	-	(652)	#DIV/0!	-
Other Losses		197	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 114 263</b>	<b>1 256 406</b>	<b>-</b>	<b>95 997</b>	<b>579 720</b>	<b>626 314</b>	<b>(46 594)</b>	<b>-7%</b>	<b>1 256 406</b>

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

The YTD actuals for employee related costs amount to R236.9 million as of 31 December 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 R23 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 December 2023 amounts to R126.4 million, the YTD Budget is R140.4 million. The R14.1 million variance is due to a delay in the implementation of road maintenance projects which expenditure has begun from the month of November which will account for the variance in upcoming months as the projects continue.

### **Inventory Consumed**

YTD Inventory consumed amounts to R7.7 million as of 31 December 2023 with the YTD Budget being R6.5 million. The consumption of inventory is higher than budget projections.

### **Depreciation and Amortization**

The YTD actual for this item has been calculated for the quarter as R43.6 million compared to the YTD budget of R53.4 million. The variance between the budgeted figure and the actual figure is due to depreciation being accounted for on assets that are currently in use, and the budget being based on additional assets planned to be procured during the financial year.

## 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 December 2023 stands at R6 million with a YTD budget of R5.7 million. The annual budget for transfers and subsidies is R14.8 million.

## Overall expenditure budget

The overall expenditure YTD Actual is R579.7 million, YTD Budget is R626.3 million. There is R46.6 million variance, due to the trends of different types of expenditure as explained above such as transfers and subsidies and contracted services which reflect a large variance compared to YTD budget.

## Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). The YTD Surplus excluding capital transfers is R191.4 million compared to the YTD Budget surplus of R77.2 million due to the performance of the various line items detailed above.

## 5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - December

Description	NT Code	Budget Year 2023/24									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	6	15	18	20	3	28	29	945	1 065	1 026	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	16 957	8 895	2 667	1 459	1 091	828	684	12 600	45 180	16 661	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	39 757	20 063	19 363	10 502	31 320	8 856	1 371	247 738	378 971	299 787	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	-	-
Receivables from Exchange Transactions - Waste Management	1600	5 745	3 179	2 197	1 883	4 742	1 551	6	49 343	68 646	57 625	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	3 483	3 357	3 183	2 927	2 845	2 822	18 929	92 318	129 863	119 841	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	658	224	215	114	183	514	252	10 795	12 955	11 858	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>66 606</b>	<b>35 733</b>	<b>27 644</b>	<b>16 905</b>	<b>40 184</b>	<b>14 600</b>	<b>21 270</b>	<b>413 738</b>	<b>636 680</b>	<b>506 697</b>	<b>-</b>	<b>-</b>
<b>2022/23 - totals only</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	2 426	1 509	6 511	667	15 447	601	911	31 350	59 421	48 975	-	-
Commercial	2300	25 052	12 175	6 347	3 985	5 689	3 606	4 059	77 233	138 145	94 572	-	-
Households	2400	39 129	22 049	14 786	12 253	19 048	10 393	16 301	305 155	439 113	363 149	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>66 606</b>	<b>35 733</b>	<b>27 644</b>	<b>16 905</b>	<b>40 184</b>	<b>14 600</b>	<b>21 270</b>	<b>413 738</b>	<b>636 680</b>	<b>506 697</b>	<b>-</b>	<b>-</b>

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

## 5.5 Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 - December

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
<b>R thousands</b>												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 273	12	5	-	-	-	-	-	-	1 290	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>1 273</b>	<b>12</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 290</b>	<b>-</b>

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


## 5.6 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - December

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Actual	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD Variance	YTD %	Full Year Forecast
<b>R thousands</b>										
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Other		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Mayor and Council		298	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		19 043	3 801	-	836	998	3 801	(2 802)	-74%	3 801
Vote 3 - Internal Audit		676	200	-	-	157	100	57	57%	200
Vote 4 - Community and Social Services		(1 903)	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		(8 021)	4 340	-	9	393	2 254	(1 861)	-83%	4 340
Vote 7 - Housing		229	180	-	-	51	90	(39)	-44%	180
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		121 372	93 990	-	5 852	56 943	46 995	9 948	21%	93 990
Vote 10 - Road Transport		77 794	11 809	-	3 343	10 401	5 924	4 477	76%	11 809
Vote 11 - Environment Protection		389	-	-	189	189	-	189	#DIV/0!	-
Vote 12 - Energy Sources		13 778	2 000	-	-	-	1 000	(1 000)	-100%	2 000
Vote 13 - Other		(843)	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		4 505	-	-	-	452	-	452	#DIV/0!	-
<b>Total Capital single-year expenditure</b>	4	227 317	116 319	-	10 228	69 583	60 164	9 419	16%	116 319
<b>Total Capital Expenditure</b>		<b>227 317</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>20 039</b>	<b>4 001</b>	<b>-</b>	<b>836</b>	<b>1 155</b>	<b>3 901</b>	<b>(2 746)</b>	<b>-70%</b>	<b>4 001</b>
Executive and council		320	-	-	-	-	-	-	-	-
Finance and administration		19 043	3 801	-	836	998	3 801	(2 802)	-74%	3 801
Internal audit		676	200	-	-	157	100	57	57%	200
<b>Community and public safety</b>		<b>(9 844)</b>	<b>4 520</b>	<b>-</b>	<b>9</b>	<b>444</b>	<b>2 344</b>	<b>(1 900)</b>	<b>-81%</b>	<b>4 520</b>
Community and social services		(1 903)	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		(8 170)	4 340	-	9	393	2 254	(1 861)	-83%	4 340
Housing		229	180	-	-	51	90	(39)	-44%	180
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>199 682</b>	<b>105 798</b>	<b>-</b>	<b>9 383</b>	<b>67 533</b>	<b>52 919</b>	<b>14 613</b>	<b>28%</b>	<b>105 798</b>
Planning and development		121 350	93 990	-	5 852	56 943	46 995	9 948	21%	93 990
Road transport		77 943	11 809	-	3 343	10 401	5 924	4 477	76%	11 809
Environmental protection		389	-	-	189	189	-	189	#DIV/0!	-
<b>Trading services</b>		<b>18 283</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>452</b>	<b>1 000</b>	<b>(548)</b>	<b>-55%</b>	<b>2 000</b>
Energy sources		13 778	2 000	-	-	-	1 000	(1 000)	-100%	2 000
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 505	-	-	-	452	-	452	#DIV/0!	-
<b>Other</b>		<b>(843)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>227 317</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>
<b>Funded by:</b>										
National Government		125 344	93 781	-	5 721	54 003	46 890	7 113	15%	93 781
Provincial Government		30 518	1 739	-	-	-	870	(870)	-100%	1 739
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>155 862</b>	<b>95 520</b>	<b>-</b>	<b>5 721</b>	<b>54 003</b>	<b>47 760</b>	<b>6 243</b>	<b>13%</b>	<b>95 520</b>
<b>Borrowing</b>	6	<b>6 412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>56 641</b>	<b>20 799</b>	<b>-</b>	<b>4 507</b>	<b>15 580</b>	<b>12 404</b>	<b>3 176</b>	<b>26%</b>	<b>20 799</b>
<b>Total Capital Funding</b>		<b>218 915</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R69.6 million, the YTD budgeted is R60.2 million and there is R9.4 million variance. R 69.6 million of YTD actuals for capital expenditure, R54 million is funded by national grants, and R15.6 million from internally generated funds.

## 5.7 Transfers and Grants Receipts



**KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER**

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER DEC 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 55 500 000	R -	R 41 289 203	R -	R -	R 14 210 797 00
NEIGHBOURHOOD GRANT	R 1 200 663	R 14 292 000	R -	R 19 003 908	R 3 511 245	R -	R -
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 3 559 000	R 3 775 546	R -	R 216 546	R -	R -
MUNICIPAL DISASTER RESPONSE	R -	R -	R -	R -	R -	R -	R -
MUNICIPAL DISASTER RECOVERY	R -	R 55 000 000	R 40 019 967	R -	R -	R -	R 14 980 033 46
INTERMODAL FACILITIES GRANT	R 13 590	R -	R -	R -	R -	R -	R 13 589 68
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	R 326 520	R -	R -	R -	R -	R -	R 326 519 95
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 257 515	R -	R -	R -	R 1 692 485 11
MUSEUM GRANT	R -	R 476 000	R 1 412 328	R -	R 936 329	R -	R -
AIRPORT GRANT	R 3 763 374	R 2 000 000	R -	R -	R -	R -	R 5 763 373 50
COGTA ELECT GRANT	R 784 811	R -	R -	R -	R -	R -	R 784 810 61
MARKET STALLS GRANT	R 2 452 315	R -	R -	R -	R -	R -	R 2 452 315 18
<b>TOTAL</b>	<b>R 8 541 271</b>	<b>R 132 777 000</b>	<b>R 45 465 357</b>	<b>R 60 293 111</b>	<b>R 4 664 121</b>	<b>R -</b>	<b>R 40 223 924</b>

### Transfers and Grants Receipts

The total grants received to date for period ending 31 December 2023 amounts to R132.8 million, which include R55.5 million from Integrated Urban Development Grant, R14.3 million from Neighborhood Development Grant, R3.56 million from EPWP, R1.95 million from FMG, R55 million disaster recovery grant , R 476 thousand from Museum Grant and R2 000 000 from Airport Grant.

### Opening Balances -Grant Register

The total unspent grants as of 30 June 2023 is **R 8 541 271**.

They are shown on the register as the Opening balances. The committee should note that the municipality has applied for a rollover of funds for these grants. Following is the list of the unspent grants:

- Neighborhood Grant – R1 200 663
- Intermodal Facilities Grant – R13 590
- Integrated National Electrification Programme (INEP) – R326 520
- Airport Grant – R3 763 374
- COGTA Electrification Grant – R784 811
- Market Stalls Grant – R2 452 315

## 5.8 Transfers and Grants Expenditure



### KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER DEC 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 55 500 000	R -	R 41 289 203	R -	R -	R 14 210 797.08
NEIGHBOURHOOD GRANT	R 1 200 663	R 14 292 000	R -	R 19 003 908	R 3 511 245	R -	R -
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 3 559 000	R 3 775 546	R -	R 216 546	R -	R -
MUNICIPAL DISASTER RESPONSE	R -	R -	R -	R -	R -	R -	R -
MUNICIPAL DISASTER RECOVERY	R -	R 55 000 000	R 40 079 967	R -	R -	R -	R 14 920 032.46
INTERMODAL FACILITIES GRANT	R 13 593	R -	R -	R -	R -	R -	R 13 593.68
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	R 326 520	R -	R -	R -	R -	R -	R 326 519.95
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 257 576	R -	R -	R -	R 1 692 423.11
MUSEUM GRANT	R -	R 476 000	R 1 412 329	R -	R 936 329	R -	R -
AIRPORT GRANT	R 3 763 374	R 2 000 000	R -	R -	R -	R -	R 5 763 373.50
COGTA ELECT GRANT	R 784 811	R -	R -	R -	R -	R -	R 784 810.61
MARKET STALLS GRANT	R 2 452 376	R -	R -	R -	R -	R -	R 2 452 375.18
<b>TOTAL</b>	<b>R 8 541 271</b>	<b>R 132 777 000</b>	<b>R 45 465 357</b>	<b>R 60 293 111</b>	<b>R 4 664 121</b>	<b>R -</b>	<b>R 40 223 924</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 December 2023, there is R45 465 357 operating expenditure recorded and capital expenditure amounting to R60 293 111.

### Grant's expenditure

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

An amount of R55.5 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 31 December 2023 is R41.3 million and has been spent on various capital projects.

- **Neighborhood Development Partnership Grant**

An amount of R14 292 000 has been received for the Neighborhood 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 December 2023 is R19 million, with R3.5 million being internally funded.

- **Expanded Public Works Programme**

An amount of R3 559 000 has been received for the EPWP grant. This is an operational grant and the YTD actual for the period ended 31 December 2023 is R3 775 546, with R216 546 being internally funded until the second tranche is received.

- **Finance Management Grant**

An amount of R1 950 000 has been received for the FMG grant. This is an operational grant and the YTD actual for the period ended 31 December 2023 is R257 515.

- **Museum Subsidy Grant**

An amount of R476 000 has been received for the museum grant. This is an operational grant and the YTD actual for the period ended 31 December 2023 is R1 412 329, with R936 329 being internally funded.

- **Disaster Recovery Grant**

An amount of R55 000 000 has been received for the disaster grant. This is an operational grant and the YTD actual for the period ended 31 December 2023 is R40 019 967.

## 5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - December

Summary of Employee and Councillor remuneration	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		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		26 688	19 040	-	1 654	16 279	9 520	6 759	71%	19 040
Pension and UIF Contributions		-	758	-	63	376	379	(3)	-1%	758
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 880	2 815	-	252	1 466	1 408	59	4%	2 815
Housing Allowances		-	5 953	-	729	3 391	2 976	415	14%	5 953
Other benefits and allowances		-	2 599	-	254	1 498	1 299	198	15%	2 599
<b>Sub Total - Councillors</b>		<b>29 567</b>	<b>31 164</b>	<b>-</b>	<b>2 953</b>	<b>23 011</b>	<b>15 582</b>	<b>7 429</b>	<b>48%</b>	<b>31 164</b>
% increase	4		5.4%							5.4%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		3 690	3 946	-	204	1 481	1 973	(492)	-25%	3 946
Pension and UIF Contributions		146	192	-	8	39	96	(57)	-60%	192
Medical Aid Contributions		198	230	-	4	38	115	(77)	-67%	230
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		960	1 059	-	-	-	529	(529)	-100%	1 059
Motor Vehicle Allowance		838	1 060	-	61	319	530	(211)	-40%	1 060
Cellphone Allowance		87	114	-	6	33	57	(24)	-42%	114
Housing Allowances		2 655	3 275	-	111	808	1 638	(830)	-51%	3 275
Other benefits and allowances		1	1	-	0	0	0	(0)	-39%	1
Payments in lieu of leave		327	332	-	8	(167)	166	(333)	-200%	332
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		76	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>8 978</b>	<b>10 209</b>	<b>-</b>	<b>401</b>	<b>2 552</b>	<b>5 105</b>	<b>(2 553)</b>	<b>-50%</b>	<b>10 209</b>
% increase	4		13.7%							13.7%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		274 917	289 760	-	23 703	143 837	144 880	(1 043)	-1%	289 760
Pension and UIF Contributions		50 977	50 460	-	4 369	26 136	25 230	906	4%	50 460
Medical Aid Contributions		20 094	20 668	-	1 699	10 358	10 334	24	0%	20 668
Overtime		21 821	18 985	-	1 571	9 133	9 492	(359)	-4%	18 985
Performance Bonus		22 443	22 473	-	1 876	13 898	11 236	2 661	24%	22 473
Motor Vehicle Allowance		18 911	18 975	-	1 678	10 041	9 488	553	6%	18 975
Cellphone Allowance		1 021	1 007	-	82	501	503	(2)	0%	1 007
Housing Allowances		4 152	4 059	-	283	1 691	2 030	(338)	-17%	4 059
Other benefits and allowances		5 224	6 038	-	403	2 486	3 019	(532)	-18%	6 038
Payments in lieu of leave		4 871	22 480	-	1 426	11 005	11 240	(235)	-2%	22 480
Long service awards		4 268	2 751	-	417	2 661	1 375	1 286	93%	2 751
Post-retirement benefit obligations		17 103	15 852	-	389	1 975	-	1 975	#DIV/0!	15 852
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		638	912	-	92	579	456	123	27%	912
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>446 442</b>	<b>474 420</b>	<b>-</b>	<b>37 988</b>	<b>234 304</b>	<b>229 284</b>	<b>5 019</b>	<b>2%</b>	<b>474 420</b>
% increase	4		6.3%							6.3%
<b>Total Parent Municipality</b>		<b>484 987</b>	<b>515 794</b>	<b>-</b>	<b>41 341</b>	<b>259 866</b>	<b>249 971</b>	<b>9 895</b>	<b>4%</b>	<b>515 794</b>

### Councillors Remuneration

The annual budget is R31.16 million with a monthly budget of R2.9 million. The YTD actual performance stands at R23 million. The increase in council remuneration was due to COGTA upgrading council remuneration to a new task grade.



## 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 R2.6 million and a YTD budget of R5.1 million. The variance is attributed to the vacant post of senior management.

## Other Municipal Staff

The annual budget is R474.4 million with a monthly budget of R38 million. The YTD actual of R234.3 million is in line with the YTD budget for this item.

## 5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY  
LONG TERM LOANS REGISTER : 31 DECEMBER 2023



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 December 2023	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 31 December 2023
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	-R 10 647 036.07					-R 10 647 036.07
DBSA	12.67%	22-Nov-30	61007761	-R 7 711 087.73					-R 7 711 087.73
<b>TOTAL DBSA LOANS</b>				<b>-R 18 358 123.80</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>-R 18 358 123.80</b>
<b>TOTAL LOANS</b>				<b>-R 18 358 123.80</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>-R 18 358 123.80</b>
Prepared by: Aphelele Tobo				Date: 10 January 2024					
Reviewed by: Gcinile Kubheka				Date: 10 January 2024					

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, as well as the third drawdown of R7.9 million and current loan balance outstanding is R18.4 million as of 31 December 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. 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 1<sup>st</sup> month of the financial year.

### ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

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

## 5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 - December

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Actual 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		-0.7%	9.3%	0.0%	0.1%	3.3%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		2.8%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		14.9%	14.0%	0.0%	13.3%	14.0%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	186.2%	224.5%	0.0%	239.3%	224.5%
Liquidity Ratio	Monetary Assets/Current Liabilities		28.9%	27.5%	0.0%	52.9%	27.5%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		41.6%	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%
<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		40.4%	38.7%	0.0%	30.7%	38.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.1%	15.5%	0.0%	10.6%	15.5%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.5%	9.3%	0.0%	0.1%	3.3%
<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						
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 December 2023 and the indicators are broken down below.

### **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R18 358 123.80 as of 31 December 2023.

### **Liquidity**

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

**Budgeted Current Ratio:** R681 213 000/R303 486 000=**2.24:1**

**Actual Current Ratio as of 31 December 2023:** R987 287 000/R412 506 000 = **2.39:1**

The 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 R2.24: R1 ratio and the actual ratio as of 31 December 2023 is: R2.39: R1 which is above the norm.

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

**Budgeted Acid test Ratio:** (R681 213 000-(-R4 207 000))/R303 486 000=**2.23.:1**

**Actual Acid test Ratio as 31 December 2023 :** ( R987 287 000-R11 790 000)/R412 506 000 = **2.36:1**

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 it 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 - M06 - December

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 <sup>3</sup>	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>Municipality</b>														
ABSA Bank		DAILY	LIQUIDITY PLUS			6.75%			Daily	74 688	491			75 179
ABSA Bank (3433)		DAILY	MONEY MKT			6.45%			Daily	3 339	21			3 361
ABSA Bank (9707)		DAILY	MONEY MKT			6.55%			Daily	14 113	90			14 203
INVEST ELECTRICITY RESERVE		Daily	MONEY MRKT			5.40%			Daily	705	6			711
INVEST ELECTRICITY ACCOUNT		Daily	MONEY MRKT			5.40%			Daily	352	3			355
FNB		Daily	MONEY MRKT			5.40%			Daily	18 679	119			18 799
ABSA HOUSING PROJECT		MONTHLY	LIQUIDITY PLUS			6.45%			Daily	4 445	28			4 473
ABSA GROUVILLE PRIORITY		MONTHLY	LIQUIDITY PLUS			6.45%			Daily	303	2			305
ABSA SHAYAMOYA		MONTHLY	LIQUIDITY PLUS			6.45%			Daily	878	6			883
ABSA DUBE VILLAGE		MONTHLY	LIQUIDITY PLUS			6.45%			Daily	263	2			265
ABSA STEVE BIKO		MONTHLY	LIQUIDITY PLUS			6.45%			Daily	974	6			980
INVESTEC		12 MONTHS	FIXED			7.34%			365 DAYS	-	-			-
Nedbank Treasury 166		32 DAY NOTICE	CALL ACCOUNT			6.75%			32 DAYS	69 382	456			69 849
ABSA (5911)		12 MTH	FIXED			6.45%			365 DAYS	6 867	43			6 910
ABSA		MONTHLY	LIQUIDITY PLUS			6.60%			Daily	39 140	253			39 392
ABSA		MONTHLY	LIQUIDITY PLUS			6.45%			Daily	2 814	18			2 831
ABSA ( BALLITO JUNCTION)		MONTHLY	LIQUIDITY PLUS			6.45%			Daily	6 621	42			6 663
Nedbank Ballito Junction 000171		12 mth	FIXED			8.85%			365 DAYS	15 897	-			15 897
ABSA (DEVELOPERS CONTRI)		MONTHLY	LIQUIDITY PLUS			6.55%			Daily	15 373	99			15 471
ABSA (4472)		MONTHLY	LIQUIDITY PLUS			5.75%			Daily	111 835	788	(300 000)	217 817	30 441
Standard Bank Boxers Cash n Carry		12 MTH	FIXED			5.15%			365 DAYS	-	-			-
Nedbank Treasury Dev Cont (162)		12 MTH	FIXED			6.75%			365 DAYS	3	0			3
Standard Bank KwaDukuza Mall		6 MONTHS	FIXED			5.38%			180 DAYS	-	-			-
ABSA developers Contribution 2		12 mth	FIXED			7.51%			365 DAYS	30 291	2 221			32 513
Standard Bank Fixed Costs Cleaning Account		32 DAY NOTICE	CALL ACCOUNT			7.25%			32 DAYS	54 411	378			54 789
Investec Eskom Investment Account Deposits		32 DAY NOTICE	CALL ACCOUNT			7.60%			32 DAYS	46 259	336			46 595
Standard Bank Salary Cleaning Account		32 DAY NOTICE	CALL ACCOUNT			7.25%			32 DAYS	46 409	322			46 732
Nedbank Treasury Boxers Cash n Carry		6 MONTHS	FIXED			4.07%			180 DAYS	-	-			-
ABSA developers Contribution 3		12 mth	FIXED			4.93%			365 DAYS	-	-			-
ABSA Boxers Cash n Carry		6 MONTHS	FIXED			6.35%			180 DAYS	25 830	-			25 830
Nedbank KDM Mall		12 mth	FIXED			8.55%			365 DAYS	10 000	-			10 000
										-	-			-
Municipality sub-total										599 881		(300 000)	217 817	523 429

The Investment register as of 31 December 2023 has the closing balance of R523 million, with R5.7 million total interest earned for the month from which R119 thousand 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 - M06 - December

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	486 141	509 406	-	45 014	328 583	324 167	4 416	1%	509 406
Service charges	212 429	245 147	-	20 613	133 539	131 125	2 414	2%	245 147
Investment revenue	10 845	8 511	-	1 087	5 581	4 256	1 326	31%	8 511
Transfers and subsidies - Operational	285 417	390 026	-	130 594	257 809	195 013	62 796	32%	390 026
Other own revenue	132 063	98 017	-	8 641	45 649	49 008	(3 359)	-7%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 126 895</b>	<b>1 251 108</b>	<b>-</b>	<b>205 949</b>	<b>771 162</b>	<b>703 570</b>	<b>67 592</b>	<b>10%</b>	<b>1 251 108</b>
Employee costs	455 419	484 629	-	38 388	236 855	234 389	2 466	1%	484 629
Remuneration of Councillors	29 567	31 164	-	2 953	23 011	15 582	7 429	48%	31 164
Depreciation and amortisation	94 294	106 706	-	7 273	43 635	53 353	(9 718)	-18%	106 706
Interest	24 062	9 958	-	0	480	4 979	(4 499)	-90%	9 958
Inventory consumed and bulk purchases	119 244	173 972	-	11 361	69 257	87 887	(18 630)	-21%	173 972
Transfers and subsidies	14 465	14 888	-	196	6 024	5 760	264	5%	14 888
Other expenditure	377 212	435 089	-	35 826	200 459	224 364	(23 906)	-11%	435 089
<b>Total Expenditure</b>	<b>1 114 263</b>	<b>1 256 406</b>	<b>-</b>	<b>95 997</b>	<b>579 720</b>	<b>626 314</b>	<b>(46 594)</b>	<b>-7%</b>	<b>1 256 406</b>
<b>Surplus/(Deficit)</b>	<b>12 632</b>	<b>(5 298)</b>	<b>-</b>	<b>109 952</b>	<b>191 442</b>	<b>77 255</b>	<b>114 186</b>	<b>148%</b>	<b>(5 298)</b>
Transfers and subsidies - capital (monetary allocations)	185 621	109 848	-	18 217	61 089	54 924	6 165	11%	109 848
Transfers and subsidies - capital (in-kind)	1 490	-	-	-	-	-	-	-	-
<b>contributions</b>	<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>	<b>120 352</b>	<b>91%</b>	<b>104 550</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>	<b>120 352</b>	<b>91%</b>	<b>104 550</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>227 317</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>
Capital transfers recognised	155 862	95 520	-	5 721	54 003	47 760	6 243	13%	95 520
Borrowing	6 412	-	-	-	-	-	-	-	-
Internally generated funds	56 641	20 799	-	4 507	15 580	12 404	3 176	26%	20 799
<b>Total sources of capital funds</b>	<b>218 915</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>
<b>Financial position</b>									
Total current assets	735 851	681 213	-	-	987 287	-	-	-	681 213
Total non current assets	2 162 440	1 997 352	-	-	2 188 388	-	-	-	1 997 352
Total current liabilities	395 179	303 486	-	-	412 506	-	-	-	303 486
Total non current liabilities	189 711	191 699	-	-	197 237	-	-	-	191 699
Community wealth/Equity	2 313 400	2 185 331	-	-	2 565 931	-	-	-	2 185 331
<b>Cash flows</b>									
Net cash from (used) operating	32 103	108 651	-	121 330	224 832	98 225	(126 606)	-129%	108 651
Net cash from (used) investing	242 572	(139 110)	-	(10 209)	(80 698)	(71 395)	9 303	-13%	(139 110)
Net cash from (used) financing	(31 987)	(27 127)	-	(3 899)	(21 192)	(13 563)	7 629	-56%	(27 127)
<b>Cash/cash equivalents at the month/year end</b>	<b>374 381</b>	<b>74 005</b>	<b>-</b>	<b>-</b>	<b>237 193</b>	<b>144 858</b>	<b>(92 335)</b>	<b>-64%</b>	<b>56 665</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	66 606	35 733	27 644	16 905	40 184	14 600	21 270	#####	636 680
<b>Creditors Age Analysis</b>									
Total Creditors	1 273	12	5	-	-	-	-	0%	1 290

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) - M06 - December

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		153 095	182 436	-	14 832	92 852	91 218	1 634	2%	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		59 334	62 711	-	5 781	40 687	39 907	780	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	-	455	4 531	4 786	(255)	-5%	9 571
Agency services		5 341	5 371	-	400	2 778	2 686	92	3%	5 371
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	-	740	3 816	3 491	326	9%	6 982
Interest from Current and Non Current Assets		10 845	8 511	-	1 087	5 581	4 256	1 326	31%	8 511
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	-	326	2 444	1 749	695	40%	3 498
Licence and permits		596	636	-	39	290	318	(28)	-9%	636
Operational Revenue		3 673	1 106	-	112	372	553	(181)	-33%	1 106
<b>Non-Exchange Revenue</b>										
Property rates		486 141	509 406	-	45 014	328 583	324 167	4 416	1%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	-	2 689	10 384	15 531	(5 147)	-33%	31 062
Licence and permits		7 734	9 628	-	638	5 139	4 814	325	7%	9 628
Transfers and subsidies - Operational		285 417	390 026	-	130 594	257 809	195 013	62 796	32%	390 026
Interest		28 075	30 164	-	2 738	15 391	15 082	309	2%	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		25 653	-	-	503	503	-	503	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 126 895</b>	<b>1 251 108</b>	<b>-</b>	<b>205 949</b>	<b>771 162</b>	<b>703 570</b>	<b>67 592</b>	<b>10%</b>	<b>1 251 108</b>
<b>Expenditure By Type</b>										
Employee related costs		455 419	484 629	-	38 388	236 855	234 389	2 466	1%	484 629
Remuneration of councillors		29 567	31 164	-	2 953	23 011	15 582	7 429	48%	31 164
Bulk purchases - electricity		107 470	162 706	-	10 580	61 584	81 353	(19 760)	-24%	162 706
Inventory consumed		11 774	11 265	-	781	7 663	6 534	1 130	17%	11 265
Debt impairment		(29 418)	-	-	-	-	-	-	-	-
Depreciation and amortisation		94 294	106 706	-	7 273	43 635	53 353	(9 718)	-18%	106 706
Interest		24 062	9 958	-	0	480	4 979	(4 499)	-90%	9 958
Contracted services		211 589	272 493	-	27 999	126 368	140 429	(14 061)	-10%	272 493
Transfers and subsidies		14 485	14 888	-	196	6 024	5 760	264	5%	14 888
Irrecoverable debts written off		27 590	10 513	-	416	2 531	5 257	(2 725)	-52%	10 513
Operational costs		161 955	152 083	-	7 412	72 211	78 679	(6 468)	-8%	152 083
Losses on Disposal of Assets		5 320	-	-	-	(652)	-	(652)	#DIV/0!	-
Other Losses		197	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 114 263</b>	<b>1 256 406</b>	<b>-</b>	<b>95 997</b>	<b>579 720</b>	<b>626 314</b>	<b>(46 594)</b>	<b>-7%</b>	<b>1 256 406</b>
<b>Surplus/(Deficit)</b>		<b>12 632</b>	<b>(5 298)</b>	<b>-</b>	<b>109 952</b>	<b>191 442</b>	<b>77 255</b>	<b>114 186</b>	<b>148%</b>	<b>(5 298)</b>
Transfers and subsidies - capital (monetary allocations)		185 621	109 848	-	18 217	61 089	54 924	6 165	11%	109 848
Transfers and subsidies - capital (in-kind)		1 490	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>199 743</b>	<b>104 550</b>	<b>-</b>	<b>128 169</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</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 December 2023. The full year forecast provides a guideline in terms of overall performance, and it gives an overview of 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) - M06 - December

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Actual Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Other		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Mayor and Council		298	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		19 043	3 801	-	836	998	3 801	(2 802)	-74%	3 801
Vote 3 - Internal Audit		676	200	-	-	157	100	57	57%	200
Vote 4 - Community and Social Services		(1 903)	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		(8 021)	4 340	-	9	393	2 254	(1 861)	-83%	4 340
Vote 7 - Housing		229	180	-	-	51	90	(39)	-44%	180
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		121 372	93 990	-	5 852	56 943	46 995	9 948	21%	93 990
Vote 10 - Road Transport		77 794	11 809	-	3 343	10 401	5 924	4 477	76%	11 809
Vote 11 - Environment Protection		389	-	-	189	189	-	189	#DIV/0!	-
Vote 12 - Energy Sources		13 778	2 000	-	-	-	1 000	(1 000)	-100%	2 000
Vote 13 - Other		(843)	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		4 505	-	-	-	452	-	452	#DIV/0!	-
<b>Total Capital single-year expenditure</b>	4	227 317	116 319	-	10 228	69 583	60 164	9 419	16%	116 319
<b>Total Capital Expenditure</b>		<b>227 317</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>20 039</b>	<b>4 001</b>	<b>-</b>	<b>836</b>	<b>1 155</b>	<b>3 901</b>	<b>(2 746)</b>	<b>-70%</b>	<b>4 001</b>
Executive and council		320	-	-	-	-	-	-	-	-
Finance and administration		19 043	3 801	-	836	998	3 801	(2 802)	-74%	3 801
Internal audit		676	200	-	-	157	100	57	57%	200
<b>Community and public safety</b>		<b>(9 844)</b>	<b>4 520</b>	<b>-</b>	<b>9</b>	<b>444</b>	<b>2 344</b>	<b>(1 900)</b>	<b>-81%</b>	<b>4 520</b>
Community and social services		(1 903)	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		(8 170)	4 340	-	9	393	2 254	(1 861)	-83%	4 340
Housing		229	180	-	-	51	90	(39)	-44%	180
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>199 682</b>	<b>105 798</b>	<b>-</b>	<b>9 383</b>	<b>67 533</b>	<b>52 919</b>	<b>14 613</b>	<b>28%</b>	<b>105 798</b>
Planning and development		121 350	93 990	-	5 852	56 943	46 995	9 948	21%	93 990
Road transport		77 943	11 809	-	3 343	10 401	5 924	4 477	76%	11 809
Environmental protection		389	-	-	189	189	-	189	#DIV/0!	-
<b>Trading services</b>		<b>18 283</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>452</b>	<b>1 000</b>	<b>(548)</b>	<b>-55%</b>	<b>2 000</b>
Energy sources		13 778	2 000	-	-	-	1 000	(1 000)	-100%	2 000
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 505	-	-	-	452	-	452	#DIV/0!	-
Other		(843)	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>227 317</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>
<b>Funded by:</b>										
National Government		125 344	93 781	-	5 721	54 003	46 890	7 113	15%	93 781
Provincial Government		30 518	1 739	-	-	-	870	(870)	-100%	1 739
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>155 862</b>	<b>95 520</b>	<b>-</b>	<b>5 721</b>	<b>54 003</b>	<b>47 760</b>	<b>6 243</b>	<b>13%</b>	<b>95 520</b>
<b>Borrowing</b>	6	<b>6 412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>56 641</b>	<b>20 799</b>	<b>-</b>	<b>4 507</b>	<b>15 580</b>	<b>12 404</b>	<b>3 176</b>	<b>26%</b>	<b>20 799</b>
<b>Total Capital Funding</b>		<b>218 915</b>	<b>116 319</b>	<b>-</b>	<b>10 228</b>	<b>69 583</b>	<b>60 164</b>	<b>9 419</b>	<b>16%</b>	<b>116 319</b>

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

## 6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M06 - December

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
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		462 432	483 936	-	43 608	243 168	241 968	1 200	0%	483 936
Service charges		232 464	232 890	-	21 339	131 564	116 445	15 119	13%	232 890
Other revenue		86 694	26 628	-	2 446	39 728	13 314	26 414	198%	26 628
Transfers and Subsidies - Operational		291 700	392 240	-	119 073	245 482	219 387	26 094	12%	392 240
Transfers and Subsidies - Capital		184 599	109 848	-	27 542	110 334	73 232	37 102	51%	109 848
Interest		10 332	8 511	-	837	5 006	4 256	750	18%	8 511
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(1 234 796)	(1 120 556)	-	(93 515)	(549 971)	(559 637)	9 666	-2%	(1 120 556)
Interest		(1 324)	(9 958)	-	-	(479)	(4 979)	4 499	-90%	(9 958)
Transfers and Subsidies		-	(14 888)	-	-	-	(5 760)	5 760	-100%	(14 888)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>32 103</b>	<b>108 651</b>	<b>-</b>	<b>121 330</b>	<b>224 832</b>	<b>98 225</b>	<b>(126 606)</b>	<b>-129%</b>	<b>108 651</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		242 572	(139 110)	-	(10 209)	(80 698)	(71 395)	(9 303)	13%	(139 110)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>242 572</b>	<b>(139 110)</b>	<b>-</b>	<b>(10 209)</b>	<b>(80 698)</b>	<b>(71 395)</b>	<b>9 303</b>	<b>-13%</b>	<b>(139 110)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		(31 987)	(27 127)	-	(3 899)	(21 192)	(13 563)	(7 629)	56%	(27 127)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(31 987)</b>	<b>(27 127)</b>	<b>-</b>	<b>(3 899)</b>	<b>(21 192)</b>	<b>(13 563)</b>	<b>7 629</b>	<b>-56%</b>	<b>(27 127)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>242 688</b>	<b>(57 586)</b>	<b>-</b>	<b>107 222</b>	<b>122 941</b>	<b>13 267</b>			<b>(57 586)</b>
Cash/cash equivalents at beginning:		131 693	131 591	-		114 251	131 591			114 251
Cash/cash equivalents at month/year end:		374 381	74 005	-		237 193	144 858			56 665

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources.



## 6.5 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M06 - December

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		114 251	83 383	–	218 159	83 383
Trade and other receivables from exchange transactions		110 482	143 554	–	137 084	143 554
Receivables from non-exchange transactions		353 515	333 984	–	454 246	333 984
Current portion of non-current receivables		–	–	–	–	–
Inventory		5 564	(4 207)	–	11 790	(4 207)
VAT		147 570	121 348	–	161 538	121 348
Other current assets		4 469	3 151	–	4 469	3 151
<b>Total current assets</b>		<b>735 851</b>	<b>681 213</b>	<b>–</b>	<b>987 287</b>	<b>681 213</b>
<b>Non current assets</b>						
Investments		–	–	–	–	–
Investment property		354 869	307 811	–	354 869	307 811
Property, plant and equipment		1 804 872	1 685 640	–	1 830 986	1 685 640
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		2 210	2 205	–	2 210	2 205
Intangible assets		489	1 697	–	323	1 697
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>2 162 440</b>	<b>1 997 352</b>	<b>–</b>	<b>2 188 388</b>	<b>1 997 352</b>
<b>TOTAL ASSETS</b>		<b>2 898 291</b>	<b>2 678 565</b>	<b>–</b>	<b>3 175 674</b>	<b>2 678 565</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		17 369	(12 546)	–	(3 823)	(12 546)
Consumer deposits		35 315	32 846	–	36 796	32 846
Trade and other payables from exchange transactions		147 675	117 189	–	125 023	117 189
Trade and other payables from non-exchange transactions		37 945	51 326	–	69 004	51 326
Provision		39 844	35 473	–	47 013	35 473
VAT		112 191	74 576	–	133 655	74 576
Other current liabilities		4 839	4 622	–	4 839	4 622
<b>Total current liabilities</b>		<b>395 179</b>	<b>303 486</b>	<b>–</b>	<b>412 506</b>	<b>303 486</b>
<b>Non current liabilities</b>						
Financial liabilities		43 628	49 160	–	51 154	49 160
Provision		47 192	41 487	–	47 192	41 487
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		98 891	101 052	–	98 891	101 052
<b>Total non current liabilities</b>		<b>189 711</b>	<b>191 699</b>	<b>–</b>	<b>197 237</b>	<b>191 699</b>
<b>TOTAL LIABILITIES</b>		<b>584 890</b>	<b>495 184</b>	<b>–</b>	<b>609 743</b>	<b>495 184</b>
<b>NET ASSETS</b>	2	<b>2 313 400</b>	<b>2 183 381</b>	<b>–</b>	<b>2 565 931</b>	<b>2 183 381</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		2 313 400	2 185 331	–	2 565 931	2 185 331
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2 313 400</b>	<b>2 185 331</b>	<b>–</b>	<b>2 565 931</b>	<b>2 185 331</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 December 2023. Total assets are R3.1 billion over the total liabilities of R609.7 million this therefore mean the municipality is still able to meet its financial obligations.