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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### QUARTERLY BUDGET STATEMENT FOR THE 2<sup>nd</sup> QUARTER ENDED 31 DECEMBER 2023

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 S52d of the Municipal Finance Management Act (2003).

## **2. AUTHORITY**

Mayor

## **3. LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act No 56 of 2003, Section 52d

## **4. BACKGROUND**

In terms of Section 52d of the MFMA No 56 of 2003, the Mayor of a municipality must by no later than 30 working days after the end of each quarter submit to the council on the implementation of the budget and financial state of affairs of the municipality.

## **5. EXECUTIVE SUMMARY**

The quarterly budget statement in terms of section 52d of the Municipal Finance Management Act for the 2<sup>nd</sup> quarter ended 31 December 2023 is detailed below. The Quarterly 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 Capital Expenditure
- 5.6 Transfers and Grants Receipts
- 5.7 Transfers and Grants Expenditure
- 5.8 Salaries Expenditure
- 5.9 Long-term Loans
- 5.10. Performance Indicators

## 6. MAIN TABLES

- 6.1. Summary
- 6.2. Financial Performance by Revenue and Expenditure
- 6.3. Capital Expenditure
- 6.4. Statement of Financial Position
- 6.5. Statement of Cash flows

### Section 52d Budget Implementation ratio analysis.

National treasury has ratio norms in place that aid in the analysis of actual performance against budgeted performance. As at the end of the first quarter of the 2023/24 financial year, the tables below compare the implementation of the budget with the second quarter against the implementation of the 2022/23 financial year second quarter. This comparison assesses the performance of the municipality in implementing its budget efficiently.

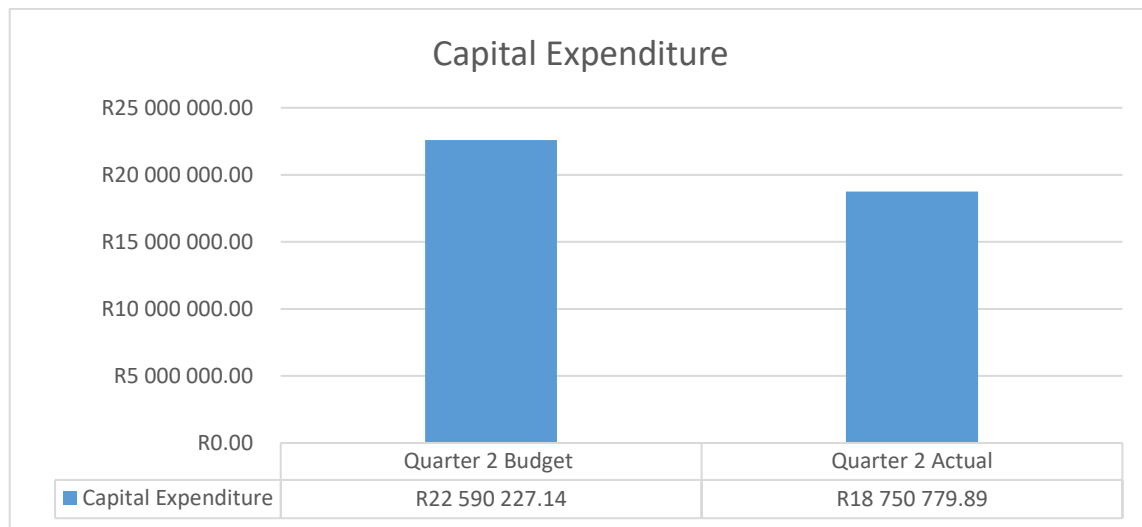
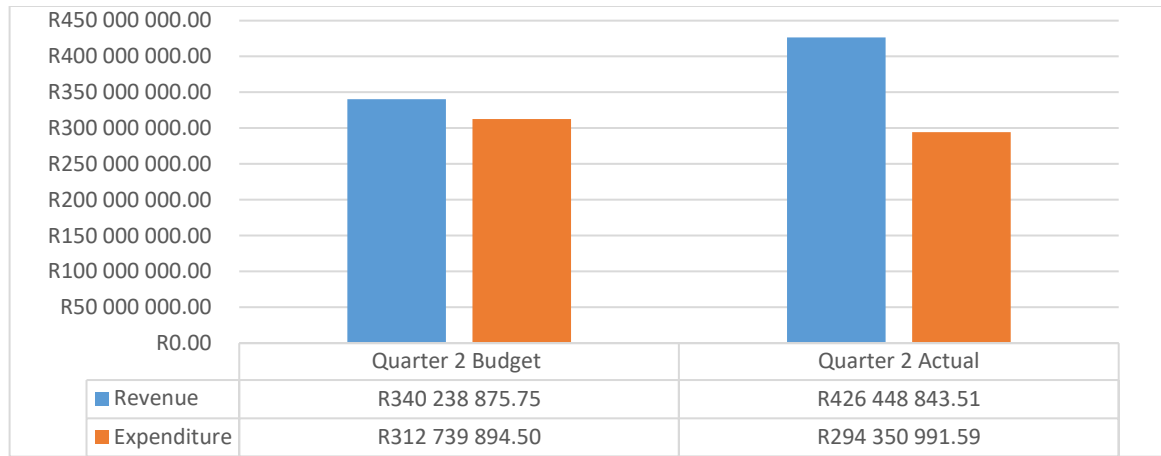
The table below shows the municipality in the second quarter of both financial years' Operating revenues performance has been in line with the budgeted performance, with a 3% improvement in the billing of service charges and property rates. Overall operational revenue implementation is at a 125 % for the 2<sup>nd</sup> quarter.

The municipality has maintained 31% net operating surplus margin over the 2<sup>nd</sup> quarter of both financial years, which is acceptable based on the norm range set by national treasury of which the net surplus margin should be greater than zero.

BUDGET IMPLEMENTATION							
RATIO		DATA SOURCE		Norm/Range	Input De Scription	Quarter 2 2024	Quarter 2 2023
Operating Revenue Budget Implementation Indicator		Actual Operating Revenue/Budget Operating		95%-100%	Actual Operating Revenue	426 448 843.51	343 277 323.55
			YTD Budget Operating Revenue		340 238 875.75	333 317 199.75	
Service Charges and Property Rates Revenue Budget		Actual Service Charges and property rates revenue/budget service charges and propert rates revenue x 100		95%-100%	Actual Service Charges and prop	200 608 822.29	187 649 687.64
			Budget service charges and prop		188 638 348.75	182 202 241.50	

FINANCIAL PERFORMANCE							
A.Efficiency							
RATIO		DATA SOURCE		Norm/Range	Input De Scription	Quarter 2 2024	Quarter 2 2023
Net Operating Surplus Margin		(Total Operating Revenue-Total Operating Expenditure)/Total Operating Revenue		equal or >0%	Total Operating Revenue	426 448 843.51	343 277 323.55
			Total Operating Expenditure		294 350 991.59	260 938 470.94	
			Taxation Expense				

**Revenue, Operational and Capital Expenditure comparison between Budget versus Actual Performance for the 2<sup>nd</sup> Quarter.**



## 5.1 Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M06 - Quarter 2

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 2	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	–	137 286	328 583	324 167	4 416	1%	509 406
Service charges	212 429	245 147	–	63 323	133 539	131 125	2 414	2%	245 147
Investment revenue	10 845	8 511	–	2 461	5 581	4 256	1 326	31%	8 511
Transfers and subsidies - Operational	285 417	390 026	–	138 898	257 809	195 013	62 796	32%	390 026
Other own revenue	132 063	98 017	–	23 896	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>365 863</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	–	119 122	236 855	234 389	2 466	1%	484 629
Remuneration of Councillors	29 567	31 164	–	15 822	23 011	15 582	7 429	48%	31 164
Depreciation and amortisation	94 294	106 706	–	0	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	–	35 531	69 257	87 887	(18 630)	-21%	173 972
Transfers and subsidies	14 465	14 888	–	4 051	6 024	5 760	264	5%	14 888
Other expenditure	377 212	435 089	–	119 825	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>294 351</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>71 512</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	–	61 089	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>132 601</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>132 601</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>36 233</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	–	27 741	54 003	47 760	6 243	13%	95 520
Borrowing	6 412	–	–	–	–	–	–	–	–
Internally generated funds	56 641	20 799	–	8 492	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>36 233</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	–	112 220	224 832	98 225	(126 606)	-129%	108 651
Net cash from (used) investing	242 572	(139 110)	–	(39 424)	(80 698)	(71 395)	9 303	-13%	(139 110)
Net cash from (used) financing	(31 987)	(27 127)	–	(11 621)	(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

## 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.

### 5.2 Financial Performance -Revenue by Source

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

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Quarter 2

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 2	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	-	45 979	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	-	17 345	40 687	39 907	780	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	-	2 829	4 531	4 786	(255)	-5%	9 571
Agency services		5 341	5 371	-	1 329	2 778	2 686	92	3%	5 371
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	-	2 076	3 816	3 491	326	9%	6 982
Interest from Current and Non Current Assets		10 845	8 511	-	2 461	5 581	4 256	1 326	31%	8 511
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	-	1 269	2 444	1 749	695	40%	3 498
Licence and permits		596	636	-	138	290	318	(28)	-9%	636
Operational Revenue		3 673	1 106	-	252	372	553	(181)	-33%	1 106
<b>Non-Exchange Revenue</b>										
Property rates		486 141	509 406	-	137 286	328 583	324 167	4 416	1%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	-	4 919	10 384	15 531	(5 147)	-33%	31 062
Licence and permits		7 734	9 628	-	2 539	5 139	4 814	325	7%	9 628
Transfers and subsidies - Operational		285 417	390 026	-	138 898	257 809	195 013	62 796	32%	390 026
Interest		28 075	30 164	-	8 041	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>365 863</b>	<b>771 162</b>	<b>703 570</b>	<b>67 592</b>	<b>10%</b>	<b>1 251 108</b>

### Revenue by Source

This table provides a structured format overview of the financial information of the monthly actual, year to date actual and year to date Budget of revenue by Source and expenditure by type which is easier to understand.

### Service Charges -Electricity

Electricity revenue YTD Actual for the 2<sup>nd</sup> quarter ended 31 December 2023 is R92.9 million, YTD Budget is R91.1 million with a variance of R1.6 million. Electricity revenue for the 2<sup>nd</sup> quarter is 2% more than the projected YTD budget.

### **Service Charges – Waste Management**

The YTD actual billing for refuse removals for 2<sup>nd</sup> quarter ended is R40.7 million and the YTD Budget billing is R39.9 million, with YTD variance of 2% more than the budgeted quarter billing. Water management billing is linked to property rates billing and the slight over performance is attributed to new applications for annual billing, yielding more revenue for the quarter.

### **Sale of Goods and Rendering of Services**

YTD actual R4.5 million and YTD budget for the quarter is R4.8 million, with the negative variance of R255 thousand, less revenue was received than anticipated.

### **Agency Services**

Agency services comprise of driver's license application, learners license application and renewal fees, and commission earned by the municipality on employee FICS deductions for the administration of collecting loan repayments on behalf of financial institutions. The YTD actual of R2.8 million compared to the YTD budget of R2.7 million. License applications and renewals in the 2<sup>nd</sup> quarter performed according to revenue projections for this quarter with a slight variance of R92 thousand.

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

The interest earned on arrear debtors to date is R3.8million, and the YTD budget being R3.5 million. Interest charged on outstanding debt is in line with projected revenues based on the anticipated collection rate and revenue enhancement measures put in place.

### **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 R5.6 million, YTD budget is R4.3 million, variance of R1.3 million which is more than year to date budget. The municipality had a substantial balance in the investment accounts largely from the equitable share tranche which in turn earned more interest for the quarter.

### **Rental of Facilities**

Rental of facilities amounts annual budget is R3.5 million, this is the rental of fixed asset revenue such as halls, airport hangers and garages. YTD actual of R2.4 million, YTD budget of R1.7 million, R695 thousand more than revenue projections for the 2<sup>nd</sup> quarter.

### **Operational Revenue**

YTD actual R372 thousand and YTD budget for the quarter is R553 thousand with a variance of R181 thousand.

### **Property Rates by Usage**

The YTD Actual for property rates for the 2<sup>nd</sup> quarter ended 31 December 2023 is R328.6 million and the YTD Budget for property rates R324.2 million with a 1% variance due to an increased annual billing applications in the 2023/24 financial year, monthly billing budget will be adjusted accordingly in the adjustment budget.

### **Fines**

Fines, Penalties, and forfeits are derived from building fines, illegal connections, overdue books, The YTD actual is R10.4 million with a YTD budget of R15.5 million. There is a 33% variance in YTD actual versus YTD budget. Fines are issued as and when infringements occur as per the municipal by laws and the budget is straight lined across 12 months which results in the variance between the budget and actual fines issued.

### **Licenses and Permits**

Licenses and permits actual to date amounts to R5.1 million as of 31 December 2023, YTD Budget is R4.8 million which is in line with the revenue projections for the 2<sup>nd</sup> quarter.

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

For the 2<sup>nd</sup> quarter ended 31 December 2023 the operational grant recognized /received to date amounts to R257.8 million, YTD Budget is R195 million. The variance between YTD budget versus actual is due to the 2<sup>nd</sup> tranche received from Equitable share which is an unconditional grant therefore monies receive are recognized as revenue on receipt whereas operational conditional grants are recognized as revenue when conditions being met as per the set guidelines.

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

The YTD Actual revenue is R771.2 million for the period ending 31 December 2023, YTD Budget is R703.6. Actual amount is more than the Budget amount, this variance is caused by the difference within the different revenue streams and how they have been performing from the beginning of the financial year to date as reported above.



## 5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Quarter 2

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		455 419	484 629	-	119 122	236 855	234 389	2 466	1%	484 629
Remuneration of councillors		29 567	31 164	-	15 822	23 011	15 582	7 429	48%	31 164
Bulk purchases - electricity		107 470	162 706	-	30 896	61 594	81 353	(19 760)	-24%	162 706
Inventory consumed		11 774	11 265	-	4 636	7 663	6 534	1 130	17%	11 265
Debt impairment		(29 418)	-	-	-	-	-	-	-	-
Depreciation and amortisation		94 294	106 706	-	0	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	-	82 299	126 368	140 429	(14 061)	-10%	272 493
Transfers and subsidies		14 465	14 888	-	4 051	6 024	5 760	264	5%	14 888
Irrecoverable debts written off		27 590	10 513	-	1 527	2 531	5 257	(2 725)	-52%	10 513
Operational costs		161 955	152 083	-	35 999	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>294 351</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 2<sup>nd</sup> quarter ended 31 December 2023 YTD Budget is R234.4 million with the YTD Actual being R238.9 million which is in line with the expenditure projections for the 2<sup>nd</sup> quarter. Employee related cost is further detailed in table 5.8 Salaries expenditure details. Remuneration of councillors actual expenditure is sitting at R23 million with YTD Budget of R15.6 million, the variance is due to councillors remuneration task grade restructure as approved by COGTA.

### Contracted Services

Contracted services are made up of various operational projects such as Repairs and maintenance and typical work stream. Contracted services for the period ended 31 December 2023 amounts to R126.4 million, The YTD Budget is R140.4 million and YTD Variance is R14 million. The variance in contracted services in the 2<sup>nd</sup> quarter is due to repair and maintenance projects funded by the disaster relief grant which has the project expenditure YTD actual for the quarter as R35.2 million. The first tranche amounting to R31 million was received in October and the second tranche amounting to R24 million was received in December.

### Inventory Consumed

YTD Inventory consumed amounts to R7.7 million as of 31 December 2023 with the YTD Budget being R6.5 million. There is a variance of R1.1 million. The variance in inventory consumed will adjusted accordingly in the upcoming adjustment budget.

### **Other operating expenditure**

Other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Budget Road shows, municipal running cost such as electricity consumption and water services. YTD Actuals for Other operating expenditure are R72.2 million, YTD Budget is R78.7 million and there is a -8% variance.

### **Depreciation**

Depreciation and asset impairment expenditure amount of R43.6 million to date from the beginning of the year. The year-to-date budget is R53.3 million, resulting in a variance of -18%.

### **Debt Written-off**

Debt written off YTD budget of R 5.3 million versus the actual YTD of R2.5 million for the 2<sup>nd</sup> quarter ended 31 December 2023. The R2.5 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 written off expenditure is contingent on consumer applications for payment arrangement with the municipality and this is a contributing factor to the variance between the YTD actual versus the YTD budget.

### **Transfers and Subsidies**

Transfers and subsidies relate to donations made by the municipality to fund local economic development such as SMME development, Cooperative's development, and poverty alleviation projects with the jurisdiction of Ray Nkonyeni Municipality. The YTD budget for transfers and subsidies is R5.8 million and YTD expenditure is R6 million.

### **Overall expenditure budget**

The overall expenditure YTD Actual is R579.7 million as of 31 December 2023, YTD Budget is R626.3 million. The actual amount is less than budget amount, due to the different types of expenditure and how they have been performing based on the reasons stated above.

### **Surplus/ (Deficit)**

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R191 million compared to the YTD Budget (Deficit) of R77.2 million.

## 5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - Quarter 2

Description	NT Code	Budget Year 2023/24								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
<b>R thousands</b>													
<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	8 896	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	57 525	-	-
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>506 687</b>	<b>-</b>	<b>-</b>
<b>2022/23 - totals only</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	138 146	94 572	-	-
Households	2400	39 129	22 049	14 786	12 253	19 048	10 383	16 301	305 155	439 113	363 149	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2900</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>506 687</b>	<b>-</b>	<b>-</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 - M06 - Quarter 2

Description	NT Code	Budget Year 2023/24								Total	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			
<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 team.

## 5.6 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - Quarter 2

Vote Description	Ref	2022/23			Budget Year 2023/24					
		Approved Budget	Original Budget	Adjusted Budget	Quarter 2	YearTD actual	YearTD Budget	YTD Variance	YTD %	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	-	846	998	3 801	(2 802)	-74%	3 801
Vote 3 - Internal Audit		676	200	-	(3)	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	-	(1 249)	393	2 254	(1 861)	-83%	4 340
Vote 7 - Housing		229	180	-	48	51	90	(39)	-44%	180
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		121 372	93 990	-	28 488	56 943	46 995	9 948	21%	93 990
Vote 10 - Road Transport		77 794	11 809	-	7 914	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	-	-	0	452	-	452	#DIV/0!	-
<b>Total Capital single-year expenditure</b>	4	227 317	116 319	-	36 233	69 583	60 164	9 419	16%	116 319
<b>Total Capital Expenditure</b>		227 317	116 319	-	36 233	69 583	60 164	9 419	16%	116 319
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		20 039	4 001	-	843	1 155	3 901	(2 746)	-70%	4 001
Executive and council		320	-	-	-	-	-	-	-	-
Finance and administration		19 043	3 801	-	846	998	3 801	(2 802)	-74%	3 801
Internal audit		676	200	-	(3)	157	100	57	57%	200
<b>Community and public safety</b>		(9 844)	4 520	-	(1 201)	444	2 344	(1 900)	-81%	4 520
Community and social services		(1 903)	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		(8 170)	4 340	-	(1 249)	393	2 254	(1 861)	-83%	4 340
Housing		229	180	-	48	51	90	(39)	-44%	180
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		199 682	105 798	-	36 590	67 533	52 919	14 613	28%	105 798
Planning and development		121 350	93 990	-	28 488	56 943	46 995	9 948	21%	93 990
Road transport		77 943	11 809	-	7 914	10 401	5 924	4 477	76%	11 809
Environmental protection		389	-	-	189	189	-	189	#DIV/0!	-
<b>Trading services</b>		18 283	2 000	-	0	452	1 000	(548)	-55%	2 000
Energy sources		13 778	2 000	-	-	-	1 000	(1 000)	-100%	2 000
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 505	-	-	0	452	-	452	#DIV/0!	-
<b>Other</b>		(843)	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	227 317	116 319	-	36 233	69 583	60 164	9 419	16%	116 319
<b>Funded by:</b>										
National Government		125 344	93 781	-	27 741	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, Transfers recognised - capital)		155 862	95 520	-	27 741	54 003	47 760	6 243	13%	95 520
<b>Borrowing</b>	6	6 412	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		56 641	20 799	-	8 492	15 580	12 404	3 176	26%	20 799
<b>Total Capital Funding</b>		218 915	116 319	-	36 233	69 583	60 164	9 419	16%	116 319

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 R60.1 million and there is 16% variance. Capital expenditure from National grants is in line with the budgeted expenditure and there are projects that are ahead of schedule resulting in the YTD actual being greater than that of the YTD budget.

## 5.7 Transfers and Grants Receipts

### 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



### 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 14 210 797 08	
NEIGHBOURHOOD GRANT	R 1 200 663	R 14 292 000	R -	R 19 003 908	R 3 511 245	R -	
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 3 559 000	R 3 775 546	R -	R 216 546	R -	
MUNICIPAL DISASTER RESPONSE	R -	R -	R -	R -	R -	R -	
MUNICIPAL DISASTER RECOVERY	R -	R 55 000 000	R 40 019 967	R -	R -	R 14 980 033 46	
INTERMODAL FACILITIES GRANT	R 13 590	R -	R -	R -	R -	R 13 590 66	
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	R 326 520	R -	R -	R -	R -	R 326 519 55	
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 297 515	R -	R -	R 1 652 485 11	
MUSEUM GRANT	R -	R 476 000	R 1 412 329	R -	R 936 329	R -	
AIRPORT GRANT	R 3 763 374	R 2 000 000	R -	R -	R -	R 5 763 373 50	
COGTA ELECT GRANT	R 784 811	R -	R -	R -	R -	R 784 810 61	
MARKET STALLS GRANT	R 2 452 315	R -	R -	R -	R -	R 2 452 315 16	
<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 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.

## 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 <sup>1</sup>	Closing Balance as at	
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 55 500 000	R -	R 41 283 203	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 -	
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 3 559 000	R 3 775 546	R -	R 216 546	R -	
MUNICIPAL DISASTER RESPONSE	R -	R -	R -	R -	R -	R -	
MUNICIPAL DISASTER RECOVERY	R -	R 55 000 000	R 40 019 967	R -	R -	R 14 980 033 46	
INTERMODAL FACILITIES GRANT	R 13 590	R -	R -	R -	R -	R 13 589 68	
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	R 326 520	R -	R -	R -	R -	R 326 519 55	
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 257 515	R -	R -	R 1 692 485 11	
MUSEUM GRANT	R -	R 476 000	R 1 412 329	R -	R 936 329	R -	
AIRPORT GRANT	R 3 763 374	R 2 000 000	R -	R -	R -	R 5 763 373 50	
COGTA ELECT GRANT	R 784 811	R -	R -	R -	R -	R 784 810 61	
MARKET STALLS GRANT	R 2 452 315	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 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 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.

## 5.8 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - Quarter 2

Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 2	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	-	12 184	16 279	9 520	6 759	71%	19 040
Pension and UIF Contributions		-	758	-	189	376	379	(3)	-1%	758
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 880	2 815	-	742	1 466	1 408	59	4%	2 815
Housing Allowances		-	5 953	-	1 945	3 391	2 976	415	14%	5 953
Other benefits and allowances		-	2 599	-	762	1 498	1 299	198	15%	2 599
<b>Sub Total - Councillors</b>		<b>29 567</b>	<b>31 164</b>	<b>-</b>	<b>15 822</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>										
Basic Salaries and Wages		3 690	3 946	-	649	1 481	1 973	(492)	-25%	3 946
Pension and UIF Contributions		146	192	-	23	39	96	(57)	-60%	192
Medical Aid Contributions		198	230	-	15	38	115	(77)	-67%	230
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		960	1 059	-	-	-	529	(529)	-100%	1 059
Motor Vehicle Allowance		838	1 060	-	193	319	530	(211)	-40%	1 060
Cellphone Allowance		87	114	-	18	33	57	(24)	-42%	114
Housing Allowances		2 655	3 275	-	376	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	-	(20)	(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>1 254</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	-	71 744	143 837	144 880	(1 043)	-1%	289 760
Pension and UIF Contributions		50 977	50 460	-	13 033	26 136	25 230	906	4%	50 460
Medical Aid Contributions		20 094	20 668	-	5 143	10 358	10 334	24	0%	20 668
Overtime		21 821	18 985	-	4 607	9 133	9 492	(359)	-4%	18 985
Performance Bonus		22 443	22 473	-	7 870	13 898	11 236	2 661	24%	22 473
Motor Vehicle Allowance		18 911	18 975	-	5 002	10 041	9 488	553	6%	18 975
Cellphone Allowance		1 021	1 007	-	247	501	503	(2)	0%	1 007
Housing Allowances		4 152	4 059	-	847	1 691	2 030	(338)	-17%	4 059
Other benefits and allowances		5 224	6 038	-	1 259	2 486	3 019	(532)	-18%	6 038
Payments in lieu of leave		4 871	22 480	-	5 772	11 005	11 240	(235)	-2%	22 480
Long service awards		4 268	2 751	-	1 309	2 661	1 375	1 286	93%	2 751
Post-retirement benefit obligations		17 103	15 852	-	788	1 975	-	1 975	#DIV/0!	15 852
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		638	912	-	248	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>117 868</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>134 944</b>	<b>259 866</b>	<b>249 971</b>	<b>9 895</b>	<b>4%</b>	<b>515 794</b>

This report detailed the salaries report as per the requirement of section 66 of the municipal finance management act 56 of 2003.



## Councillors Remuneration

An actual amount of R23 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R15.6 million. This indicates a variance of R7.4 million, the approval of the increase in councillors remuneration will be adjusted for accordingly in the adjustment budget for the 2023/24 financial year.

## 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 due to vacancies that have not been filled as yet.

## Other Municipal Staff

The municipal staff year to date spending is sitting at R234.3 million against the year-to-date budget of R229.3 million with the variance being 2%.

## 5.9 Long-term Loans

RAY NKONYENI MUNICIPALITY  
LONG TERM LOANS REGISTER : 31 DECEMBER 2023



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING		LOAN	LOAN	INTEREST	LOAN	CLOSING
				BALANCE	BALANCE					
				01 December 2023			CHARGED	PAID		31 December 2023
				R					R	R
DBSA	9.38%	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>				-R	<b>18 358 123.80</b>	R	-	R	-	-R <b>18 358 123.80</b>
<b>TOTAL LOAN S</b>				-R	<b>18 358 123.80</b>	R	-	R	-	-R <b>18 358 123.80</b>

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, the third tranche was received in July and the current loan balance outstanding is R18.3 million as of 31 December 2023. The municipality is still able to make loan repayments as and when they fall 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						
	Year 1	Year 2	Year 3	Totals	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:

Financial Years	2020/2021	2022/2023	2023/2024	Total
<b>Receipts</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>

- A total of **R19 952 000** has been received from 2020/2021 to 2023/2024.

DBSA LOAN RECEIPT AND EXPENDITURE RECONCILIATION	2020/2021		2021/2022		2022/2023		Internally Funded
	Expenditure 2020/2021		Expenditure 2021/2022		Expenditure 2022/2023		
	Budget 2021	Actual 2021	Budget 2022	Actual 2022	Budget 2023	Actual 2023	
<b>Opening Balance</b>							
DBSA loan Advance Deposit							
Meter replacement DBSA funded	R 3 000 000.00	R 1 795 400.22	R 3 840 000.00	R 3 813 014.36	R 3 350 000.00	R 1 992 079.32	R 7 600 493.90
Network studies DBSA funded	R 500 000.00	R 390 473.20	R 500 004.00	R 495 746.10			R 886 219.30
Cable Replacement DBSA funded			R 1 000 000.00		R 500 000.00	R 575 000.00	R 575 000.00
Inter switch replacements DBSA funded			R 1 450 000.00		R 1 965 000.00	R 2 259 750.00	R 2 259 750.00
Mini sub replacement DBSA funded			R 1 250 000.00		R 2 161 000.00	R 2 179 892.64	R 2 179 892.64
MEMORIAL & REYNOLDS SW/STA REFURB & REPLACE SWITCHGEAR			R 2 776 000.00				
Network studies DBSA funded							
<b>Closing Balance</b>	<b>R 3 500 000.00</b>	<b>R 2 185 873.42</b>	<b>R 10 816 004.00</b>	<b>R 4 308 760.46</b>	<b>R 7 976 000.00</b>	<b>R 7 006 721.96</b>	<b>R 1 525 355.84</b>

- A total of **R13 501 355.84** has been spent on the above-mentioned capital projects, a total of **R6 450 644.16** remains unspent in the 2023/2024 financial year due to an additional draw down of the loan being received in new financial year in the month of July. No expenditure has been incurred in DBSA funded capital projects within the 2<sup>nd</sup> quarter of the financial year.

## 5.10 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 - Quarter 2

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Adjusted 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 2<sup>nd</sup> Quarter 31 December 2023.

### **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R18 358 124 as of 31 December 2023.

## Liquidity

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

**Budgeted Current Ratio**: R 681 213 000/R303 486 000 = **R2.24:1**

**Actual Current Ratio as 31 December 2023** R 987 287 000/ R412 506 000 = **R2.39:1**

Current ratio is a liquidity ratio used to measure whether the municipality has enough resources to meet its short-term obligations. A good ratio is R1.5-R2 for every R1 owed. The budget showed a R2.24: R1 ratio and the actual ratio as of 31 December 2023 is R2.39:1 which is still above the norm.

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

**Budgeted Acid test Ratio**: = (R681 213 000-(-R4207))/R303 486 000 = **R2.23:1**

**Actual Acid test Ratio as 31 December 2023**: (R987 287 000-R11 790)/R412 506 000 = **R2.36:1**

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

## 5.12 Investment Register

RAL HAUSERI MUNICIPALITY  
INVESTMENT REGISTER FOR THE PERIOD ENDING 31/12/2023

ACCOUNT NO	INVESTMENT DETAILS		CURRENT MONTH							YTD				
			MONTHLY OPENING BALANCES	INTEREST INVESTED 31/12/2023	BANK CHARGE 31/12/2023	DEPOSIT 31/12/2023	WITHDRAWALS 31/12/2023	CURRENT BALANCE	INVESTMENT BALANCES AS AT 01/01/2023	INTEREST	BANK DEPOSITS	CHARGES	INVESTMENT WITHDRAWALS	BALANCE AS AT 31/12/2023
378692984011	STANDARD BANK - CAL	LOUISIANA HSG	10 394 596.47	77 532.39	-	-	-	10 472 128.77	10 042 468.82	429 659.95	-	-	-	10 472 128.77
378692984093	STANDARD BANK - CAL	MOZMAKWE 1 HSG	669 456.73	4 999.41	-	-	-	674 456.14	646 777.71	27 678.43	-	-	-	674 456.14
378692984094	STANDARD BANK - CAL	MOZMAKWE 2 HSG	1 100 719.12	8 204.35	-	-	-	1 109 923.47	1 073 892.36	36 031.11	-	-	-	1 109 923.47
378692984095	STANDARD BANK - CAL	RHOBOTI SUB-HSG	352 633.63	2 630.71	-	-	-	355 264.34	340 745.77	14 518.57	-	-	-	355 264.34
378692984096	STANDARD BANK - CAL	RHOBOTI EST-HSG	12 336.85	95.14	-	-	-	12 432.00	12 678.67	245.67	-	-	-	12 432.00
378692984097	STANDARD BANK - CAL	DAMAGED HSES	82 662.30	396.10	-	-	-	83 058.40	80 850.07	2 208.33	-	-	-	83 058.40
378692984098	STANDARD BANK - CAL	UPLANDS HSG	82 578.61	395.70	-	-	-	82 974.31	80 768.21	2 206.10	-	-	-	82 974.31
378692984099	STANDARD BANK - CAL	MKHOLOMBE HSG	1 572 335.63	11 732.38	-	-	-	1 584 068.01	1 519 650.83	64 417.18	-	-	-	1 584 068.01
378692984100	STANDARD BANK - CAL	AIDS PROJECT	156 384.95	1 166.46	-	-	-	157 551.41	151 087.25	6 464.16	-	-	-	157 551.41
378692984102	STANDARD BANK - CAL	MASIMENGE HSG	35 531 788.08	265 028.20	-	-	-	35 796 816.28	34 328 112.24	1 468 704.04	-	-	-	35 796 816.28
378692984103	STANDARD BANK - CAL	KVAMAVUMDLA HSG	264 777.29	1 974.95	-	-	-	266 752.24	255 807.68	10 944.56	-	-	-	266 752.24
378692984104	STANDARD BANK - CAL	KWAXOLO HOUSING	12 574 829.25	93 788.48	-	-	-	12 668 617.73	12 148 071.10	520 546.63	-	-	-	12 668 617.73
378692984105	STANDARD BANK - CAL	KVADWALANE HOUSING	569 719.76	4 243.43	-	-	-	573 963.19	550 419.15	23 544.04	-	-	-	573 963.19
			69 375 271.77	472 229.01	-	-	-	69 847 500.78	61 230 524.86	8 616 975.92	-	-	-	69 847 500.78
14873852518	INVESTEC - CALL	MHOA HOUSING DEVELOPMENT	10 841 825.76	73 655.57	-	-	-	10 915 481.33	10 831 633.79	83 847.54	-	-	-37 489.78	10 915 481.33
			10 841 825.76	73 655.57	-	-	-	10 915 481.33	10 831 633.79	83 847.54	-	-	-37 489.78	10 915 481.33
378692984106	STANDARD BANK-CALL	RNM-UNSPENT CONDITIONAL C	53 573.58	399.60	-	-	-	53 973.18	51 759.71	2 213.47	-	-	-	53 973.18
378692984107	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	11 848.37	88.38	-	-	-	11 936.75	11 446.39	490.36	-	-	-	11 936.75
			65 421.95	487.98	-	-	-	65 909.93	63 205.70	2 704.23	-	-	-	65 909.93
6972661451	FNB - CALL	RNM - PRIMARY INVESTMENT	1 218 635.39	630 463.07	-	179 500 000.00	-104 500 000.00	76 849 038.46	7 529 242.03	4 081 583.43	558 500 000.00	-	-493 261 727.00	76 849 038.46
			1 218 635.39	630 463.07	-	179 500 000.00	-104 500 000.00	76 849 038.46	7 529 242.03	4 081 583.43	558 500 000.00	-	-493 261 727.00	76 849 038.46
74873852518	FNB	FNB- 48 HOUR CASH ACCELE	3 730 899.34	25 666.59	-	-	-	3 756 565.93	3 606 757.16	149 808.77	-	-	-	3 756 565.93
			3 730 899.34	25 666.59	-	-	-	3 756 565.93	3 606 757.16	149 808.77	-	-	-	3 756 565.93
037881000731	NEDBANK	RESERVE INVESTMENT ACCO	28 833 165.37	205 752.65	-	10 000 000.00	-	28 238 318.02	27 139 357.96	1 098 960.06	10 000 000.00	-	-	28 238 318.02
			28 833 165.37	205 752.65	-	10 000 000.00	-	28 238 318.02	27 139 357.96	1 098 960.06	10 000 000.00	-	-	28 238 318.02
		GRAND TOTAL RNM INVESTMENT - INTEREST	107 264 412.98	1 408 258.78	-	179 500 000.00	-104 500 000.00	193 672 671.76	110 401 321.50	8 330 567.04	558 500 000.00	-	-493 619 216.76	193 672 671.76

The Investment register as of 31 December 2023 has the closing balance of R193.7 million, with R8.4 million total YTD interest earned on various investment accounts as shown in the above register including the housing development fund which is not a part of the interest earned shown on the statement of financial performance as this is not revenue generated for the municipality but rather interest earned on unspent housing development funds.

## 6.1 Quarterly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M06 - Quarter 2

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 2	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	-	137 286	328 583	324 167	4 416	1%	509 406
Service charges	212 429	245 147	-	63 323	133 539	131 125	2 414	2%	245 147
Investment revenue	10 845	8 511	-	2 461	5 581	4 256	1 326	31%	8 511
Transfers and subsidies - Operational	285 417	390 026	-	138 898	257 809	195 013	62 796	32%	390 026
Other own revenue	132 063	98 017	-	23 896	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>365 863</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	-	119 122	236 855	234 389	2 466	1%	484 629
Remuneration of Councillors	29 567	31 164	-	15 822	23 011	15 582	7 429	48%	31 164
Depreciation and amortisation	94 294	106 706	-	0	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	-	35 531	69 257	87 887	(18 630)	-21%	173 972
Transfers and subsidies	14 465	14 888	-	4 051	6 024	5 760	264	5%	14 888
Other expenditure	377 212	435 089	-	119 825	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>294 351</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>71 512</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	-	61 089	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>132 601</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>132 601</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>36 233</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	-	27 741	54 003	47 760	6 243	13%	95 520
Borrowing	6 412	-	-	-	-	-	-	-	-
Internally generated funds	56 641	20 799	-	8 492	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>36 233</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	-	112 220	224 832	98 225	(126 606)	-129%	108 651
Net cash from (used) investing	242 572	(139 110)	-	(39 424)	(80 698)	(71 395)	9 303	-13%	(139 110)
Net cash from (used) financing	(31 987)	(27 127)	-	(11 621)	(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 - Quarter 2

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Quarter 2	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	-	45 979	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	-	17 345	40 687	39 907	780	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	-	2 829	4 531	4 786	(255)	-5%	9 571
Agency services		5 341	5 371	-	1 329	2 778	2 686	92	3%	5 371
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	-	2 076	3 816	3 491	326	9%	6 982
Interest from Current and Non Current Assets		10 845	8 511	-	2 461	5 581	4 256	1 326	31%	8 511
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	-	1 269	2 444	1 749	695	40%	3 498
Licence and permits		596	636	-	138	290	318	(28)	-9%	636
Operational Revenue		3 673	1 106	-	252	372	553	(181)	-33%	1 106
<b>Non-Exchange Revenue</b>										
Property rates		486 141	509 406	-	137 286	328 583	324 167	4 416	1%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	-	4 919	10 384	15 531	(5 147)	-33%	31 062
Licence and permits		7 734	9 628	-	2 539	5 139	4 814	325	7%	9 628
Transfers and subsidies - Operational		285 417	390 026	-	138 898	257 809	195 013	62 796	32%	390 026
Interest		28 075	30 164	-	8 041	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>365 863</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	-	119 122	236 855	234 389	2 466	1%	484 629
Remuneration of councillors		29 567	31 164	-	15 822	23 011	15 582	7 429	48%	31 164
Bulk purchases - electricity		107 470	162 706	-	30 896	61 594	81 353	(19 760)	-24%	162 706
Inventory consumed		11 774	11 265	-	4 636	7 663	6 534	1 130	17%	11 265
Debt impairment		(29 418)	-	-	-	-	-	-	-	-
Depreciation and amortisation		94 294	106 706	-	0	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	-	82 299	126 368	140 429	(14 061)	-10%	272 493
Transfers and subsidies		14 465	14 888	-	4 051	6 024	5 760	264	5%	14 888
Irrecoverable debts written off		27 590	10 513	-	1 527	2 531	5 257	(2 725)	-52%	10 513
Operational costs		161 955	152 083	-	35 999	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>294 351</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>										
Surplus/(Deficit)		12 632	(5 298)	-	71 512	191 442	77 255	114 186	148%	(5 298)
Transfers and subsidies - capital (monetary allocations)		185 621	109 848	-	61 089	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>132 601</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>132 601</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>132 601</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>132 601</b>	<b>252 531</b>	<b>132 179</b>			<b>104 550</b>

This table provides a structured format overview of the financial information of the monthly actual, year to date actual and year to date Budget of revenue by Source and expenditure by type which is easier to understand.

### 6.3 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - Quarter 2

Vote Description	Ref	2022/23			Budget Year 2023/24					
		Actual	Original Budget	Adjusted Budget	Quarter 2	YearTD actual	YearTD Budget	FYTD Budget	FYTD %	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	-	846	998	3 801	(2 802)	-74%	3 801
Vote 3 - Internal Audit		676	200	-	(3)	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	-	(1 249)	393	2 254	(1 861)	-83%	4 340
Vote 7 - Housing		229	180	-	48	51	90	(39)	-44%	180
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		121 372	93 990	-	28 488	56 943	46 995	9 948	21%	93 990
Vote 10 - Road Transport		77 794	11 809	-	7 914	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	-	-	0	452	-	452	#DIV/0!	-
<b>Total Capital single-year expenditure</b>	4	227 317	116 319	-	36 233	69 583	60 164	9 419	16%	116 319
<b>Total Capital Expenditure</b>		227 317	116 319	-	36 233	69 583	60 164	9 419	16%	116 319
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		20 039	4 001	-	843	1 155	3 901	(2 746)	-70%	4 001
Executive and council		320	-	-	-	-	-	-	-	-
Finance and administration		19 043	3 801	-	846	998	3 801	(2 802)	-74%	3 801
Internal audit		676	200	-	(3)	157	100	57	57%	200
<b>Community and public safety</b>		(9 844)	4 520	-	(1 201)	444	2 344	(1 900)	-81%	4 520
Community and social services		(1 903)	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		(8 170)	4 340	-	(1 249)	393	2 254	(1 861)	-83%	4 340
Housing		229	180	-	48	51	90	(39)	-44%	180
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		199 682	105 798	-	36 590	67 533	52 919	14 613	28%	105 798
Planning and development		121 350	93 990	-	28 488	56 943	46 995	9 948	21%	93 990
Road transport		77 943	11 809	-	7 914	10 401	5 924	4 477	76%	11 809
Environmental protection		389	-	-	189	189	-	189	#DIV/0!	-
<b>Trading services</b>		18 283	2 000	-	0	452	1 000	(548)	-55%	2 000
Energy sources		13 778	2 000	-	-	-	1 000	(1 000)	-100%	2 000
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 505	-	-	0	452	-	452	#DIV/0!	-
Other		(843)	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	227 317	116 319	-	36 233	69 583	60 164	9 419	16%	116 319
<b>Funded by:</b>										
National Government		125 344	93 781	-	27 741	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>		155 862	95 520	-	27 741	54 003	47 760	6 243	13%	95 520
<b>Borrowing</b>	6	6 412	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		56 641	20 799	-	8 492	15 580	12 404	3 176	26%	20 799
<b>Total Capital Funding</b>		218 915	116 319	-	36 233	69 583	60 164	9 419	16%	116 319

This table provides an overview of actuals to date of the capital expenditure per department for the 2<sup>nd</sup> Quarter ended 31 December 2023.



## 6.4 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M06 - Quarter 2

Description	Ref	Budget Year 2023/24				
		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 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 liquidity of the municipality for the 1st quarter ended 31 December 2023. Current assets are R987 million and the current liabilities at R412.5 million this therefore means the municipality is still able to meet its financial obligations.

## 6.5 Statement of Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M06 - Quarter 2

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 2	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		462 432	483 936	-	132 669	243 168	241 968	1 200	0%	483 936
Service charges		232 464	232 890	-	68 775	131 564	116 445	15 119	13%	232 890
Other revenue		86 694	26 628	-	16 514	39 728	13 314	26 414	198%	26 628
Transfers and Subsidies - Operational		291 700	392 240	-	122 955	245 482	219 387	26 094	12%	392 240
Transfers and Subsidies - Capital		184 599	109 848	-	58 542	110 334	73 232	37 102	51%	109 848
Interest		10 332	8 511	-	2 088	5 006	4 256	750	18%	8 511
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(1 234 796)	(1 120 556)	-	(289 323)	(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>112 220</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)	-	(39 424)	(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>(39 424)</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)	-	(11 621)	(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>(11 621)</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>61 175</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 and 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.