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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2023 (M08)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 28 FEBRUARY 2023

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2022/23 Budget of the Ray Nkonyeni Municipality for the period ending 28 February 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 28 February 2023 is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Revenue By source
- 5.3 Expenditure by Type
- 5.4 Debtors Age Analysis
- 5.5 Creditors Age Analysis
- 5.6 Capital Expenditure
- 5.7 Transfers and Grants Receipts
- 5.8 Transfers and Grants Expenditure
- 5.9 Salaries Expenditure
- 5.10 Long-term Loans
- 5.11 Performance Indicators
- 5.12 Investment Register

6. MAIN TABLES

6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

6.5. Financial Position

5.1 Monthly Budget Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M08 February

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	464 477	498 623	492 118	43 910	400 107	408 656	(8 549)	-2%	492 118
Service charges	214 942	253 618	236 691	16 913	150 296	179 800	(29 504)	-16%	236 691
Investment revenue	5 182	5 397	7 067	649	5 389	3 612	1 777	49%	7 067
Transfers and subsidies	256 804	285 102	285 279	140	190 611	199 651	(9 040)	-5%	285 279
Other own revenue	141 612	131 888	118 573	6 378	59 639	89 327	(29 688)	-33%	118 573
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 139 727	67 990	806 042	881 047	(75 005)	-9%	1 139 727
Employee costs	446 000	447 279	462 586	39 809	306 745	295 394	11 351	4%	462 586
Remuneration of Councillors	26 249	31 434	31 434	2 391	19 919	20 956	(1 037)	-5%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	60 134	79 600	(19 466)	-24%	101 619
Finance charges	19 931	12 922	12 902	1	683	644	38	6%	12 902
Inventory consumed and bulk purchases	136 545	149 809	150 151	8 949	79 439	105 627	(26 189)	-25%	150 151
Transfers and subsidies	9 890	13 178	13 078	286	1 927	11 285	(9 358)	-83%	13 078
Other expenditure	392 589	415 344	398 928	20 996	211 236	273 118	(61 882)	-23%	398 928
Total Expenditure	1 125 063	1 171 585	1 170 699	79 950	680 083	786 625	(106 543)	-14%	1 170 699
Surplus/(Deficit)	(42 047)	3 043	(30 971)	(11 960)	125 959	94 421	31 538	33%	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	193 287	-	86 920	116 023	(29 103)	-25%	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 494	135 403	162 316	(11 960)	212 880	210 444	2 435	1%	162 316
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	162 316	(11 960)	212 880	210 444	2 435	1%	162 316
Capital expenditure & funds sources									
Capital expenditure	187 654	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756
Capital transfers recognised	138 668	115 052	168 076	17 187	98 116	97 688	428	0%	168 076
Borrowing	1 867	7 166	7 976	-	1 925	7 369	(5 444)	-74%	7 976
Internally generated funds	33 256	58 521	54 704	(197)	7 068	43 897	(36 829)	-84%	54 704
Total sources of capital funds	173 791	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756
Financial position									
Total current assets	630 556	553 761	672 729	-	876 817	-	-	-	672 729
Total non current assets	1 987 740	1 878 708	2 116 876	-	2 034 714	-	-	-	2 116 876
Total current liabilities	345 489	321 834	370 177	-	417 504	-	-	-	370 177
Total non current liabilities	191 699	150 842	176 331	-	199 762	-	-	-	176 331
Community wealth/Equity	2 087 905	1 959 793	2 243 097	-	2 294 265	-	-	-	2 243 097
Cash flows									
Net cash from (used) operating	348 279	167 979	191 796	18 343	93 783	161 285	67 502	42%	191 796
Net cash from (used) investing	(185 208)	(179 130)	(237 264)	(18 148)	(115 812)	(150 102)	(34 290)	23%	(237 264)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 046)	(26 110)	(13 898)	12 211	-88%	(19 098)
Cash/cash equivalents at the month/year end	270 876	112 823	67 025	-	83 452	128 875	45 423	35%	67 025
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	492 118	43 910	400 107	408 656	(8 549)	-2%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	11 494	101 384	121 905	(20 521)	-17%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	5 419	48 912	57 895	(8 983)	-16%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	262	2 358	1 800	558	31%	3 710
Interest earned - external investments		5 182	5 397	7 067	649	5 389	3 612	1 777	49%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 035	22 771	16 329	6 442	39%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	63	13 038	14 859	(1 822)	-12%	29 658
Licences and permits		8 138	7 824	9 911	848	5 727	5 250	477	9%	9 911
Agency services		4 965	4 894	6 044	499	3 400	3 275	125	4%	6 044
Transfers and subsidies		256 804	285 102	285 279	140	190 611	199 651	(9 040)	-5%	285 279
Other revenue		55 569	70 013	40 531	1 671	12 346	47 814	(35 468)	-74%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 139 727	67 990	806 042	881 047	(75 005)	-9%	1 139 727
Expenditure By Type										
Employee related costs		446 000	447 279	462 586	39 809	306 745	295 394	11 351	4%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 391	19 919	20 956	(1 037)	-5%	31 434
Debt impairment		34 456	9 984	9 984	458	5 698	4 992	706	14%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	60 134	79 600	(19 466)	-24%	101 619
Finance charges		19 931	12 922	12 902	1	683	644	38	6%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 510	71 833	95 801	(23 968)	-25%	137 074
Inventory consumed		13 825	12 735	13 078	439	7 605	9 826	(2 221)	-23%	13 078
Contracted services		213 910	244 881	230 936	14 213	130 158	150 610	(20 452)	-14%	230 936
Transfers and subsidies		9 890	13 178	13 078	286	1 927	11 285	(9 358)	-83%	13 078
Other expenditure		143 732	160 480	158 007	6 325	75 380	117 516	(42 136)	-36%	158 007
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 170 699	79 950	680 083	786 625	(106 543)	-14%	1 170 699
Surplus/(Deficit)		(42 047)	3 043	(30 971)	(11 960)	125 959	94 421	31 538	0	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		146 929	132 360	193 287	-	86 920	116 023	(29 103)	(0)	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		12 015	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 494	135 403	162 316	(11 960)	212 880	210 444			162 316
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 494	135 403	162 316	(11 960)	212 880	210 444			162 316
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 494	135 403	162 316	(11 960)	212 880	210 444			162 316
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 494	135 403	162 316	(11 960)	212 880	210 444			162 316

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

Revenue by Source

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

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	492 118	43 910	400 107	408 656	(8 549)	-2%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	11 494	101 384	121 905	(20 521)	-17%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	5 419	48 912	57 895	(8 983)	-16%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	262	2 358	1 800	558	31%	3 710
Interest earned - external investments		5 182	5 397	7 067	649	5 389	3 612	1 777	49%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 035	22 771	16 329	6 442	39%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	63	13 038	14 859	(1 822)	-12%	29 658
Licences and permits		8 138	7 824	9 911	848	5 727	5 250	477	9%	9 911
Agency services		4 965	4 884	6 044	499	3 400	3 275	125	4%	6 044
Transfers and subsidies		256 804	285 102	285 279	140	190 611	199 651	(9 040)	-5%	285 279
Other revenue		55 569	70 013	40 531	1 671	12 346	47 814	(35 468)	-74%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 139 727	67 990	806 042	881 047	(75 005)	-9%	1 139 727

Property Rates

Property rates consists of multiple categories under the jurisdiction of Ray Nkonyeni Municipality, the bulk revenue is billed on three categories: Residential properties, Business and Commercial properties as well as State owned properties. The annual budget for Property rates is R498.62 million and The YTD actual billing is R400.1 million, compared to the YTD budget of R408.6 million. The R8.5 million variance which is 2% less than the YTD Budget, this variance is reasonable in comparison to the anticipated billing revenue for property rates.

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 28 February 2023 is R101.3 million while the YTD Budget is R121.9 million. There is a variance of R20.5 million between the YTD actual and YTD budget. Electricity billing was adjusted downwards by R12 million in the adjustment budget, and the current variance is attributed to the budget taking into consideration the electricity tariff increases in from April till the end of the financial year.

Refuse Revenue

The overall YTD actual billing for refuse removals is R48.9 million and the YTD Budget billing is R57.8 million, with YTD variance of 16%. The budget was adjusted downwards by 4.9 million in a forecast of total revenue billing anticipated for the remaining months in the financial year which will have the actual billing being in line with the budget.

Interest on Investment

Investment revenue is the amount of interest earned on the amount invested with various financial institutions registered with South African Banking Council. The investment revenue YTD Actual is R5.4 million, YTD budget is R3.6 million with a variance of R1.8 million which is more than year to date budget. This over performance has been reviewed in the adjustment budget and adjusted upwards to 7 million.

Interest earned on arrear debtors

The interest charged on arrear debtors to date is R22.7 million, 39% more compared to the YTD budget of R16.4 million. This results from an increase in debtors that fail to pay timeously and therefore the debt collection policy is applied to encourage settlement of debt while also recovering revenue to the municipality. This has been monitored and a R4.3 million adjustment has been made.

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 R4.8 million, with the YTD actual of R3.4 million against YTD Budget of R3.3 million. This shows that the municipality is doing very well in collecting revenues on behalf of their principals and earns more commission than estimated. The revenue has been adjusted upwards by R1.2 million.

Fines

Fines, Penalties, and forfeits are derived from building fines, illegal connections, overdue books, and the bulk budget being on traffic fines for R21.48 million and the total budget being R22.16 million. The YTD actual is R13 million with the YTD budget of R14.6 million there is a 12% variance. A 7.5 million adjustment to the budget has been made to address the variances.

Licenses and Permits

Licenses and permits actuals to date amounts to R5.7 million and there is a 9% variance against year-to-date budget of R5.2 million. This positive variance arises from an increase in the rate at which collection motor vehicle licenses and permits takes place. The municipality is doing well on this revenue item. An upward adjustment budget has been considered and has been adjusted upwards by R2 million.

Rental of Facilities

Rental of facilities amounts annual budget is R2.6 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, with the YTD budget being R1.8 million showing a 31% variance between actual and budgeted figures. An upwards adjustment of R1.1 million has been made since the performance has exceeded the projections.

Transfers and Subsidies

Operational grants recognized YTD actual amounts to R 190.6 million, YTD Budget is R199.7 million. YTD variance is R9 million. Grant revenue in the financial system is straight lined across 12 months, yet the grants are recognized once the expenditure is incurred which further creates a variance monthly on transfers and subsidies.

Other Revenue

Other revenue is made up of numerous miscellaneous items (e.g., town planning fees, market income, cemetery fees, clinics subsidies, etc.) and gains on disposal of assets are included. Other revenue also includes construction contract revenue that is revenue recognized on receipt of funding for housing projects with a budget of R56 million, this revenue is contingent on the actual expenditure as the funding is based on claims for work done on the various housing projects. The actuals of other revenue to date are R10.6 million, YTD Budget is R41.9 million. A downward adjustment of R29 million has been made. The municipality will no longer be implementing the following housing projects due to the change in agreement as they will be directly implemented by the department of human settlement which has resulted in R29 million decrease in other revenue.

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

Overall Revenue YTD Budget to Date

The YTD Actual revenue excluding capital transfers is R806 million for the period ending 28 February 2023, YTD Budget is R881 million, the variance of R75 million is results from the differences within the different revenue streams and how they have been performing.

5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		446 000	447 279	462 586	39 809	306 745	295 394	11 351	4%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 391	19 919	20 956	(1 037)	-5%	31 434
Debt impairment		34 456	9 984	9 984	458	5 698	4 992	706	14%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	60 134	79 600	(19 466)	-24%	101 619
Finance charges		19 931	12 922	12 902	1	683	644	38	6%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 510	71 833	95 801	(23 968)	-25%	137 074
Inventory consumed		13 825	12 735	13 078	439	7 605	9 826	(2 221)	-23%	13 078
Contracted services		213 910	244 881	230 936	14 213	130 158	150 610	(20 452)	-14%	230 936
Transfers and subsidies		9 890	13 178	13 078	286	1 927	11 285	(9 358)	-83%	13 078
Other expenditure		143 732	160 480	158 007	6 325	75 380	117 516	(42 136)	-36%	158 007
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 170 699	79 950	680 083	786 625	(106 543)	-14%	1 170 699

Employee Related Costs and Remuneration of Councillors

Actual YTD for employee related costs amount to R306.745 million YTD Budget is R294.2 million as of 28 February 2023. Actual YTD remuneration of councillors YTD actuals amounts to R19.9 million with YTD Budget of R20.9 million and there is a 5% variance. Employee related cost is further detailed under table 5.9 Salaries Expenditure Details.

Contracted Services

Contracted services are made up of various operational projects such as Housing, Repairs and maintenance and typical work stream. Contracted services for the period ended 28 February 2023 amounts to R130.2 million, The YTD Budget is R150.6 million and YTD Variance is R20.4 million. A 14.3 million downward adjustment has been made mainly to account for the housing projects that have been removed from the municipality's scope of housing projects.

Inventory Consumed

YTD Inventory consumed amounts to R7.6 million as of 28 February 2023 with the YTD Budget being R9.8 million. This reflects a variance of R2.2 million. Inventory budget was straight lined across the 12 months of the financial year and will be a variance as consumption differs. An upward adjustment of R343 thousand was made.

Other Operating Expenditure

Other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Budget Road shows, municipal running cost such as electricity consumption and water services. YTD Actuals for Other operating expenditure are R75.4 million, YTD Budget is R117.5 million and there is a 36% variance. The variance is a result of cost containment measures implemented by the municipality to ensure that the financial resources of the municipality are used efficiently.

Depreciation and Asset Impairment

Depreciation and asset impairment expenditure amount of R60.1 million to date from the beginning of the year. The year-to-date budget is R79.6 million, resulting in a variance of 24%. Assets are procured based on the current needs of the departments and depreciation expense is charged from the day the asset is available for use and this will result in the variance between the budget versus actual depreciation expense.

Debt Impairment

The YTD actuals for Debt Impairment amounts to R5.7 million while the year-to-date budget is R4.99 million. The R5.7 million YTD expenditure relates to interest written-off on outstanding accounts where consumers arrange with the municipality to pay the capital portion of the debt as a once off payment and have the interest written off and the conditions of write-off are based on the age of the debt if it is over 2 years then the full interest is written off on payment of the capital portion. Debt impairment expenditure is contingent on consumer applications for payment arrangement with the municipality and this is a contributing factor to the variance between the YTD actual versus the YTD budget.

Transfers and Subsidies

Transfers and subsidies relate to donations made by the municipality to fund local economic development such as SMME development, Cooperative's development, and poverty alleviation projects within the jurisdiction of Ray Nkonyeni Municipality. YTD actual of R1.9 million and YTD budget of R11.3 million with a variance of R9,3 million. Applications for SMME's are still being vetted, the completion of this process will have expenditure in line with the amount budgeted for.

Overall Expenditure Budget

The overall expenditure YTD Actual is R680.1 million as of 28 February 2023, YTD Budget is R785.4 million. There is a 13% variance in the expenditure from various components such as the contracted services expenditure reduction from the exclusion of housing projects as well as some of the cost containment measures in other items of expenditure.

Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R125.96 million compared to the YTD Budget surplus 95.6 million.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	-	-	-	-	-	-	-	-	-	-	-	-	-
2022/23 - totals only		19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357	418 260	-	-	-
Debtors Age Analysis By Customer Group														
Organs of State	2200	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	-	-	-	-	-	-	-	-	-	-	-	-	-

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 - M08 February

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

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

5.6 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		21 675	3 280	6 740	35	526	2 238	(1 712)	-76%	6 740
Executive and council		186	20	430	-	-	-	-	-	430
Finance and administration		21 397	3 075	6 125	35	497	2 203	(1 706)	-77%	6 125
Internal audit		92	185	185	-	29	35	(6)	-16%	185
<i>Community and public safety</i>		12 521	5 813	2 728	69	1 634	3 193	(1 558)	-49%	2 728
Community and social services		5 881	200	-	-	-	(67)	67	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	2 375	24	1 577	2 967	(1 390)	-47%	2 375
Housing		115	273	353	46	57	293	(235)	-80%	353
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		145 700	154 495	201 301	14 953	97 163	128 787	(31 624)	-25%	201 301
Planning and development		93 459	99 389	131 537	8 007	61 202	78 581	(17 379)	-22%	131 537
Road transport		52 241	55 106	69 263	6 946	35 961	50 106	(14 145)	-28%	69 263
Environmental protection		-	-	500	-	-	100	(100)	-100%	500
<i>Trading services</i>		4 650	17 152	19 188	1 933	7 785	14 735	(6 951)	-47%	19 188
Energy sources		2 599	15 348	15 380	1 933	7 393	13 066	(5 672)	-43%	15 380
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	3 807	-	391	1 670	(1 278)	-77%	3 807
<i>Other</i>		3 108	-	800	-	-	-	-	-	800
Total Capital Expenditure - Functional Classification	3	187 654	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756
Funded by:										
National Government		123 164	115 052	131 661	16 038	95 921	88 369	7 552	9%	131 661
Provincial Government		4 618	-	36 415	1 150	2 195	9 318	(7 123)	-76%	36 415
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 885	-	-	-	-	-	-	-	-
Transfers recognised - capital		138 668	115 052	168 076	17 187	98 116	97 688	428	0%	168 076
Borrowing	6	1 867	7 166	7 976	-	1 925	7 369	(5 444)	-74%	7 976
Internally generated funds		33 256	58 521	54 704	(197)	7 068	43 897	(36 829)	-84%	54 704
Total Capital Funding		173 791	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R107.1 million, the YTD budgeted is R148.6 million and there is 28% variance. The capital expenditure has been adjusted upwards by 32.6 million, this was for the inclusion of the upgrade for the Port Shepstone taxi rank and the construction of market stalls in Hibberdene and St Michaels Beach and implementation has begun.

5.7 Transfers and Grants Receipts



The City of Ray Nkonyeni

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER FEB 2023							
Name of grant	Vote Account Number - Liability	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 48 816 000	R -	R 40 286 237		R 8 529 763
COGTA ELEC GRANT	-	R 784 811	R -	R -	R -		R 784 811
MUNICIPAL DISASTER RELIEF GRANT	-	R 8 100 000	R 11 000 000	R -	R 19 012 416		R 87 584
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	-	R -	R 3 500 000				R 3 500 000
FINANCIAL MANAGEMENT GRANT (FMG)	-	R -	R 1 950 000	R 1 311 127	R -		R 638 873
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY	-	R -	R 6 076 000	R 4 274 871	R -		R 1 801 129
AIRPORT GRANT	-	R -	R 1 000 000		R 1 236 627	R 236 627	
PROVINCIALIZATION OF LIBRARIES GRANT	-	R -	R 12 418 000	R 9 800 826	R -		R 2 617 174
COMMUNITY LIBRARY SERVICE GRANT	-	R -	R 324 000	R 142 500	R -		R 181 500
MUSEUM SUBSIDY GRANT	-	R -	R 449 000		R 1 787 250	R 1 338 250	
CYBER CADET GRANT	-	R -	R 1 524 000	R 969 649	R -		R 554 351
NEIGHBOURHOOD DEV GRANT	-	R -	R 45 820 000	R -	R 43 276 045		R 2 543 955
EDTA-INFORMAL TRADERS GRANT	-	R -	R 1 000 000	R -			R 1 000 000
MARKET STALLS GRANT	-	R 7 003 970	R -		R -		R 7 003 970
MODULAR LIBRARIES GRANT	-	R 272 452	R -		R -		R 272 452
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	-	R -	R 5 000 000	R 1 964 574			R 3 035 426
TOTAL		R 16 161 232	R 138 877 000	R 18 463 546	R 105 598 575	R 1 574 877	R 32 550 988

Transfers and Grants Receipts

The total grants received to date for period ending 28 February 2023 amounts to R138.9 million, which include R45.8 million from Neighborhood Development Grant, R5.0 million from Energy Efficiency and Demand Side Management Grant, R1.0 million from Margate Airport Grant, R48.8 million from Integrated Urban Development Grant, R11 million from Municipal Disaster Relief Grant, R 3.5 million from Integrated National Electrification Programme, R 1.95 million from Financial Management Grant, R6 million from Expanded Public Works Programme, R449 thousand from Museum, R12.4 million for the provincialization of libraries, R1,8 million from community libraries and cyber cadet grants and R1 million from the informal traders grant.

5.8 Transfers and Grants Expenditure



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER FEB 2023							
Name of grant	Vote Account Number - Liability	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 48 816 000	R -	R 40 286 237		R 8 529 763
COGTA ELEC GRANT	-	R 784 811	R -	R -	R -		R 784 811
MUNICIPAL DISASTER RELIEF GRANT	-	R 8 100 000	R 11 000 000	R -	R 19 012 416		R 87 584
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	-	R -	R 3 500 000				R 3 500 000
FINANCIAL MANAGEMENT GRANT (FMG)	-	R -	R 1 950 000	R 1 311 127	R -		R 638 873
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY	-	R -	R 6 076 000	R 4 274 871	R -		R 1 801 129
AIRPORT GRANT	-	R -	R 1 000 000		R 1 236 627	R 236 627	
PROVINCIALIZATION OF LIBRARIES GRANT	-	R -	R 12 418 000	R 9 800 826	R -		R 2 617 174
COMMUNITY LIBRARY SERVICE GRANT	-	R -	R 324 000	R 142 500	R -		R 181 500
MUSEUM SUBSIDY GRANT	-	R -	R 449 000		R 1 787 250	R 1 338 250	
CYBER CADET GRANT	-	R -	R 1 524 000	R 969 649	R -		R 554 351
NEIGHBOURHOOD DEV GRANT	-	R -	R 45 820 000	R -	R 43 276 045		R 2 543 955
EDTA-INFORMAL TRADERS GRANT	-	R -	R 1 000 000	R -			R 1 000 000
MARKET STALLS GRANT	-	R 7 003 970	R -		R -		R 7 003 970
MODULAR LIBRARIES GRANT	-	R 272 452	R -		R -		R 272 452
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)	-	R -	R 5 000 000	R 1 964 574			R 3 035 426
TOTAL		R 16 161 232	R 138 877 000	R 18 463 546	R 105 598 575	R 1 574 877	R 32 550 988

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 28 February 2023, Operating and Capital Expenditure has a closing balance of R32.6 million, with YTD spending of R18.5 million and R105.6 million, for operational grants and capital grants respectively.

Grant's expenditure

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

An amount of R48.8 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 28 February 2023 is R40.3 million and has been spent on various capital projects.

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

An amount of R6 million has been received for EPWP grant. This is an operational grant to pay salaries for EPWP employees and the YTD actual for the period ended 28 February 2023 is R4.3 million.

- **Neighborhood Development Partnership Grant**

An amount of R45.8 million has been received for the Neighborhood Development Partnership Grant. This is a capital grant and the YTD actual for the period ended 28 February 2023 is R43.3 million.

- **Finance Management Grant**

An amount of R 1.95 million has been received for Finance management grant. This is an operational grant and the YTD actual for the period ended 28 February 2023 is R1.3 million.

- **Municipal Disaster Relief Grant**

An amount of R 11 million has been received for the disaster relief grant with an opening amount of R 8.1 million. This is an operational grant and the YTD actual for the period ended 28 February 2023 to fund the repairs to roads due to the floods.

5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	Ref	2021/22			Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		23 352	28 393	28 393	2 153	17 999	18 928	(930)	-5%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	238	1 921	2 028	(107)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		26 249	31 434	31 434	2 391	19 919	20 956	(1 037)	-5%	31 434
% increase	4		19.8%	19.8%						19.8%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7 328	4 393	3 537	304	2 748	2 715	33	1%	3 537
Pension and UIF Contributions		80	189	192	12	105	127	(22)	-17%	192
Medical Aid Contributions		72	78	230	19	143	90	53	59%	230
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	-	-	706	(706)	-100%	1 059
Motor Vehicle Allowance		495	1 158	964	69	592	634	(42)	-7%	964
Cellphone Allowance		109	115	114	8	59	77	(18)	-24%	114
Housing Allowances		1 425	3 488	2 774	218	1 851	2 147	(296)	-14%	2 774
Other benefits and allowances		0	0	1	0	1	0	0	38%	1
Payments in lieu of leave		239	-	332	30	259	83	176	212%	332
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 615	10 481	9 203	660	5 757	6 578	(820)	-12%	9 203
% increase	4		-1.3%	-13.3%						-13.3%
Other Municipal Staff										
Basic Salaries and Wages		275 568	276 977	276 720	22 703	183 104	177 383	5 721	3%	276 720
Pension and UIF Contributions		49 183	51 553	52 154	4 206	33 910	34 085	(175)	-1%	52 154
Medical Aid Contributions		18 869	20 813	20 384	1 722	13 259	13 619	(360)	-3%	20 384
Overtime		18 959	14 695	19 395	3 728	15 040	12 868	2 172	17%	19 395
Performance Bonus		21 372	23 805	21 807	1 492	15 861	15 252	609	4%	21 807
Motor Vehicle Allowance		17 850	18 637	19 154	1 581	12 368	13 141	(773)	-6%	19 154
Cellphone Allowance		993	1 046	1 125	82	684	717	(33)	-5%	1 125
Housing Allowances		3 771	3 946	4 125	339	2 709	2 692	17	1%	4 125
Other benefits and allowances		5 101	3 006	6 259	437	3 582	3 145	437	14%	6 259
Payments in lieu of leave		3 802	4 200	13 591	2 159	15 544	5 131	10 413	203%	13 591
Long service awards		5 264	2 270	2 819	320	1 921	215	1 706	794%	2 819
Post-retirement benefit obligations		14 654	15 852	15 852	378	3 005	10 568	(7 562)	-72%	15 852
Sub Total - Other Municipal Staff		435 385	436 798	453 383	39 149	300 988	288 817	12 171	4%	453 383
% increase	4		0.3%	4.1%						4.1%
Total Parent Municipality		472 249	478 713	494 021	42 200	326 664	316 351	10 314	3%	494 021

Councillors Remuneration

An actual amount of R19.9 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R20.96 million. This indicates a variance of only R1 million. This indicates that this item is on schedule and the variance is not material.

Senior Managers of the Municipality

The head of departments on the municipality including the Municipal manager are classified under this subheading with a YTD actual of R5.8 million and a YTD budget of R6.6 million with the variance of R818 thousand.

Other Municipal Staff

The municipal staff year to date spending is sitting at R326.7 million against the year-to-date budget of R315.7 million with the variance of R11.5 million and the variance is mainly caused by the different months of bonuses & salary notches for the employees.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY

LONG TERM LOANS REGISTER : 28 FEBRUARY 2023



The Game changer of South Coast development

DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING		LOAN		LOAN		INTEREST		LOAN		CLOSING	
				BALANCE	01 FEBRUARY 2023	ADVANCE	INTEREST	PAID	REPAYMENT	BALANCE	28 FEBRUARY 2023				
				R								R		R	
DBSA	9.36%	31-Mar-31	61007684	-R	3 092 270.86	R	-	R	-	R	-	R	-	-R	3 092 270.86
DBSA	12.67%	22-Nov-30	61007761	-R	8 192 541.71	R	-	R	-	R	-	R	-	-R	8 192 541.71
				R	-									R	-
TOTAL DBSA LOANS				-R	11 284 812.57	R	-	R	-	R	-	R	-	-R	11 284 812.57
TOTAL LOANS				-R	11 284 812.57	R	-	R	-	R	-	R	-	-R	11 284 812.57

The municipality currently has a structured unsecured loan with the Development Bank of Southern Africa (DBSA), The Municipality entered into a loan agreement for the funding of Capital infrastructure projects. In the 2020/21 financial year the first drawdown of R3.5 million was received, as well as the second drawdown of R8.47 million and current loan balance outstanding is R11.2 million as of 28 February 2023. The municipality is still able to make loan repayments as and when they are due. The loan agreement from DBSA is spread across four years funding various capital projects.

ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

PROJECTS TO BE INCLUDED IN RNLB BUDGET							
	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	
Totals	R 3,500,000.00	R 8,476,000.00	R 7,976,000.00	R 19,952,000.00		21,452,000.00	41,404,000.00

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

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

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

	Expenditure			
	2020/2021	2021/2022	2022/2023	Total
Meter replacement DBSA funded	R 1 795 400.22	R 3 813 014.36	R 434 295.82	R 6 042 710.40
Network studies DBSA funded	R 390 473.20	R 495 746.10	R -	R 886 219.30
Cable Replacement DBSA funded	R -	R -	R -	R -
Inter switch replacements DBSA funded	R -	R -	R 1 241 408.17	R 1 241 408.17
Mini sub replacement DBSA funded	R -	R -	R 537 570.00	R 537 570.00
Memorial & Reynolds SW/STA Refurb & Replace Switchgear	R -	R -	R -	R -
	R 2 185 873.42	R 4 308 760.46	R 2 213 273.99	R 8 707 907.87

- A total of **R8 707 908** has been spent on the above-mentioned capital projects, a total of **R3 268 092** remains unspent in the 2022/2023 financial year.

5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M08 February

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-1.4%	9.8%	9.8%	0.1%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		1.0%	4.0%	3.5%	1.8%	3.5%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	14.1%	14.7%	16.8%	14.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	23.9%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	182.5%	172.1%	181.7%	210.0%	181.7%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	18.1%	56.4%	18.1%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		45.4%	37.0%	52.5%	78.5%	52.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		41.2%	38.1%	40.6%	38.1%	40.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.5%	9.8%	10.0%	0.1%	3.9%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

The above table gives an overview of the financial indicators of the municipality for the period ended 25 February 2023 and the indicators are broken down below.

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R11 284 812 as of 28 February 2023.

Liquidity

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

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

Adjusted Budget Current Ratio: R540 907/R350 117 = **1.54:1**

Actual Current Ratio as 31 January 2023: R876 817/R417 504 = **2.10:1**

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 1.72:1 ratio and the actual ratio of 2.10:1 as of 28 February 2023 is. The ratio is performing reasonably well.

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

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

Adjusted Budget Current Ratio: (R540 907 - R1 233)/350 117 = **1.54:1**

Actual Acid test Ratio: (R876 817 - R8 319)/417 504 = **2.08:1**

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

5.12 Investment Register



RAY NKONYENI MUNICIPALITY

INVESTMENT REGISTER FOR THE PERIOD ENDING 28/02/2023

ACCOUNT NO	INVESTMENT DETAILS		CURRENT MONTH						YTD					
			MONTHLY	INTEREST	BANK				INVESTMENT		BANK	INVESTMENT		
			OPENING	INVESTED	CHARGES	DEPOSIT	WITHDRAWALS	CURRENT	BALANCES AS AT	INTEREST	DEPOSITS	CHARGES	WITHDRAWALS	
			BALANCES	28/02/2023	28/02/2023	28/02/2023	28/02/2023	BALANCE	01/07/2022					BALANCE AS AT
												28/02/2023		
37869294011	STANDARD BANK - CALL	LOUISIANA HSG	9 731 829.35	54 124.97	-	-	-	9 785 954.32	9 388 400.89	397 553.43	-	-	-	9 785 954.32
37869294003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	626 771.20	3 485.88	-	-	-	630 257.08	604 652.95	25 604.13	-	-	-	630 257.08
37869294004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 039 898.84	5 783.55	-	-	-	1 045 682.39	1 003 201.65	42 480.74	-	-	-	1 045 682.39
37869294005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	330 205.62	1 836.49	-	-	-	332 042.11	318 552.93	13 489.18	-	-	-	332 042.11
37869294006	STANDARD BANK - CALL	BHOBOYI EST-HSG	12 462.04	36.33	-	-	-	12 498.37	12 261.03	237.34	-	-	-	12 498.37
37869294007	STANDARD BANK - CALL	DAMAGED HSES	79 299.92	261.58	-	-	-	79 561.50	77 791.97	1 769.53	-	-	-	79 561.50
37869294008	STANDARD BANK - CALL	UPLANDS HSG	79 219.63	261.32	-	-	-	79 480.95	77 713.22	1 767.73	-	-	-	79 480.95
37869294009	STANDARD BANK - CALL	MKHOLOMBE HSG	1 472 644.11	8 190.32	-	-	-	1 480 834.43	1 420 675.68	60 158.75	-	-	-	1 480 834.43
37869294010	STANDARD BANK - CALL	AIDS PROJECT	146 413.73	814.30	-	-	-	147 228.03	141 246.91	5 981.12	-	-	-	147 228.03
89140358988	STANDARD BANK - CALL	MASINENG HSG	33 197 379.88	184 339.71	-	-	-	33 381 719.59	32 183 664.01	1 198 055.58	-	-	-	33 381 719.59
89139358986	STANDARD BANK - CALL	KWAMAVUNDLA HSG	247 381.61	1 373.67	-	-	-	248 755.28	239 827.57	8 927.71	-	-	-	248 755.28
89141358989	STANDARD BANK - CALL	KWAKOLO HOUSING	11 747 926.25	65 234.35	-	-	-	11 813 160.60	11 389 191.33	423 969.27	-	-	-	11 813 160.60
80439364623	STANDARD BANK - CALL	KWADWALANE HOUSING	532 283.11	2 955.68	-	-	-	535 238.79	516 029.30	19 209.49	-	-	-	535 238.79
			59 243 715.29	328 698.15	-	-	-	59 572 413.44	44 328 712.21	2 199 204.00	-	-	-	59 572 413.44
74873852518	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUND)	13 718 998.95	73 669.15	-	-	-	13 792 668.10	16 114 889.17	625 265.65	-	-	-2 947 486.72	13 792 668.10
			13 718 998.95	73 669.15	-	-	-	13 792 668.10	16 114 889.17	625 265.65	-	-	-2 947 486.72	13 792 668.10
8911358985	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	50 053.82	277.94	-	-	-	50 331.76	48 525.35	1 806.41	-	-	-	50 331.76
8911358732	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	11 069.92	61.47	-	-	-	11 131.39	10 731.88	399.51	-	-	-	11 131.39
			61 123.74	339.41	-	-	-	61 463.15	59 257.23	2 205.92	-	-	-	61 463.15
62726614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	89 377 551.20	609 935.92	-	58 500 000.00	-63 900 000.00	84 587 487.02	47 140 857.71	5 146 647.51	524 000 000.00	-	-491 700 018.20	84 587 487.02
			89 377 551.20	609 935.92	-	58 500 000.00	-63 900 000.00	84 587 487.02	47 140 857.71	5 146 647.51	524 000 000.00	-	-491 700 018.20	84 587 487.02
74873852519	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 497 332.48	19 048.48	-	-	-	3 516 380.96	3 376 881.86	139 499.10	-	-	-	3 516 380.96
			3 497 332.48	19 048.48	-	-	-	3 516 380.96	3 376 881.86	139 499.10	-	-	-	3 516 380.96
037881000791	NEDBANK	RESERVES INVESTMENT ACCOUNT	26 353 498.38	136 460.52	-	-	-	26 489 958.90	25 800 000.00	689 958.90	-	-	-	26 489 958.90
			26 353 498.38	136 460.52	-	-	-	26 489 958.90	25 800 000.00	689 958.90	-	-	-	26 489 958.90
		GRAND TOTAL RNM INVESTMENT + INTEREST	192 252 220.04	1 168 151.53	-	58 500 000.00	-63 900 000.00	188 020 371.57	136 820 598.18	8 802 781.08	524 000 000.00	-	-494 647 504.92	188 020 371.57

The Investment register as of 28 February 2023 has the closing balance of R188 million, with R8.8million total interest earned for the month from which R5.1 million was made on primary investment and various investment accounts as shown in the above register including the housing development fund which in not a part of the interest earned shown on the statement of financial performance as this in not revenue generated for the municipality but rather interest earned on unspent housing development funds.

6.1 Monthly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M08 February

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	464 477	498 623	492 118	43 910	400 107	408 656	(8 549)	-2%	492 118
Service charges	214 942	253 618	236 691	16 913	150 296	179 800	(29 504)	-16%	236 691
Investment revenue	5 182	5 397	7 067	649	5 389	3 612	1 777	49%	7 067
Transfers and subsidies	256 804	285 102	285 279	140	190 611	199 651	(9 040)	-5%	285 279
Other own revenue	141 612	131 888	118 573	6 378	59 639	89 327	(29 688)	-33%	118 573
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 139 727	67 990	806 042	881 047	(75 005)	-9%	1 139 727
Employee costs	446 000	447 279	462 586	39 809	306 745	295 394	11 351	4%	462 586
Remuneration of Councillors	26 249	31 434	31 434	2 391	19 919	20 956	(1 037)	-5%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	60 134	79 600	(19 466)	-24%	101 619
Finance charges	19 931	12 922	12 902	1	683	644	38	6%	12 902
Inventory consumed and bulk purchases	136 545	149 809	150 151	8 949	79 439	105 627	(26 189)	-25%	150 151
Transfers and subsidies	9 890	13 178	13 078	286	1 927	11 285	(9 358)	-83%	13 078
Other expenditure	392 589	415 344	398 928	20 996	211 236	273 118	(61 882)	-23%	398 928
Total Expenditure	1 125 063	1 171 585	1 170 699	79 950	680 083	786 625	(106 543)	-14%	1 170 699
Surplus/(Deficit)	(42 047)	3 043	(30 971)	(11 960)	125 959	94 421	31 538	33%	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	193 287	-	86 920	116 023	(29 103)	-25%	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 494	135 403	162 316	(11 960)	212 880	210 444	2 435	1%	162 316
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	162 316	(11 960)	212 880	210 444	2 435	1%	162 316
Capital expenditure & funds sources									
Capital expenditure	187 654	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756
Capital transfers recognised	138 668	115 052	168 076	17 187	98 116	97 688	428	0%	168 076
Borrowing	1 867	7 166	7 976	-	1 925	7 369	(5 444)	-74%	7 976
Internally generated funds	33 256	58 521	54 704	(197)	7 068	43 897	(36 829)	-84%	54 704
Total sources of capital funds	173 791	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756
Financial position									
Total current assets	630 556	553 761	672 729	-	876 817	-	-	-	672 729
Total non current assets	1 987 740	1 878 708	2 116 876	-	2 034 714	-	-	-	2 116 876
Total current liabilities	345 489	321 834	370 177	-	417 504	-	-	-	370 177
Total non current liabilities	191 699	150 842	176 331	-	199 762	-	-	-	176 331
Community wealth/Equity	2 087 905	1 959 793	2 243 097	-	2 294 265	-	-	-	2 243 097
Cash flows									
Net cash from (used) operating	348 279	167 979	191 796	18 343	93 783	161 285	67 502	42%	191 796
Net cash from (used) investing	(185 208)	(179 130)	(237 264)	(18 148)	(115 812)	(150 102)	(34 290)	23%	(237 264)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 046)	(26 110)	(13 898)	12 211	-88%	(19 098)
Cash/cash equivalents at the month/year end	270 876	112 823	67 025	-	83 452	128 875	45 423	35%	67 025
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

The above table provides a concise overview of the monthly actual, year to date actual of the operating expenditure, capital expenditure, and age analysis. The full year forecast as seen the table above takes in account the original budget less the YTD budget plus the YTD actual, this therefore gives a projection based on the YTD performance on how the municipality will perform for the financial year compared to the original budget.

6.2 Statement of Financial Performance (Revenue and Expenditure)

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	496 623	492 118	43 910	400 107	408 656	(8 549)	-2%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	11 494	101 384	121 905	(20 521)	-17%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	5 419	48 912	57 895	(8 983)	-16%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	262	2 358	1 800	558	31%	3 710
Interest earned - external investments		5 182	5 397	7 067	649	5 389	3 612	1 777	49%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 035	22 771	16 329	6 442	39%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	63	13 038	14 859	(1 822)	-12%	29 658
Licences and permits		8 138	7 824	9 911	848	5 727	5 250	477	9%	9 911
Agency services		4 965	4 894	6 044	499	3 400	3 275	125	4%	6 044
Transfers and subsidies		256 804	285 102	285 279	140	190 611	199 651	(9 040)	-5%	285 279
Other revenue		55 569	70 013	40 531	1 671	12 346	47 814	(35 468)	-74%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 139 727	67 990	806 042	881 047	(75 005)	-9%	1 139 727
Expenditure By Type										
Employee related costs		446 000	447 279	462 586	39 809	306 745	295 394	11 351	4%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 391	19 919	20 956	(1 037)	-5%	31 434
Debt impairment		34 456	9 984	9 984	458	5 698	4 992	706	14%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	60 134	79 600	(19 466)	-24%	101 619
Finance charges		19 931	12 922	12 902	1	683	644	38	6%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 510	71 833	95 801	(23 968)	-25%	137 074
Inventory consumed		13 825	12 735	13 078	439	7 605	9 826	(2 221)	-23%	13 078
Contracted services		213 910	244 881	230 936	14 213	130 158	150 610	(20 452)	-14%	230 936
Transfers and subsidies		9 890	13 178	13 078	286	1 927	11 285	(9 358)	-83%	13 078
Other expenditure		143 732	160 480	158 007	6 325	75 380	117 516	(42 136)	-36%	158 007
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 170 699	79 950	680 083	786 625	(106 543)	-14%	1 170 699
Surplus/(Deficit)		(42 047)	3 043	(30 971)	(11 960)	125 959	94 421	31 538	0	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		146 929	132 360	193 287	-	86 920	116 023	(29 103)	(0)	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		12 015	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 494	135 403	162 316	(11 960)	212 880	210 444			162 316
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 494	135 403	162 316	(11 960)	212 880	210 444			162 316
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 494	135 403	162 316	(11 960)	212 880	210 444			162 316
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 494	135 403	162 316	(11 960)	212 880	210 444			162 316

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by source and expenditure by type for the period ended 28 February 2023. The full year forecast provides a guideline in terms of overall performance, and it gives an overview whether the municipality will be able to spend as per budget.

6.3 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1									

Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		130	-	400	-	-	-	-	-	400
Vote 2 - Finance and Administration		21 374	3 075	6 125	35	497	2 203	(1 706)	-77%	6 125
Vote 3 - Internal Audit		115	185	185	-	29	35	(6)	-16%	185
Vote 4 - Community and Social Services		5 881	200	-	-	-	(67)	67	-100%	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 014	5 440	2 675	24	1 577	3 087	(1 510)	-49%	2 675
Vote 7 - Housing		115	273	353	46	57	293	(235)	-80%	353
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		93 515	99 409	131 567	8 007	61 202	78 581	(17 379)	-22%	131 567
Vote 10 - Road Transport		51 752	55 006	68 963	6 946	35 961	49 986	(14 025)	-28%	68 963
Vote 11 - Environment Protection		-	-	500	-	-	100	(100)	-100%	500
Vote 12 - Energy Sources		2 599	15 348	15 380	1 933	7 393	13 066	(5 672)	-43%	15 380
Vote 13 - Other		3 108	-	800	-	-	-	-	-	800
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2 052	1 804	3 807	-	391	1 670	(1 278)	-77%	3 807
Total Capital single-year expenditure	4	187 654	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756
Total Capital Expenditure		187 654	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756
Capital Expenditure - Functional Classification										
Governance and administration		21 675	3 280	6 740	35	526	2 238	(1 712)	-76%	6 740
Executive and council		186	20	430	-	-	-	-	-	430
Finance and administration		21 397	3 075	6 125	35	497	2 203	(1 706)	-77%	6 125
Internal audit		92	185	185	-	29	35	(6)	-16%	185
Community and public safety		12 521	5 813	2 728	69	1 634	3 193	(1 558)	-49%	2 728
Community and social services		5 881	200	-	-	-	(67)	67	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	2 375	24	1 577	2 967	(1 390)	-47%	2 375
Housing		115	273	353	46	57	293	(235)	-80%	353
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		145 700	154 495	201 301	14 953	97 163	128 787	(31 624)	-25%	201 301
Planning and development		93 459	99 389	131 537	8 007	61 202	78 581	(17 379)	-22%	131 537
Road transport		52 241	55 106	69 263	6 946	35 961	50 106	(14 145)	-28%	69 263
Environmental protection		-	-	500	-	-	100	(100)	-100%	500
Trading services		4 650	17 152	19 188	1 933	7 785	14 735	(6 951)	-47%	19 188
Energy sources		2 599	15 348	15 380	1 933	7 393	13 066	(5 672)	-43%	15 380
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	3 807	-	391	1 670	(1 278)	-77%	3 807
Other		3 108	-	800	-	-	-	-	-	800
Total Capital Expenditure - Functional Classification	3	187 654	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756
Funded by:										
National Government		123 164	115 052	131 661	16 038	95 921	88 369	7 552	9%	131 661
Provincial Government		4 618	-	36 415	1 150	2 195	9 318	(7 123)	-76%	36 415
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 885	-	-	-	-	-	-	-	-
Transfers recognised - capital		138 668	115 052	168 076	17 187	98 116	97 688	428	0%	168 076
Borrowing	6	1 867	7 166	7 976	-	1 925	7 369	(5 444)	-74%	7 976
Internally generated funds		33 256	58 521	54 704	(197)	7 068	43 897	(36 829)	-84%	54 704
Total Capital Funding		173 791	180 739	230 756	16 991	107 109	148 953	(41 845)	-28%	230 756

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 28 February 2023.

6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		437 643	468 731	441 404	38 489	319 886	311 096	8 789	3%	441 404
Service charges		212 962	228 256	213 022	18 818	154 974	148 362	6 612	4%	213 022
Other revenue		228 121	44 677	47 718	5 806	38 486	30 778	7 708	25%	47 718
Transfers and Subsidies - Operational		314 043	341 677	312 796	17 184	218 503	236 752	(18 249)	-8%	312 796
Transfers and Subsidies - Capital		159 345	132 360	178 233	32 000	146 223	102 780	43 443	42%	178 233
Interest		1 520	5 397	7 047	610	5 149	3 612	1 537	43%	7 047
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(998 105)	(1 027 019)	(982 325)	(94 564)	(788 769)	(661 718)	127 051	-19%	(982 325)
Finance charges		(336)	(12 922)	(12 922)	-	(669)	(466)	203	-43%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(9 911)	(9 911)	100%	(13 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES		348 279	167 979	191 796	18 343	93 783	161 285	67 502	42%	191 796
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(185 208)	(179 130)	(237 264)	(18 148)	(115 812)	(150 102)	(34 290)	23%	(237 264)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(185 208)	(179 130)	(237 264)	(18 148)	(115 812)	(150 102)	(34 290)	23%	(237 264)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	7 976	7 976	-	-	7 976	(7 976)	-100%	7 976
Increase (decrease) in consumer deposits		807	1 412	1 412	234	1 242	(40 822)	42 064	-103%	1 412
Payments										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 280)	(27 352)	18 948	46 300	244%	(28 486)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(35 009)	(19 098)	(19 098)	(3 046)	(26 110)	(13 898)	12 211	-88%	(19 098)
NET INCREASE/ (DECREASE) IN CASH HELD		128 063	(30 248)	(64 566)	(2 851)	(48 139)	(2 716)			(64 566)
Cash/cash equivalents at beginning:		142 813	143 072	131 591		131 591	131 591			131 591
Cash/cash equivalents at month/year end:		270 876	112 823	67 025		83 452	128 875			67 025

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 28 February 2023, cash from operating activities actual to date is 33% less than the budgeted YTD due to payments to suppliers and employees. The fluctuation in payments to suppliers is affected by timing of the suppliers' invoicing to the municipality which has an impact on the municipality's cash coverage. Property Rates and Service Charges are in line with the cash flow projections.

6.5 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		10 397	(6 528)	(54 169)	29 151	(54 169)
Call investment deposits		121 194	122 051	121 194	206 520	121 194
Consumer debtors		310 244	294 403	378 989	422 203	378 989
Other debtors		181 663	140 390	219 606	210 623	219 606
Current portion of long-term receivables		–	143	–	–	–
Inventory		7 058	3 301	7 109	8 319	7 109
Total current assets		630 556	553 761	672 729	876 817	672 729
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		307 811	205 741	307 811	307 811	307 811
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1 676 867	1 668 460	1 805 164	1 724 059	1 805 164
Biological		–	–	–	–	–
Intangible		857	2 436	1 697	640	1 697
Other non-current assets		2 205	2 071	2 205	2 205	2 205
Total non current assets		1 987 740	1 878 708	2 116 876	2 034 714	2 116 876
TOTAL ASSETS		2 618 295	2 432 469	2 789 605	2 911 531	2 789 605
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		14 580	1 378	10 798	(12 772)	10 798
Consumer deposits		32 846	33 452	34 258	34 088	34 258
Trade and other payables		257 969	247 979	285 027	342 081	285 027
Provisions		40 094	39 025	40 094	54 107	40 094
Total current liabilities		345 489	321 834	370 177	417 504	370 177
Non current liabilities						
Borrowing		49 160	26 734	33 792	57 223	33 792
Provisions		142 539	124 108	142 539	142 539	142 539
Total non current liabilities		191 699	150 842	176 331	199 762	176 331
TOTAL LIABILITIES		537 188	472 676	546 508	617 266	546 508
NET ASSETS	2	2 081 107	1 959 793	2 243 097	2 294 265	2 243 097
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 087 905	1 848 149	2 243 097	2 294 265	2 243 097
Reserves		–	111 644	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2 087 905	1 959 793	2 243 097	2 294 265	2 243 097

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 28 February 2023. Total assets are R2.9 billion over the total liabilities of R617.3 million this indicates that the municipality can cover its financial obligations.