



The Game changer of South Coast development

RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 JANUARY 2023 (M07)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 31 JANUARY 2023

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2022/23 Budget of the Ray Nkonyeni Municipality for the period ending 31 January 2023 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 31 January 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 - M07 January

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	498 623	42 353	356 197	363 673	(7 477)	-2%	498 623
Service charges	214 942	253 618	253 618	17 615	133 383	158 129	(24 746)	-16%	253 618
Investment revenue	5 182	5 397	5 397	3 966	4 739	3 166	1 574	50%	5 397
Transfers and subsidies	256 804	285 102	285 229	1 540	190 471	171 045	19 427	11%	285 229
Other own revenue	141 612	131 888	131 888	7 595	53 262	78 290	(25 028)	-32%	131 888
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 174 755	73 069	738 052	774 302	(36 250)	-5%	1 174 755
Employee costs	446 000	447 279	447 380	37 189	266 936	262 864	4 072	2%	447 380
Remuneration of Councillors	26 249	31 434	31 434	2 386	17 528	18 337	(809)	-4%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	52 617	69 650	(17 033)	-24%	101 619
Finance charges	19 931	12 922	12 922	0	681	553	128	23%	12 922
Inventory consumed and bulk purchases	136 545	149 809	149 809	9 644	70 489	90 933	(20 444)	-22%	149 809
Transfers and subsidies	9 890	13 178	13 178	16	1 640	10 115	(8 475)	-84%	13 178
Other expenditure	392 589	415 344	415 513	25 689	190 241	261 636	(71 395)	-27%	415 513
Total Expenditure	1 125 063	1 171 585	1 171 855	82 441	600 133	714 088	(113 955)	-16%	1 171 855
Surplus/(Deficit)	(42 047)	3 043	2 900	(9 372)	137 919	60 215	77 704	129%	2 900
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	152 333	28 019	86 920	90 527	(3 607)	-4%	152 333
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	155 234	18 648	224 839	150 742	74 097	49%	155 234
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	155 234	18 648	224 839	150 742	74 097	49%	155 234
Capital expenditure & funds sources									
Capital expenditure	210 882	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Capital transfers recognised	138 668	115 052	132 420	2 670	80 928	77 284	3 644	5%	132 420
Borrowing	1 867	7 166	7 166	657	1 925	7 166	(5 241)	-73%	7 166
Internally generated funds	33 256	58 521	58 521	402	7 265	46 920	(39 655)	-85%	58 521
Total sources of capital funds	173 791	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Financial position									
Total current assets	630 229	553 761	550 855		847 275				550 855
Total non current assets	1 987 740	1 878 708	1 896 076		2 025 240				1 896 076
Total current liabilities	345 489	321 834	316 465		366 855				316 465
Total non current liabilities	191 699	150 842	150 842		199 762				150 842
Community wealth/Equity	2 087 579	1 959 793	1 979 624		2 305 898				1 979 624
Cash flows									
Net cash from (used) operating	259 474	167 979	179 979	(38 851)	(17 329)	119 837	137 165	114%	179 979
Net cash from (used) investing	(185 208)	(179 130)	(196 642)	(7 075)	(97 664)	(124 973)	(27 309)	22%	(196 642)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(2 949)	(23 063)	(15 387)	7 676	-50%	(19 098)
Cash/cash equivalents at the month/year end	182 070	112 823	107 312	-	(6 465)	122 548	129 013	105%	95 831
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	61 198	29 525	18 805	17 924	13 929	36 692	40 856	348 438	567 368
Creditors Age Analysis									
Total Creditors	11	-	(1 784)	1 784	-	-	-	-	11

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) - M07 January

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	498 623	42 353	356 197	363 673	(7 477)	-2%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	12 471	89 890	106 667	(16 777)	-16%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 145	43 493	51 462	(7 969)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	497	2 096	1 578	519	33%	2 610
Interest earned - external investments		5 182	5 397	5 397	3 966	4 739	3 166	1 574	50%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 965	19 735	14 311	5 424	38%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	2 411	12 975	13 023	(48)	0%	22 158
Licences and permits		8 138	7 824	7 824	574	4 879	4 601	278	6%	7 824
Agency services		4 965	4 894	4 894	487	2 902	2 870	31	1%	4 894
Transfers and subsidies		256 804	285 102	285 229	1 540	190 471	171 045	19 427	11%	285 229
Other revenue		55 569	70 013	70 013	661	10 675	41 907	(31 232)	-75%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 174 755	73 069	738 052	774 302	(36 250)	-5%	1 174 755
Expenditure By Type										
Employee related costs		446 000	447 279	447 380	37 189	266 936	262 864	4 072	2%	447 380
Remuneration of councillors		26 249	31 434	31 434	2 386	17 528	18 337	(809)	-4%	31 434
Debt impairment		34 456	9 984	9 984	2 503	5 240	4 992	248	5%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	52 617	69 560	(17 033)	-24%	101 619
Finance charges		19 931	12 922	12 922	0	681	563	128	23%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	8 357	63 323	82 357	(19 034)	-23%	137 074
Inventory consumed		13 825	12 735	12 735	1 287	7 166	8 576	(1 410)	-16%	12 735
Contracted services		213 910	244 881	245 207	16 180	115 946	153 304	(37 358)	-24%	245 207
Transfers and subsidies		9 890	13 178	13 178	16	1 640	10 115	(8 475)	-84%	13 178
Other expenditure		143 732	160 480	160 322	7 006	69 055	103 340	(34 285)	-33%	160 322
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 171 855	82 441	600 133	714 088	(113 955)	-18%	1 171 855
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		146 929	132 360	152 333	28 019	86 920	90 527	(3 607)	(0)	152 333
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	155 234	18 648	224 839	150 742			155 234
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 494	135 403	155 234	18 648	224 839	150 742			155 234
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 494	135 403	155 234	18 648	224 839	150 742			155 234
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		123 494	135 403	155 234	18 648	224 839	150 742			155 234

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) - M07 January

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	498 623	498 623	42 353	356 197	363 673	(7 477)	-2%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	12 471	89 890	106 667	(16 777)	-16%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 145	43 493	51 462	(7 969)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	497	2 096	1 578	519	33%	2 610
Interest earned - external investments		5 182	5 397	5 397	3 966	4 739	3 166	1 574	50%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 965	19 735	14 311	5 424	38%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	2 411	12 975	13 023	(48)	0%	22 158
Licences and permits		8 138	7 824	7 824	574	4 879	4 601	278	6%	7 824
Agency services		4 965	4 894	4 894	487	2 902	2 870	31	1%	4 894
Transfers and subsidies		256 804	285 102	285 229	1 540	190 471	171 045	19 427	11%	285 229
Other revenue		55 569	70 013	70 013	661	10 675	41 907	(31 232)	-75%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 828	1 174 755	73 069	738 052	774 302	(36 250)	-5%	1 174 755

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 R356.2 million, compared to the YTD budget of R363.7 million. The R7.5 million variance which is 2% less than the YTD Budget, this variance is reasonable in comparison to the anticipated billing revenue for property rates and material adjustments will be made in the adjustment budget

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 31 JANUARY 2023 is R89.9 million while the YTD Budget is R106.7 million. There is a variance of R16.8 million between the YTD actual and YTD budget. This variance of 16% is due to electricity losses resulting from unforeseeable circumstances such as illegal connections. Electricity billing will be monitored and adjusted accordingly during the adjustment budget process in February.

Refuse Revenue

The overall YTD actual billing for refuse removals is R43.5 million and the YTD Budget billing is R51.5 million, with YTD variance of 15%. The municipality is aware of the huge difference and will be considering adjusting downwards on the adjustment 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 R4.7 million, YTD budget is R3.2 million with a variance of R1.5 million which is more than year to date budget and this over performance will be reviewed in the adjustment budget, possibly adjusting the revenue stream upwards.

Interest earned on arrear debtors

The interest charged on arrear debtors to date is R19.7 million, 38% more compared to the YTD budget of R14.3 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 adjustments will be made in the adjustment budget.

Agency Services

Agency services comprise of driver's license application, learners license application and renewal fees, this is the commission earned by the municipality on the services performed by the municipality on behalf of the Department of transport and third parties on payroll section. The annual projected revenue is R4.8 million, with the YTD actual of R2.9 million against YTD Budget of R2.87 million. This shows that the municipality is doing very well in collecting revenues on behalf of their principals and earns more commission than estimated.

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 R12.98million with a YTD budget of R13 million there is a 0% variance. The municipality is in line with its revenue projections in the issuing of traffic fines.

Licenses and Permits

Licenses and permits actuals to date amounts to R4.8 million and there is a 6% variance against year-to-date budget of R4.6 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. The upward adjustment budget will be considered and will be determined by the mid-year review.

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 R 2.1 million, with the YTD budget being R1.6 million showing a 33% variance between actual and budgeted figures. An upwards adjustment in the adjustment budget as the performance has exceeded midyear projections.

Transfers and Subsidies

Operational grants recognized YTD actual amounts to R 190.5 million, YTD Budget is R171 million. YTD variance is R19.4 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. In addition, the second tranche of equitable share has contributed to the large variance in the actual versus budget for the month of December

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. The municipality has receipted about R 3.9 million from the Department of Human Settlement. The municipality is no longer doing the claims from Department of Human Settlement due to the change of agreements. This will be taken into consideration in the adjustment budget.

Overall Revenue YTD Budget to Date

The YTD Actual revenue excluding capital transfers is R738 million for the period ending 31 January 2023, YTD Budget is R774.3 million, the variance of R36.2 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) - M07 January

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	447 380	37 189	266 936	262 864	4 072	2%	447 380
Remuneration of councillors		26 249	31 434	31 434	2 386	17 528	18 337	(809)	-4%	31 434
Debt impairment		34 456	9 984	9 984	2 503	5 240	4 992	248	5%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	52 617	69 650	(17 033)	-24%	101 619
Finance charges		19 931	12 922	12 922	0	681	553	128	23%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	8 357	63 323	82 357	(19 034)	-23%	137 074
Inventory consumed		13 825	12 735	12 735	1 287	7 166	8 576	(1 410)	-16%	12 735
Contracted services		213 910	244 881	245 207	16 180	115 946	153 304	(37 358)	-24%	245 207
Transfers and subsidies		9 890	13 178	13 178	16	1 640	10 115	(8 475)	-84%	13 178
Other expenditure		143 732	160 480	160 322	7 006	69 055	103 340	(34 285)	-33%	160 322
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 171 855	82 441	600 133	714 088	(113 955)	-18%	1 171 855

Employee Related Costs and Remuneration of Councillors

Actual YTD for employee related costs amount to R266.9 million YTD Budget is R262.8 million as of 31 January 2023. Actual YTD remuneration of councillors YTD actuals amounts to R17.5 million with YTD Budget of R18.3 million and there is a 2% variance. Employee related cost is further detailed under table 5.9 Salaries Expenditure Details.

Contracted Services

Contracted services are made up of various operational projects such as Housing, Repairs and maintenance and typical work stream. Contracted services for the period ended 31 January 2023 amounts to R115.9 million, The YTD Budget is R153.3 million and YTD Variance is R37.4 million. The variance in contracted services as at the end of January is attributed to mainly housing projects with a huge variance between YTD budget and YTD actual the municipality budgets for the human settlement grant as per the provincial gazette allocation and the projects and implemented by the municipality and the department of human settlement through a tripartite agreement which creates a variance in the YTD budget and YTD actual on the projects that will be implemented during the financial year. Contracted services are monitored and identified adjustment will be made during the adjustment budget.

Inventory Consumed

YTD Inventory consumed amounts to R7.1 million as of 31 January 2023 with the YTD Budget being R8.5 million. This reflects a variance of R1.4 million. Inventory budget was straight lined across the 12 months of the financial year and will be a variance as consumption differs.

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 R69 million, YTD Budget is R103 million and there is a 33% 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 R52.6 million to date from the beginning of the year. The year-to-date budget is R69.6 million, resulting in a variance of 23%. 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 budget versus actual depreciation expense.

Debt Impairment

The YTD actuals for Debt Impairment amounts to R5.2 million while the year-to-date budget is R4.9 million. The R5.2 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 R1.6 million and a YTD budget of R10.1 million with a variance of R8.5 million.

Overall Expenditure Budget

The overall expenditure YTD Actual is R600 million as of 31 January 2023, YTD Budget is R714 million. There is 16% variance, due to the trends of different types of expenditure as explained above such as contracted services having housing projects that have been directly paid by the department of human settlements reducing the expenditure incurred by the municipality on behalf of the department of human settlements, 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 R137.9 million compared to the YTD Budget surplus R60.2 million.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2022/23									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	41	38	40	35	35	35	170	475	869	750	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 374	5 860	2 085	1 600	1 060	621	3 164	11 888	40 651	18 332	
Receivables from Non-exchange Transactions - Property Rates	1400	37 853	17 458	11 657	11 606	8 650	29 180	20 889	206 033	343 326	276 357	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	
Receivables from Exchange Transactions - Waste Management	1600	5 376	2 874	2 025	1 687	1 501	4 100	3 461	39 606	60 632	50 366	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	3 013	2 935	2 880	2 782	2 546	2 515	12 279	81 349	110 297	101 470	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	540	361	118	214	138	241	894	9 087	11 593	10 574	
Total By Income Source	2000	61 198	29 625	18 805	17 924	13 929	36 692	40 856	348 438	567 368	457 839	
2022/23 - totals only		19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357	418 280	
Debtors Age Analysis By Customer Group												
Organs of State	2200	2 207	964	763	2 205	771	15 910	3 386	30 521	56 607	52 773	
Commercial	2300	20 720	9 152	4 580	3 724	2 899	3 769	8 568	64 741	118 153	83 701	
Hous eholds	2400	38 271	19 509	13 462	11 994	10 259	17 013	28 922	253 176	392 608	321 385	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	61 198	29 625	18 805	17 924	13 929	36 692	40 856	348 438	567 368	457 839	

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 - M07 January

Description	NT Code	Budget Year 2022/23								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
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	11	-	(1 784)	1 784	-	-	-	-	11
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	11	-	(1 784)	1 784	-	-	-	-	11

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) - M07 January

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										
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		130	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		39 465	3 075	3 075	92	462	1 824	(1 362)	-75%	3 075
Vote 3 - Internal Audit		115	185	185	-	29	185	(156)	-84%	185
Vote 4 - Community and Social Services		5 881	200	200	-	-	117	(117)	-100%	200
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 014	5 440	5 440	24	1 553	3 185	(1 632)	-51%	5 440
Vote 7 - Housing		115	273	273	7	12	273	(261)	-96%	273
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		98 653	99 409	102 271	741	53 195	6 470	(11 544)	-18%	102 271
Vote 10 - Road Transport		51 752	55 006	70 290	2 059	29 015	47 597	(18 582)	-39%	70 290
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		2 599	15 348	14 570	806	5 460	12 340	(6 880)	-56%	14 570
Vote 13 - Other		3 108	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2 052	1 804	1 804	-	391	1 111	(720)	-65%	1 804
Total Capital single-year expenditure	4	210 882	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Total Capital Expenditure		210 882	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Capital Expenditure - Functional Classification										
Governance and administration		39 765	3 280	3 280	92	491	2 029	(1 537)	-76%	3 280
Executive and council		186	20	20	-	-	20	(20)	-100%	20
Finance and administration		39 487	3 075	3 075	92	462	1 824	(1 362)	-75%	3 075
Internal audit		92	185	185	-	29	185	(156)	-84%	185
Community and public safety		12 521	5 813	5 813	31	1 565	3 504	(1 939)	-55%	5 813
Community and social services		5 881	200	200	-	-	117	(117)	-100%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	5 340	24	1 553	3 115	(1 562)	-50%	5 340
Housing		115	273	273	7	12	273	(261)	-96%	273
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		150 838	154 495	172 641	2 800	82 210	112 386	(30 176)	-27%	172 641
Planning and development		98 597	99 389	102 251	741	53 195	6 470	(11 524)	-18%	102 251
Road transport		52 241	55 106	70 290	2 059	29 015	47 667	(18 652)	-39%	70 290
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		4 650	17 152	16 375	806	5 851	13 451	(7 600)	-56%	16 375
Energy sources		2 599	15 348	14 570	806	5 460	12 340	(6 880)	-56%	14 570
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	1 804	-	391	1 111	(720)	-65%	1 804
Other		3 108	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	210 882	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Funded by:										
National Government		123 164	115 052	131 661	2 649	79 883	76 988	2 895	4%	131 661
Provincial Government		4 618	-	760	21	1 045	296	749	253%	760
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	132 420	2 670	80 928	77 284	3 644	5%	132 420
Borrowing	6	1 867	7 166	7 166	657	1 925	7 166	(5 241)	-73%	7 166
Internally generated funds		33 256	58 521	58 521	402	7 265	46 920	(39 655)	-85%	58 521
Total Capital Funding		173 791	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R90.1 million, the YTD budgeted is R131.3 million and there is 31% variance. The capital budget and capital procurement plan will be adjusted accordingly in the adjustment budget taking into consideration outstanding capital asset needs and the amount of internally generated funding available.


5.7 Transfers and Grants Receipts

 KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER						
KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER JAN 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 48,816,000	R -	R 33,389,473		R 15,426,527
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 15,859,013		R 3,240,987
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 1,006,740	R -		R 943,260
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 4,254,000	R 3,547,380	R -		R 706,620
AIRPORT GRANT		R 1,000,000		R 823,328		R 176,672
MUSEUM SUBSIDY GRANT	R -	R 449,000		R 1,570,288	R 1,121,288	
NEIGHBOURHOOD DEV GRANT		R 45,820,000	R -	R 37,537,621		R 8,282,379
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 3,000,000	R 1,964,574			R 1,035,426
TOTAL	R 16,161,232	R 119,789,000	R 6,518,693	R 89,179,723	R 1,121,288	R 41,373,104

Transfers and Grants Receipts

The total grants received to date for period ending 31 January 2023 amounts to R119.7 million, which include R45.8 million from Neighborhood Development Grant, R3.0 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, R4.2 million from Expanded Public Works Programme, and R449 thousand from Museum.

5.8 Transfers and Grants Expenditure

 KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER						
KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER JAN 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 48,816,000	R -	R 33,389,473		R 15,426,527
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 15,859,013		R 3,240,987
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 1,006,740	R -		R 943,260
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 4,254,000	R 3,547,380	R -		R 706,620
AIRPORT GRANT		R 1,000,000		R 823,328		R 176,672
MUSEUM SUBSIDY GRANT	R -	R 449,000		R 1,570,288	R 1,121,288	
NEIGHBOURHOOD DEV GRANT		R 45,820,000	R -	R 37,537,621		R 8,282,379
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 3,000,000	R 1,964,574			R 1,035,426
TOTAL	R 16,161,232	R 119,789,000	R 6,518,693	R 89,179,723	R 1,121,288	R 41,373,104

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 January 2023, Operating and Capital Expenditure has a closing balance of R41.3 million, with YTD spending of R6.5 million and R89.2 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 31 January 2023 is R33.3 million and has been spent on various capital projects.

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

An amount of R4.2 million has been received for EPWP grant. This is an operational grant to pay salaries for EPWP employees and the YTD actual for the period ended 31 January 2023 is R3.5 million.

- **Neighborhood Development Partnership Grant**

An amount of R45.8 million has been received for the Neighborhood Development Partnership Grant. This is a capital grant and the YTD actual for the period ended 31 January is R37.5 million.

- **Finance Management Grant**

An amount of R 1.95 million has been received for Finance management grant. This is an operational grant and the YTD actual for the period ended 31 January 2023 is R1 million.

- **Municipal Disaster Relief Grant**

An amount of R 11 million has been received for the disaster relief grant with an opening amount of R 8.1 million. This is an operational grant and the YTD actual for the period ended 31 January 2023 is R15.8 million to fund the repairs to roads due to the floods that occurred earlier in the year.

5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

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	2 148	15 845	16 562	(717)	-4%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	238	1 683	1 774	(91)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		26 249	31 434	31 434	2 386	17 528	18 337	(809)	-4%	31 434
% increase	4		19.8%	19.8%						19.8%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7 328	4 393	4 393	283	2 443	2 563	(119)	-5%	4 393
Pension and UIF Contributions		80	189	189	12	93	110	(17)	-16%	189
Medical Aid Contributions		72	78	78	19	124	45	79	173%	78
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	-	-	618	(618)	-100%	1 059
Motor Vehicle Allowance		495	1 158	1 038	69	523	676	(153)	-23%	1 038
Cellphone Allowance		109	115	115	8	51	67	(16)	-24%	115
Housing Allowances		1 425	3 488	3 488	218	1 634	2 035	(401)	-20%	3 488
Other benefits and allowances		0	0	0	0	0	0	0	70%	0
Payments in lieu of leave		239	-	-	3	228	-	228	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 615	10 481	10 361	611	5 097	6 114	(1 017)	-17%	10 361
% increase	4		-1.3%	-2.4%						-2.4%
Other Municipal Staff										
Basic Salaries and Wages		275 568	276 977	276 981	23 248	160 401	161 686	(1 285)	-1%	276 981
Pension and UIF Contributions		49 183	51 553	51 553	4 198	29 704	30 073	(368)	-1%	51 553
Medical Aid Contributions		18 869	20 813	20 813	1 688	11 537	12 141	(604)	-5%	20 813
Overtime		18 959	14 695	14 821	2 918	11 311	10 144	1 167	12%	14 821
Performance Bonus		21 372	23 805	23 805	939	14 370	13 886	483	3%	23 805
Motor Vehicle Allowance		17 850	18 637	18 757	1 545	10 787	10 872	(85)	-1%	18 757
Cellphone Allowance		993	1 046	1 046	81	601	610	(9)	-1%	1 046
Housing Allowances		3 771	3 946	3 946	339	2 370	2 302	68	3%	3 946
Other benefits and allowances		5 101	3 006	2 976	800	3 144	2 017	1 127	56%	2 976
Payments in lieu of leave		3 802	4 200	4 200	310	13 384	2 450	10 934	446%	4 200
Long service awards		5 264	2 270	2 270	145	1 602	1 324	277	21%	2 270
Post-retirement benefit obligations	2	14 654	15 852	15 852	367	2 628	9 247	(6 619)	-72%	15 852
Sub Total - Other Municipal Staff		435 385	436 798	437 019	36 577	261 839	256 751	5 088	2%	437 019
% increase	4		0.3%	0.4%						0.4%
Total Parent Municipality		472 249	478 713	478 814	39 575	284 464	281 201	3 263	1%	478 814

Councillors Remuneration

An actual amount of R17.5 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R18.3 million. This indicates a variance of only R809 thousand. 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 R5.09 million and a YTD budget of R6.1 million with the variance of R1 million.

Other Municipal Staff

The municipal staff year to date spending is sitting at R261.8 million against the year-to-date budget of R256 million with the variance of R5.09 million and the variance is mainly caused by the different months of bonuses & salary notches for the employees. There will be an adjusted within the salary budget in the adjustment budget that will account for the YTD variance.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 31 JANUARY 2023



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 JANUARY 2023	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 31 JANUARY 2023
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	-R 3,092,270.86					-R 3,092,270.86
DBSA	12.67%	22-Nov-30	61007761	-R 8,192,541.71					-R 8,192,541.71
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 31 January 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 RNLM BUDGET	Year			Totals	Year 4	Total
	Year 1	Year 2	Year 3			
Electricity Meters Replacement	3,000,000	2,000,000	2,000,000	7,000,000		
Network infrastructure studies	500,000					
Electrical Cables Replacement	-	1,000,000	500,000	1,500,000		
Mini-substations Replacement	-	1,000,000	1,000,000	2,000,000		
Inter-switches (RMU) Replacement	-	1,000,000	1,000,000	2,000,000		
11kV Interconnector - Marburg to Port Shepstone Substation	-	-	-	-	14,500,000.00	
Memorial & Reynolds Sw/Sta Refurbishment & Replace Switchgear	-	3,476,000	3,476,000	6,952,000	6,952,000.00	
Totals	R 3,500,000.00	R 8,476,000.00	R 7,976,000.00	R 19,952,000.00	21,452,000.00	41,404,000.00

5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January

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		0.9%	4.0%	3.6%	2.1%	3.6%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	14.1%	13.7%	14.7%	13.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	23.9%	23.9%	0.0%	23.9%
Liquidity							
Current Ratio	Current assets/current liabilities	1	182.4%	172.1%	174.1%	231.0%	174.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	34.8%	59.8%	34.8%
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%	37.2%	84.0%	37.2%
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%	38.1%	36.2%	38.1%
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%	9.8%	0.1%	3.8%
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 31 January 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 31 January 2023.

Liquidity

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

Budgeted Current Ratio: R553 761 000/ R321 834 000= **1.72:1**

Adjusted Budget Current Ratio: R 550 855 000/316 465 000 =**1.74:1**

Actual Current Ratio as 31 January 2023: R847 275 000: R366 855 000=**2.31:1**

Current ratio is a liquidity ratio used to measure whether the municipality has enough resources to meet its short-term obligations. A good ratio is R1.5-R2 for every R1 owed. The budget showed a R1.74: R1 ratio and the actual ratio as of 31 January 2023 is R2.31:1. The ratio is performing well.

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


Budgeted Acid test Ratio: (R 553 761 000-R3 301 000) / R321 834 000= **1.71:1**

Adjusted Budget Current Ratio: (R 550 855 000-3 301 000)/ R 316 356 000 = **1.73:1**

Actual Acid test Ratio as 31 January 2023: (R847 275 000– R8 066 000)/ R366 855 000=**2.28:1**

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

5.12 Investment Register

 RAY NKONYENI MUNICIPALITY INVESTMENT REGISTER FOR THE PERIOD ENDING 31/01/2023														
ACCOUNT NO	INVESTMENT DETAILS		CURRENT MONTH					YTD						
	INSTITUTION & TYPE	PROJECT NAME / DETAILS	MONTHLY	INTEREST	BANK	DEPOSIT	WITHDRAWALS	CURRENT	INVESTMENT	INTEREST	BANK	CHARGES	INVESTMENT	BALANCE AS AT
			OPENING	INVESTED	CHARGES	DEPOSIT	WITHDRAWALS	CURRENT	BALANCES AS AT	INTEREST	DEPOSITS	CHARGES	WITHDRAWALS	BALANCE AS AT
			BALANCES	31/01/2023	31/01/2023	31/01/2023	31/01/2023	BALANCE	01/07/2022					31/01/2023
378692984011	STANDARD BANK - CALL	LOUISIANA HSG	9,674,050.09	57,779.26	-	-	-	9,731,829.35	9,388,400.89	343,428.46	-	-	-	9,731,829.35
378692984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	623,049.97	3,721.23	-	-	-	626,771.20	604,652.95	22,118.25	-	-	-	626,771.20
378692984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1,033,724.81	6,174.03	-	-	-	1,039,898.84	1,003,201.65	36,697.19	-	-	-	1,039,898.84
378692984005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	328,245.14	1,960.48	-	-	-	330,205.62	318,552.93	11,652.69	-	-	-	330,205.62
378692984006	STANDARD BANK - CALL	BHOBOYI EST-HSG	12,424.24	37.80	-	-	-	12,462.04	12,261.03	201.01	-	-	-	12,462.04
378692984007	STANDARD BANK - CALL	DAMAGED HSES	79,025.93	273.99	-	-	-	79,299.92	77,791.97	1,507.95	-	-	-	79,299.92
378692984008	STANDARD BANK - CALL	JPLANDS HSG	78,945.91	273.72	-	-	-	79,219.63	77,713.22	1,506.41	-	-	-	79,219.63
378692984009	STANDARD BANK - CALL	MKHOLOMBE HSG	1,463,900.81	8,743.30	-	-	-	1,472,644.11	1,420,675.68	51,968.43	-	-	-	1,472,644.11
378692984010	STANDARD BANK - CALL	AIDS PROJECT	145,544.45	869.28	-	-	-	146,413.73	141,246.91	5,166.82	-	-	-	146,413.73
89140356988	STANDARD BANK - CALL	MASINENGE HSG	33,015,118.34	182,261.54	-	-	-	33,197,379.88	32,183,664.01	1,013,715.87	-	-	-	33,197,379.88
89139356986	STANDARD BANK - CALL	KWAMAVUNDLA HSG	246,023.43	1,358.18	-	-	-	247,381.61	239,827.57	7,554.04	-	-	-	247,381.61
89141356989	STANDARD BANK - CALL	KWAKOLO HOUSING	11,683,427.33	64,498.92	-	-	-	11,747,926.25	11,389,191.33	358,734.92	-	-	-	11,747,926.25
90439364623	STANDARD BANK - CALL	KWADWALANE HOUSING	529,360.75	2,922.36	-	-	-	532,283.11	516,029.30	16,253.81	-	-	-	532,283.11
			58,912,841.20	330,874.09	-	-	-	59,243,715.29	44,328,712.21	1,870,505.85	-	-	-	59,243,715.29
74873852518	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUND)	16,122,884.00	87,607.21	-	-	-2,491,492.26	13,718,998.95	16,114,889.17	551,596.50	-	-	-2,947,486.72	13,718,998.95
			16,122,884.00	87,607.21	-	-	-2,491,492.26	13,718,998.95	16,114,889.17	551,596.50	-	-	-2,947,486.72	13,718,998.95
89111356985	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	49,779.01	274.81	-	-	-	50,053.82	48,525.35	1,528.47	-	-	-	50,053.82
89111357372	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	11,009.14	60.78	-	-	-	11,069.92	10,731.88	338.04	-	-	-	11,069.92
			60,788.15	335.59	-	-	-	61,123.74	59,257.23	1,866.51	-	-	-	61,123.74
62726614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	123,136,968.45	740,582.75	-	31,000,000.00	-65,500,000.00	89,377,551.20	47,140,857.71	4,536,711.69	465,500,000.00	-	-427,800,018.20	89,377,551.20
			123,136,968.45	740,582.75	-	31,000,000.00	-65,500,000.00	89,377,551.20	47,140,857.71	4,536,711.69	465,500,000.00	-	-427,800,018.20	89,377,551.20
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3,477,008.65	20,323.83	-	-	-	3,497,332.48	3,376,881.86	120,450.62	-	-	-	3,497,332.48
			3,477,008.65	20,323.83	-	-	-	3,497,332.48	3,376,881.86	120,450.62	-	-	-	3,497,332.48
037881000791	NEDBANK	RESERVES INVESTMENT ACCOUNT	26,207,918.86	145,579.52	-	-	-	26,353,498.38	25,800,000.00	553,498.38	-	-	-	26,353,498.38
			26,207,918.86	145,579.52	-	-	-	26,353,498.38	25,800,000.00	553,498.38	-	-	-	26,353,498.38
GRAND TOTAL RNM INVESTMENT + INTEREST			227,918,409.31	1,325,302.99	-	31,000,000.00	-67,991,492.26	192,252,220.04	136,820,598.18	7,634,629.55	465,500,000.00	-	-430,747,504.92	192,252,220.04

The Investment register as of 31 January 2023 has the closing balance of R192.25 million, with R7.6 million total interest earned for the month from which R4.5 million was made on primary investment and 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 Monthly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M07 January

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	496 623	42 353	356 197	363 673	(7 477)	-2%	498 623
Service charges	214 942	253 618	253 618	17 615	133 383	158 129	(24 746)	-16%	253 618
Investment revenue	5 182	5 397	5 397	3 966	4 739	3 166	1 574	50%	5 397
Transfers and subsidies	256 804	285 102	285 229	1 540	190 471	171 045	19 427	11%	285 229
Other own revenue	141 612	131 888	131 888	7 595	53 262	78 290	(25 028)	-32%	131 888
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 174 755	73 069	738 052	774 302	(36 250)	-5%	1 174 755
Employee costs	446 000	447 279	447 380	37 189	266 936	262 864	4 072	2%	447 380
Remuneration of Councillors	26 249	31 434	31 434	2 386	17 528	18 337	(809)	-4%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	52 617	69 650	(17 033)	-24%	101 619
Finance charges	19 931	12 922	12 922	0	661	553	128	23%	12 922
Inventory consumed and bulk purchases	136 545	149 809	149 809	9 644	70 489	90 933	(20 444)	-22%	149 809
Transfers and subsidies	9 890	13 178	13 178	16	1 640	10 115	(8 475)	-84%	13 178
Other expenditure	392 589	415 344	415 513	25 689	190 241	261 636	(71 395)	-27%	415 513
Total Expenditure	1 125 063	1 171 585	1 171 855	82 441	600 133	714 088	(113 955)	-16%	1 171 855
Surplus/(Deficit)	(42 047)	3 043	2 900	(9 372)	137 919	60 215	77 704	129%	2 900
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	152 333	28 019	86 920	90 527	(3 607)	-4%	152 333
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	155 234	18 648	224 839	150 742	74 097	49%	155 234
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	155 234	18 648	224 839	150 742	74 097	49%	155 234
Capital expenditure & funds sources									
Capital expenditure	210 882	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Capital transfers recognised	138 668	115 052	132 420	2 670	80 928	77 284	3 644	5%	132 420
Borrowing	1 867	7 166	7 166	657	1 925	7 166	(5 241)	-73%	7 166
Internally generated funds	33 256	58 521	58 521	402	7 265	46 920	(39 655)	-85%	58 521
Total sources of capital funds	173 791	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Financial position									
Total current assets	630 229	553 761	550 855		847 275				550 855
Total non current assets	1 987 740	1 878 708	1 896 076		2 025 240				1 896 076
Total current liabilities	345 489	321 834	316 465		366 855				316 465
Total non current liabilities	191 699	150 842	150 842		199 762				150 842
Community wealth/Equity	2 087 579	1 959 793	1 979 624		2 305 898				1 979 624
Cash flows									
Net cash from (used) operating	259 474	167 979	179 979	(38 851)	(17 329)	119 837	137 165	114%	179 979
Net cash from (used) investing	(185 208)	(179 130)	(196 642)	(7 075)	(97 664)	(124 973)	(27 309)	22%	(196 642)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(2 949)	(23 063)	(15 387)	7 676	-50%	(19 098)
Cash/cash equivalents at the month/year end	182 070	112 823	107 312	-	(6 465)	122 548	129 013	105%	95 831
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	61 198	29 525	18 805	17 924	13 929	36 692	40 856	348 438	567 368
Creditors Age Analysis									
Total Creditors	11	-	(1 784)	1 784	-	-	-	-	11

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) - M06 December

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	496 623	496 623	43 303	313 843	318 690	(4 846)	-2%	496 623
Service charges - electricity revenue		157 558	182 857	182 857	13 085	77 419	91 429	(14 009)	-15%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 443	38 349	45 030	(6 681)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	214	1 599	1 355	244	18%	2 610
Interest earned - external investments		5 182	5 397	5 397	50	773	2 719	(1 946)	-72%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 966	16 770	12 293	4 477	36%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	37	10 564	11 187	(623)	-6%	22 158
Licences and permits		8 138	7 824	7 824	606	4 305	3 952	352	9%	7 824
Agency services		4 965	4 894	4 894	342	2 415	2 466	(51)	-2%	4 894
Transfers and subsidies		256 804	285 102	285 229	84 217	188 931	142 551	46 380	33%	285 229
Other revenue		55 569	70 013	70 013	578	10 013	36 000	(25 987)	-72%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 174 755	150 842	664 982	667 671	(2 689)	0%	1 174 755
Expenditure By Type										
Employee related costs		446 000	447 279	447 237	38 682	229 747	225 289	4 458	2%	447 237
Remuneration of councillors		26 249	31 434	31 434	2 386	15 142	15 717	(575)	-4%	31 434
Debt impairment		34 456	9 984	9 984	123	2 737	4 992	(2 255)	-45%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	45 101	59 700	(14 599)	-24%	101 619
Finance charges		19 931	12 922	12 922	340	681	461	220	48%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	9 442	54 965	68 912	(13 946)	-20%	137 074
Inventory consumed		13 825	12 735	12 735	1 322	5 880	7 350	(1 470)	-20%	12 735
Contracted services		213 910	244 881	245 007	13 232	99 785	130 317	(30 552)	-23%	245 007
Transfers and subsidies		9 890	13 178	13 178	-	1 625	9 153	(7 528)	-82%	13 178
Other expenditure		143 732	160 480	160 522	14 271	62 049	88 742	(26 692)	-30%	160 522
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 171 712	87 314	517 692	610 632	(92 940)	-15%	1 171 712
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(42 047)	3 043	3 043	63 528	147 291	57 039	90 251	0	3 043
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		146 929	132 360	152 367	-	58 901	75 669	(16 768)	(0)	152 367
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
		6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 494	135 403	155 410	63 528	206 192	132 708			155 410
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 494	135 403	155 410	63 528	206 192	132 708			155 410
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 494	135 403	155 410	63 528	206 192	132 708			155 410
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 494	135 403	155 410	63 528	206 192	132 708			155 410

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by source and expenditure by type for the period ended 31 January 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) - M07 January

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	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		39 465	3 075	3 075	92	462	1 824	(1 362)	-75%	3 075
Vote 3 - Internal Audit		115	185	185	-	29	185	(156)	-84%	185
Vote 4 - Community and Social Services		5 881	200	200	-	-	117	(117)	-100%	200
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 014	5 440	5 440	24	1 553	3 185	(1 632)	-51%	5 440
Vote 7 - Housing		115	273	273	7	12	273	(261)	-96%	273
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		98 653	99 409	102 271	741	53 195	64 740	(11 544)	-18%	102 271
Vote 10 - Road Transport		51 752	55 006	70 290	2 059	29 015	47 597	(18 582)	-39%	70 290
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		2 599	15 348	14 570	806	5 460	12 340	(6 880)	-56%	14 570
Vote 13 - Other		3 108	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2 052	1 804	1 804	-	391	1 111	(720)	-65%	1 804
Total Capital single-year expenditure	4	210 882	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Total Capital Expenditure		210 882	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Capital Expenditure - Functional Classification										
Governance and administration		39 765	3 280	3 280	92	491	2 029	(1 537)	-76%	3 280
Executive and council		186	20	20	-	-	20	(20)	-100%	20
Finance and administration		39 487	3 075	3 075	92	462	1 824	(1 362)	-75%	3 075
Internal audit		92	185	185	-	29	185	(156)	-84%	185
Community and public safety		12 521	5 813	5 813	31	1 565	3 504	(1 939)	-55%	5 813
Community and social services		5 881	200	200	-	-	117	(117)	-100%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	5 340	24	1 553	3 115	(1 562)	-50%	5 340
Housing		115	273	273	7	12	273	(261)	-96%	273
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		150 838	154 495	172 641	2 800	82 210	112 386	(60 176)	-27%	172 641
Planning and development		98 597	99 389	102 251	741	53 195	64 720	(11 524)	-18%	102 251
Road transport		52 241	55 106	70 390	2 059	29 015	47 667	(18 652)	-39%	70 390
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		4 650	17 152	16 375	806	5 851	13 451	(7 600)	-56%	16 375
Energy sources		2 599	15 348	14 570	806	5 460	12 340	(6 880)	-56%	14 570
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	1 804	-	391	1 111	(720)	-65%	1 804
Other		3 108	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	210 882	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108
Funded by:										
National Government		123 164	115 052	131 661	2 649	79 883	76 988	2 895	4%	131 661
Provincial Government		4 618	-	760	21	1 045	296	749	253%	760
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	132 420	2 670	80 928	77 284	3 644	5%	132 420
Borrowing	6	1 867	7 166	7 166	657	1 925	7 166	(5 241)	-73%	7 166
Internally generated funds		33 256	58 521	58 521	402	7 265	46 920	(39 655)	-85%	58 521
Total Capital Funding		173 791	180 739	198 108	3 729	90 118	131 370	(41 253)	-31%	198 108

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

6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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
Rthoibanda										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		487 643	468 731	468 731	37 883	281 397	273 492	7 904	3%	468 731
Service charges		212 962	228 256	228 256	19 016	136 156	133 149	3 006	2%	228 256
Other revenue		228 121	44 677	44 677	1 719	32 630	26 961	5 719	21%	44 677
Transfers and Subsidies - Operational		314 043	341 677	341 803	248	201 319	203 973	(2 654)	-1%	341 803
Transfers and Subsidies - Capital		159 345	132 360	144 233	-	114 223	91 167	23 057	25%	144 233
Interest		1 520	5 397	5 397	3 936	4 539	3 166	1 373	43%	5 397
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(1 086 911)	(1 027 019)	(1 027 019)	(101 623)	(786 974)	(602 513)	184 460	-31%	(1 027 019)
Finance charges		(336)	(12 922)	(12 922)	-	(6 69)	(464)	205	-44%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(9 094)	(9 094)	100%	(13 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES		269 474	167 979	179 979	(38 861)	(17 329)	119 837	137 166	114%	179 979
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (in/crase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (in/crase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(195 208)	(179 130)	(196 642)	(7 075)	(97 664)	(124 973)	(27 309)	22%	(196 642)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(195 208)	(179 130)	(196 642)	(7 075)	(97 664)	(124 973)	(27 309)	22%	(196 642)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term financing		-	7 976	7 976	-	-	7 976	(7 976)	-100%	7 976
Increase (decrease) in consumer deposits		807	1 412	1 412	122	1 009	(40 015)	41 024	-103%	1 412
Payments										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 072)	(24 072)	16 652	40 724	245%	(28 486)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(35 009)	(19 098)	(19 098)	(2 949)	(23 063)	(16 387)	7 676	-60%	(19 098)
NET INCREASE/(DECREASE) IN CASH HELD		39 267	(30 248)	(36 760)	(48 876)	(138 056)	(20 524)			(36 760)
Cash/Cash equivalents at beginning:		142 813	143 072	143 072		131 591	143 072			131 591
Cash/Cash equivalents at month/year end:		182 070	112 823	107 312		(6 465)	122 548			95 831

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 31 January 2023, cash from operating activities actual to date is 114% 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 - M07 January

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)	(12 039)	34 930	(12 039)
Call investment deposits		121 194	122 051	122 051	184 407	122 051
Consumer debtors		310 244	294 403	294 403	412 798	294 403
Other debtors		181 336	140 390	142 995	207 073	142 995
Current portion of long-term receivables		-	143	143	-	143
Inventory		7 058	3 301	3 301	8 066	3 301
Total current assets		630 229	553 761	550 855	847 275	550 855
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		307 811	205 741	205 741	307 811	205 741
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 676 867	1 668 460	1 685 828	1 714 569	1 685 828
Biological		-	-	-	-	-
Intangible		857	2 436	2 436	655	2 436
Other non-current assets		2 205	2 071	2 071	2 205	2 071
Total non current assets		1 987 740	1 878 708	1 896 076	2 025 240	1 896 076
TOTAL ASSETS		2 617 969	2 432 469	2 446 931	2 872 515	2 446 931
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		14 580	1 378	1 378	(9 492)	1 378
Consumer deposits		32 846	33 452	33 452	33 855	33 452
Trade and other payables		257 969	247 979	242 610	290 501	242 610
Provisions		40 094	39 025	39 025	51 991	39 025
Total current liabilities		345 489	321 834	316 465	366 855	316 465
Non current liabilities						
Borrowing		49 160	26 734	26 734	57 223	26 734
Provisions		142 539	124 108	124 108	142 539	124 108
Total non current liabilities		191 699	150 842	150 842	199 762	150 842
TOTAL LIABILITIES		537 188	472 676	467 307	566 617	467 307
NET ASSETS	2	2 080 781	1 959 793	1 979 624	2 305 898	1 979 624
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 087 579	1 848 149	1 867 980	2 305 898	1 867 980
Reserves		-	111 644	111 644	-	111 644
TOTAL COMMUNITY WEALTH/EQUITY	2	2 087 579	1 959 793	1 979 624	2 305 898	1 979 624

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 31 January 2023. Total assets are R2.8 billion over the total liabilities of R566 million this indicates that the municipality can cover its financial obligations.