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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2022 (M02)

Prepared By: Budget and Treasury Office

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

## **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 August 2022 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 August 2022 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
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- 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
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## **6. MAIN TABLES**

6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

6.5. Financial Position

## 5.1 Monthly Budget Statement of Financial Performance

This table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and expenditure by type.

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M02 August

Description	2021/22		Budget Year 2022/23						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	464 477	498 623	498 623	95 622	138 745	134 950	3 795	3%	498 623
Service charges	214 942	253 618	253 618	26 480	43 223	49 775	(6 552)	-13%	253 618
Investment revenue	5 182	5 397	5 397	633	650	893	(243)	-27%	5 397
Transfers and subsidies	256 804	285 102	285 102	-	101 651	28 577	73 074	256%	285 102
Other own revenue	141 612	131 888	131 888	5 560	9 857	22 074	(12 217)	-55%	131 888
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>128 295</b>	<b>294 126</b>	<b>236 268</b>	<b>57 858</b>	<b>24%</b>	<b>1 174 628</b>
Employee costs	446 000	447 279	447 279	37 065	74 581	75 029	(448)	-1%	447 279
Remuneration of Councillors	26 249	31 434	31 434	2 359	4 727	5 239	(513)	-10%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	-	-	19 900	(19 900)	-100%	101 619
Finance charges	19 931	12 922	12 922	4	4	94	(90)	-95%	12 922
Inventory consumed and bulk purchases	-	149 809	149 809	13 645	13 865	16 821	(2 956)	-18%	149 809
Transfers and subsidies	9 890	13 178	13 178	257	257	1 925	(1 668)	-87%	13 178
Other expenditure	385 792	415 344	415 344	33 390	55 427	67 873	(12 446)	-18%	415 344
<b>Total Expenditure</b>	<b>981 721</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>86 721</b>	<b>148 860</b>	<b>186 881</b>	<b>(38 021)</b>	<b>-20%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>	<b>101 295</b>	<b>3 043</b>	<b>3 043</b>	<b>41 574</b>	<b>145 265</b>	<b>49 387</b>	<b>95 879</b>	<b>194%</b>	<b>3 043</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	151 460	-	-	12 736	(12 736)	-100%	151 460
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>	<b>83 143</b>	<b>134%</b>	<b>154 503</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>	<b>83 143</b>	<b>134%</b>	<b>154 503</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>210 882</b>	<b>180 739</b>	<b>197 348</b>	<b>9 730</b>	<b>19 832</b>	<b>24 450</b>	<b>(4 618)</b>	<b>-19%</b>	<b>197 348</b>
Capital transfers recognised	138 668	115 052	131 661	8 117	18 185	18 685	(500)	-3%	131 661
Borrowing	1 867	7 166	7 166	-	-	-	-	-	7 166
Internally generated funds	33 256	58 521	58 521	1 613	1 647	5 765	(4 118)	-71%	58 521
<b>Total sources of capital funds</b>	<b>173 791</b>	<b>180 739</b>	<b>197 348</b>	<b>9 730</b>	<b>19 832</b>	<b>24 450</b>	<b>(4 618)</b>	<b>-19%</b>	<b>197 348</b>
<b>Financial position</b>									
Total current assets	637 027	553 761	550 644	-	823 351	-	-	-	550 644
Total non current assets	1 987 740	1 878 708	1 895 317	-	2 007 572	-	-	-	1 895 317
Total current liabilities	345 489	321 834	316 225	-	397 904	-	-	-	316 225
Total non current liabilities	191 699	150 842	150 842	-	200 175	-	-	-	150 842
Community wealth/Equity	2 153 497	1 959 793	1 978 893	-	2 232 844	-	-	-	1 978 893
<b>Cash flows</b>									
Net cash from (used) operating	259 474	167 979	178 979	(61 142)	69 152	9 021	(60 131)	-667%	178 979
Net cash from (used) investing	(185 208)	(179 130)	(195 739)	(10 552)	(23 830)	(21 645)	2 185	-10%	(195 739)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 230)	(6 926)	(27 448)	(20 521)	75%	(19 098)
<b>Cash/cash equivalents at the month/year end</b>	<b>182 070</b>	<b>112 823</b>	<b>107 215</b>	<b>-</b>	<b>169 987</b>	<b>103 000</b>	<b>(66 987)</b>	<b>-65%</b>	<b>95 734</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	116 816	25 878	5 226	3 810	13 558	12 981	56 100	329 745	564 113
<b>Creditors Age Analysis</b>									
Total Creditors	60	-	20	-	-	-	-	320	400

## 5.2 Financial Performance -Revenue by Source

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		454 477	498 623	498 623	95 622	138 745	134 950	3 795	3%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	15 006	26 329	30 476	(4 147)	-14%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	11 473	16 894	19 298	(2 404)	-12%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	230	451	445	6	1%	2 610
Interest earned - external investments		5 182	5 397	5 397	633	650	893	(243)	-27%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 583	5 299	4 036	1 264	31%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	41	59	3 673	(3 614)	-98%	22 158
Licences and permits		8 138	7 824	7 824	644	1 219	1 298	(79)	-6%	7 824
Agency services		4 965	4 894	4 894	437	870	809	60	7%	4 894
Transfers and subsidies		256 804	285 102	285 102	-	101 651	28 577	73 074	256%	285 102
Other revenue		55 569	70 013	70 013	1 625	1 959	11 813	(9 855)	-83%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>128 295</b>	<b>294 126</b>	<b>236 268</b>	<b>57 858</b>	<b>24%</b>	<b>1 174 628</b>
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	447 279	37 065	74 581	75 029	(448)	-1%	447 279
Remuneration of councillors		26 249	31 434	31 434	2 359	4 727	5 239	(513)	-10%	31 434
Debt impairment		27 659	9 984	9 984	296	861	-	861	#DIV/0!	9 984
Depreciation & asset impairment		93 859	101 619	101 619	-	-	19 900	(19 900)	-100%	101 619
Finance charges		19 931	12 922	12 922	4	4	94	(90)	-95%	12 922
Bulk purchases - electricity		-	137 074	137 074	13 385	13 385	14 383	(998)	-7%	137 074
Inventory consumed		-	12 735	12 735	260	480	2 438	(1 958)	-80%	12 735
Contracted services		213 910	244 881	244 881	21 082	30 293	39 119	(8 826)	-23%	244 881
Transfers and subsidies		9 890	13 178	13 178	257	257	1 925	(1 668)	-87%	13 178
Other expenditure		143 732	160 480	160 480	12 012	24 273	28 754	(4 481)	-16%	160 480
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>981 721</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>86 721</b>	<b>148 860</b>	<b>186 881</b>	<b>(38 021)</b>	<b>-20%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		146 929	132 360	151 460	-	-	12 736	(12 736)	(0)	151 460
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		12 015	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		6 597	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>			<b>154 503</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>			<b>154 503</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>			<b>154 503</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>			<b>154 503</b>

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) - M02 August**

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	498 623	95 622	138 745	134 950	3 795	3%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	15 006	26 329	30 476	(4 147)	-14%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	11 473	16 894	19 298	(2 404)	-12%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	230	451	445	6	1%	2 610
Interest earned - external investments		5 182	5 397	5 397	633	650	893	(243)	-27%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 583	5 299	4 036	1 264	31%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	41	59	3 673	(3 614)	-98%	22 158
Licences and permits		8 138	7 824	7 824	644	1 219	1 298	(79)	-6%	7 824
Agency services		4 965	4 894	4 894	437	870	809	60	7%	4 894
Transfers and subsidies		256 804	285 102	285 102	-	101 651	28 577	73 074	256%	285 102
Other revenue		55 569	70 013	70 013	1 625	1 959	11 813	(9 855)	-83%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>128 295</b>	<b>294 126</b>	<b>236 268</b>	<b>57 858</b>	<b>24%</b>	<b>1 174 628</b>

## Property Rates

Property rates comprise of multiple categories under the jurisdiction of Ray Nkonyeni Municipality, the bulk revenue is billed on three categories: Residential properties, Business and Commercial properties as well as State owned properties. The annual budget for Property rates is R498.62 million and The YTD actual billing is R138.7 million, compared to the YTD budget of R134.9 million. The R3.7 variance which is 3% more than the YTD Budget, this is an increase in the rate payers that have opted for annual billing in August.

## Electricity Revenue

The YTD Actual for the electricity billing for the period ended 31 August 2022 is R26.3 million while the YTD Budget is R30.4 million. There is a variance of R4.14 million between the YTD actual and YTD budget. This variance of 14% is due to electricity losses resulting from illegal connections that have an impact in the amount budget for in electricity sales billing.

## **Refuse Revenue**

The overall YTD actual billing for refuse removals is R16.8 million and the YTD Budget billing is R19.2 million, with YTD variance of R2.4 million.

## **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 R650 thousand, YTD budget is R893 thousand, and there is a variance of R243 thousand. The municipality did not manage to generate the estimated interest in its investments due to the amount invested and the fluctuation of repo rate of the country caused by the current economic status of the country.

## **Interest earned on arrear debtors**

The interest charged on arrear debtors to date is R5.29 million, 31% more compared to the YTD budget of R4.03 million and this is due to an increase in our debtors and has yielded more interest charged than anticipated which is in line with our revenue enhancement strategies.

## **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 R870 thousand against YTD Budget of R809 thousand. 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 R59 thousand with a YTD budget of R3.6, there is a 98% variance which was a result of less fines charged in the month.

## **Licenses and Permits**

Licenses and permits actuals to date amounts to R1.21 million, Annual Budget is R7.8 million and there is a 6% variance against year-to-date budget of R1.29 which shows that the municipality is on the right track with this item.

### **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 451 thousand, with the YTD budget being R445.

### **Transfers and Subsidies**

Operational grants recognized YTD actual amounts to R101.6 million, YTD Budget is R28.5 million. YTD variance is R73 million, the major variance is caused by the first tranche of Equitable Share that was received in July of R101.6 million.

### **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 R1.95 million, YTD Budget is R11.81million. The municipality has not received any payment from the Department of Human Settlement.

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

The YTD Actual revenue excluding capital transfers is R 294.1 million for the period ending 31 August 2022, YTD Budget is R236.2 million, the variance of R57.8 million is caused by 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) - M02 August

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	447 279	37 065	74 581	75 029	(448)	-1%	447 279
Remuneration of councillors		26 249	31 434	31 434	2 359	4 727	5 239	(513)	-10%	31 434
Debt impairment		27 659	9 984	9 984	296	861	-	861	#DIV/0!	9 984
Depreciation & asset impairment		93 859	101 619	101 619	-	-	19 900	(19 900)	-100%	101 619
Finance charges		19 931	12 922	12 922	4	4	94	(90)	-95%	12 922
Bulk purchases - electricity		-	137 074	137 074	13 385	13 385	14 383	(998)	-7%	137 074
Inventory consumed		-	12 735	12 735	260	480	2 438	(1 958)	-80%	12 735
Contracted services		213 910	244 881	244 881	21 082	30 293	39 119	(8 826)	-23%	244 881
Transfers and subsidies		9 890	13 178	13 178	257	257	1 925	(1 668)	-87%	13 178
Other expenditure		143 732	160 480	160 480	12 012	24 273	28 754	(4 481)	-16%	160 480
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>981 721</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>86 721</b>	<b>148 860</b>	<b>186 881</b>	<b>(38 021)</b>	<b>-20%</b>	<b>1 171 585</b>

### Employee related costs and Remuneration of Councillors

The YTD actuals for employee related costs amount to R74.5 million as of 31 August 2022, YTD Budget is R75.02 million. Remuneration of councillors YTD actuals are sitting at R4.7 million with YTD Budget of R5.2 million and there is a 10% 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 YTD actuals for the period ended 31 August 2022 amounts to R30.2 million, the YTD Budget is R39.1 million and there is a 23% variance. The variance is arising from housing and maintenance projects that have not been implemented in the first two months of the financial year.

### Inventory Consumed

YTD Inventory consumed amounts to R480 thousand as of 31 August 2022 with the YTD Budget being R2.43 million.

### **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 R24.2 million, YTD Budget is R28.7 million and there is a 16% 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 will be accounted for in the reporting for the end of the first quarter.

### **Debt Impairment**

The YTD actuals for Debt Impairment amounts to R564 thousand, Annual Budget of R 9.98 million.

### **Transfers and Subsidies**

Transfers and subsidies relate to donations made by the municipality to fund local economic development such as SMME development, Cooperative's development, and poverty alleviation projects with the jurisdiction of Ray Nkonyeni Municipality. The annual budget for transfers and subsidies is R13.18 million. YTD actual of R257 thousand and a YTD budget of R1.92 million with a variance of R1.6 million.

### **Overall expenditure budget**

The overall expenditure YTD Actual is R148.8 million as of 31 August 2022, YTD Budget is R186.8 million. There is 20% 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 R145.2 million compared to the YTD Budget surplus R49.3 million.

## 5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	41	38	36	35	33	37	129	361	710	595	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 554	6 124	1 444	955	680	918	3 251	10 207	39 133	16 011	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	83 571	14 379	303	79	8 591	7 990	34 655	196 937	346 505	248 252	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	-	-
Receivables from Exchange Transactions - Waste Management	1600	11 512	2 400	22	1	1 500	1 359	5 658	37 265	59 716	45 782	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	2 695	2 729	2 741	2 669	2 615	2 548	11 880	76 056	103 933	95 768	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	3 443	208	680	70	138	129	528	8 919	14 116	9 785	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>118 818</b>	<b>25 878</b>	<b>5 228</b>	<b>3 810</b>	<b>13 558</b>	<b>12 981</b>	<b>58 100</b>	<b>329 745</b>	<b>584 113</b>	<b>418 193</b>	<b>-</b>	<b>-</b>
<b>2022/23 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	21 682	1 381	589	534	672	809	5 346	36 479	67 492	43 840	-	-
Commercial	2300	30 789	7 817	1 178	844	2 816	2 759	11 287	57 823	115 312	75 529	-	-
Households	2400	64 345	16 680	3 459	2 432	10 070	9 413	39 466	235 443	381 309	296 825	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2800</b>	<b>116 818</b>	<b>25 878</b>	<b>5 228</b>	<b>3 810</b>	<b>13 558</b>	<b>12 981</b>	<b>58 100</b>	<b>329 745</b>	<b>584 113</b>	<b>418 193</b>	<b>-</b>	<b>-</b>

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

## 5.5 Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

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
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	52	-	-	-	-	-	-	-	52
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	8	-	20	-	-	-	-	320	348
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>60</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>400</b>

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

## 5.6 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		39 765	3 280	3 280	13	13	578	(566)	-98%	3 280
Executive and council		186	20	20	-	-	-	-	-	20
Finance and administration		39 487	3 075	3 075	13	13	578	(566)	-98%	3 075
Internal audit		92	185	185	-	-	-	-	-	185
<i>Community and public safety</i>		12 521	5 813	5 813	589	622	923	(301)	-33%	5 813
Community and social services		5 881	200	200	-	-	33	(33)	-100%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	5 340	586	610	890	(280)	-31%	5 340
Housing		115	273	273	2	12	-	12	#DIV/0!	273
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		150 838	154 495	171 104	9 129	19 197	21 971	(2 774)	-13%	171 104
Planning and development		98 597	99 389	99 389	5 980	14 698	16 238	(1 540)	-9%	99 389
Road transport		52 241	55 106	71 715	3 148	4 499	5 733	(1 234)	-22%	71 715
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		4 650	17 152	17 152	-	-	978	(978)	-100%	17 152
Energy sources		2 599	15 348	15 348	-	-	661	(661)	-100%	15 348
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	1 804	-	-	317	(317)	-100%	1 804
Other		3 108	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	210 882	180 739	197 348	9 730	19 832	24 450	(4 618)	-19%	197 348
<b>Funded by:</b>										
National Government		123 164	115 052	131 661	8 117	18 185	18 685	(500)	-3%	131 661
Provincial Government		4 618	-	-	-	-	-	-	-	-
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	131 661	8 117	18 185	18 685	(500)	-3%	131 661
Borrowing	6	1 667	7 166	7 166	-	-	-	-	-	7 166
Internally generated funds		33 256	58 521	58 521	1 613	1 647	5 765	(4 118)	-71%	58 521
<b>Total Capital Funding</b>		173 791	180 739	197 348	9 730	19 832	24 450	(4 618)	-19%	197 348

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R19.8 million, the YTD budgeted is R24.4 million and there is 19% variance which is raised by internally funded projects. The R19.8 million of YTD actuals for capital expenditure, R18.1 million is funded by national grants, and R1.6 million from internally generated funds.

## 5.7 Transfers and Grants Receipts




### KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER AUG 2022						
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Closing Balance as at	
INTEGRATED URBAN DEVELOPMENT (IUDG)	R 2 241 546	R 32 544 000	R -	R 4 971 173	R 29 814 373	
COGTA ELECTRIFICATION GRANT	R 784 811	R -	R -	R -	R 784 811	
MUNICIPAL DISASTER RELIEF GRANT	R 8 100 000	R 11 000 000	R -	R 1 585 196	R 17 514 804	
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 2 000 000			R 2 000 000	
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 721 292	R -	R 1 228 708	
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 1 519 000	R 880 600	R -	R 638 400	
NEIGHBOURHOOD DEVELOPMENT GRANT	R 797 803	R 22 351 000	R -	R 13 764 261	R 9 384 543	
MARKET STALLS GRANT	R 7 003 970	R -		R -	R 7 003 970	
MODULAR LIBRARIES GRANT	R 272 452	R -		R -	R 272 452	
<b>TOTAL</b>	<b>R 19 200 582</b>	<b>R 71 364 000</b>	<b>R 1 601 892</b>	<b>R 20 320 630</b>	<b>R 68 642 060</b>	

### Transfers and Grants Receipts

The total grants received to date for period ending 31 August 2022 amounts to R71.3 million, which include R32.54 million from Integrated Urban Development Grant, R1.52 million from Expanded Public Work Programme, R22.35 million from Neighborhood Development Grant, R2 million from Integrated National Electrification Programme Grant, R11 million disaster relief grant and R1.95 million Finance management grant.

## 5.8 Transfers and Grants Expenditure



**KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER**

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER AUG 2022						
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Closing Balance as at	
INTEGRATED URBAN DEVELOPMENT (IUDG)	R 2 241 546	R 32 544 000	R -	R 4 971 173	R 29 814 373	
COGTA ELECTRIFICATION GRANT	R 784 811	R -	R -	R -	R 784 811	
MUNICIPAL DISASTER RELIEF GRANT	R 8 100 000	R 11 000 000	R -	R 1 585 196	R 17 514 804	
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 2 000 000			R 2 000 000	
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 721 292	R -	R 1 228 708	
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 1 519 000	R 880 600	R -	R 638 400	
NEIGHBOURHOOD DEVELOPMENT GRANT	R 797 803	R 22 351 000	R -	R 13 764 261	R 9 384 543	
MARKET STALLS GRANT	R 7 003 970	R -		R -	R 7 003 970	
MODULAR LIBRARIES GRANT	R 272 452	R -		R -	R 272 452	
<b>TOTAL</b>	<b>R 19 200 582</b>	<b>R 71 364 000</b>	<b>R 1 601 892</b>	<b>R 20 320 630</b>	<b>R 68 642 060</b>	

### Transfers and Grants Expenditure

Grants are monitored monthly, and Grant's register is communicated/ shared with management to ensure effective management of grants and 100% expenditure. As of 31 August 2022, Operating and Capital Expenditure has a closing balance of R68.6million, with YTD spending of R1.6 million and R20.3 million, for operational grants and capital grants respectively.

### Grant's expenditure

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

An amount of R33.54 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 31 August 2022 is R4.9 million and has been spent on various capital projects.

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

An amount of R 1.59 million has been received for EPWP grant. This is an operational grant and the YTD actual for the period ended 31 August 2022 is R880 thousand.

- **Neighborhood Development Partnership Grant**

An amount of R22.35 million has been received for the Neighborhood Development Partnership Grant together with an unspent amount of R797 thousand which the municipality needs to apply for rollover. This is a capital grant and the YTD actual for the period ended 31 August 2022 is R13.7 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 August 2022 is R721 thousand.

- **Municipal Disaster Relief Grant**

An amount of R 11 million has been received for the disaster recovery grant. This is an operational grant and the YTD actual for the period ended 31 August 2022 is R1.58 million.

## 5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	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		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		23 352	28 393	28 393	2 118	4 244	4 732	(488)	-10%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	241	483	507	(24)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>26 249</b>	<b>31 434</b>	<b>31 434</b>	<b>2 359</b>	<b>4 727</b>	<b>5 239</b>	<b>(513)</b>	<b>-10%</b>	<b>31 434</b>
<b>% increase</b>	4		<b>19.8%</b>	<b>19.8%</b>						<b>19.8%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		7 328	4 393	4 393	307	681	732	(51)	-7%	4 393
Pension and UIF Contributions		80	189	189	16	32	31	0	1%	189
Medical Aid Contributions		72	78	78	17	35	13	22	169%	78
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	-	-	176	(176)	-100%	1 059
Motor Vehicle Allowance		495	1 158	1 158	79	178	193	(15)	-8%	1 158
Cellphone Allowance		109	115	115	9	18	19	(1)	-6%	115
Housing Allowances		1 425	3 488	3 488	285	570	581	(11)	-2%	3 488
Other benefits and allowances		0	0	0	0	0	0	0	89%	0
Payments in lieu of leave		239	-	-	(30)	11	-	11	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>10 615</b>	<b>10 481</b>	<b>10 481</b>	<b>683</b>	<b>1 524</b>	<b>1 747</b>	<b>(222)</b>	<b>-13%</b>	<b>10 481</b>
<b>% increase</b>	4		<b>-1.3%</b>	<b>-1.3%</b>						<b>-1.3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		275 568	276 977	276 977	22 418	45 583	46 196	(613)	-1%	276 977
Pension and UIF Contributions		49 183	51 553	51 553	4 251	8 506	8 592	(86)	-1%	51 553
Medical Aid Contributions		18 869	20 813	20 813	1 631	3 265	3 469	(204)	-6%	20 813
Overtime		18 969	14 695	14 695	1 103	2 545	2 815	(270)	-10%	14 695
Performance Bonus		21 372	23 805	23 805	2 040	3 398	3 967	(570)	-14%	23 805
Motor Vehicle Allowance		17 850	18 637	18 637	1 530	3 051	3 106	(55)	-2%	18 637
Cellphone Allowance		993	1 046	1 046	82	164	174	(10)	-6%	1 046
Housing Allowances		3 771	3 946	3 946	338	679	658	22	3%	3 946
Other benefits and allowances		5 101	3 006	3 006	418	830	585	245	42%	3 006
Payments in lieu of leave		3 802	4 200	4 200	2 126	3 910	700	3 210	459%	4 200
Long service awards		5 264	2 270	2 270	76	383	378	4	1%	2 270
Post-retirement benefit obligations		14 654	15 852	15 852	369	743	2 642	(1 898)	-72%	15 852
<b>Sub Total - Other Municipal Staff</b>		<b>435 385</b>	<b>436 798</b>	<b>436 798</b>	<b>36 382</b>	<b>73 057</b>	<b>73 282</b>	<b>(226)</b>	<b>0%</b>	<b>436 798</b>
<b>% increase</b>	4		<b>0.3%</b>	<b>0.3%</b>						<b>0.3%</b>
<b>Total Parent Municipality</b>		<b>472 249</b>	<b>478 713</b>	<b>478 713</b>	<b>39 424</b>	<b>79 307</b>	<b>80 268</b>	<b>(961)</b>	<b>-1%</b>	<b>478 713</b>

### Councillors Remuneration

The variance on Remuneration of councillors actuals to date is R252 thousand and YTD budgeted is R 2.62 million with the actual spending of R2.37 million.

### 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 R842 thousand and a YTD budget of R873 thousand.

### Other Municipal Staff

The municipal staff year to date spending is sitting at R36.67 million against the year-to-date budget of R 36.58 million with the only variance of R 94 thousand.



## 5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY  
LONG TERM LOANS REGISTER : 31 AUGUST 2022



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 AUGUST 2022	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	CAPITAL REPAYMENT	CLOSING BALANCE 31 AUGUST 2022
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	R 11 697 820.21					R 11 697 820.21
<b>TOTAL DBSA LOANS</b>				<b>R 11 697 820.21</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R 11 697 820.21</b>
<b>TOTAL LOANS</b>				<b>R 11 697 820.21</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R -</b>	<b>R 11 697 820.21</b>

The municipality currently has a structured unsecured loan with the Development Bank of Southern Africa (DBSA), The Municipality entered into a loan agreement for the funding of Capital infrastructure projects, in the 2020/21 financial year the first drawdown of R3.5 million was received, as well as the second drawdown of R8.47 million and current loan balance outstanding is R11.69 million as of 31 August 2022. The municipality is still able to make loan repayments as and when they fall due. The capital projects funded by borrowings in the 2022/23 financial year have been funded by a portion of unspent borrowing and internally generated funds. The loan agreement from DBSA is spread across four years funding various capital projects the application was made at the end of last financial year and was received on the 1<sup>st</sup> month of the financial year.

### ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

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

## 5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M02 August

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-1.6%	9.8%	9.8%	0.0%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.9%	4.0%	3.6%	0.0%	3.6%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		14.9%	14.1%	13.7%	17.0%	13.7%
Gearing	Long Term Borrowing/ Funds & Reserves		44.0%	23.9%	23.9%	51.6%	23.9%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	184.4%	172.1%	174.1%	206.9%	174.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	34.8%	56.8%	34.8%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		46.0%	37.0%	37.2%	200.4%	37.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		41.2%	38.1%	38.1%	25.4%	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%	0.0%	3.8%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

The above table gives an overview of the financial indicators of the municipality for the period ended 31 August 2022 and the indicators are broken down below.

### **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R11 697 820 as of 31 August 2022.

## Liquidity

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

**Budgeted Current Ratio:** R 553 761 000/ R321 834 000= **1.72:1**

**Adjusted Budget Current Ratio:** R 550 644 000/316 225 000 =**1.74:1**

**Actual Current Ratio as 31 August 2022:** R823 351 000: R 397 904 000=**2.07:1**

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 August 2022 is 2.07:1 which is still above the norm.

**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 550 644 000/316 225 000)/ R 397 904 000 = **1.73:1**

**Actual Acid test Ratio as 31 August 2022:** (R823 351 000– R7 861 000)/ R397 904 000= **2.05:1**

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

## 5.12 Investment Register

														
RAY NKONYENI MUNICIPALITY														
INVESTMENT REGISTER FOR THE PERIOD ENDING 31/08/2022														
ACCOUNT NO	INSTITUTION & TYPE	PROJECT NAME / DETAILS	CURRENT MONTH						YTD					
			MONTHLY	INTEREST	BANK				INVESTMENT		BANK	INVESTMENT		
			OPENING	INVESTED	CHARGES	DEPOSIT	WITHDRAWALS	CURRENT	BALANCES AS AT	INTEREST	DEPOSITS	CHARGES	WITHDRAWALS	BALANCE AS AT
			31/08/2022	31/08/2022	31/08/2022	31/08/2022	BALANCE	01/07/2022					31/08/2022	
378692984011	STANDARD BANK - CALL	LOUISIANA HSG	9 429 426.32	42 626.18	-	-	-	9 472 053.10	9 388 400.89	83 652.21	-	-	-	9 472 053.10
378692984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	607 285.20	2 745.31	-	-	-	610 040.51	604 652.95	5 387.56	-	-	-	610 040.51
378692984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 007 585.50	4 554.84	-	-	-	1 012 140.34	1 003 201.65	8 938.69	-	-	-	1 012 140.34
378692984005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	319 944.96	1 446.33	-	-	-	321 391.29	318 552.93	2 838.36	-	-	-	321 391.29
378692984006	STANDARD BANK - CALL	BHOBOYI EST-HSG	12 280.21	23.21	-	-	-	12 303.42	12 261.03	42.39	-	-	-	12 303.42
378692984007	STANDARD BANK - CALL	DAMAGED HSES	77 947.77	179.39	-	-	-	78 127.16	77 791.97	335.19	-	-	-	78 127.16
378692984008	STANDARD BANK - CALL	UPLANDS HSG	77 868.86	179.21	-	-	-	78 048.07	77 713.22	334.85	-	-	-	78 048.07
378692984009	STANDARD BANK - CALL	MKHOLOMBE HSG	1 426 883.84	6 450.30	-	-	-	1 433 334.14	1 420 675.68	12 658.46	-	-	-	1 433 334.14
378692984010	STANDARD BANK - CALL	AIDS PROJECT	141 864.14	641.30	-	-	-	142 505.44	141 246.91	1 258.53	-	-	-	142 505.44
89140/356988	STANDARD BANK - CALL	MASINENGE HSG	32 296 086.40	123 211.78	-	-	-	32 419 298.18	32 183 664.01	235 634.17	-	-	-	32 419 298.18
89139/356986	STANDARD BANK - CALL	KWAMAVUNDLA HSG	240 665.32	918.16	-	-	-	241 583.48	239 827.57	1 755.91	-	-	-	241 583.48
89141/356989	STANDARD BANK - CALL	KWAKOLO HOUSING	11 428 975.49	43 602.32	-	-	-	11 472 577.81	11 389 191.33	83 386.48	-	-	-	11 472 577.81
80438/364623	STANDARD BANK - CALL	KWADWALANE HOUSING	517 831.87	1 975.56	-	-	-	519 807.43	516 029.30	3 778.13	-	-	-	519 807.43
			57 584 656.48	228 553.89	-	-	-	57 813 210.37	44 328 712.21	440 000.93	-	-	-	57 813 210.37
74873852518	INVESTEC - CALL	IMHOA (HOUSING DEVELOPMENT FUND)	16 179 790.23	72 144.13	-	-	-	16 251 934.36	16 114 888.17	137 045.19	-	-	-	16 251 934.36
			16 179 790.23	72 144.13	-	-	-	16 251 934.36	16 114 888.17	137 045.19	-	-	-	16 251 934.36
89111/356985	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	48 694.86	185.78	-	-	-	48 880.64	48 525.35	355.29	-	-	-	48 880.64
89111/357732	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	10 769.37	41.09	-	-	-	10 810.46	10 731.88	78.58	-	-	-	10 810.46
			59 464.23	226.87	-	-	-	59 691.10	59 257.23	433.87	-	-	-	59 691.10
62726614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	169 243 056.05	786 237.64	-	41 000 000.00	-72 000 000.00	139 029 293.69	47 140 857.71	1 388 435.98	186 000 000.00	-	-95 500 000.00	139 029 293.69
			169 243 056.05	786 237.64	-	41 000 000.00	-72 000 000.00	139 029 293.69	47 140 857.71	1 388 435.98	186 000 000.00	-	-95 500 000.00	139 029 293.69
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 390 699.32	15 406.78	-	-	-	3 406 106.10	3 376 881.86	29 224.24	-	-	-	3 406 106.10
			3 390 699.32	15 406.78	-	-	-	3 406 106.10	3 376 881.86	29 224.24	-	-	-	3 406 106.10
		GRAND TOTAL RNM INVESTMENT + INTEREST	246 457 666.31	1 102 569.31	-	41 000 000.00	-72 000 000.00	216 560 235.62	111 020 598.18	1 995 140.21	186 000 000.00	-	-95 500 000.00	216 560 235.62

The Investment register as of 31 August 2022 has the closing balance of R216.5 million, with R1.1 million total interest earned for the month from which R786,2 thousand 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 - M02 August

Description	Budget Year 2022/23								
	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	464 477	498 623	498 623	95 622	138 745	134 950	3 795	3%	498 623
Service charges	214 942	253 618	253 618	26 480	43 223	49 775	(6 552)	-13%	253 618
Investment revenue	5 182	5 397	5 397	633	650	893	(243)	-27%	5 397
Transfers and subsidies	256 804	285 102	285 102	-	101 651	28 577	73 074	256%	285 102
Other own revenue	141 612	131 888	131 888	5 560	9 857	22 074	(12 217)	-55%	131 888
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>128 295</b>	<b>294 126</b>	<b>236 268</b>	<b>57 858</b>	<b>24%</b>	<b>1 174 628</b>
Employee costs	446 000	447 279	447 279	37 065	74 581	75 029	(448)	-1%	447 279
Remuneration of Councillors	26 249	31 434	31 434	2 359	4 727	5 239	(513)	-10%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	-	-	19 900	(19 900)	-100%	101 619
Finance charges	19 931	12 922	12 922	4	4	94	(90)	-95%	12 922
Inventory consumed and bulk purchases	-	149 809	149 809	13 645	13 865	16 821	(2 956)	-18%	149 809
Transfers and subsidies	9 890	13 178	13 178	257	257	1 925	(1 668)	-87%	13 178
Other expenditure	385 792	415 344	415 344	33 390	55 427	67 873	(12 446)	-18%	415 344
<b>Total Expenditure</b>	<b>981 721</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>86 721</b>	<b>148 860</b>	<b>186 881</b>	<b>(38 021)</b>	<b>-20%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>	<b>101 295</b>	<b>3 043</b>	<b>3 043</b>	<b>41 574</b>	<b>145 265</b>	<b>49 387</b>	<b>95 879</b>	<b>194%</b>	<b>3 043</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	151 460	-	-	12 736	(12 736)	-100%	151 460
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>	<b>83 143</b>	<b>134%</b>	<b>154 503</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>	<b>83 143</b>	<b>134%</b>	<b>154 503</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>210 882</b>	<b>180 739</b>	<b>197 348</b>	<b>9 730</b>	<b>19 832</b>	<b>24 450</b>	<b>(4 618)</b>	<b>-19%</b>	<b>197 348</b>
Capital transfers recognised	138 668	115 052	131 661	8 117	18 185	18 685	(500)	-3%	131 661
Borrowing	1 867	7 166	7 166	-	-	-	-	-	7 166
Internally generated funds	33 256	58 521	58 521	1 613	1 647	5 765	(4 118)	-71%	58 521
<b>Total sources of capital funds</b>	<b>173 791</b>	<b>180 739</b>	<b>197 348</b>	<b>9 730</b>	<b>19 832</b>	<b>24 450</b>	<b>(4 618)</b>	<b>-19%</b>	<b>197 348</b>
<b>Financial position</b>									
Total current assets	637 027	553 761	550 644	-	823 351	-	-	-	550 644
Total non current assets	1 987 740	1 878 708	1 895 317	-	2 007 572	-	-	-	1 895 317
Total current liabilities	345 489	321 834	316 225	-	397 904	-	-	-	316 225
Total non current liabilities	191 699	150 842	150 842	-	200 175	-	-	-	150 842
Community wealth/Equity	2 153 497	1 959 793	1 978 893	-	2 232 844	-	-	-	1 978 893
<b>Cash flows</b>									
Net cash from (used) operating	259 474	167 979	178 979	(61 142)	69 152	9 021	(60 131)	-667%	178 979
Net cash from (used) investing	(185 208)	(179 130)	(195 739)	(10 552)	(23 830)	(21 645)	2 185	-10%	(195 739)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 230)	(6 926)	(27 448)	(20 521)	75%	(19 098)
<b>Cash/cash equivalents at the month/year end</b>	<b>182 070</b>	<b>112 823</b>	<b>107 215</b>	<b>-</b>	<b>169 987</b>	<b>103 000</b>	<b>(66 987)</b>	<b>-65%</b>	<b>95 734</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	116 816	25 878	5 226	3 810	13 558	12 981	56 100	329 745	564 113
<b>Creditors Age Analysis</b>									
Total Creditors	60	-	20	-	-	-	-	320	400

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

## 6.2 Statement of Financial Performance (Revenue and Expenditure)

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	498 623	95 622	138 745	134 950	3 795	3%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	15 006	26 329	30 476	(4 147)	-14%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	11 473	16 894	19 298	(2 404)	-12%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	230	451	445	6	1%	2 610
Interest earned - external investments		5 182	5 397	5 397	633	650	893	(243)	-27%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 583	5 299	4 036	1 264	31%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	41	59	3 673	(3 614)	-98%	22 158
Licences and permits		8 138	7 824	7 824	644	1 219	1 298	(79)	-6%	7 824
Agency services		4 965	4 894	4 894	437	870	809	60	7%	4 894
Transfers and subsidies		256 804	285 102	285 102	-	101 651	28 577	73 074	256%	285 102
Other revenue		55 569	70 013	70 013	1 625	1 959	11 813	(9 855)	-83%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>128 295</b>	<b>294 126</b>	<b>236 268</b>	<b>57 858</b>	<b>24%</b>	<b>1 174 628</b>
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	447 279	37 065	74 581	75 029	(448)	-1%	447 279
Remuneration of councillors		26 249	31 434	31 434	2 359	4 727	5 239	(513)	-10%	31 434
Debt impairment		27 659	9 984	9 984	296	861	-	861	#DIV/0!	9 984
Depreciation & asset impairment		93 859	101 619	101 619	-	-	19 900	(19 900)	-100%	101 619
Finance charges		19 931	12 922	12 922	4	4	94	(90)	-95%	12 922
Bulk purchases - electricity		-	137 074	137 074	13 385	13 385	14 383	(998)	-7%	137 074
Inventory consumed		-	12 735	12 735	260	480	2 438	(1 958)	-80%	12 735
Contracted services		213 910	244 881	244 881	21 082	30 293	39 119	(8 826)	-23%	244 881
Transfers and subsidies		9 890	13 178	13 178	257	257	1 925	(1 668)	-87%	13 178
Other expenditure		143 732	160 480	160 480	12 012	24 273	28 754	(4 481)	-16%	160 480
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>981 721</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>86 721</b>	<b>148 860</b>	<b>186 881</b>	<b>(38 021)</b>	<b>-20%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		101 295	3 043	3 043	41 574	145 265	49 387	95 879	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	151 460	-	-	12 736	(12 736)	(0)	151 460
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
		6 597	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>			<b>154 503</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>			<b>154 503</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>			<b>154 503</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>266 837</b>	<b>135 403</b>	<b>154 503</b>	<b>41 574</b>	<b>145 265</b>	<b>62 123</b>			<b>154 503</b>

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and expenditure by type for the period ended 31 August 2022. 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) - M02 August

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		39 765	3 280	3 280	13	13	578	(566)	-98%	3 280
Executive and council		186	20	20	-	-	-	-		20
Finance and administration		39 487	3 075	3 075	13	13	578	(566)	-98%	3 075
Internal audit		92	185	185	-	-	-	-		185
<i>Community and public safety</i>		12 521	5 813	5 813	589	622	923	(301)	-33%	5 813
Community and social services		5 881	200	200	-	-	33	(33)	-100%	200
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		6 525	5 340	5 340	586	610	890	(280)	-31%	5 340
Housing		115	273	273	2	12	-	12	#DIV/0!	273
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		150 838	154 495	171 104	9 129	19 197	21 971	(2 774)	-13%	171 104
Planning and development		98 597	99 389	99 389	5 980	14 698	16 238	(1 540)	-9%	99 389
Road transport		52 241	55 106	71 715	3 148	4 499	5 733	(1 234)	-22%	71 715
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		4 650	17 152	17 152	-	-	978	(978)	-100%	17 152
Energy sources		2 599	15 348	15 348	-	-	661	(661)	-100%	15 348
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		2 052	1 804	1 804	-	-	317	(317)	-100%	1 804
Other		3 108	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>210 882</b>	<b>180 739</b>	<b>197 348</b>	<b>9 730</b>	<b>19 832</b>	<b>24 450</b>	<b>(4 618)</b>	<b>-19%</b>	<b>197 348</b>
<b>Funded by:</b>										
National Government		123 164	115 052	131 661	8 117	18 185	18 685	(500)	-3%	131 661
Provincial Government		4 618	-	-	-	-	-	-		-
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	131 661	8 117	18 185	18 685	(500)	-3%	131 661
Borrowing	<b>6</b>	1 867	7 166	7 166	-	-	-	-		7 166
Internally generated funds		33 256	58 521	58 521	1 613	1 647	5 765	(4 118)	-71%	58 521
<b>Total Capital Funding</b>		<b>173 791</b>	<b>180 739</b>	<b>197 348</b>	<b>9 730</b>	<b>19 832</b>	<b>24 450</b>	<b>(4 618)</b>	<b>-19%</b>	<b>197 348</b>

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 31 August 2022.

## 6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		437 643	468 731	468 731	45 254	58 022	78 096	(20 074)	-26%	468 731
Service charges		212 962	228 256	228 256	21 324	35 695	38 043	(2 348)	-6%	228 256
Other revenue		228 121	44 677	44 677	491	11 340	7 642	3 698	48%	44 677
Transfers and Subsidies - Operational		314 043	341 677	341 677	5 886	110 007	39 494	70 514	179%	341 677
Transfers and Subsidies - Capital		159 345	132 360	143 360	-	67 895	22 727	45 168	199%	143 360
Interest		1 520	5 397	5 397	602	602	893	(290)	-33%	5 397
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(1 086 911)	(1 027 019)	(1 027 019)	(134 701)	(214 409)	(176 233)	38 175	-22%	(1 027 019)
Finance charges		(336)	(12 922)	(12 922)	-	-	(5)	(5)	100%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(1 633)	(1 633)	100%	(13 178)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>259 474</b>	<b>167 979</b>	<b>178 979</b>	<b>(61 142)</b>	<b>69 152</b>	<b>9 021</b>	<b>(60 131)</b>	<b>-667%</b>	<b>178 979</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(185 208)	(179 130)	(195 739)	(10 552)	(23 830)	(21 645)	2 185	-10%	(195 739)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(185 208)</b>	<b>(179 130)</b>	<b>(195 739)</b>	<b>(10 552)</b>	<b>(23 830)</b>	<b>(21 645)</b>	<b>2 185</b>	<b>-10%</b>	<b>(195 739)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	7 976	7 976	-	-	-	-		7 976
Increase (decrease) in consumer deposits		807	1 412	1 412	194	248	(32 039)	32 287	-101%	1 412
<b>Payments</b>										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 424)	(7 175)	4 591	11 766	256%	(28 486)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(35 009)</b>	<b>(19 098)</b>	<b>(19 098)</b>	<b>(3 230)</b>	<b>(6 926)</b>	<b>(27 448)</b>	<b>(20 521)</b>	<b>75%</b>	<b>(19 098)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>39 257</b>	<b>(30 248)</b>	<b>(35 857)</b>	<b>(74 924)</b>	<b>38 396</b>	<b>(40 071)</b>			<b>(35 857)</b>
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	107 215		169 987	103 000			95 734

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 31 August 2022, Cash received from operations YTD actual is more than the anticipated cash collection due to that the municipality received more grants on the first month of the financial year.



## 6.5 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		10 397	(6 528)	(12 136)	596	(12 136)
Call investment deposits		121 194	122 051	122 051	225 573	122 051
Consumer debtors		317 042	294 403	294 403	413 629	294 403
Other debtors		181 336	140 390	142 881	175 692	142 881
Current portion of long-term receivables		-	143	143	-	143
Inventory		7 058	3 301	3 301	7 861	3 301
<b>Total current assets</b>		<b>637 027</b>	<b>553 761</b>	<b>550 644</b>	<b>823 351</b>	<b>550 644</b>
<b>Non current assets</b>						
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	1 685 069	1 696 089	1 685 069
Biological		-	-	-	-	-
Intangible		857	2 436	2 436	1 467	2 436
Other non-current assets		2 205	2 071	2 071	2 205	2 071
<b>Total non current assets</b>		<b>1 987 740</b>	<b>1 878 708</b>	<b>1 895 317</b>	<b>2 007 572</b>	<b>1 895 317</b>
<b>TOTAL ASSETS</b>		<b>2 624 767</b>	<b>2 432 469</b>	<b>2 445 961</b>	<b>2 830 922</b>	<b>2 445 961</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		14 580	1 378	1 378	7 406	1 378
Consumer deposits		32 846	33 452	33 452	33 094	33 452
Trade and other payables		257 969	247 979	242 370	314 000	242 370
Provisions		40 094	39 025	39 025	43 403	39 025
<b>Total current liabilities</b>		<b>345 489</b>	<b>321 834</b>	<b>316 225</b>	<b>397 904</b>	<b>316 225</b>
<b>Non current liabilities</b>						
Borrowing		49 160	26 734	26 734	57 636	26 734
Provisions		142 539	124 108	124 108	142 539	124 108
<b>Total non current liabilities</b>		<b>191 699</b>	<b>150 842</b>	<b>150 842</b>	<b>200 175</b>	<b>150 842</b>
<b>TOTAL LIABILITIES</b>		<b>537 188</b>	<b>472 676</b>	<b>467 067</b>	<b>598 078</b>	<b>467 067</b>
<b>NET ASSETS</b>	2	<b>2 087 579</b>	<b>1 959 793</b>	<b>1 978 893</b>	<b>2 232 844</b>	<b>1 978 893</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		2 041 853	1 848 149	1 867 249	2 121 200	1 867 249
Reserves		111 644	111 644	111 644	111 644	111 644
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2 153 497</b>	<b>1 959 793</b>	<b>1 978 893</b>	<b>2 232 844</b>	<b>1 978 893</b>

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 31 August 2022. Total assets are R2.83 billion over the total liabilities of R598 million this therefore mean the municipality is still able to meet its financial obligations.