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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 MAY 2023 (M11)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 31 MAY 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 May 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 May 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 - M11 May

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	496 623	492 118	87	486 483	493 744	(7 262)	-1%	492 118
Service charges	214 942	253 618	236 691	13 489	200 335	225 685	(25 349)	-11%	236 691
Investment revenue	5 182	5 397	7 067	1 104	8 671	6 203	2 467	40%	7 067
Transfers and subsidies	256 804	265 102	285 279	3 881	277 636	285 195	(7 559)	-3%	285 279
Other own revenue	141 612	131 888	118 573	5 987	81 947	111 658	(29 711)	-27%	118 573
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 139 727	24 549	1 055 071	1 122 485	(67 414)	-6%	1 139 727
Employee costs	446 000	447 279	462 586	38 954	420 762	429 314	(8 552)	-2%	462 586
Remuneration of Councillors	26 249	31 434	31 434	2 462	27 153	28 815	(1 661)	-6%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	-	75 168	99 500	(24 332)	-24%	101 619
Finance charges	19 931	12 922	12 902	1	1 019	907	113	12%	12 902
Inventory consumed and bulk purchases	136 545	149 809	149 951	9 168	109 983	148 764	(38 781)	-26%	149 951
Transfers and subsidies	9 890	13 178	13 078	238	4 763	13 236	(8 473)	-64%	13 078
Other expenditure	392 589	415 344	399 128	31 306	302 372	384 061	(81 689)	-21%	399 128
Total Expenditure	1 125 063	1 171 585	1 170 699	82 128	941 221	1 104 597	(163 376)	-15%	1 170 699
Surplus/(Deficit)	(42 047)	3 043	(30 971)	(57 579)	113 850	17 888	95 962	536%	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	193 287	20 271	125 477	193 287	(67 810)	-35%	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 494	135 403	162 316	(37 308)	239 328	211 176	28 152	13%	162 316
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	162 316	(37 308)	239 328	211 176	28 152	13%	162 316
Capital expenditure & funds sources									
Capital expenditure	187 654	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Capital transfers recognised	138 668	115 052	168 076	9 142	135 714	158 926	(23 212)	-15%	168 076
Borrowing	1 867	7 166	7 976	1 042	3 001	7 976	(4 975)	-62%	7 976
Internally generated funds	33 256	58 521	54 704	3 349	22 181	53 332	(31 151)	-58%	54 704
Total sources of capital funds	173 791	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Financial position									
Total current assets	630 556	553 761	672 729	-	857 347	-	-	-	672 729
Total non current assets	1 987 740	1 878 708	2 116 876	-	2 073 469	-	-	-	2 116 876
Total current liabilities	345 489	321 834	370 177	-	410 492	-	-	-	370 177
Total non current liabilities	191 699	150 842	176 331	-	199 539	-	-	-	176 331
Community wealth/Equity	2 087 905	1 959 793	2 243 097	-	2 320 786	-	-	-	2 243 097
Cash flows									
Net cash from (used) operating	348 279	167 979	191 796	(16 641)	127 548	216 028	88 480	41%	191 796
Net cash from (used) investing	(185 208)	(179 130)	(237 264)	(20 178)	(179 744)	(228 278)	(48 533)	-21%	(237 264)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 167)	(35 539)	(6 625)	28 915	-436%	(19 098)
Cash/cash equivalents at the month/year end	270 876	112 823	67 025	-	43 856	112 717	68 862	61%	67 025
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	19 158	29 741	20 318	16 787	14 970	13 731	73 517	353 504	541 728
Creditors Age Analysis									
Total Creditors	58	3	-	-	-	-	(1 784)	1 784	61

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

5.2 Financial Performance -Revenue by Source

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

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	492 118	87	486 483	493 744	(7 262)	-1%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	13 484	140 702	158 684	(17 982)	-11%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	6	59 634	67 001	(7 367)	-11%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	500	3 945	3 253	692	21%	3 710
Interest earned - external investments		5 182	5 397	7 067	1 104	8 671	6 203	2 467	40%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 077	31 544	25 624	5 920	23%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	62	18 385	25 970	(7 585)	-29%	29 658
Licences and permits		8 138	7 824	9 911	940	7 493	8 751	(1 258)	-14%	9 911
Agency services		4 965	4 894	6 044	403	4 813	5 352	(539)	-10%	6 044
Transfers and subsidies		256 804	285 102	285 279	3 881	277 636	285 195	(7 559)	-3%	285 279
Other revenue		55 569	70 013	40 531	1 005	15 767	42 708	(26 941)	-63%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 139 727	24 549	1 055 071	1 122 485	(67 414)	-6%	1 139 727
Expenditure By Type										
Employee related costs		446 000	447 279	462 586	38 954	420 762	429 314	(8 552)	-2%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 462	27 153	28 815	(1 661)	-6%	31 434
Debt impairment		34 456	9 984	9 984	306	6 796	7 488	(692)	-9%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	-	75 168	99 500	(24 332)	-24%	101 619
Finance charges		19 931	12 922	12 902	1	1 019	907	113	12%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 564	98 982	136 136	(37 154)	-27%	137 074
Inventory consumed		13 825	12 735	12 878	604	11 001	12 628	(1 627)	-13%	12 878
Contracted services		213 910	244 881	230 936	22 646	182 878	222 492	(39 613)	-18%	230 936
Transfers and subsidies		9 890	13 178	13 078	238	4 763	13 236	(8 473)	-64%	13 078
Other expenditure		143 732	160 480	158 207	8 356	112 701	154 082	(41 381)	-27%	158 207
Losses		491	-	-	(2)	(2)	-	(2)	#DIV/0!	-
Total Expenditure		1 125 063	1 171 585	1 170 699	82 128	941 221	1 104 597	(163 376)	-15%	1 170 699
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(42 047)	3 043	(30 971)	(57 579)	113 850	17 888	95 962	0	(30 971)
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	193 287	20 271	125 477	193 287	(67 810)	(0)	193 287
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 597	-	-	-	-	-	-	-	-
Taxation		123 494	135 403	162 316	(37 308)	239 328	211 176	-	-	162 316
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	-	-
Attributable to minorities		123 494	135 403	162 316	(37 308)	239 328	211 176	-	-	162 316
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		123 494	135 403	162 316	(37 308)	239 328	211 176	-	-	162 316
Surplus/ (Deficit) for the year		123 494	135 403	162 316	(37 308)	239 328	211 176			162 316

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) - M11 May

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	492 118	87	486 483	493 744	(7 262)	-1%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	13 484	140 702	158 684	(17 982)	-11%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	6	59 634	67 001	(7 367)	-11%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	500	3 945	3 253	692	21%	3 710
Interest earned - external investments		5 182	5 397	7 067	1 104	8 671	6 203	2 467	40%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 077	31 544	25 624	5 920	23%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	62	18 385	25 970	(7 585)	-29%	29 658
Licences and permits		8 138	7 824	9 911	940	7 493	8 751	(1 258)	-14%	9 911
Agency services		4 965	4 894	6 044	403	4 813	5 352	(539)	-10%	6 044
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Other revenue		55 569	70 013	40 531	1 005	15 767	42 708	(26 941)	-63%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 139 727	24 549	1 055 071	1 122 485	(67 414)	-6%	1 139 727

Property Rates

Property rates consists of multiple categories under the jurisdiction of Ray Nkonyeni Municipality, the bulk revenue is billed on three categories: Residential properties, Business and Commercial properties as well as State owned properties. The adjusted annual budget for Property rates is R492.1 million and The YTD actual billing is R486.4 million. The YTD actual is 1% less than the YTD Budget, this variance is reasonable in comparison to the anticipated billing revenue for property rates.

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 31 May 2023 is R140.7 million while the YTD Budget is R158.6 million. There is a variance of R17.9 million between the YTD actual and YTD budget. Electricity billing was adjusted downwards by R12 million in the adjustment budget which was based on the YTD performance as at the midyear assessment, electricity units consumed has continued to decline which will yield to a slight underperformance in the anticipated revenue billing forecasted in the adjustment budget is expected at year end. An analysis of the decline in units consumed has been considered in the budget for the next financial year and will be closely monitored to ensure actual revenue is closely linked to budgeted revenue.

Refuse Revenue

The overall YTD actual billing for refuse removals is R59.6 million and the YTD Budget billing is R67 million, with YTD variance of 11%. The budget was adjusted downwards by 4.9 million in the adjustment budget which was based on the YTD performance as at the midyear assessment. Refuse revenue is billed over ten months and an underperformance in the anticipated revenue billing forecasted in the adjustment budget is expected at year end. The YTD performance has been considered in the budget for the next financial year and will be closely monitored to ensure actual revenue is closely linked to budgeted revenue.

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 R8.6 million, YTD budget is R6.2 million with a variance of R2.4 million which is more than year to date budget. This over performance was reviewed in the adjustment budget and adjusted upwards to 7 million, interest on investments has continued to exceed projects through the various financial institutions.

Interest earned on arrear debtors

The interest charged on arrear debtors to date is R31.5 million, 23% more compared to the YTD budget of R25.6 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.

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 commission on employee deductions. The annual projected revenue is R6.0 million, with the YTD actual of R4.8 million against YTD Budget of R5.3 million. This shows that the municipality is doing very well in collecting revenues on behalf of their principals and earns more commission than estimated.

Fines

Fines, Penalties, and forfeits are derived from building fines, illegal connections, overdue books, and the bulk budget being on traffic fines and the total budget being R29.6 million. The YTD actual is R18.3 million with the YTD budget of R25.9 million there is a 29% variance.

Licenses and Permits

Licenses and permits actuals to date amounts to R7.4 million and there is a 14% variance against year-to-date budget of R8.7 million. An upward adjustment of R2 million was made in the adjustment budget due to how well this revenue stream performed over the 1st & 2nd quarter of the financial year.

Rental of Facilities

Rental of facilities amounts annual budget is R3.7 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 R3.9 million, with the YTD budget being R3.2 million showing a 21% variance between actual and budgeted figures. The variance is due to that March and April were the peak months as most of the fixed assets were rented out to community. An upwards adjustment of R1.1 million was made in the adjustment budget since the performance has exceeded the projections.

Transfers and Subsidies

Operational grants recognized YTD actual amounts to R277.6 million, YTD Budget is R285.1 million. YTD variance is R7.5 million. Grant revenue in the financial system is straight lined across 12 months, yet the grants are recognized once the expenditure is incurred which further creates a variance monthly on transfers and subsidies.

Other Revenue

Other revenue is made up of numerous miscellaneous items (e.g., town planning fees, market income, cemetery fees, clinics subsidies, etc.) and gains on disposal of assets are included. Other revenue also includes construction contract revenue that is revenue recognized on receipt of funding for housing projects with a budget of R27 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 R15.7 million, YTD Budget is R42.7 million. A downward adjustment of R29 million was made from the initial allocation of R56 million for housing projects. The municipality will no longer be implementing the following housing projects due to the change in agreement as they will be directly implemented by the department of human settlement which has resulted in R29 million decrease in other revenue.

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

Overall Revenue YTD Budget to Date

The YTD Actual revenue excluding capital transfers is R1.05 billion for the period ending 31 May 2023, YTD Budget is R1.1 billion, the variance of R67 million is results from the differences within the different revenue streams and how they have been performing. The table below shows that the municipality is 1% below achieving the budget implementation ratio norm required by national treasury circular 71, with one month remaining in the financial year, the municipality will be able to reach the required budget implementation ratio.

BUDGET IMPLEMENTATION				
RATIO	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	
Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	95% - 100%		94%
			Actual Operating Revenue	1 055 071
			YTD Budget Operating Revenue	1 122 485
Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	95% - 100%		94%
			Actual Service Charges and Property Rates Revenue	686 817 879
			Budget Service Charges and Property Rates Revenue	728 808 966

The table below shows the ratio for the YTD financial performance for the municipality, which should equal to or be greater than zero, YTD operating revenue versus expenditure show a 18% net operating surplus margin.

FINANCIAL PERFORMANCE				
A. Efficiency				
RATIO	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	
Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	= or > 0%		18%
			Total Operating Revenue	1 055 071 273
			Depreciation - Revalued Portion <i>(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)</i>	75 167 514
			Total Operating Expenditure	941 223 396
			Taxation Expense	

5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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										
Expenditure By Type										
Employee related costs		446 000	447 279	462 586	38 954	420 762	429 314	(8 552)	-2%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 462	27 153	28 815	(1 661)	-6%	31 434
Debt impairment		34 456	9 984	9 984	306	6 796	7 488	(692)	-9%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	-	75 168	99 500	(24 332)	-24%	101 619
Finance charges		19 931	12 922	12 902	1	1 019	907	113	12%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 564	98 982	136 136	(37 154)	-27%	137 074
Inventory consumed		13 825	12 735	12 878	604	11 001	12 628	(1 627)	-13%	12 878
Contracted services		213 910	244 881	230 936	22 646	182 878	222 492	(39 613)	-18%	230 936
Transfers and subsidies		9 890	13 178	13 078	238	4 763	13 236	(8 473)	-64%	13 078
Other expenditure		143 732	160 480	158 207	8 356	112 701	154 082	(41 381)	-27%	158 207
Losses		491	-	-	(2)	(2)	-	(2)	#DIV/0!	-
Total Expenditure		1 125 063	1 171 585	1 170 699	82 128	941 221	1 104 597	(163 376)	-15%	1 170 699

Employee Related Costs and Remuneration of Councillors

Actual YTD for employee related costs amount to R420.7 million YTD Budget is R429.3 million as of 31 May 2023. Actual YTD remuneration of councillors YTD actuals amounts to R27.1 million with YTD Budget of R28.8 million and there is a 6% 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 May 2023 amounts to R182.8 million, The YTD Budget is R222.4 million and YTD Variance is R39.6 million. A 14.3 million downward adjustment has been made mainly to account for the housing projects that have been removed from the municipality's scope of housing projects. The annual budget of human settlement projects is R 21.5 million with the year-to-date expenditures of R 13.8 million.

Inventory Consumed

YTD Inventory consumed amounts to R11 million as of 31 May 2023 with the YTD Budget being R12.6 million. This reflects a variance of R1.6 million less than year to date budget. Inventory budget was straight lined across the 12 months of the financial year and will be a variance as consumption differs. An upward adjustment of R343 thousand was made.

Other Operating Expenditure

Other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Budget Road shows, municipal running cost such as electricity consumption and water services. YTD Actuals for Other operating expenditure are R112.7 million, YTD Budget is R154 million and there is a 27% 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 R75.2 million to date from the beginning of the year. The year-to-date budget is R99.5 million, resulting in a variance of 24%. Assets are procured based on the current needs of the departments and depreciation expense is charged from the day the asset is available for use and this will result in the variance between the budget versus actual depreciation expense.

Debt Impairment

The YTD actuals for Debt Impairment amounts to R6.7 million while the year-to-date budget is R7.5 million. The R6.7 million YTD expenditure relates to interest written-off on outstanding accounts where consumers arrange with the municipality to pay the capital portion of the debt as a once off payment and have the interest written off and the conditions of write-off are based on the age of the debt if it is over 2 years then the full interest is written off on payment of the capital portion. Debt impairment expenditure is contingent on consumer applications for payment arrangement with the municipality and this is a contributing factor to the variance between the YTD actual versus the YTD budget.

Transfers and Subsidies

Transfers and subsidies relate to donations made by the municipality to fund local economic development such as SMME development, Cooperative's development, and poverty alleviation projects within the jurisdiction of Ray Nkonyeni Municipality. YTD actual of R4.7 million and YTD budget of R13.2 million with a variance of R8.4 million. There were delays in the implementation of funding SMMEs which has been resolved and all payments will be done in the month of June, which will have expenditure in line with the projected budget.

Overall Expenditure Budget

The overall expenditure YTD Actual is R941.2 million as of 31 May 2023, YTD Budget is R1.1 billion. There is a 15% variance in the expenditure from various components such as the contracted services expenditure reduction from the exclusion of housing projects as well as some of the cost containment measures in other items of expenditure.

Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R113.8 million compared to the YTD Budget surplus R17.8 million.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2022/23									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dya-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	22	38	34	35	36	34	175	603	978	884
Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 420	5 818	1 681	1 357	804	753	3 669	12 843	42 346	19 427
Receivables from Non-exchange Transactions - Property Rates	1400	350	17 651	12 355	10 555	9 401	8 613	47 884	203 564	310 373	280 017
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0
Receivables from Exchange Transactions - Waste Management	1600	10	2 946	2 089	1 791	1 623	1 455	8 562	39 618	58 094	53 049
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	3 146	3 112	3 017	2 945	2 853	2 766	12 561	87 328	117 729	108 454
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	209	176	1 141	104	253	110	666	9 548	12 207	10 681
Total By Income Source	2000	19 158	29 741	20 318	16 787	14 970	13 731	73 517	353 504	541 728	472 510
2022/23 - totals only		19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357	418 260
Debtors Age Analysis By Customer Group											
Organs of State	2200	2 044	883	822	734	680	709	10 616	29 235	45 724	41 974
Commercial	2300	9 891	8 524	4 312	3 828	3 203	2 887	13 506	65 778	111 930	89 202
Households	2400	7 222	20 334	15 184	12 225	11 088	10 135	49 395	258 492	384 074	341 334
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	19 158	29 741	20 318	16 787	14 970	13 731	73 517	353 504	541 728	472 510

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 - M11 May

Description	NT Code	Budget Year 2022/23								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	58	3	-	-	-	-	(1 784)	1 784	61
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	58	3	-	-	-	-	(1 784)	1 784	61


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) - M11										
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									
Multi-Year expenditure appropriation	2									
Vote 1 - Mayor and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–	–	–
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		–	–	–	–	–	–	–	–	–
Vote 10 - Road Transport		–	–	–	–	–	–	–	–	–
Vote 11 - Environment Protection		–	–	–	–	–	–	–	–	–
Vote 12 - Energy Sources		–	–	–	–	–	–	–	–	–
Vote 13 - Other		–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		–	–	–	–	–	–	–	–	–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–	–	–
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		130	–	400	22	250	300	(50)	-17%	400
Vote 2 - Finance and Administration		21 374	3 075	6 125	1 085	2 605	5 981	(3 376)	-56%	6 125
Vote 3 - Internal Audit		115	185	185	–	50	185	(135)	-73%	185
Vote 4 - Community and Social Services		5 881	200	–	–	–	(17)	17	-100%	–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		7 014	5 440	2 675	199	1 800	2 783	(983)	-35%	2 675
Vote 7 - Housing		115	273	353	34	243	353	(109)	-31%	353
Vote 8 - Health		–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		93 515	99 409	131 567	9 830	95 352	124 642	(29 290)	-23%	131 567
Vote 10 - Road Transport		51 752	55 006	68 963	1 277	50 670	66 467	(15 797)	-24%	68 963
Vote 11 - Environment Protection		–	–	500	–	–	400	(400)	-100%	500
Vote 12 - Energy Sources		2 599	15 348	15 380	1 042	8 941	15 243	(6 301)	-41%	15 380
Vote 13 - Other		3 108	–	800	–	–	600	(600)	-100%	800
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		2 052	1 804	3 807	44	987	3 299	(2 312)	-70%	3 807
Total Capital single-year expenditure	4	187 654	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Total Capital Expenditure		187 654	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Capital Expenditure - Functional Classification										
Governance and administration		21 675	3 280	6 740	1 129	2 926	6 496	(3 570)	-55%	6 740
Executive and council		186	20	430	44	272	330	(58)	-18%	430
Finance and administration		21 397	3 075	6 125	1 085	2 605	5 981	(3 376)	-56%	6 125
Internal audit		92	185	185	–	50	185	(135)	-73%	185
Community and public safety		12 521	5 813	2 728	84	1 894	2 859	(965)	-34%	2 728
Community and social services		5 881	200	–	–	–	(17)	17	-100%	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		6 525	5 340	2 375	50	1 651	2 523	(872)	-35%	2 375
Housing		115	273	353	34	243	353	(109)	-31%	353
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		145 700	154 495	201 301	11 234	146 149	191 739	(45 590)	-24%	201 301
Planning and development		93 459	99 389	131 537	9 808	95 330	124 612	(29 282)	-23%	131 537
Road transport		52 241	55 106	69 263	1 426	50 819	66 727	(15 908)	-24%	69 263
Environmental protection		–	–	500	–	–	400	(400)	-100%	500
Trading services		4 650	17 152	19 188	1 087	9 928	18 541	(8 613)	-46%	19 188
Energy sources		2 599	15 348	15 380	1 042	8 941	15 243	(6 301)	-41%	15 380
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		2 052	1 804	3 807	44	987	3 299	(2 312)	-70%	3 807
Other		3 108	–	800	–	–	600	(600)	-100%	800
Total Capital Expenditure - Functional Classification	3	187 654	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Funded by:										
National Government		123 164	115 052	131 661	4 100	115 574	122 511	(6 937)	-6%	131 661
Provincial Government		4 618	–	36 415	5 042	20 140	36 415	(16 275)	-45%	36 415
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 885	–	–	–	–	–	–	–	–
Transfers recognised - capital		138 668	115 052	168 076	9 142	135 714	158 926	(23 212)	-15%	168 076
Borrowing	6	1 867	7 166	7 976	1 042	3 001	7 976	(4 975)	-62%	7 976
Internally generated funds		33 256	58 521	54 704	3 349	22 181	53 332	(31 151)	-58%	54 704
Total Capital Funding		173 791	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R160.8 million, the YTD budgeted is R220.2 million and there is 27% variance. The capital expenditure has been adjusted upwards by 32.6 million, this was for the inclusion of the upgrade for the Port Shepstone taxi rank and the construction of market stalls in Hibberdene and St Michaels Beach and implementation has begun.


5.7 Transfers and Grants Receipts

 KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER						
KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER MAY 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 81 360 000	R -	R 61 404 594		R 19 955 406
COGTA ELEC GRANT	R 784 811	R -	R -	R -		R 784 811
MUNICIPAL DISASTER RELIEF GRANT	R 8 100 000	R 11 000 000	R -	R 19 012 416		R 87 584
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 5 332 000	R 2 819 171			R 2 512 829
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 1 521 707	R -		R 428 293
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)	R -	R 6 076 000	R 5 543 011	R -		R 532 989
AIRPORT GRANT	R -	R 5 000 000		R 1 236 627		R 3 763 374
PROVINCIALIZATION OF LIBRARIES GRANT	R -	R 12 418 000	R 18 004 176	R -	R 5 586 176	
COMMUNITY LIBRARY SERVICE GRANT	R -	R 324 000	R 210 000	R -		R 114 000
MUSEUM SUBSIDY GRANT	R -	R 449 000	R 2 476 223		R 2 027 223	
CYBER CADET GRANT	R -	R 1 524 000	R 1 524 000	R -		R -
INTERMODAL FACILITY	R -	R 30 000 000	R -	R 19 280 427		R 10 719 573
NEIGHBOURHOOD DEV GRANT	R -	R 46 000 000	R -	R 44 765 730		R 1 234 270
EDTA-INFORMAL TRADERS GRANT	R -	R 1 000 000	R -			R 1 000 000
MARKET STALLS GRANT	R 7 003 970	R -		R 2 494 071		R 4 509 899
MODULAR LIBRARIES GRANT	R 272 452	R -	R 272 452	R -		R 0
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)		R 5 000 000	R 4 710 827			R 289 173
TOTAL	R 16 161 232	R 207 433 000	R 37 081 568	R 148 193 865	R 7 613 399	R 45 932 198

Transfers and Grants Receipts

The total grants received to date for period ending 31 May 2023 amounts to R207.4 million, which include R46 million from Neighborhood Development Grant, R5.0 million from Energy Efficiency and Demand Side Management Grant, R5.0 million from Margate Airport Grant, R81.3 million from Integrated Urban Development Grant, R11 million from Municipal Disaster Relief Grant, R5.3 million from Integrated National Electrification Programme, R 1.95 million from Financial Management Grant, R6 million from Expanded Public Works Programme, R449 thousand from Museum, R12.4 million for the provincialization of libraries, R1,8 million from community libraries. R30 million for the Intermodal facility and cyber cadet grants and R1 million from the informal traders grant.

5.8 Transfers and Grants Expenditure

 KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER						
KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER MAY 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 81 360 000	R -	R 61 404 594		R 19 955 406
COGTA ELEC GRANT	R 784 811	R -	R -	R -		R 784 811
MUNICIPAL DISASTER RELIEF GRANT	R 8 100 000	R 11 000 000	R -	R 19 012 416		R 87 584
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 5 332 000	R 2 819 171			R 2 512 829
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 1 521 707	R -		R 428 293
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)	R -	R 6 076 000	R 5 543 011	R -		R 532 989
AIRPORT GRANT	R -	R 5 000 000	R -	R 1 236 627		R 3 763 374
PROVINCIALIZATION OF LIBRARIES GRANT	R -	R 12 418 000	R 18 004 176	R -	R 5 586 176	
COMMUNITY LIBRARY SERVICE GRANT	R -	R 324 000	R 210 000	R -		R 114 000
MUSEUM SUBSIDY GRANT	R -	R 449 000	R 2 476 223		R 2 027 223	
CYBER CADET GRANT	R -	R 1 524 000	R 1 524 000	R -		R -
INTERMODAL FACILITY	R -	R 30 000 000	R -	R 19 280 427		R 10 719 573
NEIGHBOURHOOD DEV GRANT	R -	R 46 000 000	R -	R 44 765 730		R 1 234 270
EDTA-INFORMAL TRADERS GRANT	R -	R 1 000 000	R -			R 1 000 000
MARKET STALLS GRANT	R 7 003 970	R -		R 2 494 071		R 4 509 899
MODULAR LIBRARIES GRANT	R 272 452	R -	R 272 452	R -		R 0
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)		R 5 000 000	R 4 710 827			R 289 173
TOTAL	R 16 161 232	R 207 433 000	R 37 081 568	R 148 193 865	R 7 613 399	R 45 932 198

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 May 2023, Operating and Capital Expenditure has a closing balance of R45.9 million, with YTD spending of R37 million and R148.1 million, for operational grants and capital grants respectively.

Grant's expenditure

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

An amount of R81.3 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 31 May 2023 is R61.4 million and has been spent on various capital projects.

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

An amount of R6 million has been received for EPWP grant. This is an operational grant to pay salaries for EPWP employees and the YTD actual for the period ended 31 May 2023 is R5.5 million.

- **Neighborhood Development Partnership Grant**

An amount of R46 million has been received for the Neighborhood Development Partnership Grant. This is a capital grant and the YTD actual for the period ended 31 May 2023 is R44.7 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 May 2023 is R1.52 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 May 2023 to fund the repairs to roads due to the floods amounts to R19 million.

5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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)										
Basic Salaries and Wages		23 352	28 393	28 393	2 220	24 515	26 027	(1 511)	-6%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	241	2 638	2 788	(150)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		26 249	31 434	31 434	2 462	27 153	28 815	(1 661)	-6%	31 434
% increase	4		19.8%	19.8%						19.8%
Senior Managers of the Municipality										
Basic Salaries and Wages		7 328	4 393	3 537	240	3 527	3 171	355	11%	3 537
Pension and UIF Contributions		80	189	192	8	138	176	(39)	-22%	192
Medical Aid Contributions		72	78	230	10	188	224	(36)	-16%	230
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	-	-	970	(970)	-100%	1 059
Motor Vehicle Allowance		495	1 158	964	54	784	868	(84)	-10%	964
Cellphone Allowance		109	115	114	7	80	105	(25)	-24%	114
Housing Allowances		1 425	3 488	2 774	184	2 471	2 483	(12)	0%	2 774
Other benefits and allowances		0	0	1	0	1	1	0	0%	1
Payments in lieu of leave		239	-	332	17	318	332	(14)	-4%	332
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 615	10 481	9 203	520	7 505	8 330	(825)	-10%	9 203
% increase	4		-1.3%	-13.3%						-13.3%
Other Municipal Staff										
Basic Salaries and Wages		275 968	276 977	276 720	23 349	252 507	255 621	(3 114)	-1%	276 720
Pension and UIF Contributions		49 183	51 553	52 154	4 195	46 580	47 858	(1 278)	-3%	52 154
Medical Aid Contributions		18 869	20 813	20 384	1 775	18 516	18 650	(134)	-1%	20 384
Overtime		18 959	14 695	19 395	2 411	20 269	19 395	874	5%	19 395
Performance Bonus		21 372	23 805	21 807	1 348	19 258	20 142	(885)	-4%	21 807
Motor Vehicle Allowance		17 850	18 637	19 154	1 671	17 246	17 600	(354)	-2%	19 154
Cellphone Allowance		993	1 046	1 125	88	938	1 038	(100)	-10%	1 125
Housing Allowances		3 771	3 946	4 125	340	3 730	3 802	(72)	-2%	4 125
Other benefits and allowances		5 101	3 006	6 259	613	5 030	6 230	(1 200)	-19%	6 259
Payments in lieu of leave		3 802	4 200	13 591	2 026	22 527	13 488	9 039	67%	13 591
Long service awards		5 264	2 270	2 819	240	2 521	2 630	(109)	-4%	2 819
Post-retirement benefit obligations		14 654	15 852	15 852	379	4 136	14 531	(10 395)	-72%	15 852
Sub Total - Other Municipal Staff		435 385	436 798	453 383	38 434	413 257	420 985	(7 727)	-2%	453 383
% increase	4		0.3%	4.1%						4.1%
Total Parent Municipality		472 249	478 713	494 021	41 416	447 916	458 129	(10 213)	-2%	494 021

Councillors Remuneration

An actual amount of R27.1 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R28.8 million. This indicates a variance of only R1.6 million. This indicates that this item is on schedule and the variance is not material.

Senior Managers of the Municipality

The head of departments on the municipality including the Municipal manager are classified under this subheading with a YTD actual of R7.5 million and a YTD budget of R8.3 million with the variance of R825 thousand.

Other Municipal Staff

The municipal staff year to date spending is sitting at R413.2 million against the year-to-date budget of R420.9 million with the variance of R7.7 million and the variance is mainly caused by the different months of bonuses & salary notches for the employees.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 31 MAY 2023



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING	LOAN	LOAN	INTEREST	LOAN	CLOSING
				BALANCE	ADVANCE	INTEREST	PAID	REPAYMENT	BALANCE
				01 MAY 2023		CHARGED			31 MAY 2023
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	-R 3 024 802.24					-R 3 024 802.24
DBSA	12.67%	22-Nov-30	61007761	-R 8 037 020.62					-R 8 037 020.62
TOTAL DBSA LOANS				-R 11 061 822.86	R -	R -	R -	R -	-R 11 061 822.86
TOTAL LOANS				-R 11 061 822.86	R -	R -	R -	R -	-R 11 061 822.86

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 million as of 31 May 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		Total
	1	2	3		4		
Electricity Meters Replacement	3,000,000	2,000,000	2,000,000	7,000,000			
Network infrastructure studies	500,000						
Electrical Cables Replacement	-	1,000,000	500,000	1,500,000			
Mini-substations Replacement	-	1,000,000	1,000,000	2,000,000			
Inter-switches (RMU) Replacement	-	1,000,000	1,000,000	2,000,000			
11kV Interconnector - Marburg to Port Shepstone Substation	-	-	-	-		14,500,000.00	
Memorial & Reynolds Sw/Sta Refurbishment & Replace Switchgear	-	3,476,000	3,476,000	6,952,000		6,952,000.00	
Totals	R 3,500,000.00	R 8,476,000.00	R 7,976,000.00	R 19,952,000.00		21,452,000.00	41,404,000.00

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

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

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

DBSA LOAN RECEIPT AND EXPENDITURE RECONCILIATION						
	Expenditure 2020/2021		Expenditure 2021/2022		YTD Expenditure 2022/2023	Total Project Expenditure
Meter replacement DBSA funded	R	1 795 400.22	R	3 813 014.36	R 982 121.90	R 6 590 536.48
Network studies DBSA funded	R	390 473.20	R	495 746.10	R -	R 886 219.30
Cable Replacement DBSA funded					R -	R -
Inter switch replacements DBSA funded					R 1 735 864.21	R 1 735 864.21
Mini sub replacement DBSA funded					R 577 350.18	R 577 350.18
MEMORIAL & REYNOLDS SW/STA REFURB & REPLACE SWITCHGEAR					R -	R -
Network studies DBSA funded					R -	R -
Total Expenditure	R	2 185 873.42	R	4 308 760.46	R 3 295 336.29	R 9 789 970.17

- A total of **R9 789 970.17** has been spent on the above-mentioned capital projects, a total of **R2 186 029.83** remains unspent in the 2022/2023 financial year.

5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M11 May

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-1.4%	9.8%	9.8%	0.1%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		1.0%	4.0%	3.5%	1.9%	3.5%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	14.1%	14.7%	16.0%	14.7%
Gearing	Long Term Borrowing/Funds & Reserves		0.0%	23.9%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	182.5%	172.1%	181.7%	208.9%	181.7%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	18.1%	57.9%	18.1%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		45.4%	37.0%	52.5%	58.2%	52.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		41.2%	38.1%	40.6%	39.9%	40.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.5%	9.8%	10.0%	0.1%	3.9%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

The above table gives an overview of the financial indicators of the municipality for the period ended 31 May 2023 and the indicators are broken down below.

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R11 061 822 as of 31 May 2023.

Liquidity

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

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

Adjusted Budget Current Ratio: R672 729/R370 177 = **1.81:1**

Actual Current Ratio as 31 May 2023: R857 347/R410 492 = **2.09:1**

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 adjusted budget showed a 1.81:1 ratio and the actual ratio of 2.09:1 as of 31 May 2023. The ratio is performing reasonably well.

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


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

Adjusted Budget Current Ratio: (R672 729 – R7109)/370 177 = **1.80:1**

Actual Acid test Ratio: (R857 347 – R6 014)/410 492 = **2.07:1**

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 31/05/2023																	
ACCOUNT NO	INVESTMENT DETAILS		CURRENT MONTH					YTD									
	INSTITUTION & TYPE	PROJECT NAME / DETAILS	MONTHLY	INTEREST	BANK	DEPOSIT	WITHDRAWALS	CURRENT	INVESTMENT	BANK	INVESTMENT	BALANCE AS AT	INTEREST	BANK	CHARGES	WITHDRAWALS	BALANCE AS AT
			OPENING	INVESTED	CHARGES	DEPOSIT	WITHDRAWALS	CURRENT	BALANCES AS AT	DEPOSITS	WITHDRAWALS	CHARGES	WITHDRAWALS	BALANCE AS AT	INTEREST	BANK	CHARGES
BALANCES	31/05/2023	31/05/2023	31/05/2023	31/05/2023	31/05/2023	31/05/2023	BALANCE	01/07/2022	DEPOSITS	WITHDRAWALS	CHARGES	WITHDRAWALS	BALANCE AS AT	31/05/2023			
378692984011	STANDARD BANK - CALL	LOUISIANA HSG	9 913 111.96	61 719.31	-	-	-	9 974 831.27	9 388 400.89	586 430.38	-	-	-	9 974 831.27			
378692984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	638 446.57	3 974.99	-	-	-	642 421.56	604 652.95	37 768.61	-	-	-	642 421.56			
378692984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 059 269.88	6 595.04	-	-	-	1 065 864.92	1 003 201.65	62 663.27	-	-	-	1 065 864.92			
378692984005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	336 356.63	2 094.17	-	-	-	338 450.80	318 552.93	19 897.87	-	-	-	338 450.80			
378692984006	STANDARD BANK - CALL	BHOBOYI EST-HSG	12 585.98	43.86	-	-	-	12 629.84	12 261.03	368.81	-	-	-	12 629.84			
378692984007	STANDARD BANK - CALL	DAMAGED HSES	80 188.09	311.31	-	-	-	80 499.40	77 791.97	2 707.43	-	-	-	80 499.40			
378692984008	STANDARD BANK - CALL	UPLANDS HSG	80 106.91	310.99	-	-	-	80 417.90	77 713.22	2 704.68	-	-	-	80 417.90			
378692984009	STANDARD BANK - CALL	MKHOLOMBE HSG	1 500 076.23	9 339.52	-	-	-	1 509 415.75	1 420 675.68	88 740.07	-	-	-	1 509 415.75			
378692984010	STANDARD BANK - CALL	AIDS PROJECT	148 141.09	928.56	-	-	-	150 069.65	141 246.91	8 822.74	-	-	-	150 069.65			
89140356988	STANDARD BANK - CALL	MASINENGE HSG	33 747 396.76	201 097.51	-	-	-	33 948 494.27	32 183 664.01	1 764 830.26	-	-	-	33 948 494.27			
89139356986	STANDARD BANK - CALL	KWAMAVUNDLA HSG	251 480.26	1 498.56	-	-	-	252 978.82	239 827.57	13 151.25	-	-	-	252 978.82			
891417356989	STANDARD BANK - CALL	KWAXOLO HOUSING	11 942 566.85	71 164.62	-	-	-	12 013 731.47	11 389 191.33	624 540.14	-	-	-	12 013 731.47			
90439764623	STANDARD BANK - CALL	KWADWALANE HOUSING	541 102.02	3 224.38	-	-	-	544 326.40	516 029.30	28 297.10	-	-	-	544 326.40			
			60 251 829.23	362 302.82	-	-	-	60 614 132.05	44 328 712.21	3 240 922.61	-	-	-	60 614 132.05			
74873852516	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUND)	13 960 387.23	90 073.18	-	-	-	14 050 460.41	16 114 889.17	883 057.96	-	-	-2 947 486.72	14 050 460.41			
			13 960 387.23	90 073.18	-	-	-	14 050 460.41	16 114 889.17	883 057.96	-	-	-2 947 486.72	14 050 460.41			
881110356985	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	50 883.11	303.22	-	-	-	51 186.33	48 525.35	2 660.98	-	-	-	51 186.33			
891110357732	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	11 253.33	67.07	-	-	-	11 320.40	10 731.88	588.52	-	-	-	11 320.40			
			62 136.44	370.29	-	-	-	62 506.73	59 257.23	3 249.50	-	-	-	62 506.73			
62728614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	151 303 456.73	1 062 784.59	-	37 000 000.00	-71 600 000.00	117 766 241.32	47 140 857.71	8 225 401.81	745 500 000.00	-	-883 100 018.20	117 766 241.32			
			151 303 456.73	1 062 784.59	-	37 000 000.00	-71 600 000.00	117 766 241.32	47 140 857.71	8 225 401.81	745 500 000.00	-	-883 100 018.20	117 766 241.32			
74873852516	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 559 683.01	23 220.84	-	-	-	3 582 903.85	3 376 881.86	206 021.99	-	-	-	3 582 903.85			
			3 559 683.01	23 220.84	-	-	-	3 582 903.85	3 376 881.86	206 021.99	-	-	-	3 582 903.85			
037881000791	NEDBANK	RESERVES INVESTMENT ACCOUNT	26 800 943.70	167 230.66	-	-	-	26 968 174.36	25 800 000.00	1 168 174.36	-	-	-	26 968 174.36			
			26 800 943.70	167 230.66	-	-	-	26 968 174.36	25 800 000.00	1 168 174.36	-	-	-	26 968 174.36			
		GRAND TOTAL RNM INVESTMENT + INTEREST	255 938 436.34	1 705 982.38	-	37 000 000.00	-71 600 000.00	223 044 418.72	136 820 598.18	13 726 828.23	745 500 000.00	-	-886 047 504.92	223 044 418.72			

The Investment register as of 31 May 2023 has the closing balance of R223 million, with R13.7 million total YTD interest earned from which R8.2 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 - M11 May

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	464 477	498 623	492 118	87	486 483	493 744	(7 262)	-1%	492 118
Service charges	214 942	253 618	236 691	13 489	200 335	225 685	(25 349)	-11%	236 691
Investment revenue	5 182	5 397	7 067	1 104	8 671	6 203	2 467	40%	7 067
Transfers and subsidies	256 804	285 102	285 279	3 881	277 636	285 195	(7 559)	-3%	285 279
Other own revenue	141 612	131 888	118 573	5 987	81 947	111 658	(29 711)	-27%	118 573
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 139 727	24 549	1 055 071	1 122 485	(67 414)	-6%	1 139 727
Employee costs	446 000	447 279	462 586	38 954	420 762	429 314	(8 552)	-2%	462 586
Remuneration of Councilors	26 249	31 434	31 434	2 462	27 153	28 815	(1 661)	-6%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	-	75 168	99 500	(24 332)	-24%	101 619
Finance charges	19 931	12 922	12 902	1	1 019	907	113	12%	12 902
Inventory consumed and bulk purchases	136 545	149 809	149 951	9 168	109 983	148 764	(38 781)	-26%	149 951
Transfers and subsidies	9 890	13 178	13 078	238	4 763	13 236	(8 473)	-64%	13 078
Other expenditure	392 589	415 344	399 128	31 306	302 372	384 061	(81 689)	-21%	399 128
Total Expenditure	1 125 063	1 171 585	1 170 699	82 128	941 221	1 104 597	(163 376)	-15%	1 170 699
Surplus/(Deficit)	(42 047)	3 043	(30 971)	(57 579)	113 850	17 888	95 962	536%	(30 971)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	193 287	20 271	125 477	193 287	(67 810)	-35%	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 494	135 403	162 316	(37 308)	239 328	211 176	28 152	13%	162 316
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	162 316	(37 308)	239 328	211 176	28 152	13%	162 316
Capital expenditure & funds sources									
Capital expenditure	187 654	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Capital transfers recognised	138 668	115 052	168 076	9 142	135 714	158 926	(23 212)	-15%	168 076
Borrowing	1 867	7 166	7 976	1 042	3 001	7 976	(4 975)	-62%	7 976
Internally generated funds	33 256	58 521	54 704	3 349	22 181	53 332	(31 151)	-58%	54 704
Total sources of capital funds	173 791	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Financial position									
Total current assets	630 556	553 761	672 729	-	857 347	-	-	-	672 729
Total non current assets	1 987 740	1 878 708	2 116 876	-	2 073 469	-	-	-	2 116 876
Total current liabilities	345 489	321 834	370 177	-	410 492	-	-	-	370 177
Total non current liabilities	191 699	150 842	176 331	-	199 539	-	-	-	176 331
Community wealth/Equity	2 087 905	1 959 793	2 243 097	-	2 320 786	-	-	-	2 243 097
Cash flows									
Net cash from (used) operating	348 279	167 979	191 796	(16 641)	127 548	216 028	88 480	41%	191 796
Net cash from (used) investing	(185 208)	(179 130)	(237 264)	(20 178)	(179 744)	(228 278)	(48 533)	21%	(237 264)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 167)	(35 539)	(6 625)	28 915	-436%	(19 098)
Cash/cash equivalents at the month/year end	270 876	112 823	67 025	-	43 856	112 717	68 862	61%	67 025
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	19 158	29 741	20 318	16 787	14 970	13 731	73 517	353 504	541 728
Creditors Age Analysis									
Total Creditors	58	3	-	-	-	-	(1 784)	1 784	61

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) - M11 May

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	492 118	87	486 483	493 744	(7 262)	-1%	492 118
Service charges - electricity revenue		157 558	182 857	170 943	13 484	140 702	158 684	(17 982)	-11%	170 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	65 748	6	59 634	67 001	(7 367)	-11%	65 748
Rental of facilities and equipment		3 897	2 610	3 710	500	3 945	3 253	692	21%	3 710
Interest earned - external investments		5 182	5 397	7 067	1 104	8 671	6 203	2 467	40%	7 067
Interest earned - outstanding debtors		31 155	24 389	28 719	3 077	31 544	25 624	5 920	23%	28 719
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	29 658	62	18 385	25 970	(7 585)	-29%	29 658
Licences and permits		8 138	7 824	9 911	940	7 493	8 751	(1 258)	-14%	9 911
Agency services		4 965	4 894	6 044	403	4 813	5 382	(539)	-10%	6 044
Transfers and subsidies		256 804	285 102	285 279	3 881	277 636	285 195	(7 559)	-3%	285 279
Other revenue		55 569	70 013	40 531	1 005	15 767	42 708	(26 941)	-63%	40 531
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 139 727	24 549	1 055 071	1 122 485	(67 414)	-6%	1 139 727
Expenditure By Type										
Employee related costs		446 000	447 279	462 586	38 954	420 762	429 314	(8 552)	-2%	462 586
Remuneration of councillors		26 249	31 434	31 434	2 462	27 153	28 815	(1 661)	-6%	31 434
Debt impairment		34 456	9 984	9 984	306	6 796	7 488	(692)	-9%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	-	75 168	99 500	(24 332)	-24%	101 619
Finance charges		19 931	12 922	12 902	1	1 019	907	113	12%	12 902
Bulk purchases - electricity		122 720	137 074	137 074	8 564	98 982	136 136	(37 154)	-27%	137 074
Inventory consumed		13 825	12 735	12 878	604	11 001	12 628	(1 627)	-13%	12 878
Contracted services		213 910	244 881	230 936	22 646	182 878	222 492	(39 613)	-18%	230 936
Transfers and subsidies		9 890	13 178	13 078	238	4 763	13 236	(8 473)	-64%	13 078
Other expenditure		143 732	160 480	158 207	8 356	112 701	154 082	(41 381)	-27%	158 207
Losses		491	-	-	(2)	(2)	-	(2)	#DIV/0!	-
Total Expenditure		1 125 063	1 171 585	1 170 699	82 128	941 221	1 104 597	(163 376)	-15%	1 170 699
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		146 929	132 360	193 287	20 271	125 477	193 287	(67 810)	(0)	193 287
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		12 015	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 494	135 403	162 316	(37 308)	239 328	211 176			162 316
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 494	135 403	162 316	(37 308)	239 328	211 176			162 316
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 494	135 403	162 316	(37 308)	239 328	211 176			162 316
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 494	135 403	162 316	(37 308)	239 328	211 176			162 316

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by source and expenditure by type for the period ended 31 March 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) - M11										
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									
Multi-Year expenditure appropriation	2									
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Other		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		130	-	400	22	250	300	(50)	-17%	400
Vote 2 - Finance and Administration		21 374	3 075	6 125	1 085	2 605	5 981	(3 376)	-56%	6 125
Vote 3 - Internal Audit		115	185	185	-	50	185	(135)	-73%	185
Vote 4 - Community and Social Services		5 881	200	-	-	-	(17)	17	-100%	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 014	5 440	2 675	199	1 800	2 783	(983)	-35%	2 675
Vote 7 - Housing		115	273	353	34	243	353	(109)	-31%	353
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		93 515	99 409	131 567	9 830	95 352	124 642	(29 290)	-23%	131 567
Vote 10 - Road Transport		51 752	55 006	68 963	1 277	50 670	66 467	(15 797)	-24%	68 963
Vote 11 - Environment Protection		-	-	500	-	-	400	(400)	-100%	500
Vote 12 - Energy Sources		2 599	15 348	15 380	1 042	8 941	15 243	(6 301)	-41%	15 380
Vote 13 - Other		3 108	-	800	-	-	600	(600)	-100%	800
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2 052	1 804	3 807	44	987	3 299	(2 312)	-70%	3 807
Total Capital single-year expenditure	4	187 654	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Total Capital Expenditure		187 654	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Capital Expenditure - Functional Classification										
Governance and administration		21 675	3 280	6 740	1 129	2 926	6 496	(3 570)	-55%	6 740
Executive and council		186	20	430	44	272	330	(58)	-18%	430
Finance and administration		21 397	3 075	6 125	1 085	2 605	5 981	(3 376)	-56%	6 125
Internal audit		92	185	185	-	50	185	(135)	-73%	185
Community and public safety		12 521	5 813	2 728	84	1 894	2 859	(965)	-34%	2 728
Community and social services		5 881	200	-	-	-	(17)	17	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	2 375	50	1 651	2 523	(872)	-35%	2 375
Housing		115	273	353	34	243	353	(109)	-31%	353
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		145 700	154 495	201 301	11 234	146 149	191 739	(45 590)	-24%	201 301
Planning and development		93 459	99 389	131 537	9 808	95 330	124 612	(29 282)	-23%	131 537
Road transport		52 241	55 106	69 263	1 426	50 819	66 727	(15 908)	-24%	69 263
Environmental protection		-	-	500	-	-	400	(400)	-100%	500
Trading services		4 650	17 152	19 188	1 087	9 928	18 541	(8 613)	-46%	19 188
Energy sources		2 599	15 348	15 380	1 042	8 941	15 243	(6 301)	-41%	15 380
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	3 807	44	987	3 299	(2 312)	-70%	3 807
Other		3 108	-	800	-	-	600	(600)	-100%	800
Total Capital Expenditure - Functional Classification	3	187 654	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756
Funded by:										
National Government		123 164	115 052	131 661	4 100	115 574	122 511	(6 937)	-6%	131 661
Provincial Government		4 618	-	36 415	5 042	20 140	36 415	(16 275)	-45%	36 415
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 885	-	-	-	-	-	-	-	-
Transfers recognised - capital		138 668	115 052	168 076	9 142	135 714	158 926	(23 212)	-15%	168 076
Borrowing	6	1 867	7 166	7 976	1 042	3 001	7 976	(4 975)	-62%	7 976
Internally generated funds		33 256	58 521	54 704	3 349	22 181	53 332	(31 151)	-58%	54 704
Total Capital Funding		173 791	180 739	230 756	13 533	160 897	220 234	(59 337)	-27%	230 756

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

6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M11 May

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		437 643	468 731	441 404	48 793	445 938	407 744	38 194	9%	441 404
Service charges		212 962	228 256	213 022	20 074	215 298	194 001	21 297	11%	213 022
Other revenue		228 121	44 677	47 718	15 011	66 097	43 827	22 270	51%	47 718
Transfers and Subsidies - Operational		314 043	341 677	312 796	520	291 612	313 333	(21 721)	-7%	312 796
Transfers and Subsidies - Capital		159 345	132 360	178 233	-	184 599	167 620	16 979	10%	178 233
Interest		1 520	5 397	7 047	1 063	8 229	6 188	2 040	33%	7 047
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(998 105)	(1 027 019)	(982 325)	(102 102)	(1 083 225)	(903 628)	179 597	-20%	(982 325)
Finance charges		(336)	(12 922)	(12 922)	-	(1 000)	(697)	303	-44%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(12 361)	(12 361)	100%	(13 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES		348 279	167 979	191 796	(16 641)	127 548	216 028	88 480	41%	191 796
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(185 208)	(179 130)	(237 264)	(20 178)	(179 744)	(228 278)	(48 533)	21%	(237 264)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(185 208)	(179 130)	(237 264)	(20 178)	(179 744)	(228 278)	(48 533)	21%	(237 264)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	7 976	7 976	-	-	7 976	(7 976)	-100%	7 976
Increase (decrease) in consumer deposits		807	1 412	1 412	138	2 173	(40 822)	42 995	-105%	1 412
Payments										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 305)	(37 712)	26 221	63 934	244%	(28 486)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(35 009)	(19 098)	(19 098)	(3 167)	(35 539)	(6 625)	28 915	-436%	(19 098)
NET INCREASE/ (DECREASE) IN CASH HELD		128 063	(30 248)	(64 566)	(39 986)	(87 735)	(18 874)			(64 566)
Cash/cash equivalents at beginning:		142 813	143 072	131 591		131 591	131 591			131 591
Cash/cash equivalents at month/year end:		270 876	112 823	67 025		43 856	112 717			67 025

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 31 May 2023, cash from operating activities actual to date is 41% 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 - M11 May

Description	Ref	Budget Year 2022/23				
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		10 397	(6 528)	(54 169)	30 277	(54 169)
Call investment deposits		121 194	122 051	121 194	207 499	121 194
Consumer debtors		310 244	294 403	378 989	387 312	378 989
Other debtors		181 663	140 390	219 606	226 244	219 606
Current portion of long-term receivables		-	143	-	-	-
Inventory		7 058	3 301	7 109	6 014	7 109
Total current assets		630 556	553 761	672 729	857 347	672 729
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		307 811	205 741	307 811	307 811	307 811
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 676 867	1 668 460	1 805 164	1 762 844	1 805 164
Biological		-	-	-	-	-
Intangible		857	2 436	1 697	610	1 697
Other non-current assets		2 205	2 071	2 205	2 205	2 205
Total non current assets		1 987 740	1 878 708	2 116 876	2 073 469	2 116 876
TOTAL ASSETS		2 618 295	2 432 469	2 789 605	2 930 817	2 789 605
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		14 580	1 378	10 798	(23 132)	10 798
Consumer deposits		32 846	33 452	34 258	35 019	34 258
Trade and other payables		257 969	247 979	285 027	338 117	285 027
Provisions		40 094	39 025	40 094	60 488	40 094
Total current liabilities		345 489	321 834	370 177	410 492	370 177
Non current liabilities						
Borrowing		49 160	26 734	33 792	57 000	33 792
Provisions		142 539	124 108	142 539	142 539	142 539
Total non current liabilities		191 699	150 842	176 331	199 539	176 331
TOTAL LIABILITIES		537 188	472 676	546 508	610 030	546 508
NET ASSETS	2	2 081 107	1 959 793	2 243 097	2 320 786	2 243 097
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 087 905	1 848 149	2 243 097	2 320 786	2 243 097
Reserves		-	111 644	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 087 905	1 959 793	2 243 097	2 320 786	2 243 097

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 31 May 2023. Total assets are R2.9 billion over the total liabilities, this indicates that the municipality can cover its financial obligations.