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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### QUARTERLY BUDGET STATEMENT FOR THE 4<sup>th</sup> QUARTER ENDED 30 JUNE 2023

Prepared By: Budget and Treasury Office

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 30 JUNE 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 30 June 2023 in line with the statutory requirements of S52d of the Municipal Finance Management Act (2003).

## **2. AUTHORITY**

Mayor

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

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

## **4. BACKGROUND**

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

## **5. EXECUTIVE SUMMARY**

The quarterly budget statement in terms of section 52d of the Municipal Finance Management Act for the 4<sup>th</sup> quarter ended 30 June 2023 is detailed below. The Quarterly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
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## 5.1 Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

| Description  | 2021/22          | Budget Year 2022/23 |                   |                    |                    |                    |                     |                 |                    |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
|  | Audited Outcome  | Original Budget     | Adjusted Budget   | Quarter 4 Actuals  | 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             | 492 118           | 36 870             | 480 199            | 492 118            | (11 919)            | -2%             | 492 118            |
| Service charges  | 214 942          | 253 618             | 236 691           | 45 175             | 213 390            | 236 691            | (23 301)            | -10%            | 236 691            |
| Investment revenue   | 5 182            | 5 397               | 7 067             | 3 153              | 9 505              | 7 067              | 2 438               | 35%             | 7 067              |
| Transfers and subsidies  | 257 076          | 285 102             | 285 279           | 4 079              | 277 636            | 285 279            | (7 643)             | -3%             | 285 279            |
| Other own revenue  | 141 612          | 131 888             | 118 573           | 26 198             | 94 517             | 118 573            | (24 055)            | -20%            | 118 573            |
| <b>Total Revenue (excluding capital transfers and contributions)</b>   | <b>1 083 288</b> | <b>1 174 628</b>    | <b>1 139 727</b>  | <b>115 476</b>     | <b>1 075 248</b>   | <b>1 139 727</b>   | <b>(64 479)</b>     | <b>-6%</b>      | <b>1 139 727</b>   |
| Employee costs   | 446 000          | 447 279             | 462 586           | 115 345            | 459 649            | 462 586            | (2 938)             | -1%             | 462 586            |
| Remuneration of Councillors  | 26 249           | 31 434              | 31 434            | 7 262              | 29 567             | 31 434             | (1 867)             | -6%             | 31 434             |
| Depreciation & asset impairment  | 93 859           | 101 619             | 101 619           | 7 517              | 75 168             | 101 619            | (26 451)            | -26%            | 101 619            |
| Finance charges  | 19 931           | 12 922              | 12 902            | 345                | 1 359              | 12 902             | (11 543)            | -89%            | 12 902             |
| Inventory consumed and bulk purchases  | 136 545          | 149 809             | 149 951           | 28 951             | 119 115            | 149 951            | (30 837)            | -21%            | 149 951            |
| Transfers and subsidies  | 9 890            | 13 178              | 13 078            | 7 028              | 10 721             | 13 078             | (2 357)             | -18%            | 13 078             |
| Other expenditure  | 392 589          | 415 344             | 399 128           | 103 785            | 348 524            | 399 128            | (50 604)            | -13%            | 399 128            |
| <b>Total Expenditure</b>   | <b>1 125 063</b> | <b>1 171 585</b>    | <b>1 170 699</b>  | <b>270 234</b>     | <b>1 044 102</b>   | <b>1 170 699</b>   | <b>(126 596)</b>    | <b>-11%</b>     | <b>1 170 699</b>   |
| <b>Surplus/(Deficit)</b>   | <b>(41 775)</b>  | <b>3 043</b>        | <b>(30 971)</b>   | <b>(154 758)</b>   | <b>31 146</b>      | <b>(30 971)</b>    | <b>62 117</b>       | <b>-201%</b>    | <b>(30 971)</b>    |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)  | 146 929          | 132 360             | 193 287           | 20 271             | 125 477            | 193 287            | #####               | -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           | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>   | <b>123 767</b>   | <b>135 403</b>      | <b>162 316</b>    | <b>(134 487)</b>   | <b>156 623</b>     | <b>162 316</b>     | <b>(5 693)</b>      | <b>-4%</b>      | <b>162 316</b>     |
| Share of surplus/ (deficit) of associate   | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| <b>Surplus/ (Deficit) for the year</b>   | <b>123 767</b>   | <b>135 403</b>      | <b>162 316</b>    | <b>(134 487)</b>   | <b>156 623</b>     | <b>162 316</b>     | <b>(5 693)</b>      | <b>-4%</b>      | <b>162 316</b>     |
| <b>Capital expenditure &amp; funds sources</b>   |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| <b>Capital expenditure</b>   | <b>187 654</b>   | <b>180 739</b>      | <b>230 756</b>    | <b>84 531</b>      | <b>215 849</b>     | <b>230 756</b>     | <b>(14 907)</b>     | <b>-6%</b>      | <b>230 756</b>     |
| Capital transfers recognised   | 138 668          | 115 052             | 168 076           | 46 747             | 161 949            | 168 076            | (6 127)             | -4%             | 168 076            |
| Borrowing  | 1 867            | 7 166               | 7 976             | 4 135              | 6 094              | 7 976              | (1 882)             | -24%            | 7 976              |
| Internally generated funds   | <b>33 256</b>    | <b>58 521</b>       | <b>54 704</b>     | <b>33 649</b>      | <b>47 806</b>      | <b>54 704</b>      | <b>(6 898)</b>      | <b>-13%</b>     | <b>54 704</b>      |
| <b>Total sources of capital funds</b>  | <b>173 791</b>   | <b>180 739</b>      | <b>230 756</b>    | <b>84 531</b>      | <b>215 849</b>     | <b>230 756</b>     | <b>(14 907)</b>     | <b>-6%</b>      | <b>230 756</b>     |
| <b>Financial position</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Total current assets   | 630 629          | 553 761             | 672 729           |                    | 729 450            |                    |                     |                 | 672 729            |
| Total non current assets   | 1 987 740        | 1 878 708           | 2 116 876         |                    | 2 128 421          |                    |                     |                 | 2 116 876          |
| Total current liabilities  | 345 217          | 321 834             | 370 177           |                    | 420 208            |                    |                     |                 | 370 177            |
| Total non current liabilities  | 191 699          | 150 842             | 176 331           |                    | 199 309            |                    |                     |                 | 176 331            |
| Community wealth/Equity  | <b>2 081 453</b> | <b>1 959 793</b>    | <b>2 243 097</b>  |                    | <b>2 238 354</b>   |                    |                     |                 | <b>2 243 097</b>   |
| <b>Cash flows</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Net cash from (used) operating   | 348 279          | 167 979             | 191 796           | (87 899)           | (87 899)           | (6 841)            | 81 058              | -1185%          | 191 796            |
| Net cash from (used) investing   | (185 208)        | (179 130)           | (237 264)         | (98 431)           | (98 431)           | (59 271)           | 39 160              | -66%            | (237 264)          |
| Net cash from (used) financing   | (35 009)         | (19 098)            | (19 098)          | (9 970)            | (9 970)            | 6 856              | 16 826              | 245%            | (19 098)           |
| <b>Cash/cash equivalents at the month/year end</b>   | <b>270 949</b>   | <b>112 823</b>      | <b>67 025</b>     | <b>-</b>           | <b>(64 635)</b>    | <b>72 335</b>      | <b>136 971</b>      | <b>189%</b>     | <b>67 098</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   | 37 790           | 9 496               | 19 378            | 17 340             | 14 873             | 13 773             | 12 870              | 14 179          | 139 700            |
| <b>Creditors Age Analysis</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Total Creditors  | 6 479            | -                   | -                 | -                  | -                  | -                  | -                   | -               | 6 479              |

### Monthly Budget Statement of Financial Performance

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

## 5.2 Financial Performance -Revenue by Source

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

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

| Vote Description   | Ref | Budget Year 2022/23           |                    |                    |                      |                  |                  |                 |                      |                       |
|--|-----|-------------------------------|--------------------|--------------------|----------------------|------------------|------------------|-----------------|----------------------|-----------------------|
|  |     | 2021/22<br>Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Quarter 4<br>Actuals | YearTD actual    | YearTD<br>budget | YTD<br>variance | YTD<br>variance<br>% | Full Year<br>Forecast |
| <b>R thousands</b>   |     |                               |                    |                    |                      |                  |                  |                 |                      |                       |
| <b>Revenue By Source</b>   |     |                               |                    |                    |                      |                  |                  |                 |                      |                       |
| Property rates   |     | 454 477                       | 496 623            | 492 118            | 36 870               | 480 199          | 492 118          | (11 919)        | -2%                  | 492 118               |
| Service charges - electricity revenue                                |     | 157 558                       | 182 857            | 170 943            | 40 092               | 154 018          | 170 943          | (16 925)        | -10%                 | 170 943               |
| Service charges - water revenue                                      |     | -                             | -                  | -                  | -                    | -                | -                | -               | -                    | -                     |
| Service charges - sanitation revenue                                 |     | -                             | -                  | -                  | -                    | -                | -                | -               | -                    | -                     |
| Service charges - refuse revenue                                     |     | 57 384                        | 70 761             | 65 748             | 5 084                | 59 372           | 65 748           | (6 376)         | -10%                 | 65 748                |
| Rental of facilities and equipment                                   |     | 3 897                         | 2 610              | 3 710              | 1 322                | 4 399            | 3 710            | 689             | 19%                  | 3 710                 |
| Interest earned - external investments                               |     | 5 182                         | 5 397              | 7 067              | 3 153                | 9 505            | 7 067            | 2 438           | 35%                  | 7 067                 |
| Interest earned - outstanding debtors                                |     | 31 155                        | 24 389             | 28 719             | 8 788                | 34 645           | 28 719           | 5 927           | 21%                  | 28 719                |
| Dividends received   |     | -                             | -                  | -                  | -                    | -                | -                | -               | -                    | -                     |
| Fines, penalties and forfeits  |     | 30 190                        | 22 158             | 29 658             | 9 039                | 23 971           | 29 658           | (5 687)         | -19%                 | 29 658                |
| Licences and permits   |     | 8 138                         | 7 824              | 9 911              | 1 880                | 8 330            | 9 911            | (1 580)         | -16%                 | 9 911                 |
| Agency services  |     | 4 965                         | 4 894              | 6 044              | 1 442                | 5 363            | 6 044            | (681)           | -11%                 | 6 044                 |
| Transfers and subsidies  |     | 257 076                       | 285 102            | 285 279            | 4 079                | 277 636          | 285 279          | (7 643)         | -3%                  | 285 279               |
| Other revenue  |     | 55 569                        | 70 013             | 40 531             | 3 725                | 17 808           | 40 531           | (22 722)        | -56%                 | 40 531                |
| Gains  |     | 7 697                         | -                  | -                  | -                    | -                | -                | -               | -                    | -                     |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | <b>1 083 288</b>              | <b>1 174 628</b>   | <b>1 139 727</b>   | <b>115 476</b>       | <b>1 075 248</b> | <b>1 139 727</b> | <b>(64 479)</b> | <b>-6%</b>           | <b>1 139 727</b>      |

### Revenue by Source

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

### Property Rates

The YTD Actual for property rates for the 4th quarter ended 30 June 2023 is R480.1 million and the YTD Budget for property rates R492.1 million with a 2% variance to the annual budget. this variance is reasonable in comparison to the anticipated billing revenue for property rates.

### Electricity Revenue

Electricity revenue YTD Actual for the 4<sup>th</sup> quarter ended 30 June 2023 is R154 million, YTD Budget is R170.9 million with a variance of R14 million. Electricity revenue for the 4th quarter is 90% of the projected 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 R59.3million and the YTD Budget billing is R65.7 million, with YTD variance of 10%. 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.

### **Grants Recognized**

For the 4<sup>th</sup> quarter ended 30 June 2023 the grant recognized /received to date amounts to R277.6, YTD Budget is R285.2 million. Equitable share is an unconditional grant therefore monies receive are recognized as revenue on receipt whereas operational conditional grants are recognized as revenue when conditions being met as per the set guidelines. Council should note that the variance of R7.6 million will be processed in period 13 considering year end transactions.

### **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 R9.5 million, YTD budget is R7 million, 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 earned on arrear debtors to date is R34.6 million, R5.9 million more compared to the YTD budget of R28.7 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. The annual projected revenue is R6 million, with the YTD actual of R5.3 million compared to the YTD budget of R6 million. License applications and renewals in the 4<sup>th</sup> quarter have performed according to revenue projections for this quarter with a slight variance of R681 thousand as revenue from agency services decreased in the last quarter.

## **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 R29.6 million. The YTD actual is R23.9 million with a YTD budget of R29.6 million, there is a 19% variance in YTD actual versus YTD budget. Fines are issued as and when infringements occur as per the municipal by laws and the budget is straight lined across 12 months which results in the variance between the budget and actual fines issued.

## **Licenses and Permits**

Licenses and permits actual to date amounts to R8.3 million as of 30 June 2023, YTD Budget is R9.9 million which is in line with the revenue projections for the 4<sup>th</sup> quarter.

## **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 and garages. YTD actual of R4.3 million YTD budget of R3.7 million which is in line with the revenue projections for the 4<sup>th</sup> quarter.

## **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 R17.8 million, YTD Budget is R40.5 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 is R1.07 billion for the period ending 30 June 2023, YTD Budget is 1.1 billion. Actual amount is less than the Budget amount, this variance is caused by the difference within the different revenue streams and how they have been performing from the beginning of the financial year to date as reported above.

| BUDGET IMPLEMENTATION  |   |            |   |               |               |
|--|---|------------|---|---------------|---------------|
| RATIO  | DATA SOURCE   | NORM/RANGE | INPUT DESCRIPTION                                 | 2022/2023     | 2021/2022     |
| Operating Revenue Budget Implementation Indicator                          | Actual Operating Revenue / Budget Operating Revenue x 100   | 95% - 100% |   | 94%           | 96%           |
|  |   |            | Actual Operating Revenue                          | 1 075 247 958 | 1 075 591 532 |
|  |   |            | YTD Budget Operating Revenue                      | 1 139 734 584 | 1 126 041 541 |
| 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% |   | 95%           | 95%           |
|  |   |            | Actual Service Charges and Property Rates Revenue | 693 589 551   | 679 418 841   |
|  |   |            | Budget Service Charges and Property Rates Revenue | 728 808 966   | 713 971 917   |

## 5.3 Expenditure by Type

**KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter**

| Vote Description                | Ref | 2021/22          | Budget Year 2022/23 |                  |                   |                  |                  |                  |                |                    |
|---------------------------------|-----|------------------|---------------------|------------------|-------------------|------------------|------------------|------------------|----------------|--------------------|
|                                 |     | Audited Outcome  | Original Budget     | Adjusted Budget  | Quarter 4 Actuals | 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             | 462 586          | 115 345           | 459 649          | 462 586          | (2 938)          | -1%            | 462 586            |
| Remuneration of councillors     |     | 26 249           | 31 434              | 31 434           | 7 262             | 29 567           | 31 434           | (1 867)          | -6%            | 31 434             |
| Debt impairment                 |     | 34 456           | 9 984               | 9 984            | 1 807             | 7 794            | 9 984            | (2 190)          | -22%           | 9 984              |
| Depreciation & asset impairment |     | 93 859           | 101 619             | 101 619          | 7 517             | 75 168           | 101 619          | (26 451)         | -26%           | 101 619            |
| Finance charges                 |     | 19 931           | 12 922              | 12 902           | 345               | 1 359            | 12 902           | (11 543)         | -89%           | 12 902             |
| Bulk purchases - electricity    |     | 122 720          | 137 074             | 137 074          | 26 899            | 107 470          | 137 074          | (29 604)         | -22%           | 137 074            |
| Inventory consumed              |     | 13 825           | 12 735              | 12 878           | 2 053             | 11 645           | 12 878           | (1 233)          | -10%           | 12 878             |
| Contracted services             |     | 213 910          | 244 881             | 230 936          | 57 244            | 202 779          | 230 936          | (28 157)         | -12%           | 230 936            |
| Transfers and subsidies         |     | 9 890            | 13 178              | 13 078           | 7 028             | 10 721           | 13 078           | (2 357)          | -18%           | 13 078             |
| Other expenditure               |     | 143 732          | 160 480             | 158 207          | 44 538            | 137 754          | 158 207          | (20 453)         | -13%           | 158 207            |
| Losses                          |     | 491              | -                   | -                | 197               | 197              | -                | 197              | #DIV/0!        | -                  |
| <b>Total Expenditure</b>        |     | <b>1 125 063</b> | <b>1 171 585</b>    | <b>1 170 699</b> | <b>270 234</b>    | <b>1 044 102</b> | <b>1 170 699</b> | <b>(126 596)</b> | <b>-11%</b>    | <b>1 170 699</b>   |

## Employee related costs and Remuneration of Councillors

The 4<sup>th</sup> quarter ended 30 June 2023 YTD Budget is 462.5 million with the YTD Actual being R459.6 million which is in line with the expenditure projections for the 4<sup>th</sup> quarter. Employee related cost is further detailed in table 5.8 Salaries expenditure details. Remuneration of councillors actual expenditure is sitting at R29.5 million with YTD Budget of R31.4 million which is in line with the expenditure projections for the 4<sup>th</sup> quarter.

## 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 30 June 2023 amounts to R202.8 million, The YTD Budget is R230.9 million and YTD Variance is R28.2 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 14.9 million.

### **Other Materials**

YTD Inventory consumed amounts to R11.6 million as of 30 June 2023 with the YTD Budget being R12.8 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 R137.8 million, YTD Budget is R158.2 million and there is a 13% 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**

Depreciation and asset impairment expenditure amount of R75.2 million to date from the beginning of the year. The year-to-date budget is R101.6 million, resulting in a variance of 26%. Depreciation for May and June was not processed on the financial system because Assets Management section is busy with asset verifications and finalizing the Fixed Assets Register and transactions will be posted for year-end adjustment.

### **Debt Impairment**

Debt impairment has an annual budget of R9.9 million and YTD budget of R9.9 million, actual YTD R7.7 million for the 4<sup>th</sup> quarter ended 30 June 2023. The R2.7 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 with the jurisdiction of Ray Nkonyeni Municipality. The annual budget for transfers and subsidies is R13.1 million and YTD expenditure is R10.7 million, the R2.3 million variance is due to the delays in appointment of a service provider to facilitate the SMME development programs.

### **Overall expenditure budget**

The overall expenditure YTD Actual is R1.04 billion as of 30 June 2023, YTD Budget is R1.17 billion. The actual amount is less than budget amount, due to the different types of expenditure and how they have been performing based on the reasons above such as contracted services having projects that have not yet been implemented.

## Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R31.4 million compared to the YTD Budget (Deficit) of R30.9 million due to less spending to date.

## 5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

| Description   | NT Code     | Budget Year 2022/23 |              |               |               |               |               |               |                |                | Total          | Total over 90 days |
|---|-------------|---------------------|--------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|--------------------|
|   |             | 0-30 Days           | 31-60 Days   | 61-90 Days    | 91-120 Days   | 121-150 Days  | 151-180 Days  | 181 Days-1 Yr | Over 1Yr       |                |                |                    |
| <b>R thousands</b>  |             |                     |              |               |               |               |               |               |                |                |                |                    |
| <b>Debtors Age Analysis By Income Source</b>                            |             |                     |              |               |               |               |               |               |                |                |                |                    |
| Trade and Other Receivables from Exchange Transactions - Water          | 1200        | 34                  | 20           | 36            | 34            | 35            | 35            | 34            | 38             | 267            | 177            |                    |
| Trade and Other Receivables from Exchange Transactions - Electricity    | 1300        | 15 673              | 6 132        | 1 787         | 1 151         | 986           | 690           | 679           | 808            | 27 905         | 4 314          |                    |
| Receivables from Non-exchange Transactions - Property Rates             | 1400        | 1 836               | 177          | 12 273        | 10 331        | 9 264         | 8 522         | 7 978         | 7 837          | 58 218         | 43 932         |                    |
| Receivables from Exchange Transactions - Waste Water Management         | 1500        | -                   | -            | -             | -             | -             | -             | -             | -              | -              | -              |                    |
| Receivables from Exchange Transactions - Waste Management               | 1600        | 27                  | 4            | 2 111         | 1 789         | 1 617         | 1 493         | 1 363         | 1 285          | 9 689          | 7 546          |                    |
| Receivables from Exchange Transactions - Property Rental Debtors        | 1700        | -                   | -            | -             | -             | -             | -             | -             | -              | -              | -              |                    |
| Interest on Arrear Debtor Accounts                                      | 1810        | 19 468              | 3 087        | 3 048         | 2 955         | 2 881         | 2 797         | 2 712         | 2 640          | 39 588         | 13 984         |                    |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820        | -                   | -            | -             | -             | -             | -             | -             | -              | -              | -              |                    |
| Other   | 1900        | 753                 | 76           | 124           | 1 080         | 90            | 235           | 105           | 1 571          | 4 034          | 3 081          |                    |
| <b>Total By Income Source</b>   | <b>2000</b> | <b>37 790</b>       | <b>9 498</b> | <b>19 378</b> | <b>17 340</b> | <b>14 873</b> | <b>13 773</b> | <b>12 870</b> | <b>14 179</b>  | <b>139 700</b> | <b>73 035</b>  |                    |
| <b>2022/23 - totals only</b>  |             | <b>19 230</b>       | <b>8 433</b> | <b>17 433</b> | <b>15 262</b> | <b>13 630</b> | <b>12 355</b> | <b>66 291</b> | <b>310 723</b> | <b>463 357</b> | <b>418 260</b> |                    |
| <b>Debtors Age Analysis By Customer Group</b>                           |             |                     |              |               |               |               |               |               |                |                |                |                    |
| Organs of State   | 2200        | 2 696               | 710          | 766           | 794           | 714           | 668           | 702           | 674            | 7 723          | 3 552          |                    |
| Commercial  | 2300        | 13 207              | 4 192        | 4 304         | 3 538         | 3 270         | 2 929         | 2 668         | 4 502          | 38 610         | 16 907         |                    |
| Households  | 2400        | 21 888              | 4 594        | 14 309        | 13 008        | 10 889        | 10 176        | 9 501         | 9 002          | 93 366         | 52 576         |                    |
| Other   | 2500        | -                   | -            | -             | -             | -             | -             | -             | -              | -              | -              |                    |
| <b>Total By Customer Group</b>  | <b>2600</b> | <b>37 790</b>       | <b>9 498</b> | <b>19 378</b> | <b>17 340</b> | <b>14 873</b> | <b>13 773</b> | <b>12 870</b> | <b>14 179</b>  | <b>139 700</b> | <b>73 035</b>  |                    |

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

## 5.5. Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

| Description                                    | NT Code     | Budget Year 2022/23 |              |              |               |                |                |                   |             | Total        |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|--------------|
|  |             | 0 - 30 Days         | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year |              |
| <b>R thousands</b>                             |             |                     |              |              |               |                |                |                   |             |              |
| <b>Creditors Age Analysis By Customer Type</b> |             |                     |              |              |               |                |                |                   |             |              |
| Bulk Electricity                               | 0100        | -                   | -            | -            | -             | -              | -              | -                 | -           | -            |
| Bulk Water                                     | 0200        | -                   | -            | -            | -             | -              | -              | -                 | -           | -            |
| PAYE deductions                                | 0300        | -                   | -            | -            | -             | -              | -              | -                 | -           | -            |
| VAT (output less input)                        | 0400        | -                   | -            | -            | -             | -              | -              | -                 | -           | -            |
| Pensions / Retirement deductions               | 0500        | -                   | -            | -            | -             | -              | -              | -                 | -           | -            |
| Loan repayments                                | 0600        | -                   | -            | -            | -             | -              | -              | -                 | -           | -            |
| Trade Creditors                                | 0700        | 6 479               | -            | -            | -             | -              | -              | -                 | -           | 6 479        |
| Auditor General                                | 0800        | -                   | -            | -            | -             | -              | -              | -                 | -           | -            |
| Other  | 0900        | -                   | -            | -            | -             | -              | -              | -                 | -           | -            |
| <b>Total By Customer Type</b>                  | <b>1000</b> | <b>6 479</b>        | <b>-</b>     | <b>-</b>     | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>          | <b>-</b>    | <b>6 479</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) - Q4   |     |                 |                 |                     |                   |               |               |              |                |                    |
|--|-----|-----------------|-----------------|---------------------|-------------------|---------------|---------------|--------------|----------------|--------------------|
| Vote Description   | Ref | 2021/22         |                 | Budget Year 2022/23 |                   |               |               |              |                |                    |
|  |     | Audited Outcome | Original Budget | Adjusted Budget     | Quarter 4 Actuals | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| <b>R thousands</b>   | 1   |                 |                 |                     |                   |               |               |              |                |                    |
| <b>Multi-Year expenditure appropriation</b>  | 2   |                 |                 |                     |                   |               |               |              |                |                    |
| Vote 1 - Mayor and Council   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 2 - Finance and Administration  |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 3 - Internal Audit  |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 4 - Community and Social Services   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 5 - Sport and Recreation  |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 6 - Public Safety   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 7 - Housing   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 8 - Health  |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 9 - Planning and Development  |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 10 - Road Transport   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 11 - Environment Protection   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 12 - Energy Sources   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 13 - Other  |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 14 - Waste Water Management   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 15 - Waste Management   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| <b>Total Capital Multi-year expenditure</b>  | 4,7 | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| <b>Single Year expenditure appropriation</b>   | 2   |                 |                 |                     |                   |               |               |              |                |                    |
| Vote 1 - Mayor and Council   |     | 130             | -               | 400                 | 190               | 298           | 400           | (102)        | -25%           | 400                |
| Vote 2 - Finance and Administration  |     | 21 374          | 3 075           | 6 125               | 3 309             | 3 973         | 6 125         | (2 152)      | -35%           | 6 125              |
| Vote 3 - Internal Audit  |     | 115             | 185             | 185                 | 80                | 130           | 185           | (55)         | -30%           | 185                |
| Vote 4 - Community and Social Services   |     | 5 881           | 200             | -                   | 195               | 195           | -             | 195          | #DIV/0!        | -                  |
| Vote 5 - Sport and Recreation  |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 6 - Public Safety   |     | 7 014           | 5 440           | 2 675               | 21                | 1 622         | 2 675         | (1 053)      | -39%           | 2 675              |
| Vote 7 - Housing   |     | 115             | 273             | 353                 | 119               | 328           | 353           | (25)         | -7%            | 353                |
| Vote 8 - Health  |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 9 - Planning and Development  |     | 93 515          | 99 409          | 131 567             | 35 084            | 112 652       | 131 567       | (18 916)     | -14%           | 131 567            |
| Vote 10 - Road Transport   |     | 51 752          | 55 006          | 68 963              | 35 920            | 78 712        | 68 963        | 9 749        | 14%            | 68 963             |
| Vote 11 - Environment Protection   |     | -               | -               | 500                 | 389               | 389           | 500           | (111)        | -22%           | 500                |
| Vote 12 - Energy Sources   |     | 2 599           | 15 348          | 15 380              | 5 864             | 13 308        | 15 380        | (2 072)      | -13%           | 15 380             |
| Vote 13 - Other  |     | 3 108           | -               | 800                 | 286               | 286           | 800           | (514)        | -64%           | 800                |
| Vote 14 - Waste Water Management   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Vote 15 - Waste Management   |     | 2 052           | 1 804           | 3 807               | 3 075             | 3 957         | 3 807         | 150          | 4%             | 3 807              |
| <b>Total Capital single-year expenditure</b>   | 4   | 187 654         | 180 739         | 230 756             | 84 531            | 215 849       | 230 756       | (14 907)     | -6%            | 230 756            |
| <b>Total Capital Expenditure</b>   |     | 187 654         | 180 739         | 230 756             | 84 531            | 215 849       | 230 756       | (14 907)     | -6%            | 230 756            |
| <b>Capital Expenditure - Functional Classification</b>   |     |                 |                 |                     |                   |               |               |              |                |                    |
| <b>Governance and administration</b>   |     | 21 675          | 3 280           | 6 740               | 3 602             | 4 423         | 6 740         | (2 317)      | -34%           | 6 740              |
| Executive and council  |     | 186             | 20              | 430                 | 213               | 320           | 430           | (110)        | -26%           | 430                |
| Finance and administration   |     | 21 397          | 3 075           | 6 125               | 3 309             | 3 973         | 6 125         | (2 152)      | -35%           | 6 125              |
| Internal audit   |     | 92              | 185             | 185                 | 80                | 130           | 185           | (55)         | -30%           | 185                |
| <b>Community and public safety</b>   |     | 12 521          | 5 813           | 2 728               | 185               | 1 995         | 2 728         | (732)        | -27%           | 2 728              |
| Community and social services  |     | 5 881           | 200             | -                   | 195               | 195           | -             | 195          | #DIV/0!        | -                  |
| Sport and recreation   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Public safety  |     | 6 525           | 5 340           | 2 375               | (128)             | 1 473         | 2 375         | (902)        | -38%           | 2 375              |
| Housing  |     | 115             | 273             | 353                 | 119               | 328           | 353           | (25)         | -7%            | 353                |
| Health   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| <b>Economic and environmental services</b>   |     | 145 700         | 154 495         | 201 301             | 71 519            | 191 879       | 201 301       | (9 422)      | -5%            | 201 301            |
| Planning and development   |     | 93 459          | 99 389          | 131 537             | 35 062            | 112 630       | 131 537       | (18 908)     | -14%           | 131 537            |
| Road transport   |     | 52 241          | 55 106          | 69 263              | 36 069            | 78 861        | 69 263        | 9 598        | 14%            | 69 263             |
| Environmental protection   |     | -               | -               | 500                 | 389               | 389           | 500           | (111)        | -22%           | 500                |
| <b>Trading services</b>  |     | 4 650           | 17 152          | 19 188              | 8 939             | 17 265        | 19 188        | (1 922)      | -10%           | 19 188             |
| Energy sources   |     | 2 599           | 15 348          | 15 380              | 5 864             | 13 308        | 15 380        | (2 072)      | -13%           | 15 380             |
| Water management   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Waste water management   |     | -               | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| Waste management   |     | 2 052           | 1 804           | 3 807               | 3 075             | 3 957         | 3 807         | 150          | 4%             | 3 807              |
| <b>Other</b>   |     | 3 108           | -               | 800                 | 286               | 286           | 800           | (514)        | -64%           | 800                |
| <b>Total Capital Expenditure - Functional Classification</b>   | 3   | 187 654         | 180 739         | 230 756             | 84 531            | 215 849       | 230 756       | (14 907)     | -6%            | 230 756            |
| <b>Funded by:</b>  |     |                 |                 |                     |                   |               |               |              |                |                    |
| National Government  |     | 123 164         | 115 052         | 131 661             | 30 151            | 130 437       | 131 661       | (1 224)      | -1%            | 131 661            |
| Provincial Government  |     | 4 618           | -               | 36 415              | 16 596            | 31 512        | 36 415        | (4 903)      | -13%           | 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          | -               | -                   | -                 | -             | -             | -            | -              | -                  |
| <b>Transfers recognised - capital</b>  |     | 138 668         | 115 052         | 168 076             | 46 747            | 161 949       | 168 076       | (6 127)      | -4%            | 168 076            |
| <b>Borrowing</b>   | 6   | 1 867           | 7 166           | 7 976               | 4 135             | 6 094         | 7 976         | (1 882)      | -24%           | 7 976              |
| <b>Internally generated funds</b>  |     | 33 256          | 58 521          | 54 704              | 33 649            | 47 806        | 54 704        | (6 898)      | -13%           | 54 704             |
| <b>Total Capital Funding</b>   |     | 173 791         | 180 739         | 230 756             | 84 531            | 215 849       | 230 756       | (14 907)     | -6%            | 230 756            |

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R215.8 million, the YTD budgeted is R230.7 million and there is 6% variance. Capital expenditure from National grants is in line with the budgeted expenditure and there are

projects that are ahead of schedule resulting in the YTD actual being greater than that of the YTD budget.

## 5.7 Transfers and Grants Receipts



**KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER**

| KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER<br>JUNE 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 76 887 753                                      |                    | R 4 472 247           |
| NEIGHBOURHOOD GRANT  | R -                   | R 46 000 000         | R -   | R 45 291 368                                      |                    | R 708 632             |
| ENERGY EFFICIENT & DEMAND SIDE MANAGEMENT                    |                       | R 5 000 000          | R 4 968 488   |   |                    | R 31 512              |
| EXPANDED PUBLIC WORKS PROGRAMME (EPWP)                       | R -                   | R 6 076 000          | R 6 121 991   |   | R 45 991           | R -                   |
| MUNICIPAL DISASTER RESPONSE                                  | R 8 100 000           | R 11 000 000         | R -   | R 18 642 389                                      |                    | R 457 611             |
| INTERMODAL FACILITIES GRANT                                  | R -                   | R 30 000 000         | R -   | R 29 986 410                                      |                    | R 13 590              |
| INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)         | R -                   | R 5 332 000          | R 5 005 480   |   |                    | R 326 520             |
| FINANCIAL MANAGEMENT GRANT (FMG)                             | R -                   | R 1 950 000          | R 1 881 727   |   |                    | R 68 273              |
| PROVINCIALIZATION OF LIBRARY GRANT                           | R -                   | R 12 418 000         | R 18 004 176  |   | R 5 586 176        | R -                   |
| CYBER CADET GRANT  | R -                   | R 1 778 000          | R 1 778 000   |   |                    | R -                   |
| COMMUNITY LIBRARIES GRANT (MOB)                              | R -                   | R 324 000            | R 324 000   |   |                    | R -                   |
| MUSEUM GRANT   | R -                   | R 449 000            | R 2 476 223   |   | R 2 027 223        | R -                   |
| MODULAR LIBRARIES GRANT                                      | R 272 452             | R -                  | R 272 452   |   |                    | R 0                   |
| AIRPORT GRANT  | R -                   | R 5 000 000          |   | R 1 236 627                                       |                    | R 3 763 374           |
| EDT-INFORMAL TRADERS GRANT                                   | R -                   | R 1 000 000          | 1 000 000.00  |   |                    | R -                   |
| COGTA ELECT GRANT  | R 784 811             | R -                  | R -   |   |                    | R 784 811             |
| MARKET STALLS GRANT  | R 7 003 970           | R -                  |   | R 4 512 767                                       |                    | R 2 491 202           |
| <b>TOTAL</b>   | <b>R 16 161 232</b>   | <b>R 207 687 000</b> | <b>R 41 832 538</b>                                 | <b>R 176 557 314</b>                              | <b>R 7 659 390</b> | <b>R 13 117 771</b>   |

## Transfers and Grants Receipts

The total grants received to date for period ending 30 June 2023 amounts to R207.7 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<br>JUNE 2023 |                       |                      |   |   |                    |                       |
|--|-----------------------|----------------------|---|---|--------------------|-----------------------|
| Name of grant  | Opening Balance as at | Receipts             | Expenditure: Operating<br>(Revenue<br>Recognised)/GRAP 23 | Expenditure: Capital<br>(Revenue<br>Recognised)/GRAP 23 | Internally Funded  | Closing Balance as at |
| INTEGRATED URBAN DEVELOPMENT (IUDG)                          |                       | R 81 360 000         | R -   | R 76 887 753  |                    | R 4 472 247           |
| NEIGHBOURHOOD GRANT  | R -                   | R 46 000 000         | R -   | R 45 291 368  |                    | R 708 632             |
| ENERGY EFFICIENT & DEMAND SIDE MANAGEMENT                    |                       | R 5 000 000          | R 4 968 488   |   |                    | R 31 512              |
| EXPANDED PUBLIC WORKS PROGRAMME (EPWP)                       | R -                   | R 6 076 000          | R 6 121 991   |   | R 45 991           | R -                   |
| MUNICIPAL DISASTER RESPONSE                                  | R 8 100 000           | R 11 000 000         | R -   | R 18 642 389  |                    | R 457 611             |
| INTERMODAL FACILITIES GRANT                                  | R -                   | R 30 000 000         | R -   | R 29 986 410  |                    | R 13 590              |
| INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)         | R -                   | R 5 332 000          | R 5 005 480   |   |                    | R 326 520             |
| FINANCIAL MANAGEMENT GRANT (FMG)                             | R -                   | R 1 950 000          | R 1 881 727   | R -   |                    | R 68 273              |
| PROVINCIALIZATION OF LIBRARY GRANT                           | R -                   | R 12 418 000         | R 18 004 176  | R -   | R 5 586 176        |                       |
| CYBER CADET GRANT  | R -                   | R 1 778 000          | R 1 778 000   | R -   |                    | R -                   |
| COMMUNITY LIBRARIES GRANT (MOB)                              | R -                   | R 324 000            | R 324 000   | R -   |                    | R -                   |
| MUSEUM GRANT   | R -                   | R 449 000            | R 2 476 223   |   | R 2 027 223        |                       |
| MODULAR LIBRARIES GRANT                                      | R 272 452             | R -                  | R 272 452   | R -   |                    | R 0                   |
| AIRPORT GRANT  | R -                   | R 5 000 000          |   | R 1 236 627   |                    | R 3 763 374           |
| EDT-INFORMAL TRADERS GRANT                                   | R -                   | R 1 000 000          | R 1 000 000.00  |   |                    | R -                   |
| COGTA ELECT GRANT  | R 784 811             | R -                  | R -   | R -   |                    | R 784 811             |
| MARKET STALLS GRANT  | R 7 003 970           | R -                  | R -   | R 4 512 767   |                    | R 2 491 202           |
| <b>TOTAL</b>   | <b>R 16 161 232</b>   | <b>R 207 687 000</b> | <b>R 41 832 538</b>                                       | <b>R 176 557 314</b>                                    | <b>R 7 659 390</b> | <b>R 13 117 771</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 30 June 2023, Operating and Capital Expenditure has a closing balance of R13.1 million, with YTD spending of R42 million and R176.6 million, for operational grants and capital grants respectively.

### Grant 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 30 June 2023 is R76.9 million and has been spent on various capital projects.

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

An amount of R6.079 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 30 June 2023 is R6.122 million with an expenditure of R 46 thousand funded internally.

- **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 30 June 2023 is R45.291 million.

- **Integrated National Electrification Programme Grant (INEP)**

The total allocation for the 2022/23 financial year is R5.3 million and R5.3 million has been received. YTD expenditure as at the ended of the 4th quarter for the three projects budgeted for with funding from INEP is R5 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 30 June 2023 is R1.881 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 a capital grant and the YTD actual for the period ended 30 June 2023 amounts to R 18.642 against total budget of R19.1 million.

## 5.8 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter

| Summary of Employee and Councillor remuneration          | Ref | Budget Year 2022/23     |                 |                 |                   |                |                |                |                |                    |
|--|-----|-------------------------|-----------------|-----------------|-------------------|----------------|----------------|----------------|----------------|--------------------|
|  |     | 2021/22 Audited Outcome | Original Budget | Adjusted Budget | Quarter 4 Actuals | 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> | 1   |                         |                 |                 |                   |                |                |                |                |                    |
| Basic Salaries and Wages                                 |     | 23 352                  | 28 393          | 28 393          | 6 541             | 26 688         | 28 393         | (1 705)        | -6%            | 28 393             |
| Pension and UIF Contributions                            |     | -                       | -               | -               | -                 | -              | -              | -              | -              | -                  |
| Medical Aid Contributions                                |     | -                       | -               | -               | -                 | -              | -              | -              | -              | -                  |
| Motor Vehicle Allowance                                  |     | -                       | -               | -               | -                 | -              | -              | -              | -              | -                  |
| Cellphone Allowance                                      |     | 2 897                   | 3 042           | 3 042           | 721               | 2 880          | 3 042          | (162)          | -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>7 262</b>      | <b>29 567</b>  | <b>31 434</b>  | <b>(1 867)</b> | <b>-6%</b>     | <b>31 434</b>      |
| % increase   | 4   |                         | 19.8%           | 19.8%           |                   |                |                |                |                | 19.8%              |
| <b>Senior Managers of the Municipality</b>               | 3   |                         |                 |                 |                   |                |                |                |                |                    |
| Basic Salaries and Wages                                 |     | 7 328                   | 4 393           | 3 537           | 749               | 3 766          | 3 537          | 229            | 6%             | 3 537              |
| Pension and UIF Contributions                            |     | 80                      | 189             | 192             | 28                | 146            | 192            | (47)           | -24%           | 192                |
| Medical Aid Contributions                                |     | 72                      | 78              | 230             | 37                | 198            | 230            | (32)           | -14%           | 230                |
| Overtime   |     | -                       | -               | -               | -                 | -              | -              | -              | -              | -                  |
| Performance Bonus  |     | 866                     | 1 059           | 1 059           | 960               | 960            | 1 059          | (98)           | -9%            | 1 059              |
| Motor Vehicle Allowance                                  |     | 495                     | 1 158           | 964             | 177               | 838            | 964            | (126)          | -13%           | 964                |
| Cellphone Allowance                                      |     | 109                     | 115             | 114             | 21                | 87             | 114            | (28)           | -24%           | 114                |
| Housing Allowances                                       |     | 1 425                   | 3 488           | 2 774           | 586               | 2 655          | 2 774          | (119)          | -4%            | 2 774              |
| Other benefits and allowances                            |     | 0                       | 0               | 1               | 0                 | 1              | 1              | 0              | 2%             | 1                  |
| Payments in lieu of leave                                |     | 239                     | -               | 332             | 48                | 326            | 332            | (6)            | -2%            | 332                |
| Long service awards                                      |     | -                       | -               | -               | -                 | -              | -              | -              | -              | -                  |
| Post-retirement benefit obligations                      |     | -                       | -               | -               | -                 | -              | -              | -              | -              | -                  |
| <b>Sub Total - Senior Managers of Municipality</b>       |     | <b>10 615</b>           | <b>10 481</b>   | <b>9 203</b>    | <b>2 607</b>      | <b>8 977</b>   | <b>9 203</b>   | <b>(227)</b>   | <b>-2%</b>     | <b>9 203</b>       |
| % increase   | 4   |                         | -1.3%           | -13.3%          |                   |                |                |                |                | -13.3%             |
| <b>Other Municipal Staff</b>                             | 2   |                         |                 |                 |                   |                |                |                |                |                    |
| Basic Salaries and Wages                                 |     | 275 568                 | 276 977         | 276 720         | 69 333            | 275 555        | 276 720        | (1 164)        | 0%             | 276 720            |
| Pension and UIF Contributions                            |     | 49 183                  | 51 553          | 52 154          | 12 586            | 50 765         | 52 154         | (1 389)        | -3%            | 52 154             |
| Medical Aid Contributions                                |     | 18 869                  | 20 813          | 20 384          | 5 290             | 20 276         | 20 384         | (108)          | -1%            | 20 384             |
| Overtime   |     | 18 959                  | 14 695          | 19 395          | 5 558             | 21 821         | 19 395         | 2 426          | 13%            | 19 395             |
| Performance Bonus  |     | 21 372                  | 23 805          | 21 807          | 4 832             | 21 997         | 21 807         | 190            | 1%             | 21 807             |
| Motor Vehicle Allowance                                  |     | 17 850                  | 18 637          | 19 154          | 4 959             | 18 911         | 19 154         | (242)          | -1%            | 19 154             |
| Cellphone Allowance                                      |     | 993                     | 1 046           | 1 125           | 254               | 1 021          | 1 125          | (104)          | -9%            | 1 125              |
| Housing Allowances                                       |     | 3 771                   | 3 946           | 4 125           | 1 103             | 4 152          | 4 125          | 28             | 1%             | 4 125              |
| Other benefits and allowances                            |     | 5 101                   | 3 006           | 6 259           | 1 492             | 5 444          | 6 259          | (814)          | -13%           | 6 259              |
| Payments in lieu of leave                                |     | 3 802                   | 4 200           | 13 591          | 5 599             | 23 498         | 13 591         | 9 907          | 73%            | 13 591             |
| Long service awards                                      |     | 5 254                   | 2 270           | 2 819           | 591               | 2 715          | 2 819          | (104)          | -4%            | 2 819              |
| Post-retirement benefit obligations                      |     | 14 654                  | 15 852          | 15 852          | 1 141             | 4 516          | 15 852         | (11 336)       | -72%           | 15 852             |
| <b>Sub Total - Other Municipal Staff</b>                 |     | <b>435 385</b>          | <b>436 798</b>  | <b>453 383</b>  | <b>112 738</b>    | <b>450 672</b> | <b>453 383</b> | <b>(2 711)</b> | <b>-1%</b>     | <b>453 383</b>     |
| % increase   | 4   |                         | 0.3%            | 4.1%            |                   |                |                |                |                | 4.1%               |
| <b>Total Parent Municipality</b>                         |     | <b>472 249</b>          | <b>478 713</b>  | <b>494 021</b>  | <b>122 607</b>    | <b>489 216</b> | <b>494 021</b> | <b>(4 805)</b> | <b>-1%</b>     | <b>494 021</b>     |

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

### Councillors Remuneration

An actual amount of R29.5 million has been spent to date on the remuneration of councilors compared to the budgeted amount of R31.4 million. This indicates a variance of R1.8 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 R8.9 million and a YTD budget of R9.2 million.

### Other Municipal Staff

The municipal staff year to date spending is sitting at R450.6 million against the year-to-date budget of R453.3 million with the variance being 1% and the variance is not material.

## 5.9 Long-term Loans

RAY NKONYENI MUNICIPALITY  
LONG TERM LOANS REGISTER : 30 JUNE 2023



| DETAILS                 | %      | REDEEMABLE | PROJECT NUMBER | CAPITAL OPENING<br>BALANCE<br>01 JUNE 2023 | LOAN<br>ADVANCE | LOAN<br>INTEREST<br>CHARGED | INTEREST<br>PAID | LOAN<br>REPAYMENT | CLOSING<br>BALANCE<br>30 JUNE 2023 |
|-------------------------|--------|------------|----------------|--|-----------------|-----------------------------|------------------|-------------------|------------------------------------|
|                         |        |            |                | R  |                 |                             |                  | R                 | R                                  |
| DBSA                    | 9.36%  | 31-Mar-31  | 61007684       | -R 3 024 802.24                            |                 | -R 70 586.45                |                  | R 139 629.50      | -R 2 955 759.19                    |
| DBSA                    | 12.67% | 22-Nov-30  | 61007761       | -R 8 037 020.62                            |                 | -R 253 835.09               |                  | R 414 268.04      | -R 7 876 587.67                    |
| <b>TOTAL DBSA LOANS</b> |        |            |                | -R 11 061 822.86                           | R -             | -R 324 421.54               | R -              | R 553 897.54      | -R 10 832 346.86                   |
| <b>TOTAL LOANS</b>      |        |            |                | -R 11 061 822.86                           | R -             | -R 324 421.54               | R -              | R 553 897.54      | -R 10 832 346.86                   |

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 R10.8 million as of 30 June 2023. The municipality is still able to make loan repayments as and when they fall due. The loan agreement from DBSA is spread across four years funding various capital projects.

### ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

| PROJECTS TO BE INCLUDED IN RNLB BUDGET                        | Year                  |                       |                       | 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         |                      |
|   |                       |                       |                       |                        |      |                      |                      |
| <b>Totals</b>   | <b>R 3,500,000.00</b> | <b>R 8,476,000.00</b> | <b>R 7,976,000.00</b> | <b>R 19,952,000.00</b> |      | <b>21,452,000.00</b> | <b>41,404,000.00</b> |



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

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

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

| DBSA LOAN RECEIPT AND EXPENDITURE RECONCILIATION       | 2020/2021             |                | 2021/2022             |                | 2022/2023             |                | Internally Funded |                 |
|--|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-------------------|-----------------|
|  | Expenditure 2020/2021 |                | Expenditure 2021/2022 |                | Expenditure 2022/2023 |                |                   |                 |
|  | Budget 2021           | Actual 2021    | Budget 2022           | Actual 2022    | Budget 2023           | Actual 2023    |                   |                 |
| Opening Balance  |                       |                |                       |                |                       |                |                   |                 |
| DBSA loan Advance Deposit                              |                       |                |                       |                |                       |                |                   |                 |
| Meter replacement DBSA funded                          | R 3 000 000.00        | R 1 795 400.22 | R 3 840 000.00        | R 3 813 014.36 | R 3 350 000.00        | R 1 992 079.32 |                   | R 7 600 493.90  |
| Network studies DBSA funded                            | R 500 000.00          | R 390 473.20   | R 500 004.00          | R 495 746.10   |                       |                |                   | R 886 219.30    |
| Cable Replacement DBSA funded                          |                       |                | R 1 000 000.00        |                | R 500 000.00          | R 575 000.00   |                   | R 575 000.00    |
| Inter switch replacements DBSA funded                  |                       |                | R 1 450 000.00        |                | R 1 965 000.00        | R 2 259 750.00 |                   | R 2 259 750.00  |
| Mini sub replacement DBSA funded                       |                       |                | R 1 250 000.00        |                | R 2 161 000.00        | R 2 179 892.64 |                   | R 2 179 892.64  |
| MEMORIAL & REYNOLDS SW/STA REFURB & REPLACE SWITCHGEAR |                       |                | R 2 776 000.00        |                |                       |                |                   |                 |
| Network studies DBSA funded                            |                       |                |                       |                |                       |                |                   |                 |
| Closing Balance  | R 3 500 000.00        | R 2 185 873.42 | R 10 816 004.00       | R 4 308 760.46 | R 7 976 000.00        | R 7 006 721.96 | R 1 525 355.84    | R 13 501 355.84 |

- A total of **R13 501 355.84** has been spent on the above-mentioned capital projects, a total of **R1 525 355.84** has been funded internally in the 2022/2023 financial year due to an additional draw down of the loan being received in new financial year in the month of July.

## 5.10 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q4 Fourth Quarter

| 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   |     | -1.4%           | 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%            | 2.8%          | 3.5%               |
| <b><u>Safety of Capital</u></b>                             |   |     |                 |                     |                 |               |                    |
| Debt to Equity  | Loans, Accounts Payable, Overdraft & Tax Provision/<br>Funds & Reserves                           |     | 15.4%           | 14.1%               | 14.7%           | 17.0%         | 14.7%              |
| Gearing   | Long Term Borrowing/ Funds & Reserves   |     | 0.0%            | 23.9%               | 0.0%            | 0.0%          | 0.0%               |
| <b><u>Liquidity</u></b>                                     |   |     |                 |                     |                 |               |                    |
| Current Ratio   | Current assets/current liabilities  | 1   | 182.7%          | 172.1%              | 181.7%          | 173.6%        | 181.7%             |
| Liquidity Ratio   | Monetary Assets/Current Liabilities   |     | 38.1%           | 35.9%               | 18.1%           | 27.8%         | 18.1%              |
| <b><u>Revenue Management</u></b>                            |   |     |                 |                     |                 |               |                    |
| Annual Debtors Collection Rate<br>(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%           | 56.5%         | 52.5%              |
| Longstanding Debtors Recovered                              | Debtors > 12 Mths Recovered/Total Debtors ><br>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<br>sold)/units purchased and generated         | 2   |                 |                     |                 |               |                    |
| Water Distribution Losses                                   | % Volume (units purchased and own source less units<br>sold)/Total units purchased and own source | 2   |                 |                     |                 |               |                    |
| Employee costs  | Employee costs/Total Revenue - capital revenue  |     | 41.2%           | 38.1%               | 40.6%           | 42.7%         | 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%               |
| <b><u>IDP regulation financial viability indicators</u></b> |   |     |                 |                     |                 |               |                    |
| i. Debt coverage  | (Total Operating Revenue - Operating Grants)/Debt<br>service payments due within financial year)  |     |                 |                     |                 |               |                    |
| ii. O/S Service Debtors to Revenue                          | Total outstanding service debtors/annual revenue<br>received for services                         |     |                 |                     |                 |               |                    |
| iii. Cost coverage  | (Available cash + Investments)/monthly fixed operational<br>expenditure                           |     |                 |                     |                 |               |                    |

The above table gives an overview of the financial indicators of the municipality for the 4th Quarter 30 June 2023.

## **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R10 832 346 as of 30 JUNE 2023.

## **Liquidity**

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

**Budgeted Current Ratio**: R 553 761 000/ R321 834 000 = **R1.72:1**

**Adjusted Budget Current Ratio**: R 672 978 815/R370 427 332 = **R1.82:1**

**Actual Current Ratio as 30 June 2023** R 727 879 967/ R421 011 493 = **R1.73:1**

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 R1.82: R1 ratio and the actual ratio as of 30 June 2023 is R1.73:1 which is still above the norm.

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

**Budgeted Acid test Ratio**: (R 553 761 000 - 3 301 000) / R321 834 000= **1.71:1**

**Adjusted Budget Acid test Ratio**: (R 672 978 815– 7 308 679)/ R370 427 332 = **1.80:1**

**Actual Acid test Ratio as 30 June 2023**: (R727 879 967–R5 563 788) / R421 011 493= **R1.72:1**

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 31/05/2023

| ACCOUNT NO   | INVESTMENT DETAILS   |  | CURRENT MONTH            |                              |                         |                      |                        | YTD                   |                                      |                      |                       |          |                        |                          |
|--------------|----------------------|--|--------------------------|------------------------------|-------------------------|----------------------|------------------------|-----------------------|--------------------------------------|----------------------|-----------------------|----------|------------------------|--------------------------|
|              |                      |  | MONTHLY OPENING BALANCES | INTEREST INVESTED 30/06/2023 | BANK CHARGES 30/06/2023 | DEPOSIT 30/06/2023   | WITHDRAWALS 30/06/2023 | CURRENT BALANCE       | INVESTMENT BALANCES AS AT 01/07/2022 | INTEREST             | BANK DEPOSITS         | CHARGES  | INVESTMENT WITHDRAWALS | BALANCE AS AT 30/06/2023 |
|              |                      |  |                          |                              |                         |                      |                        |                       |                                      |                      |                       |          |                        |                          |
| 378692984011 | STANDARD BANK - CALL | LOUISIANA HSG                                | 9 974 831.27             | 67 637.55                    | -                       | -                    | -                      | 10 042 468.82         | 9 388 400.89                         | 654 067.93           | -                     | -        | -                      | 10 042 468.82            |
| 378692984003 | STANDARD BANK - CALL | NZIMAKWE 1 HSG                               | 642 421.56               | 4 356.15                     | -                       | -                    | -                      | 646 777.71            | 604 652.95                           | 42 124.76            | -                     | -        | -                      | 646 777.71               |
| 378692984004 | STANDARD BANK - CALL | NZIMAKWE 2 HSG                               | 1 065 864.92             | 7 227.44                     | -                       | -                    | -                      | 1 073 092.36          | 1 003 201.65                         | 69 890.71            | -                     | -        | -                      | 1 073 092.36             |
| 378692984005 | STANDARD BANK - CALL | BHOBOYOI SUB-HSG                             | 338 450.80               | 2 294.97                     | -                       | -                    | -                      | 340 745.77            | 318 552.93                           | 22 192.84            | -                     | -        | -                      | 340 745.77               |
| 378692984006 | STANDARD BANK - CALL | BHOBOYOI EST-HSG                             | 12 629.84                | 49.83                        | -                       | -                    | -                      | 12 679.67             | 12 261.03                            | 418.64               | -                     | -        | -                      | 12 679.67                |
| 378692984007 | STANDARD BANK - CALL | DAMAGED HSES                                 | 80 499.40                | 350.67                       | -                       | -                    | -                      | 80 850.07             | 77 791.97                            | 3 058.10             | -                     | -        | -                      | 80 850.07                |
| 378692984008 | STANDARD BANK - CALL | UPLANDS HSG                                  | 80 417.90                | 350.31                       | -                       | -                    | -                      | 80 768.21             | 77 713.22                            | 3 054.99             | -                     | -        | -                      | 80 768.21                |
| 378692984009 | STANDARD BANK - CALL | MKHOLOMBE HSG                                | 1 509 415.75             | 10 235.08                    | -                       | -                    | -                      | 1 519 650.83          | 1 420 675.68                         | 98 975.15            | -                     | -        | -                      | 1 519 650.83             |
| 378692984010 | STANDARD BANK - CALL | AIDS PROJECT                                 | 150 069.65               | 1 017.60                     | -                       | -                    | -                      | 151 087.25            | 141 246.91                           | 9 840.34             | -                     | -        | -                      | 151 087.25               |
| 378692984012 | STANDARD BANK - CALL | MASINENGE HSG                                | 33 948 494.27            | 379 617.97                   | -                       | -                    | -                      | 34 328 112.24         | 32 183 664.01                        | 2 144 448.23         | -                     | -        | -                      | 34 328 112.24            |
| 378692984013 | STANDARD BANK - CALL | KWAMAVUNDLA HSG                              | 252 978.82               | 2 828.86                     | -                       | -                    | -                      | 255 807.68            | 239 827.57                           | 15 980.11            | -                     | -        | -                      | 255 807.68               |
| 378692984014 | STANDARD BANK - CALL | KWAXOLO HOUSING                              | 12 013 731.47            | 134 339.63                   | -                       | -                    | -                      | 12 148 071.10         | 11 389 191.33                        | 758 879.77           | -                     | -        | -                      | 12 148 071.10            |
| 378692984015 | STANDARD BANK - CALL | KWADWALANE HOUSING                           | 544 326.40               | 6 088.75                     | -                       | -                    | -                      | 550 415.15            | 516 029.30                           | 34 383.85            | -                     | -        | -                      | 550 415.15               |
|              |                      |  | 60 614 132.05            | 616 392.81                   | -                       | -                    | -                      | 61 230 524.86         | 44 328 712.21                        | 3 857 315.42         | -                     | -        | -                      | 61 230 524.86            |
| 74873852518  | INVESTEC - CALL      | MHOA (HOUSING DEVELOPMENT FUND)              | 14 050 460.41            | 90 935.73                    | -                       | -                    | -3 309 762.35          | 10 831 633.79         | 16 114 889.17                        | 973 993.69           | -                     | -        | -6 257 249.07          | 10 831 633.79            |
|              |                      |  | 14 050 460.41            | 90 935.73                    | -                       | -                    | -3 309 762.35          | 10 831 633.79         | 16 114 889.17                        | 973 993.69           | -                     | -        | -6 257 249.07          | 10 831 633.79            |
| 378692984016 | STANDARD BANK-CALL   | RNM- UNSPENT CONDITIONAL GRANTS              | 51 186.33                | 572.38                       | -                       | -                    | -                      | 51 758.71             | 48 525.35                            | 3 233.36             | -                     | -        | -                      | 51 758.71                |
| 378692984017 | STANDARD BANK-CALL   | RNM-ACCREDITATION FUNDS                      | 11 320.40                | 126.59                       | -                       | -                    | -                      | 11 446.99             | 10 731.88                            | 715.11               | -                     | -        | -                      | 11 446.99                |
|              |                      |  | 62 506.73                | 698.97                       | -                       | -                    | -                      | 63 205.70             | 59 257.23                            | 3 948.47             | -                     | -        | -                      | 63 205.70                |
| 62726614151  | FNB - CALL           | RNM - PRIMARY INVESTMENT A/C                 | 117 766 241.32           | 763 000.71                   | -                       | 21 500 000.00        | -132 500 000.00        | 7 529 242.03          | 47 140 857.71                        | 8 988 402.52         | 767 000 000.00        | -        | -815 600 018.20        | 7 529 242.03             |
|              |                      |  | 117 766 241.32           | 763 000.71                   | -                       | 21 500 000.00        | -132 500 000.00        | 7 529 242.03          | 47 140 857.71                        | 8 988 402.52         | 767 000 000.00        | -        | -815 600 018.20        | 7 529 242.03             |
| 74873852518  | FNB                  | FNB- 48 HOUR CASH ACCELERATOR                | 3 582 903.85             | 23 853.31                    | -                       | -                    | -                      | 3 606 757.16          | 3 376 881.86                         | 229 875.30           | -                     | -        | -                      | 3 606 757.16             |
|              |                      |  | 3 582 903.85             | 23 853.31                    | -                       | -                    | -                      | 3 606 757.16          | 3 376 881.86                         | 229 875.30           | -                     | -        | -                      | 3 606 757.16             |
| 037881000791 | NEDBANK              | RESERVES INVESTMENT ACCOUNT                  | 26 968 174.36            | 171 783.60                   | -                       | -                    | -                      | 27 139 957.96         | 25 800 000.00                        | 1 339 957.96         | -                     | -        | -                      | 27 139 957.96            |
|              |                      |  | 26 968 174.36            | 171 783.60                   | -                       | -                    | -                      | 27 139 957.96         | 25 800 000.00                        | 1 339 957.96         | -                     | -        | -                      | 27 139 957.96            |
|              |                      | <b>GRAND TOTAL RNM INVESTMENT + INTEREST</b> | <b>223 044 418.72</b>    | <b>1 666 665.13</b>          | <b>-</b>                | <b>21 500 000.00</b> | <b>-135 809 762.35</b> | <b>110 401 321.50</b> | <b>136 820 598.18</b>                | <b>15 393 493.36</b> | <b>767 000 000.00</b> | <b>-</b> | <b>-821 857 267.27</b> | <b>110 401 321.50</b>    |

The Investment register as of 30 June 2023 has the closing balance of R110.4 million, with R15.3 million total YTD interest earned from which R8.9 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 Quarterly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

| Description  | 2021/22          | Budget Year 2022/23 |                  |                   |                  |                  |                  |                |                    |
|--|------------------|---------------------|------------------|-------------------|------------------|------------------|------------------|----------------|--------------------|
|  | Audited Outcome  | Original Budget     | Adjusted Budget  | Quarter 4 Actuals | 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             | 492 118          | 36 870            | 480 199          | 492 118          | (11 919)         | -2%            | 492 118            |
| Service charges  | 214 942          | 253 618             | 236 691          | 45 175            | 213 390          | 236 691          | (23 301)         | -10%           | 236 691            |
| Investment revenue   | 5 182            | 5 397               | 7 067            | 3 153             | 9 505            | 7 067            | 2 438            | 35%            | 7 067              |
| Transfers and subsidies  | 257 075          | 285 102             | 285 279          | 4 079             | 277 636          | 285 279          | (7 643)          | -3%            | 285 279            |
| Other own revenue  | 141 612          | 131 888             | 118 573          | 26 198            | 94 517           | 118 573          | (24 055)         | -20%           | 118 573            |
| <b>Total Revenue (excluding capital transfers and contributions)</b>   | <b>1 083 288</b> | <b>1 174 628</b>    | <b>1 139 727</b> | <b>115 476</b>    | <b>1 075 248</b> | <b>1 139 727</b> | <b>(64 479)</b>  | <b>-6%</b>     | <b>1 139 727</b>   |
| Employee costs   | 446 000          | 447 279             | 462 586          | 115 345           | 459 649          | 462 586          | (2 938)          | -1%            | 462 586            |
| Remuneration of Councillors  | 26 249           | 31 434              | 31 434           | 7 262             | 29 567           | 31 434           | (1 867)          | -6%            | 31 434             |
| Depreciation & asset impairment  | 93 859           | 101 619             | 101 619          | 7 517             | 75 168           | 101 619          | (26 451)         | -26%           | 101 619            |
| Finance charges  | 19 931           | 12 922              | 12 902           | 345               | 1 359            | 12 902           | (11 543)         | -89%           | 12 902             |
| Inventory consumed and bulk purchases  | 136 545          | 149 809             | 149 951          | 28 951            | 119 115          | 149 951          | (30 837)         | -21%           | 149 951            |
| Transfers and subsidies  | 9 890            | 13 178              | 13 078           | 7 028             | 10 721           | 13 078           | (2 357)          | -18%           | 13 078             |
| Other expenditure  | 392 589          | 415 344             | 399 128          | 103 785           | 348 524          | 399 128          | (50 604)         | -13%           | 399 128            |
| <b>Total Expenditure</b>   | <b>1 125 063</b> | <b>1 171 585</b>    | <b>1 170 699</b> | <b>270 234</b>    | <b>1 044 102</b> | <b>1 170 699</b> | <b>(126 596)</b> | <b>-11%</b>    | <b>1 170 699</b>   |
| <b>Surplus/(Deficit)</b>   | <b>(41 775)</b>  | <b>3 043</b>        | <b>(30 971)</b>  | <b>(154 758)</b>  | <b>31 146</b>    | <b>(30 971)</b>  | <b>62 117</b>    | <b>-201%</b>   | <b>(30 971)</b>    |
| 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           | -                   | -                | -                 | -                | -                | -                | -              | -                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b>   | <b>(123 767)</b> | <b>(135 403)</b>    | <b>(162 316)</b> | <b>(134 487)</b>  | <b>(156 623)</b> | <b>(162 316)</b> | <b>(5 693)</b>   | <b>-4%</b>     | <b>(162 316)</b>   |
| Share of surplus/(deficit) of associate  | -                | -                   | -                | -                 | -                | -                | -                | -              | -                  |
| <b>Surplus/(Deficit) for the year</b>  | <b>(123 767)</b> | <b>(135 403)</b>    | <b>(162 316)</b> | <b>(134 487)</b>  | <b>(156 623)</b> | <b>(162 316)</b> | <b>(5 693)</b>   | <b>-4%</b>     | <b>(162 316)</b>   |
| <b>Capital expenditure &amp; funds sources</b>   |                  |                     |                  |                   |                  |                  |                  |                |                    |
| <b>Capital expenditure</b>   | <b>187 654</b>   | <b>180 739</b>      | <b>230 756</b>   | <b>84 531</b>     | <b>215 849</b>   | <b>230 756</b>   | <b>(14 907)</b>  | <b>-6%</b>     | <b>230 756</b>     |
| Capital transfers recognised   | 138 668          | 115 052             | 168 076          | 46 747            | 161 949          | 168 076          | (6 127)          | -4%            | 168 076            |
| Borrowing  | 1 867            | 7 166               | 7 976            | 4 135             | 6 094            | 7 976            | (1 882)          | -24%           | 7 976              |
| Internally generated funds   | 33 256           | 58 521              | 54 704           | 33 649            | 47 806           | 54 704           | (6 898)          | -13%           | 54 704             |
| <b>Total sources of capital funds</b>  | <b>173 791</b>   | <b>180 739</b>      | <b>230 756</b>   | <b>84 531</b>     | <b>215 849</b>   | <b>230 756</b>   | <b>(14 907)</b>  | <b>-6%</b>     | <b>230 756</b>     |
| <b>Financial position</b>  |                  |                     |                  |                   |                  |                  |                  |                |                    |
| Total current assets   | 630 629          | 553 761             | 672 729          |                   | 729 450          |                  |                  |                | 672 729            |
| Total non current assets   | 1 987 740        | 1 878 708           | 2 116 876        |                   | 2 128 421        |                  |                  |                | 2 116 876          |
| Total current liabilities  | 345 217          | 321 834             | 370 177          |                   | 420 208          |                  |                  |                | 370 177            |
| Total non current liabilities  | 191 699          | 150 842             | 176 331          |                   | 199 309          |                  |                  |                | 176 331            |
| Community wealth/Equity  | 2 081 453        | 1 959 793           | 2 243 097        |                   | 2 238 354        |                  |                  |                | 2 243 097          |
| <b>Cash Flow</b>   |                  |                     |                  |                   |                  |                  |                  |                |                    |
| Net cash from (used) operating   | 348 279          | 167 979             | 191 795          | (87 899)          | (87 899)         | (5 841)          | 81 058           | -1185%         | 191 795            |
| Net cash from (used) investing   | (185 208)        | (179 130)           | (237 264)        | (96 431)          | (96 431)         | (59 271)         | 39 160           | -66%           | (237 264)          |
| Net cash from (used) financing   | (35 009)         | (19 098)            | (19 098)         | (9 970)           | (9 970)          | 6 856            | 16 826           | 245%           | (19 098)           |
| Cash/cash equivalents at the month/year end  | 270 949          | 112 823             | 67 025           | -                 | (64 635)         | 72 335           | 136 971          | 189%           | 67 098             |
| <b>Debtors &amp; creditors analysis</b>  |                  |                     |                  |                   |                  |                  |                  |                |                    |
|  | 0-30 Days        | 31-60 Days          | 61-90 Days       | 91-120 Days       | 121-150 Dys      | 151-180 Dys      | 181 Dys-1 Yr     | Over 1Yr       | Total              |
| <b>Debtors Age Analysis</b>  |                  |                     |                  |                   |                  |                  |                  |                |                    |
| Total By Income Source   | 37 790           | 9 496               | 19 378           | 17 340            | 14 873           | 13 773           | 12 870           | 14 179         | 139 700            |
| <b>Creditors Age Analysis</b>  |                  |                     |                  |                   |                  |                  |                  |                |                    |
| Total Creditors  | 6 479            | -                   | -                | -                 | -                | -                | -                | -              | 6 479              |

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) - Q4 Fourth Quarter

| Vote Description   | Ref | Budget Year 2022/23           |                    |                    |                      |                  |                  |                  |                      |                       |
|--|-----|-------------------------------|--------------------|--------------------|----------------------|------------------|------------------|------------------|----------------------|-----------------------|
|  |     | 2021/22<br>Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Quarter 4<br>Actuals | YearTD actual    | YearTD<br>budget | YTD<br>variance  | YTD<br>variance<br>% | Full Year<br>Forecast |
| <b>R thousands</b>   |     |                               |                    |                    |                      |                  |                  |                  |                      |                       |
| <b>Revenue By Source</b>   |     |                               |                    |                    |                      |                  |                  |                  |                      |                       |
| Property rates   |     | 464 477                       | 498 623            | 492 118            | 36 870               | 480 199          | 492 118          | (11 919)         | -2%                  | 492 118               |
| Service charges - electricity revenue  |     | 157 558                       | 182 857            | 170 943            | 40 092               | 154 018          | 170 943          | (16 925)         | -10%                 | 170 943               |
| Service charges - water revenue  |     | -                             | -                  | -                  | -                    | -                | -                | -                | -                    | -                     |
| Service charges - sanitation revenue   |     | -                             | -                  | -                  | -                    | -                | -                | -                | -                    | -                     |
| Service charges - refuse revenue   |     | 57 384                        | 70 761             | 65 748             | 5 084                | 59 372           | 65 748           | (6 376)          | -10%                 | 65 748                |
| Rental of facilities and equipment   |     | 3 897                         | 2 610              | 3 710              | 1 322                | 4 399            | 3 710            | 689              | 19%                  | 3 710                 |
| Interest earned - external investments   |     | 5 182                         | 5 397              | 7 067              | 3 153                | 9 505            | 7 067            | 2 438            | 35%                  | 7 067                 |
| Interest earned - outstanding debtors  |     | 31 155                        | 24 389             | 28 719             | 8 788                | 34 645           | 28 719           | 5 927            | 21%                  | 28 719                |
| Dividends received   |     | -                             | -                  | -                  | -                    | -                | -                | -                | -                    | -                     |
| Fines, penalties and forfeits  |     | 30 190                        | 22 158             | 29 658             | 9 039                | 23 971           | 29 658           | (5 687)          | -19%                 | 29 658                |
| Licences and permits   |     | 8 138                         | 7 824              | 9 911              | 1 880                | 8 330            | 9 911            | (1 580)          | -16%                 | 9 911                 |
| Agency services  |     | 4 965                         | 4 894              | 6 044              | 1 442                | 5 363            | 6 044            | (681)            | -11%                 | 6 044                 |
| Transfers and subsidies  |     | 257 076                       | 285 102            | 285 279            | 4 079                | 277 636          | 285 279          | (7 643)          | -3%                  | 285 279               |
| Other revenue  |     | 55 569                        | 70 013             | 40 531             | 3 725                | 17 808           | 40 531           | (22 722)         | -56%                 | 40 531                |
| Gains  |     | 7 697                         | -                  | -                  | -                    | -                | -                | -                | -                    | -                     |
| <b>Total Revenue (excluding capital transfers and contributions)</b>   |     | <b>1 083 288</b>              | <b>1 174 628</b>   | <b>1 139 727</b>   | <b>115 476</b>       | <b>1 075 248</b> | <b>1 139 727</b> | <b>(64 479)</b>  | <b>-6%</b>           | <b>1 139 727</b>      |
| <b>Expenditure By Type</b>   |     |                               |                    |                    |                      |                  |                  |                  |                      |                       |
| Employee related costs   |     | 446 000                       | 447 279            | 462 586            | 115 345              | 459 649          | 462 586          | (2 938)          | -1%                  | 462 586               |
| Remuneration of councillors  |     | 26 249                        | 31 434             | 31 434             | 7 262                | 29 567           | 31 434           | (1 867)          | -6%                  | 31 434                |
| Debt impairment  |     | 34 456                        | 9 984              | 9 984              | 1 807                | 7 794            | 9 984            | (2 190)          | -22%                 | 9 984                 |
| Depreciation & asset impairment  |     | 93 859                        | 101 619            | 101 619            | 7 517                | 75 168           | 101 619          | (26 451)         | -26%                 | 101 619               |
| Finance charges  |     | 19 931                        | 12 922             | 12 902             | 345                  | 1 359            | 12 902           | (11 543)         | -89%                 | 12 902                |
| Bulk purchases - electricity   |     | 122 720                       | 137 074            | 137 074            | 26 899               | 107 470          | 137 074          | (29 604)         | -22%                 | 137 074               |
| Inventory consumed   |     | 13 825                        | 12 735             | 12 878             | 2 053                | 11 645           | 12 878           | (1 233)          | -10%                 | 12 878                |
| Contracted services  |     | 213 910                       | 244 881            | 230 936            | 57 244               | 202 779          | 230 936          | (28 157)         | -12%                 | 230 936               |
| Transfers and subsidies  |     | 9 890                         | 13 178             | 13 078             | 7 028                | 10 721           | 13 078           | (2 357)          | -18%                 | 13 078                |
| Other expenditure  |     | 143 732                       | 160 480            | 158 207            | 44 538               | 137 754          | 158 207          | (20 453)         | -13%                 | 158 207               |
| Losses   |     | 491                           | -                  | -                  | 197                  | 197              | -                | 197              | #DIV/0!              | -                     |
| <b>Total Expenditure</b>   |     | <b>1 125 063</b>              | <b>1 171 585</b>   | <b>1 170 699</b>   | <b>270 234</b>       | <b>1 044 102</b> | <b>1 170 699</b> | <b>(126 596)</b> | <b>-11%</b>          | <b>1 170 699</b>      |
| <b>Surplus/(Deficit)</b>   |     |                               |                    |                    |                      |                  |                  |                  |                      |                       |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)  |     | (41 775)                      | 3 043              | (30 971)           | (154 758)            | 31 146           | (30 971)         | 62 117           | (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  |     | 123 767                       | 135 403            | 162 316            | (134 487)            | 156 623          | 162 316          |                  |                      | 162 316               |
| Taxation   |     | -                             | -                  | -                  | -                    | -                | -                | -                | -                    | -                     |
| Surplus/(Deficit) after taxation   |     | 123 767                       | 135 403            | 162 316            | (134 487)            | 156 623          | 162 316          |                  |                      | 162 316               |
| Attributable to minorities   |     | -                             | -                  | -                  | -                    | -                | -                |                  |                      | -                     |
| Surplus/(Deficit) attributable to municipality   |     | 123 767                       | 135 403            | 162 316            | (134 487)            | 156 623          | 162 316          |                  |                      | 162 316               |
| Share of surplus/ (deficit) of associate   |     | -                             | -                  | -                  | -                    | -                | -                |                  |                      | -                     |
| <b>Surplus/ (Deficit) for the year</b>   |     | <b>123 767</b>                | <b>135 403</b>     | <b>162 316</b>     | <b>(134 487)</b>     | <b>156 623</b>   | <b>162 316</b>   |                  |                      | <b>162 316</b>        |

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

## 6.3 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4

| Vote Description   | Ref | Budget Year 2022/23     |                 |                 |                   |                |                |                 |                |                    |
|--|-----|-------------------------|-----------------|-----------------|-------------------|----------------|----------------|-----------------|----------------|--------------------|
|  |     | 2021/22 Audited Outcome | Original Budget | Adjusted Budget | Quarter 4 Actuals | YearTD actual  | YearTD budget  | YTD variance    | YTD variance % | Full Year Forecast |
| <b>R thousands</b>   | 1   |                         |                 |                 |                   |                |                |                 |                |                    |
| <b>Multi-Year expenditure appropriation</b>  | 2   |                         |                 |                 |                   |                |                |                 |                |                    |
| Vote 1 - Mayor and Council   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 2 - Finance and Administration  |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 3 - Internal Audit  |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 4 - Community and Social Services   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 5 - Sport and Recreation  |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 6 - Public Safety   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 7 - Housing   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 8 - Health  |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 9 - Planning and Development  |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 10 - Road Transport   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 11 - Environment Protection   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 12 - Energy Sources   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 13 - Other  |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 14 - Waste Water Management   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 15 - Waste Management   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| <b>Total Capital Multi-year expenditure</b>  | 4,7 | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| <b>Single Year expenditure appropriation</b>   | 2   |                         |                 |                 |                   |                |                |                 |                |                    |
| Vote 1 - Mayor and Council   |     | 130                     | -               | 400             | 190               | 298            | 400            | (102)           | -25%           | 400                |
| Vote 2 - Finance and Administration  |     | 21 374                  | 3 075           | 6 125           | 3 309             | 3 973          | 6 125          | (2 152)         | -35%           | 6 125              |
| Vote 3 - Internal Audit  |     | 115                     | 185             | 185             | 80                | 130            | 185            | (55)            | -30%           | 185                |
| Vote 4 - Community and Social Services   |     | 5 881                   | 200             | -               | 195               | 195            | -              | 195             | #DIV/0!        | -                  |
| Vote 5 - Sport and Recreation  |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 6 - Public Safety   |     | 7 014                   | 5 440           | 2 675           | 21                | 1 622          | 2 675          | (1 053)         | -39%           | 2 675              |
| Vote 7 - Housing   |     | 115                     | 273             | 353             | 119               | 328            | 353            | (25)            | -7%            | 353                |
| Vote 8 - Health  |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 9 - Planning and Development  |     | 93 515                  | 99 409          | 131 567         | 35 084            | 112 652        | 131 567        | (18 916)        | -14%           | 131 567            |
| Vote 10 - Road Transport   |     | 51 752                  | 55 006          | 68 963          | 35 920            | 78 712         | 68 963         | 9 749           | 14%            | 68 963             |
| Vote 11 - Environment Protection   |     | -                       | -               | 500             | 389               | 389            | 500            | (111)           | -22%           | 500                |
| Vote 12 - Energy Sources   |     | 2 599                   | 15 348          | 15 380          | 5 864             | 13 308         | 15 380         | (2 072)         | -13%           | 15 380             |
| Vote 13 - Other  |     | 3 108                   | -               | 800             | 286               | 286            | 800            | (514)           | -64%           | 800                |
| Vote 14 - Waste Water Management   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Vote 15 - Waste Management   |     | 2 052                   | 1 804           | 3 807           | 3 075             | 3 957          | 3 807          | 150             | 4%             | 3 807              |
| <b>Total Capital single-year expenditure</b>   | 4   | 187 654                 | 180 739         | 230 756         | 84 531            | 215 849        | 230 756        | (14 907)        | -6%            | 230 756            |
| <b>Total Capital Expenditure</b>   |     | <b>187 654</b>          | <b>180 739</b>  | <b>230 756</b>  | <b>84 531</b>     | <b>215 849</b> | <b>230 756</b> | <b>(14 907)</b> | <b>-6%</b>     | <b>230 756</b>     |
| <b>Capital Expenditure - Functional Classification</b>   |     |                         |                 |                 |                   |                |                |                 |                |                    |
| <b>Governance and administration</b>   |     | <b>21 675</b>           | <b>3 280</b>    | <b>6 740</b>    | <b>3 602</b>      | <b>4 423</b>   | <b>6 740</b>   | <b>(2 317)</b>  | <b>-34%</b>    | <b>6 740</b>       |
| Executive and council  |     | 186                     | 20              | 430             | 213               | 320            | 430            | (110)           | -26%           | 430                |
| Finance and administration   |     | 21 397                  | 3 075           | 6 125           | 3 309             | 3 973          | 6 125          | (2 152)         | -35%           | 6 125              |
| Internal audit   |     | 92                      | 185             | 185             | 80                | 130            | 185            | (55)            | -30%           | 185                |
| <b>Community and public safety</b>   |     | <b>12 521</b>           | <b>5 813</b>    | <b>2 728</b>    | <b>185</b>        | <b>1 995</b>   | <b>2 728</b>   | <b>(732)</b>    | <b>-27%</b>    | <b>2 728</b>       |
| Community and social services  |     | 5 881                   | 200             | -               | 195               | 195            | -              | 195             | #DIV/0!        | -                  |
| Sport and recreation   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Public safety  |     | 6 525                   | 5 340           | 2 375           | (128)             | 1 473          | 2 375          | (902)           | -38%           | 2 375              |
| Housing  |     | 115                     | 273             | 353             | 119               | 328            | 353            | (25)            | -7%            | 353                |
| Health   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| <b>Economic and environmental services</b>   |     | <b>145 700</b>          | <b>154 495</b>  | <b>201 301</b>  | <b>71 519</b>     | <b>191 879</b> | <b>201 301</b> | <b>(9 422)</b>  | <b>-5%</b>     | <b>201 301</b>     |
| Planning and development   |     | 93 459                  | 99 389          | 131 537         | 35 062            | 112 630        | 131 537        | (18 908)        | -14%           | 131 537            |
| Road transport   |     | 52 241                  | 55 106          | 69 263          | 36 069            | 78 861         | 69 263         | 9 598           | 14%            | 69 263             |
| Environmental protection   |     | -                       | -               | 500             | 389               | 389            | 500            | (111)           | -22%           | 500                |
| <b>Trading services</b>  |     | <b>4 650</b>            | <b>17 152</b>   | <b>19 188</b>   | <b>8 939</b>      | <b>17 265</b>  | <b>19 188</b>  | <b>(1 922)</b>  | <b>-10%</b>    | <b>19 188</b>      |
| Energy sources   |     | 2 599                   | 15 348          | 15 380          | 5 864             | 13 308         | 15 380         | (2 072)         | -13%           | 15 380             |
| Water management   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Waste water management   |     | -                       | -               | -               | -                 | -              | -              | -               | -              | -                  |
| Waste management   |     | 2 052                   | 1 804           | 3 807           | 3 075             | 3 957          | 3 807          | 150             | 4%             | 3 807              |
| <b>Other</b>   |     | <b>3 108</b>            | <b>-</b>        | <b>800</b>      | <b>286</b>        | <b>286</b>     | <b>800</b>     | <b>(514)</b>    | <b>-64%</b>    | <b>800</b>         |
| <b>Total Capital Expenditure - Functional Classification</b>   | 3   | <b>187 654</b>          | <b>180 739</b>  | <b>230 756</b>  | <b>84 531</b>     | <b>215 849</b> | <b>230 756</b> | <b>(14 907)</b> | <b>-6%</b>     | <b>230 756</b>     |
| <b>Funded by:</b>  |     |                         |                 |                 |                   |                |                |                 |                |                    |
| National Government  |     | 123 164                 | 115 052         | 131 661         | 30 151            | 130 437        | 131 661        | (1 224)         | -1%            | 131 661            |
| Provincial Government  |     | 4 618                   | -               | 36 415          | 16 596            | 31 512         | 36 415         | (4 903)         | -13%           | 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                  | -               | -               | -                 | -              | -              | -               | -              | -                  |
| <b>Transfers recognised - capital</b>  |     | <b>138 668</b>          | <b>115 052</b>  | <b>168 076</b>  | <b>46 747</b>     | <b>161 949</b> | <b>168 076</b> | <b>(6 127)</b>  | <b>-4%</b>     | <b>168 076</b>     |
| <b>Borrowing</b>   | 6   | 1 867                   | 7 166           | 7 976           | 4 135             | 6 094          | 7 976          | (1 882)         | -24%           | 7 976              |
| <b>Internally generated funds</b>  |     | <b>33 256</b>           | <b>58 521</b>   | <b>54 704</b>   | <b>33 649</b>     | <b>47 806</b>  | <b>54 704</b>  | <b>(6 898)</b>  | <b>-13%</b>    | <b>54 704</b>      |
| <b>Total Capital Funding</b>   |     | <b>173 791</b>          | <b>180 739</b>  | <b>230 756</b>  | <b>84 531</b>     | <b>215 849</b> | <b>230 756</b> | <b>(14 907)</b> | <b>-6%</b>     | <b>230 756</b>     |

This table provides an overview of actuals to date of the capital expenditure per department for the 4<sup>th</sup> Quarter ended 30 June 2023.

## 6.4 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter

| 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                                     |     | 10 470           | (6 528)             | (54 169)         | 20 099           | (54 169)           |
| Call investment deposits                 |     | 121 194          | 122 051             | 121 194          | 96 770           | 121 194            |
| Consumer debtors                         |     | 310 244          | 294 403             | 378 989          | 365 780          | 378 989            |
| Other debtors                            |     | 181 663          | 140 390             | 219 606          | 241 307          | 219 606            |
| Current portion of long-term receivables |     | -                | 143                 | -                | -                | -                  |
| Inventory                                |     | 7 058            | 3 301               | 7 109            | 5 494            | 7 109              |
| <b>Total current assets</b>              |     | <b>630 629</b>   | <b>553 761</b>      | <b>672 729</b>   | <b>729 450</b>   | <b>672 729</b>     |
| <b>Non current assets</b>                |     |                  |                     |                  |                  |                    |
| 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        | 1 817 930        | 1 805 164          |
| Biological                               |     | -                | -                   | -                | -                | -                  |
| Intangible                               |     | 857              | 2 436               | 1 697            | 475              | 1 697              |
| Other non-current assets                 |     | 2 205            | 2 071               | 2 205            | 2 205            | 2 205              |
| <b>Total non current assets</b>          |     | <b>1 987 740</b> | <b>1 878 708</b>    | <b>2 116 876</b> | <b>2 128 421</b> | <b>2 116 876</b>   |
| <b>TOTAL ASSETS</b>                      |     | <b>2 618 369</b> | <b>2 432 469</b>    | <b>2 789 605</b> | <b>2 857 871</b> | <b>2 789 605</b>   |
| <b>LIABILITIES</b>                       |     |                  |                     |                  |                  |                    |
| <b>Current liabilities</b>               |     |                  |                     |                  |                  |                    |
| Bank overdraft                           |     | -                | -                   | -                | -                | -                  |
| Borrowing                                |     | 14 580           | 1 378               | 10 798           | (26 763)         | 10 798             |
| Consumer deposits                        |     | 32 846           | 33 452              | 34 258           | 35 313           | 34 258             |
| Trade and other payables                 |     | 257 696          | 247 979             | 285 027          | 350 371          | 285 027            |
| Provisions                               |     | 40 094           | 39 025              | 40 094           | 61 287           | 40 094             |
| <b>Total current liabilities</b>         |     | <b>345 217</b>   | <b>321 834</b>      | <b>370 177</b>   | <b>420 208</b>   | <b>370 177</b>     |
| <b>Non current liabilities</b>           |     |                  |                     |                  |                  |                    |
| Borrowing                                |     | 49 160           | 26 734              | 33 792           | 56 770           | 33 792             |
| Provisions                               |     | 142 539          | 124 108             | 142 539          | 142 539          | 142 539            |
| <b>Total non current liabilities</b>     |     | <b>191 699</b>   | <b>150 842</b>      | <b>176 331</b>   | <b>199 309</b>   | <b>176 331</b>     |
| <b>TOTAL LIABILITIES</b>                 |     | <b>536 916</b>   | <b>472 676</b>      | <b>546 508</b>   | <b>619 517</b>   | <b>546 508</b>     |
| <b>NET ASSETS</b>                        | 2   | <b>2 081 453</b> | <b>1 959 793</b>    | <b>2 243 097</b> | <b>2 238 354</b> | <b>2 243 097</b>   |
| <b>COMMUNITY WEALTH/EQUITY</b>           |     |                  |                     |                  |                  |                    |
| Accumulated Surplus/(Deficit)            |     | 2 081 453        | 1 848 149           | 2 243 097        | 2 238 354        | 2 243 097          |
| Reserves                                 |     | -                | 111 644             | -                | -                | -                  |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | 2   | <b>2 081 453</b> | <b>1 959 793</b>    | <b>2 243 097</b> | <b>2 238 354</b> | <b>2 243 097</b>   |

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the liquidity of the municipality for the 4<sup>th</sup> quarter ended 30 June 2023. Current assets are R729.4 million and the current liabilities at R420.2 million this therefore means the municipality is still able to meet its financial obligations.



## 6.5 Statement of Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

| Description                                      | Ref | 2021/22          | Budget Year 2022/23 |                  |                   |                  |                 |               |                |                    |
|--|-----|------------------|---------------------|------------------|-------------------|------------------|-----------------|---------------|----------------|--------------------|
|  |     | Audited Outcome  | Original Budget     | Adjusted Budget  | Quarter 4 Actuals | YearTD actual    | YearTD budget   | YTD variance  | YTD variance % | Full Year Forecast |
| <b>R thousands</b>                               | 1   |                  |                     |                  |                   |                  |                 |               |                |                    |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>       |     |                  |                     |                  |                   |                  |                 |               |                |                    |
| Receipts   |     |                  |                     |                  |                   |                  |                 |               |                |                    |
| Property rates                                   |     | 437 643          | 468 731             | 441 404          | 102 911           | 102 911          | 98 092          | 4 819         | 5%             | 441 404            |
| Service charges                                  |     | 212 962          | 228 256             | 213 022          | 56 293            | 56 293           | 49 447          | 6 846         | 14%            | 213 022            |
| Other revenue                                    |     | 228 121          | 44 677              | 47 718           | 41 158            | 41 158           | 12 359          | 28 799        | 233%           | 47 718             |
| Transfers and Subsidies - Operational            |     | 314 043          | 341 677             | 312 796          | 1 079             | 1 079            | 50 517          | (49 438)      | -98%           | 312 796            |
| Transfers and Subsidies - Capital                |     | 159 345          | 132 380             | 178 233          | -                 | -                | 33 840          | (33 840)      | -100%          | 178 233            |
| Interest   |     | 1 520            | 5 397               | 7 047            | 2 959             | 2 959            | 2 576           | 383           | 15%            | 7 047              |
| Dividends  |     | -                | -                   | -                | -                 | -                | -               | -             |                | -                  |
| Payments   |     |                  |                     |                  |                   |                  |                 |               |                |                    |
| Suppliers and employees                          |     | (998 105)        | (1 027 019)         | (982 325)        | (291 975)         | (291 975)        | (238 991)       | 52 984        | -22%           | (982 325)          |
| Finance charges                                  |     | (336)            | (12 922)            | (12 922)         | (324)             | (324)            | (12 231)        | (11 906)      | 97%            | (12 922)           |
| Transfers and Grants                             |     | (8 913)          | (13 178)            | (13 178)         | -                 | -                | (2 450)         | (2 450)       | 100%           | (13 178)           |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b> |     | <b>348 278</b>   | <b>187 878</b>      | <b>191 798</b>   | <b>(87 899)</b>   | <b>(87 899)</b>  | <b>(8 841)</b>  | <b>81 068</b> | <b>-1186%</b>  | <b>191 798</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |     |                  |                     |                  |                   |                  |                 |               |                |                    |
| 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)        | (96 431)          | (96 431)         | (59 271)        | 39 160        | -60%           | (237 264)          |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b> |     | <b>(185 208)</b> | <b>(179 130)</b>    | <b>(237 264)</b> | <b>(96 431)</b>   | <b>(96 431)</b>  | <b>(68 271)</b> | <b>39 160</b> | <b>-88%</b>    | <b>(237 264)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |     |                  |                     |                  |                   |                  |                 |               |                |                    |
| Receipts   |     |                  |                     |                  |                   |                  |                 |               |                |                    |
| Short term loans                                 |     | -                | -                   | -                | -                 | -                | -               | -             |                | -                  |
| Borrowing long term/financing                    |     | -                | 7 976               | 7 976            | -                 | -                | -               | -             |                | 7 976              |
| Increase (decrease) in consumer deposits         |     | 807              | 1 412               | 1 412            | 927               | 927              | -               | 927           | #DIV/0!        | 1 412              |
| Payments   |     |                  |                     |                  |                   |                  |                 |               |                |                    |
| Repayment of borrowing                           |     | (35 816)         | (28 480)            | (28 480)         | (10 896)          | (10 896)         | 6 850           | 17 753        | 259%           | (28 480)           |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> |     | <b>(35 009)</b>  | <b>(18 098)</b>     | <b>(18 098)</b>  | <b>(9 970)</b>    | <b>(9 970)</b>   | <b>6 850</b>    | <b>18 628</b> | <b>246%</b>    | <b>(18 098)</b>    |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>      |     | <b>128 063</b>   | <b>(9 248)</b>      | <b>(64 568)</b>  | <b>(196 300)</b>  | <b>(196 300)</b> | <b>(68 268)</b> |               |                | <b>(64 568)</b>    |
| Cash/cash equivalents at beginning:              |     | 142 886          | 143 072             | 131 591          |                   | 131 604          | 131 591         |               |                | 131 604            |
| Cash/cash equivalents at month/year end:         |     | 270 949          | 112 823             | 67 025           |                   | (64 635)         | 72 335          |               |                | 67 025             |

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources and the fluctuation in payments to suppliers is affected by timing of the suppliers' invoicing to the municipality which has an impact on the municipality's cash coverage.