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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 29 FEBRUARY 2024 (M08)

Prepared By: Budget and Treasury Office

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/2024 BUDGET FOR THE PERIOD ENDING 29 February 2024**

## **1. PURPOSE**

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2023/24 Budget of the Ray Nkonyeni Municipality for the period ending 29 February 2024 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

## **2. AUTHORITY**

Mayor

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

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

## **4. BACKGROUND**

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

## **5. EXECUTIVE SUMMARY**

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 29 February 2024 is detailed below. The monthly budget statement is divided into the following:

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

## **6. MAIN TABLES**

6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

6.5. Financial Position

## 5.1 Monthly Budget Statement of Financial Performance

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

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	486 141	509 406	509 406	44 914	418 504	416 787	1 717	0%	509 406
Service charges	212 429	245 147	245 147	21 431	175 270	172 933	2 336	1%	245 147
Investment revenue	10 845	8 511	11 275	850	7 427	5 674	1 753	31%	11 275
Transfers and subsidies - Operational	285 417	390 026	389 742	6 684	264 493	259 946	4 547	2%	389 742
Other own revenue	132 063	98 017	120 730	9 075	61 286	71 582	(10 296)	-14%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 126 895</b>	<b>1 251 108</b>	<b>1 276 300</b>	<b>82 954</b>	<b>926 980</b>	<b>926 922</b>	<b>58</b>	<b>0%</b>	<b>1 276 300</b>
Employee costs	455 419	483 929	483 842	41 111	320 059	327 041	(6 982)	-2%	483 842
Remuneration of Councillors	29 567	31 164	40 283	2 885	28 750	29 609	(858)	-3%	40 283
Depreciation and amortisation	94 294	104 756	110 770	7 273	58 181	69 753	(11 572)	-17%	110 770
Interest	24 062	9 958	9 960	0	983	6 647	(5 664)	-85%	9 960
Inventory consumed and bulk purchases	119 244	168 819	166 358	11 494	91 673	119 324	(27 651)	-23%	166 358
Transfers and subsidies	14 465	13 838	14 737	896	6 936	7 517	(581)	-8%	14 737
Other expenditure	426 555	440 726	497 740	32 937	272 518	314 952	(42 434)	-13%	497 740
<b>Total Expenditure</b>	<b>1 163 606</b>	<b>1 253 191</b>	<b>1 323 690</b>	<b>96 596</b>	<b>779 100</b>	<b>874 842</b>	<b>(95 742)</b>	<b>-11%</b>	<b>1 323 690</b>
<b>Surplus/(Deficit)</b>	<b>(36 711)</b>	<b>(2 083)</b>	<b>(47 390)</b>	<b>(13 642)</b>	<b>147 880</b>	<b>52 080</b>	<b>95 800</b>	<b>184%</b>	<b>(47 390)</b>
Transfers and subsidies - capital (monetary allocations)	185 621	109 848	123 093	6 326	67 415	76 543	(9 128)	-12%	123 093
Transfers and subsidies - capital (in-kind)	1 490	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp;</b>	<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>	<b>86 672</b>	<b>67%</b>	<b>75 703</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>	<b>86 672</b>	<b>67%</b>	<b>75 703</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>212 244</b>	<b>154 893</b>	<b>176 379</b>	<b>9 605</b>	<b>85 735</b>	<b>114 778</b>	<b>(29 043)</b>	<b>-25%</b>	<b>176 379</b>
Capital transfers recognised	161 075	95 520	107 038	6 712	62 945	70 984	(8 040)	-11%	107 038
Borrowing	6 412	21 452	21 452	-	-	15 016	(15 016)	-100%	21 452
Internally generated funds	44 758	37 921	47 890	2 892	22 790	28 777	(5 987)	-21%	47 890
<b>Total sources of capital funds</b>	<b>212 244</b>	<b>154 893</b>	<b>176 379</b>	<b>9 605</b>	<b>85 735</b>	<b>114 778</b>	<b>(29 043)</b>	<b>-25%</b>	<b>176 379</b>
<b>Financial position</b>									
Total current assets	735 851	645 023	609 181		929 924				609 181
Total non current assets	2 162 440	2 037 876	2 063 000		2 189 994				2 063 000
Total current liabilities	395 179	335 379	356 723		394 423				356 723
Total non current liabilities	189 711	158 975	158 975		196 799				158 975
Community wealth/Equity	<b>2 313 400</b>	<b>2 188 546</b>	<b>2 156 484</b>		<b>2 528 695</b>				<b>2 156 484</b>
<b>Cash flows</b>									
Net cash from (used) operating	45 732	95 608	157 551	19 363	241 281	89 732	(151 549)	-169%	157 551
Net cash from (used) investing	242 572	(168 358)	(187 898)	(10 242)	(99 375)	(113 160)	(13 785)	12%	(187 898)
Net cash from (used) financing	(31 987)	(18 414)	32 117	(5 143)	(30 030)	(28 456)	1 574	-6%	32 117
<b>Cash/cash equivalents at the month/year end</b>	<b>388 010</b>	<b>40 427</b>	<b>133 361</b>	<b>-</b>	<b>226 128</b>	<b>79 707</b>	<b>(146 421)</b>	<b>-184%</b>	<b>116 022</b>
<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	68 634	32 908	20 540	18 439	22 976	14 493	35 277	434 111	647 377
<b>Creditors Age Analysis</b>									
Total Creditors	319	917	(20)	-	5	-	-	-	1 220

## 5.2 Financial Performance -Revenue by Source

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		153 095	182 436	182 436	15 675	123 047	121 624	1 423	1%	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		59 334	62 711	62 711	5 756	52 223	51 309	913	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	14 824	1 535	7 383	10 608	(3 225)	-30%	14 824
Agency services		5 341	5 371	6 248	468	3 832	3 581	252	7%	6 248
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	8 340	754	5 335	4 654	681	15%	8 340
Interest from Current and Non Current Assets		10 845	8 511	11 275	850	7 427	5 674	1 753	31%	11 275
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	4 975	233	3 037	2 332	705	30%	4 975
Licence and permits		596	636	637	51	410	424	(14)	-3%	637
Operational Revenue		3 673	1 106	1 230	194	624	737	(113)	-15%	1 230
<b>Non-Exchange Revenue</b>										
Property rates		486 141	509 406	509 406	44 914	418 504	416 787	1 717	0%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	34 529	2 174	12 590	21 563	(8 973)	-42%	34 529
Licence and permits		7 734	9 628	9 628	892	6 655	6 418	236	4%	9 628
Transfers and subsidies - Operational		285 417	390 026	389 742	6 684	264 493	259 946	4 547	2%	389 742
Interest		28 075	30 164	30 164	2 773	20 917	20 109	808	4%	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	652	-	-	652	(652)	-100%	652
Other Gains		25 653	-	9 503	-	503	503	0	0%	9 503
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 126 895</b>	<b>1 251 108</b>	<b>1 276 300</b>	<b>82 954</b>	<b>926 980</b>	<b>926 922</b>	<b>58</b>	<b>0%</b>	<b>1 276 300</b>
<b>Expenditure By Type</b>										
Employee related costs		455 419	483 929	483 842	41 111	320 059	327 041	(6 982)	-2%	483 842
Remuneration of councillors		29 567	31 164	40 283	2 885	28 750	29 609	(858)	-3%	40 283
Bulk purchases - electricity		107 470	158 320	153 320	10 781	82 626	110 699	(28 073)	-25%	153 320
Inventory consumed		11 774	10 499	13 038	713	9 048	8 625	422	5%	13 038
Debt impairment		19 926	-	32 571	-	-	-	-	-	32 571
Depreciation and amortisation		94 294	104 756	110 770	7 273	58 181	69 753	(11 572)	-17%	110 770
Interest		24 062	9 958	9 960	0	983	6 647	(5 664)	-85%	9 960
Contracted services		211 569	273 776	283 115	17 673	159 785	195 567	(35 781)	-18%	283 115
Transfers and subsidies		14 465	13 838	14 737	896	6 936	7 517	(581)	-8%	14 737
Irrecoverable debts written off		27 590	10 513	10 513	518	3 606	7 009	(3 402)	-49%	10 513
Operational costs		161 955	156 437	171 541	15 498	110 530	112 376	(1 847)	-2%	171 541
Losses on Disposal of Assets		5 320	-	-	(752)	(1 404)	-	(1 404)	#DIV/0!	-
Other Losses		197	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 163 606</b>	<b>1 253 191</b>	<b>1 323 690</b>	<b>96 596</b>	<b>779 100</b>	<b>874 842</b>	<b>(95 742)</b>	<b>-11%</b>	<b>1 323 690</b>
<b>Surplus/(Deficit)</b>		<b>(36 711)</b>	<b>(2 083)</b>	<b>(47 390)</b>	<b>(13 642)</b>	<b>147 880</b>	<b>52 080</b>	<b>95 800</b>	<b>184%</b>	<b>(47 390)</b>
Transfers and subsidies - capital (monetary allocations)		185 621	109 848	123 093	6 326	67 415	76 543	(9 128)	-12%	123 093
Transfers and subsidies - capital (in-kind)		1 490	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>			<b>75 703</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>			<b>75 703</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>			<b>75 703</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>			<b>75 703</b>

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

## Revenue

This table provides an overview of the monthly actual, year to date actual and year to date Budget of Exchange and Non-Exchange Revenue and details explained below.

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

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		153 095	182 436	182 436	15 675	123 047	121 624	1 423	1%	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		59 334	62 711	62 711	5 756	52 223	51 309	913	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	14 824	1 535	7 383	10 608	(3 225)	-30%	14 824
Agency services		5 341	5 371	6 248	468	3 832	3 581	252	7%	6 248
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	8 340	754	5 335	4 654	681	15%	8 340
Interest from Current and Non Current Assets		10 845	8 511	11 275	850	7 427	5 674	1 753	31%	11 275
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	4 975	233	3 037	2 332	705	30%	4 975
Licence and permits		596	636	637	51	410	424	(14)	-3%	637
Operational Revenue		3 673	1 106	1 230	194	624	737	(113)	-15%	1 230
<b>Non-Exchange Revenue</b>										
Property rates		486 141	509 406	509 406	44 914	418 504	416 787	1 717	0%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	34 529	2 174	12 590	21 563	(8 973)	-42%	34 529
Licence and permits		7 734	9 628	9 628	892	6 655	6 418	236	4%	9 628
Transfers and subsidies - Operational		285 417	390 026	389 742	6 684	264 493	259 946	4 547	2%	389 742
Interest		28 075	30 164	30 164	2 773	20 917	20 109	808	4%	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	652	-	-	652	(652)	-100%	652
Other Gains		25 653	-	9 503	-	503	503	0	0%	9 503
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 126 895</b>	<b>1 251 108</b>	<b>1 276 300</b>	<b>82 954</b>	<b>926 980</b>	<b>926 922</b>	<b>58</b>	<b>0%</b>	<b>1 276 300</b>

## Revenue from Exchange Transactions

### Service charges - Electricity

The YTD Actual for electricity billing for the period ended 29 February 2024 is R123 million while the YTD Budget is R121.6 million. There is a positive variance of R1.4 million between the YTD actual and YTD budget. Electricity sales are expected to decline as the budget for unit's purchase have been reduced and it is expected that at year end the actual performance will be in line the current budget.

### Service charges – Waste Management

The overall YTD actual billing for refuse removals is R52.2 million and the YTD Budget billing is R51.3 million, which indicates a positive variance of R913 thousand. This over performance is attributed to an increase annual billing in property rates and the current performance is expected to be in line with the current annual budget.

### **Sale of goods and Rendering of Services**

The YTD actual amounts to R7.4 million with a YTD budget of R10.6 million, showing a negative variance of R3.2 million. This indicates that less revenue was collected than anticipated.

### **Agency Services**

Agency services comprise of driver's license application, learners license application and renewal fees, this is the commission earned by the municipality on the services performed by the municipality on behalf of the Department of transport and third parties on payroll section. The annual projected revenue is R6.2 million, the YTD actual is R3.8 million vs the YTD budget of R3.6 million showing a positive variance of R252 thousand variance.

### **Interest earned from receivables**

The YTD budget amounts to R4.7 million compared to the YTD actual amount of R5.3 million, YTD actual showing a positive variance of R681 thousand variance. YTD actual performance is in line with budgeted projections.

### **Interest from Investments**

The YTD actual is R7.4 million and a YTD budget of R5.7 million. This shows a positive variance since there was more interest earned from the investment accounts.

### **Rental from fixed assets**

Rental of facilities amounts annual budget is R4.9 million, this is the rental of fixed asset revenue such as halls, airport hangers, skip hire and garages. The YTD actuals for the rental of facilities is R3 million compared to YTD budget of R2.3 million, resulting to a R705 thousand positive variance. This indicates that more rental revenue was collected than anticipated.

### **Licenses and Permits**

Licenses and permits for exchange revenue actuals to date amounts to R410 thousand with a YTD budget of R424 thousand resulting in a negative variance of R14 thousand.

### **Revenue from non-exchange transactions**

## **Property Rates**

Property rates comprise of multiple categories under the jurisdiction of Ray Nkonyeni Municipality, the bulk revenue is billed on three categories: Residential properties, Business and Commercial properties as well as State owned properties. The annual budget for Property rates is R509.4 million and the YTD actual billing is R418.5 million, compared to the YTD budget of R416.8 million and a positive variance of R1.7 million due to the application of annual rate payers for public benefit organizations, residential properties, and state-owned entities.

## **Fines**

Fines, Penalties, and forfeits are derived from Building fines, illegal connections, overdue books, and the bulk budget being on traffic fines and the total budget being R34.5 million. The YTD actual is R12.6 million compared to a YTD budget of R21.6 million. The variance is mainly caused by low fines issued.

## **Licenses and Permits**

Licenses and permits for non-exchange revenue performance to date amount to R6.7 million with a YTD budget of R6.4 million. The YTD actual revenue mainly comprises of motor vehicle licenses with the budget of R8.7 million and the actual of R6.1million.

## **Transfers and Subsidies -Operational**

The YTD as of 29 February 2024 for operational grant recognized /received to date amounts to R264.5 million, YTD Budget is R259.9 million with a variance of R4.5 million as operational conditional grants are recognized as revenue when conditions being met as per the set guidelines which results in the YTD variance.

## **Interest on Property Rates**

The YTD actual amounts to R20.9 million compared to YTD budget of R20.1 million. The item is in line with budget projections.

## **Total Revenue**

The YTD Actual revenue excluding capital transfers is R927 million for the period ending 29 February 2024, YTD Budget is R926.9 million, total revenue is in line with budget projections.

## **5.3 Expenditure by Type**



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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Expenditure By Type</b>										
Employee related costs		455 419	483 929	483 842	41 111	320 059	327 041	(6 982)	-2%	483 842
Remuneration of councillors		29 567	31 164	40 283	2 885	28 750	29 609	(858)	-3%	40 283
Bulk purchases - electricity		107 470	158 320	153 320	10 781	82 626	110 699	(28 073)	-25%	153 320
Inventory consumed		11 774	10 499	13 038	713	9 048	8 625	422	5%	13 038
Debt impairment		19 926	-	32 571	-	-	-	-	-	32 571
Depreciation and amortisation		94 294	104 756	110 770	7 273	58 181	69 753	(11 572)	-17%	110 770
Interest		24 062	9 958	9 960	0	983	6 647	(5 664)	-85%	9 960
Contracted services		211 569	273 776	283 115	17 673	159 785	195 567	(35 781)	-18%	283 115
Transfers and subsidies		14 465	13 838	14 737	896	6 936	7 517	(581)	-8%	14 737
Irrecoverable debts written off		27 590	10 513	10 513	518	3 606	7 009	(3 402)	-49%	10 513
Operational costs		161 955	156 437	171 541	15 498	110 530	112 376	(1 847)	-2%	171 541
Losses on Disposal of Assets		5 320	-	-	(752)	(1 404)	-	(1 404)	#DIV/0!	-
Other Losses		197	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 163 606</b>	<b>1 253 191</b>	<b>1 323 690</b>	<b>96 596</b>	<b>779 100</b>	<b>874 842</b>	<b>(95 742)</b>	<b>-11%</b>	<b>1 323 690</b>

### **Employee related costs and Remuneration of Councillors**

The YTD actuals for employee related costs amount to R320 million as of 29 February 2024 which comprises of salaries, bonuses and various allowances amongst other items that are directly attributable to employee remuneration. Remuneration of councillors YTD actuals are sitting at R28.8 million. Employee-related cost is further detailed under table 5.9 Salaries Expenditure Details.

### **Contracted Services**

Contracted services are made up of various operational projects such as Repairs and maintenance and typical work stream. Contracted services YTD actuals for the period ended 29 February 2024 amounts to R159.8 million, the YTD Budget is R195.6 million. The R35.8 million variance is due to a delay in the implementation of road maintenance projects which expenditure has begun from the month of November which will account for the variance in upcoming months as the projects continue.

### **Inventory Consumed**

YTD Inventory consumed amounts to R9 million as of 29 February 2024 with the YTD Budget being R8.6 million. The consumption of inventory is in line with budget projection.

### **Depreciation and Amortization**

The YTD actual for this item has been calculated for the quarter as R58.1 million compared to the YTD budget of R69.8 million. The variance between the budgeted figure and the actual figure is due to depreciation being accounted for on assets that are currently in use, and the budget being based on additional assets planned to be procured during the financial year.

## 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 YTD actual for February 2024 stands at R6.9 million with a YTD budget of R7.5 million. The annual budget for transfers and subsidies is R14.7 million.

## Overall expenditure budget

The overall expenditure YTD Actual is R779.1 million, YTD Budget is R874.8 million. There is R95.7 million variance, due to the trends of different types of expenditure as explained above such as transfers and subsidies and contracted services which reflect a large variance compared to YTD budget.

## Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). The YTD Surplus excluding capital transfers is R147.9 million compared to the YTD Budget surplus of R52 million due to the performance of the various line items detailed above.

## 5.4 Debtors Age Analysis

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

Description	NT Code	Budget Year 2023/24									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L to Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	12	12	4	13	17	20	3	999	1 080	1 052	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	18 665	7 613	2 101	2 003	1 638	974	813	13 355	47 162	18 783	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	40 056	18 461	12 424	11 045	16 308	8 965	26 680	247 846	381 785	310 843	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	-	-
Receivables from Exchange Transactions - Waste Management	1600	5 792	3 144	2 210	1 965	1 735	1 577	4 378	49 262	70 063	58 917	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	3 576	3 495	3 394	3 264	3 093	2 857	2 782	111 735	134 195	123 731	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	533	183	407	149	185	99	621	10 915	13 092	11 969	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>68 634</b>	<b>32 908</b>	<b>20 540</b>	<b>18 439</b>	<b>22 976</b>	<b>14 493</b>	<b>35 277</b>	<b>434 111</b>	<b>647 377</b>	<b>525 295</b>	<b>-</b>	<b>-</b>
<b>2022/23 - totals only</b>		<b>62 951</b>	<b>29 955</b>	<b>19 423</b>	<b>16 246</b>	<b>16 545</b>	<b>13 166</b>	<b>64 678</b>	<b>354 261</b>	<b>576 825</b>	<b>464 896</b>	<b>-</b>	<b>-</b>
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	2 724	850	837	918	6 324	644	12 797	32 484	57 578	53 167	-	-
Commercial	2300	26 038	10 963	4 945	4 620	4 634	3 249	5 381	80 136	139 965	98 020	-	-
Households	2400	39 872	21 094	14 759	12 901	12 017	10 599	17 099	321 491	449 634	374 108	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>68 634</b>	<b>32 908</b>	<b>20 540</b>	<b>18 439</b>	<b>22 976</b>	<b>14 493</b>	<b>35 277</b>	<b>434 111</b>	<b>647 377</b>	<b>525 295</b>	<b>-</b>	<b>-</b>

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

## 5.5 Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 - February

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
<b>R thousands</b>												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	319	917	(20)	-	5	-	-	-	1 220	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>319</b>	<b>917</b>	<b>(20)</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 220</b>	<b>-</b>	<b>-</b>

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


## 5.6 Capital Expenditure

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

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
<b>R thousands</b>										
<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		298	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		3 938	3 801	4 108	325	2 168	3 906	(1 738)	-45%	4 108
Vote 3 - Internal Audit		676	200	220	-	157	133	23	18%	220
Vote 4 - Community and Social Services		379	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1 613	4 340	995	-	393	2 336	(1 943)	-83%	995
Vote 7 - Housing		229	180	189	-	51	121	(70)	-58%	189
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		109 489	115 220	116 915	7 766	66 867	75 929	(9 062)	-12%	116 915
Vote 10 - Road Transport		77 794	7 200	31 700	1 410	15 356	17 160	(1 804)	-11%	31 700
Vote 11 - Environment Protection		389	500	300	103	292	293	(1)	0%	300
Vote 12 - Energy Sources		13 778	22 952	21 452	-	-	14 566	(14 566)	-100%	21 452
Vote 13 - Other		(843)	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		4 505	500	500	-	452	333	118	36%	500
<b>Total Capital single-year expenditure</b>	4	212 244	154 893	176 379	9 605	85 735	114 778	(29 043)	-25%	176 379
<b>Total Capital Expenditure</b>		<b>212 244</b>	<b>154 893</b>	<b>176 379</b>	<b>9 605</b>	<b>85 735</b>	<b>114 778</b>	<b>(29 043)</b>	<b>-25%</b>	<b>176 379</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>4 934</b>	<b>4 001</b>	<b>4 355</b>	<b>325</b>	<b>2 324</b>	<b>4 039</b>	<b>(1 715)</b>	<b>-42%</b>	<b>4 355</b>
Executive and council		320	-	27	-	-	-	-	-	27
Finance and administration		3 938	3 801	4 108	325	2 168	3 906	(1 738)	-45%	4 108
Internal audit		676	200	220	-	157	133	23	18%	220
<b>Community and public safety</b>		<b>2 072</b>	<b>4 520</b>	<b>1 185</b>	<b>-</b>	<b>444</b>	<b>2 457</b>	<b>(2 013)</b>	<b>-82%</b>	<b>1 185</b>
Community and social services		379	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 464	4 340	995	-	393	2 336	(1 943)	-83%	995
Housing		229	180	189	-	51	121	(70)	-58%	189
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>187 798</b>	<b>122 920</b>	<b>148 888</b>	<b>9 280</b>	<b>82 515</b>	<b>93 382</b>	<b>(10 867)</b>	<b>-12%</b>	<b>148 888</b>
Planning and development		109 489	115 220	116 888	7 766	66 867	75 929	(9 062)	-12%	116 888
Road transport		77 943	7 200	31 700	1 410	15 356	17 160	(1 804)	-11%	31 700
Environmental protection		389	500	300	103	292	293	(1)	0%	300
<b>Trading services</b>		<b>18 283</b>	<b>23 452</b>	<b>21 952</b>	<b>-</b>	<b>452</b>	<b>14 900</b>	<b>(14 448)</b>	<b>-97%</b>	<b>21 952</b>
Energy sources		13 778	22 952	21 452	-	-	14 566	(14 566)	-100%	21 452
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 505	500	500	-	452	333	118	36%	500
<b>Other</b>		<b>(843)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>212 244</b>	<b>154 893</b>	<b>176 379</b>	<b>9 605</b>	<b>85 735</b>	<b>114 778</b>	<b>(29 043)</b>	<b>-25%</b>	<b>176 379</b>
<b>Funded by:</b>										
National Government		130 557	93 781	103 166	6 712	62 945	69 193	(6 248)	-9%	103 166
Provincial Government		30 518	1 739	3 872	-	-	1 792	(1 792)	-100%	3 872
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Uepartm Agencies,		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>161 075</b>	<b>95 520</b>	<b>107 038</b>	<b>6 712</b>	<b>62 945</b>	<b>70 984</b>	<b>(8 040)</b>	<b>-11%</b>	<b>107 038</b>
<b>Borrowing</b>	6	<b>6 412</b>	<b>21 452</b>	<b>21 452</b>	<b>-</b>	<b>-</b>	<b>15 016</b>	<b>(15 016)</b>	<b>-100%</b>	<b>21 452</b>
<b>Internally generated funds</b>		<b>44 758</b>	<b>37 921</b>	<b>47 890</b>	<b>2 892</b>	<b>22 790</b>	<b>28 777</b>	<b>(5 987)</b>	<b>-21%</b>	<b>47 890</b>
<b>Total Capital Funding</b>		<b>212 244</b>	<b>154 893</b>	<b>176 379</b>	<b>9 605</b>	<b>85 735</b>	<b>114 778</b>	<b>(29 043)</b>	<b>-25%</b>	<b>176 379</b>

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R85.7 million, the YTD budgeted is R114.8 million and there is R29 million variance. R 85.7 million of YTD actuals for capital expenditure, R62.9 million is funded by national grants, and R22.8 million from internally generated funds

## 5.7 Transfers and Grants Receipts



**KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER**

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER FEB 2024						
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 2	Expenditure: Capital (Revenue Recognised)/GRAP 23	Internally Funded	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 55 500 000	R -	R 47 607 906	R -	R 7 892 094.24
NEIGHBOURHOOD GRANT	R 1 200 663	R 14 292 000	R -	R 22 692 516	R 7 199 853	R -
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 5 492 751	R 3 775 546	R -	R -	R 1 717 204.27
MUNICIPAL DISASTER RESPONSE	R -	R -	R -	R -	R -	R -
MUNICIPAL DISASTER RECOVERY	R -	R 82 298 000	R 46 620 615	R -	R -	R 35 677 384.63
INTERMODAL FACILITIES GRANT	R 13 590	R -	R -	R -	R -	R 13 589.68
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	R 326 520	R -	R -	R -	R -	R 326 519.55
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 340 848	R -	R -	R 1 609 151.81
MUSEUM GRANT	R -	R 476 000	R 1 839 344	R -	R 1 363 344	R -
AIRPORT GRANT	R 3 763 374	R 2 000 000	R -	R -	R -	R 5 763 373.50
COGTA ELECT GRANT	R 784 811	R -	R -	R -	R -	R 784 810.61
MARKET STALLS GRANT	R 2 452 315	R -	R -	R -	R -	R 2 452 315.18
<b>TOTAL</b>	<b>R 8 541 271</b>	<b>R 162 008 751</b>	<b>R 52 576 354</b>	<b>R 70 300 422</b>	<b>R 8 563 197</b>	<b>R 56 236 443</b>

## Transfers and Grants Receipts

The total grants received to date for period ending 29 February 2024 amounts to R162 million, which include R55.5 million from Integrated Urban Development Grant, R14.3 million from Neighborhood Development Grant, R5.49 million from EPWP, R1.95 million from FMG, R82.3 million disaster recovery grant , R 476 thousand from Museum Grant and R2 000 000 from Airport Grant.

## Opening Balances -Grant Register

The total unspent grants as of 30 June 2023 is **R 8 541 271**.

They are shown on the register as the Opening balances. The committee should note that the municipality has applied for a rollover of funds for these grants. Following is the list of the unspent grants:

- Neighborhood Grant – R1 200 663
- Intermodal Facilities Grant – R13 590
- Integrated National Electrification Programme (INEP) – R326 520
- Airport Grant – R3 763 374
- COGTA Electrification Grant – R784 811
- Market Stalls Grant – R2 452 315

## 5.8 Transfers and Grants Expenditure



### KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER FEB 2024							
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 2	Expenditure: Capital (Revenue Recognised)/GRAP 23	Internally Funded	Closing Balance as at	
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 55 500 000	R -	R 47 607 906	R -	R -	R 7 892 094.24
NEIGHBOURHOOD GRANT	R 1 200 663	R 14 292 000	R -	R 22 692 516	R 7 199 853	R -	R -
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 5 492 751	R 3 775 546	R -	R -	R -	R 1 717 204.27
MUNICIPAL DISASTER RESPONSE	R -	R -	R -	R -	R -	R -	R -
MUNICIPAL DISASTER RECOVERY	R -	R 82 298 000	R 46 620 615	R -	R -	R -	R 35 677 384.63
INTERMODAL FACILITIES GRANT	R 13 590	R -	R -	R -	R -	R -	R 13 589.68
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	R 326 520	R -	R -	R -	R -	R -	R 326 519.55
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 340 848	R -	R -	R -	R 1 609 151.81
MUSEUM GRANT	R -	R 476 000	R 1 839 344	R -	R 1 363 344	R -	R -
AIRPORT GRANT	R 3 763 374	R 2 000 000	R -	R -	R -	R -	R 5 763 373.50
COGTA ELECT GRANT	R 784 811	R -	R -	R -	R -	R -	R 784 810.61
MARKET STALLS GRANT	R 2 452 315	R -	R -	R -	R -	R -	R 2 452 315.18
<b>TOTAL</b>	<b>R 8 541 271</b>	<b>R 1 62 008 751</b>	<b>R 52 576 354</b>	<b>R 70 300 422</b>	<b>R 8 563 197</b>	<b>R -</b>	<b>R 56 236 443</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 29 February 2024, there is R52 576 354 operating expenditure recorded and capital expenditure amounting to R70 300 422.

### Grant's expenditure

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

An amount of R55.5 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 29 February 2024 is R47.61 million and has been spent on various capital projects.

- **Neighborhood Development Partnership Grant**

An amount of R14 292 000 has been received for the Neighborhood Development Partnership Grant together with an unspent amount of R1.2 million from the previous year which the municipality needs to apply for rollover. This is a capital grant and the YTD actual for the period ended 29 February 2024 is R22.70 million, with R7.2 million being internally funded.

- **Expanded Public Works Programme**

An amount of R5 492 751 has been received for the EPWP grant. This is an operational grant and the YTD actual for the period ended 29 February 2024 is R3 775 546.

- **Finance Management Grant**

An amount of R1 950 000 has been received for the FMG grant. This is an operational grant and the YTD actual for the period ended 29 February 2024 is R340 848.

- **Museum Subsidy Grant**

An amount of R476 000 has been received for the museum grant. This is an operational grant and the YTD actual for the period ended 29 February 2024 is R1 839 344, with R1 363 344 being internally funded.

- **Disaster Recovery Grant**

An amount of R82 298 000 has been received for the disaster grant. This is an operational grant and the YTD actual for the period ended 29 February 2024 is R46 620 615.

## 5.9 Salaries Expenditure details

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

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		26 688	19 040	27 782	1 563	19 395	20 896	(1 501)	-7%	27 782
Pension and UIF Contributions		-	758	758	63	502	530	(29)	-5%	758
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 880	2 815	3 192	257	1 979	2 196	(217)	-10%	3 192
Housing Allowances		-	5 953	5 953	748	4 869	4 167	702	17%	5 953
Other benefits and allowances		-	2 599	2 599	254	2 006	1 819	187	10%	2 599
<b>Sub Total - Councillors</b>		<b>29 567</b>	<b>31 164</b>	<b>40 283</b>	<b>2 885</b>	<b>28 750</b>	<b>29 609</b>	<b>(858)</b>	<b>-3%</b>	<b>40 283</b>
% increase	4		5.4%	36.2%						36.2%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		3 690	3 946	3 621	204	1 890	2 762	(872)	-32%	3 621
Pension and UIF Contributions		146	192	133	8	54	134	(81)	-60%	133
Medical Aid Contributions		198	230	134	4	47	161	(115)	-71%	134
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		960	1 059	1 059	-	-	741	(741)	-100%	1 059
Motor Vehicle Allowance		838	1 060	928	61	441	742	(301)	-41%	928
Cellphone Allowance		87	114	92	6	44	80	(36)	-45%	92
Housing Allowances		2 655	3 275	2 243	111	1 030	2 293	(1 263)	-55%	2 243
Other benefits and allowances		1	1	1	0	0	1	(0)	-44%	1
Payments in lieu of leave		327	332	260	8	(151)	232	(383)	-165%	260
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		76	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>8 978</b>	<b>10 209</b>	<b>8 470</b>	<b>401</b>	<b>3 355</b>	<b>7 146</b>	<b>(3 792)</b>	<b>-53%</b>	<b>8 470</b>
% increase	4		13.7%	-5.7%						-5.7%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		274 917	289 060	293 685	24 067	192 667	201 908	(9 241)	-5%	293 685
Pension and UIF Contributions		50 977	50 460	54 484	4 401	34 998	35 322	(324)	-1%	54 484
Medical Aid Contributions		20 094	20 668	21 909	1 830	14 012	14 468	(456)	-3%	21 909
Overtime		21 821	18 985	22 020	1 943	15 493	13 109	2 384	18%	22 020
Performance Bonus		22 443	22 473	24 034	1 664	16 492	15 731	761	5%	24 034
Motor Vehicle Allowance		18 911	18 975	21 168	1 646	13 348	13 283	65	0%	21 168
Cellphone Allowance		1 021	1 007	1 047	81	665	705	(40)	-6%	1 047
Housing Allowances		4 152	4 059	3 430	285	2 261	2 842	(580)	-20%	3 430
Other benefits and allowances		5 224	6 038	5 441	560	4 006	4 226	(220)	-5%	5 441
Payments in lieu of leave		4 871	22 480	5 668	2 770	15 492	15 736	(244)	-2%	5 668
Long service awards		4 268	2 751	3 620	907	3 657	1 926	1 731	90%	3 620
Post-retirement benefit obligations		17 103	15 852	17 343	424	2 825	-	2 825	#DIV/0!	17 343
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		638	912	1 523	132	789	639	150	23%	1 523
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>446 442</b>	<b>473 720</b>	<b>475 372</b>	<b>40 710</b>	<b>316 704</b>	<b>319 894</b>	<b>(3 190)</b>	<b>-1%</b>	<b>475 372</b>
% increase	4		6.1%	6.5%						6.5%
<b>Total Parent Municipality</b>		<b>484 987</b>	<b>515 094</b>	<b>524 125</b>	<b>43 996</b>	<b>348 809</b>	<b>356 650</b>	<b>(7 840)</b>	<b>-2%</b>	<b>524 125</b>

### Councillors Remuneration

The annual budget is R40.28 million with a monthly budget of R2.9 million. The YTD actual performance stands at R28.8 million.

### Senior Managers of the Municipality



The head of departments on the municipality including the Municipal manager are classified under this subheading with a YTD actual of R3.4 million and a YTD budget of R7.1 million. The variance is attributed to the vacant post of senior management.

### Other Municipal Staff

The annual budget is R475.4 million with a monthly budget of R40 million. The YTD actual of R316.7 million is in line with the YTD budget of R319.9 million for this item.

## 5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY  
LONG TERM LOANS REGISTER : 29 FEBRUARY 2024



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 February 2024	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 29 February 2024
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	-R 10 647 036.07		-R 248 458.07		R 515 281.23	-R 10 380 212.91
DBSA	12.67%	22-Nov-30	61007761	-R 7 711 087.73		-R 243 541.08		R 414 268.04	-R 7 540 360.77
<b>TOTAL DBSA LOANS</b>				-R 17 920 573.68	R -	R -	R -	R -	-R 17 920 573.68
<b>TOTAL LOANS</b>				-R 17 920 573.68	R -	R -	R -	R -	-R 17 920 573.68

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, as well as the third drawdown of R7.9 million and current loan balance outstanding is R17.9 million as of 29 February 2024. The municipality is still able to make loan repayments as and when they fall due. The capital projects funded by borrowings in the 2023/24 financial year have been funded by a portion of unspent borrowing. The loan agreement from DBSA is spread across four years funding various capital projects the application was made at the end of last financial year and was received on the 1<sup>st</sup> month of the financial year.

#### ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

PROJECTS TO BE INCLUDED IN RNLM BUDGET	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>

## 5.11 Performance Indicators

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

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Actual Outcome	Original Budget	Adjusted Budget	YearTD actual	Full year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-0.7%	9.2%	9.1%	0.1%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		3.0%	13.8%	12.2%	0.0%	25.0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		14.9%	14.0%	15.1%	13.7%	15.1%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	186.2%	192.3%	170.8%	235.8%	170.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		28.9%	12.1%	6.4%	46.4%	6.4%
<b>Revenue Management</b>							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		41.6%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		40.4%	38.7%	37.9%	34.5%	37.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.1%	15.5%	14.9%	11.2%	14.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.5%	9.2%	9.5%	0.1%	3.9%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational						

The above table gives an overview of the financial indicators of the municipality for the period ended 29 February 2024 and the indicators are broken down below.

### **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R17 920 573.68 as of 29 February 2024.

### **Liquidity**

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

**Budgeted Current Ratio:** R609 181 000/R356 723 000= **1.71:1**

**Actual Current Ratio as of 29 February 2024:** R929 924 000/R394 423 000 = **2.36:1**

The 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 R1.71: R1 ratio and the actual ratio as of 29 February 2024 is: R2.36: R1 which is above the norm.

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

**Budgeted Acid test Ratio:** (R609 181 000-R14 812 000)/R356 723 000 =**1.67:1**

**Actual Acid test Ratio as 29 February 2024:** (R929 924 000-R13 096 000)/R394 423 000 = **2.32:1**

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 29/02/2024

ACCOUNT NO	INVESTMENT DETAILS		CURRENT MONTH					YTD						
	INSTITUTION & TYPE	PROJECT NAME / DETAILS	MONTHLY OPENING BALANCE	INTEREST INVESTED	BANK CHARGE	DEPOSIT	WITHDRAWALS	CURRENT BALANCE	INVESTMENT BALANCES AS AT	INTEREST	BANK DEPOSITS	CHARGES	INVESTMENT WITHDRAWALS	BALANCE AS AT
17649284001	STANDARD BANK - CALL	LOUISIANA HSG	10 540 771.42	6 642.65	-	-	-	10 499 416.97	10 442 461.82	567 395.19	-	-	-	10 699 844.01
17649284003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	478 876.52	4 424.88	-	-	-	483 291.40	446 777.71	36 842.67	-	-	-	443 320.38
17649284004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 126 338.71	7 334.84	-	-	-	1 133 473.55	1 073 892.36	60 429.27	-	-	-	1 133 721.63
17649284005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	357 453.42	2 325.81	-	-	-	355 982.50	349 745.77	19 251.99	-	-	-	355 997.76
17649284006	STANDARD BANK - CALL	BHOBOYI EST-HSG	17 842.54	49.55	-	-	-	17 892.99	12 479.67	492.61	-	-	-	13 892.28
17649284007	STANDARD BANK - CALL	DAMARU HSES	33 488.16	245.76	-	-	-	33 733.92	30 959.87	2 989.32	-	-	-	33 759.39
17649284008	STANDARD BANK - CALL	UPLANDS HSG	92 202.71	249.49	-	-	-	92 452.20	89 746.23	2 956.37	-	-	-	92 512.58
17649284009	STANDARD BANK - CALL	MCHOLOMBE HSG	1 595 855.18	10 217.17	-	-	-	1 495 442.35	1 519 458.83	85 855.61	-	-	-	1 549 316.44
17649284010	STANDARD BANK - CALL	AIDS PROJECT	159 514.13	1 832.72	-	-	-	159 516.85	151 087.25	8 516.37	-	-	-	155 623.62
17649284012	STANDARD BANK - CALL	MASHINGE HSG	36 831 487.84	234 444.78	-	-	-	36 244 997.84	34 328 112.24	1 939 923.62	-	-	-	36 267 435.86
17649284013	STANDARD BANK - CALL	KWAMAFUNDLA HSG	248 546.75	1 748.51	-	-	-	270 249.26	255 887.68	14 487.84	-	-	-	274 249.72
17649284014	STANDARD BANK - CALL	KWABOLO HOUSING	12 789 152.67	83 834.94	-	-	-	12 833 887.61	12 149 871.18	686 349.79	-	-	-	12 834 431.89
17649284015	STANDARD BANK - CALL	KWADWALANE HOUSING	977 724.39	3 762.24	-	-	-	981 486.59	959 413.15	31 899.19	-	-	-	981 511.25
			64 265 582.65	418 892.41	-	-	-	64 833 455.14	61 239 524.84	3 455 828.95	-	-	-	64 588 493.81
4873852511	INVESTEC - CALL	HIDA (HOUSING DEVELOPH	10 914 685.33	74 168.85	-	-	-	10 988 845.38	10 831 633.79	582 815.12	-	-	-775 417.37	10 639 831.54
			10 914 685.33	74 168.85	-	-	-	10 988 845.38	10 831 633.79	582 815.12	-	-	-775 417.37	10 639 831.54
17649284016	STANDARD BANK-CALL	RHM- UNSPENT CONDITIONA	53 973.18	353.78	-	-	-	54 326.96	51 759.71	2 924.35	-	-	-	54 683.06
17649284017	STANDARD BANK-CALL	RHM-ACCREDITATION FUNDS	11 936.75	78.24	-	-	-	12 014.99	11 446.95	446.76	-	-	-	12 893.75
			65 989.93	432.02	-	-	-	66 341.95	63 206.78	3 571.11	-	-	-	66 776.81
1272641051	FNB - CALL	RHM - PRIMARY INVESTMENT	26 849 895.46	693 574.13	-	45 588 888.89	-78 888 888.89	53 943 532.59	7 529 242.83	5 332 955.42	475 588 888.89	-	-537 261 722.88	51 108 478.45
			26 849 895.46	693 574.13	-	45 588 888.89	-78 888 888.89	53 943 532.59	7 529 242.83	5 332 955.42	475 588 888.89	-	-537 261 722.88	51 108 478.45
74873852516	FNB	FNB- 48 HOUR CASH ACCELE	3 756 559.84	25 842.87	-	-	-	3 782 402.91	3 646 757.16	199 987.85	-	-	-	3 886 745.81
			3 756 559.84	25 842.87	-	-	-	3 782 402.91	3 646 757.16	199 987.85	-	-	-	3 886 745.81
83781808791	NEDBANK	RESERVE INVESTMENT ACC	38 238 918.02	251 695.82	-	-	-	38 490 613.84	27 319 957.94	1 987 463.82	10 888 888.89	-	-	38 727 626.98
			38 238 918.02	251 695.82	-	-	-	38 490 613.84	27 319 957.94	1 987 463.82	10 888 888.89	-	-	38 727 626.98
		<b>GRAND TOTAL RHM INVESTMENT - INTEREST</b>	104 898 754.24	1 462 747.57	-	45 588 888.89	-78 888 888.89	121 954 581.91	118 481 321.58	11 162 871.47	475 588 888.89	-	-537 837 246.37	165 927 246.61

The Investment register as of 29 February 2024 has the closing balance of R 169.02 million, with R1.46 million total interest earned for the month from which R 693 thousand was made on primary investment and various investment accounts as shown in the above register.

## 6.1 Monthly Budget Statement Summary

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	486 141	509 406	509 406	44 914	418 504	416 787	1 717	0%	509 406
Service charges	212 429	245 147	245 147	21 431	175 270	172 933	2 336	1%	245 147
Investment revenue	10 845	8 511	11 275	850	7 427	5 674	1 753	31%	11 275
Transfers and subsidies - Operational	285 417	390 026	389 742	6 684	264 493	259 946	4 547	2%	389 742
Other own revenue	132 063	98 017	120 730	9 075	61 286	71 582	(10 296)	-14%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 126 895</b>	<b>1 251 108</b>	<b>1 276 300</b>	<b>82 954</b>	<b>926 980</b>	<b>926 922</b>	<b>58</b>	<b>0%</b>	<b>1 276 300</b>
Employee costs	455 419	483 929	483 842	41 111	320 059	327 041	(6 982)	-2%	483 842
Remuneration of Councillors	29 567	31 164	40 283	2 885	28 750	29 609	(858)	-3%	40 283
Depreciation and amortisation	94 294	104 756	110 770	7 273	58 181	69 753	(11 572)	-17%	110 770
Interest	24 062	9 958	9 960	0	983	6 647	(5 664)	-85%	9 960
Inventory consumed and bulk purchases	119 244	168 819	166 358	11 494	91 673	119 324	(27 651)	-23%	166 358
Transfers and subsidies	14 465	13 838	14 737	896	6 936	7 517	(581)	-8%	14 737
Other expenditure	426 555	440 726	497 740	32 937	272 518	314 952	(42 434)	-13%	497 740
<b>Total Expenditure</b>	<b>1 163 606</b>	<b>1 253 191</b>	<b>1 323 690</b>	<b>96 596</b>	<b>779 100</b>	<b>874 842</b>	<b>(95 742)</b>	<b>-11%</b>	<b>1 323 690</b>
<b>Surplus/(Deficit)</b>	<b>(36 711)</b>	<b>(2 083)</b>	<b>(47 390)</b>	<b>(13 642)</b>	<b>147 880</b>	<b>52 080</b>	<b>95 800</b>	<b>184%</b>	<b>(47 390)</b>
Transfers and subsidies - capital (monetary allocations)	185 621	109 848	123 093	6 326	67 415	76 543	(9 128)	-12%	123 093
Transfers and subsidies - capital (in-kind)	1 490	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; Share of surplus/ (deficit) of associate</b>	<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>	<b>86 672</b>	<b>67%</b>	<b>75 703</b>
<b>Surplus/ (Deficit) for the year</b>	<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>	<b>86 672</b>	<b>67%</b>	<b>75 703</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>212 244</b>	<b>154 893</b>	<b>176 379</b>	<b>9 605</b>	<b>85 735</b>	<b>114 778</b>	<b>(29 043)</b>	<b>-25%</b>	<b>176 379</b>
Capital transfers recognised	161 075	95 520	107 038	6 712	62 945	70 984	(8 040)	-11%	107 038
Borrowing	6 412	21 452	21 452	-	-	15 016	(15 016)	-100%	21 452
Internally generated funds	44 758	37 921	47 890	2 892	22 790	28 777	(5 987)	-21%	47 890
<b>Total sources of capital funds</b>	<b>212 244</b>	<b>154 893</b>	<b>176 379</b>	<b>9 605</b>	<b>85 735</b>	<b>114 778</b>	<b>(29 043)</b>	<b>-25%</b>	<b>176 379</b>
<b>Financial position</b>									
Total current assets	735 851	645 023	609 181		929 924				609 181
Total non current assets	2 162 440	2 037 876	2 063 000		2 189 994				2 063 000
Total current liabilities	395 179	335 379	356 723		394 423				356 723
Total non current liabilities	189 711	158 975	158 975		196 799				158 975
Community wealth/Equity	2 313 400	2 188 546	2 156 484		2 528 695				2 156 484
<b>Cash flows</b>									
Net cash from (used) operating	45 732	95 608	157 551	19 363	241 281	89 732	(151 549)	-169%	157 551
Net cash from (used) investing	242 572	(168 358)	(187 898)	(10 242)	(99 375)	(113 160)	(13 785)	12%	(187 898)
Net cash from (used) financing	(31 987)	(18 414)	32 117	(5 143)	(30 030)	(28 456)	1 574	-6%	32 117
<b>Cash/cash equivalents at the month/year end</b>	<b>388 010</b>	<b>40 427</b>	<b>133 361</b>	<b>-</b>	<b>226 128</b>	<b>79 707</b>	<b>(146 421)</b>	<b>-184%</b>	<b>116 022</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	68 634	32 908	20 540	18 439	22 976	14 493	35 277	434 111	647 377
<b>Creditors Age Analysis</b>									
Total Creditors	319	917	(20)	-	5	-	-	-	1 220

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) - M08 - February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		153 095	182 436	182 436	15 675	123 047	121 624	1 423	1%	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		59 334	62 711	62 711	5 756	52 223	51 309	913	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	14 824	1 535	7 383	10 608	(3 225)	-30%	14 824
Agency services		5 341	5 371	6 248	468	3 832	3 581	252	7%	6 248
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	8 340	754	5 335	4 654	681	15%	8 340
Interest from Current and Non Current Assets		10 845	8 511	11 275	850	7 427	5 674	1 753	31%	11 275
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	4 975	233	3 037	2 332	705	30%	4 975
Licence and permits		596	636	637	51	410	424	(14)	-3%	637
Operational Revenue		3 673	1 106	1 230	194	624	737	(113)	-15%	1 230
<b>Non-Exchange Revenue</b>										
Property rates		486 141	509 406	509 406	44 914	418 504	416 787	1 717	0%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	34 529	2 174	12 590	21 563	(8 973)	-42%	34 529
Licence and permits		7 734	9 628	9 628	892	6 655	6 418	236	4%	9 628
Transfers and subsidies - Operational		285 417	390 026	389 742	6 684	264 493	259 946	4 547	2%	389 742
Interest		28 075	30 164	30 164	2 773	20 917	20 109	808	4%	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	652	-	-	652	(652)	-100%	652
Other Gains		25 653	-	9 503	-	503	503	0	0%	9 503
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 126 895</b>	<b>1 251 108</b>	<b>1 276 300</b>	<b>82 954</b>	<b>926 980</b>	<b>926 922</b>	<b>58</b>	<b>0%</b>	<b>1 276 300</b>
<b>Expenditure By Type</b>										
Employee related costs		455 419	483 929	483 842	41 111	320 059	327 041	(6 982)	-2%	483 842
Remuneration of councillors		29 567	31 164	40 283	2 885	28 750	29 609	(858)	-3%	40 283
Bulk purchases - electricity		107 470	158 320	153 320	10 781	82 626	110 699	(28 073)	-25%	153 320
Inventory consumed		11 774	10 499	13 038	713	9 048	8 625	422	5%	13 038
Debt impairment		19 926	-	32 571	-	-	-	-	-	32 571
Depreciation and amortisation		94 294	104 756	110 770	7 273	58 181	69 753	(11 572)	-17%	110 770
Interest		24 062	9 958	9 960	0	983	6 647	(5 664)	-85%	9 960
Contracted services		211 569	273 776	283 115	17 673	159 785	195 567	(35 781)	-18%	283 115
Transfers and subsidies		14 465	13 838	14 737	896	6 936	7 517	(581)	-8%	14 737
Irrecoverable debts written off		27 590	10 513	10 513	518	3 606	7 009	(3 402)	-49%	10 513
Operational costs		161 955	156 437	171 541	15 498	110 530	112 376	(1 847)	-2%	171 541
Losses on Disposal of Assets		5 320	-	-	(752)	(1 404)	-	(1 404)	#DIV/0!	-
Other Losses		197	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 163 606</b>	<b>1 253 191</b>	<b>1 323 690</b>	<b>96 596</b>	<b>779 100</b>	<b>874 842</b>	<b>(95 742)</b>	<b>-11%</b>	<b>1 323 690</b>
<b>Surplus/(Deficit)</b>		<b>(36 711)</b>	<b>(2 083)</b>	<b>(47 390)</b>	<b>(13 642)</b>	<b>147 880</b>	<b>52 080</b>	<b>95 800</b>	<b>184%</b>	<b>(47 390)</b>
Transfers and subsidies - capital (monetary allocations)		185 621	109 848	123 093	6 326	67 415	76 543	(9 128)	-12%	123 093
Transfers and subsidies - capital (in-kind)		1 490	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>			<b>75 703</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>			<b>75 703</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>			<b>75 703</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>150 400</b>	<b>107 765</b>	<b>75 703</b>	<b>(7 316)</b>	<b>215 295</b>	<b>128 623</b>			<b>75 703</b>

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and Expenditure by Type for the period ended 29 February 2024. The full year forecast provides a guideline in terms of overall performance, and it gives an overview of whether the municipality will be able to spend as per budget.

## 6.3 Capital Expenditure

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

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
<b>R thousands</b>										
<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		298	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		3 938	3 801	4 108	325	2 168	3 906	(1 738)	-45%	4 108
Vote 3 - Internal Audit		676	200	220	-	157	133	23	18%	220
Vote 4 - Community and Social Services		379	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1 613	4 340	995	-	393	2 336	(1 943)	-83%	995
Vote 7 - Housing		229	180	189	-	51	121	(70)	-58%	189
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		109 489	115 220	116 915	7 766	66 867	75 929	(9 062)	-12%	116 915
Vote 10 - Road Transport		77 794	7 200	31 700	1 410	15 356	17 160	(1 804)	-11%	31 700
Vote 11 - Environment Protection		389	500	300	103	292	293	(1)	0%	300
Vote 12 - Energy Sources		13 778	22 952	21 452	-	-	14 566	(14 566)	-100%	21 452
Vote 13 - Other		(843)	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		4 505	500	500	-	452	333	118	36%	500
<b>Total Capital single-year expenditure</b>	4	212 244	154 893	176 379	9 605	85 735	114 778	(29 043)	-25%	176 379
<b>Total Capital Expenditure</b>		212 244	154 893	176 379	9 605	85 735	114 778	(29 043)	-25%	176 379
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		4 934	4 001	4 355	325	2 324	4 039	(1 715)	-42%	4 355
Executive and council		320	-	27	-	-	-	-	-	27
Finance and administration		3 938	3 801	4 108	325	2 168	3 906	(1 738)	-45%	4 108
Internal audit		676	200	220	-	157	133	23	18%	220
<b>Community and public safety</b>		2 072	4 520	1 185	-	444	2 457	(2 013)	-82%	1 185
Community and social services		379	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 464	4 340	995	-	393	2 336	(1 943)	-83%	995
Housing		229	180	189	-	51	121	(70)	-58%	189
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		187 798	122 920	148 888	9 280	82 515	93 382	(10 867)	-12%	148 888
Planning and development		109 467	115 220	116 888	7 766	66 867	75 929	(9 062)	-12%	116 888
Road transport		77 943	7 200	31 700	1 410	15 356	17 160	(1 804)	-11%	31 700
Environmental protection		389	500	300	103	292	293	(1)	0%	300
<b>Trading services</b>		18 283	23 452	21 952	-	452	14 900	(14 448)	-97%	21 952
Energy sources		13 778	22 952	21 452	-	-	14 566	(14 566)	-100%	21 452
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 505	500	500	-	452	333	118	36%	500
<b>Other</b>		(843)	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	212 244	154 893	176 379	9 605	85 735	114 778	(29 043)	-25%	176 379
<b>Funded by:</b>										
National Government		130 557	93 781	103 166	6 712	62 945	69 193	(6 248)	-9%	103 166
Provincial Government		30 518	1 739	3 872	-	-	1 792	(1 792)	-100%	3 872
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparm Agencies,		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		161 075	95 520	107 038	6 712	62 945	70 984	(8 040)	-11%	107 038
<b>Borrowing</b>	6	6 412	21 452	21 452	-	-	15 016	(15 016)	-100%	21 452
<b>Internally generated funds</b>		44 758	37 921	47 890	2 892	22 790	28 777	(5 987)	-21%	47 890
<b>Total Capital Funding</b>		212 244	154 893	176 379	9 605	85 735	114 778	(29 043)	-25%	176 379

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 29 February 2024.

## 6.4 Statement Cash Flow

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

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		462 432	483 936	483 936	42 963	331 616	507 649	(176 033)	-35%	483 936
Service charges		232 464	232 890	232 890	22 546	176 541	244 302	(67 761)	-28%	232 890
Other revenue		86 694	26 628	29 263	10 555	59 904	27 932	31 971	114%	29 263
Transfers and Subsidies - Operational		291 700	390 290	395 386	29 641	276 246	328 465	(52 219)	-16%	395 386
Transfers and Subsidies - Capital		184 599	109 848	110 025	-	110 334	91 688	18 646	20%	110 025
Interest		10 332	8 511	11 275	795	6 747	8 928	(2 182)	-24%	11 275
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(1 221 166)	(1 131 649)	(1 130 069)	(87 138)	(719 123)	(1 093 169)	374 045	-34%	(1 130 069)
Interest		(1 324)	(9 958)	9 958	-	(982)	(10 446)	9 463	-91%	9 958
Transfers and Subsidies		-	(14 888)	14 888	-	-	(15 617)	15 617	-100%	14 888
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>45 732</b>	<b>95 608</b>	<b>157 551</b>	<b>19 363</b>	<b>241 281</b>	<b>89 732</b>	<b>(151 549)</b>	<b>-169%</b>	<b>157 551</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		242 572	(168 358)	(187 898)	(10 242)	(99 375)	(113 160)	13 785	-12%	(187 898)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>242 572</b>	<b>(168 358)</b>	<b>(187 898)</b>	<b>(10 242)</b>	<b>(99 375)</b>	<b>(113 160)</b>	<b>(13 785)</b>	<b>12%</b>	<b>(187 898)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(31 987)	(18 414)	32 117	(5 143)	(30 030)	(28 456)	(1 574)	6%	32 117
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(31 987)</b>	<b>(18 414)</b>	<b>32 117</b>	<b>(5 143)</b>	<b>(30 030)</b>	<b>(28 456)</b>	<b>1 574</b>	<b>-6%</b>	<b>32 117</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>256 317</b>	<b>(91 164)</b>	<b>1 770</b>	<b>3 979</b>	<b>111 876</b>	<b>(51 884)</b>			<b>1 770</b>
Cash/cash equivalents at beginning:		131 693	131 591	131 591		114 251	131 591			114 251
Cash/cash equivalents at month/year end:		388 010	40 427	133 361		226 128	79 707			116 022

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources.

## 6.5 Statement financial Position

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

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		114 251	40 427	22 857	183 111	22 857
Trade and other receivables from exchange transactions		110 482	143 554	138 590	141 666	138 590
Receivables from non-exchange transactions		353 515	333 984	307 784	426 596	307 784
Current portion of non-current receivables		-	-	-	-	-
Inventory		5 564	2 559	14 812	13 096	14 812
VAT		147 570	121 348	121 988	160 987	121 988
Other current assets		4 469	3 151	3 151	4 469	3 151
<b>Total current assets</b>		<b>735 851</b>	<b>645 023</b>	<b>609 181</b>	<b>929 924</b>	<b>609 181</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		354 869	307 811	316 811	354 869	316 811
Property, plant and equipment		1 804 872	1 726 164	1 741 856	1 832 653	1 741 856
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		2 210	2 205	2 205	2 210	2 205
Intangible assets		489	1 697	2 129	262	2 129
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>2 162 440</b>	<b>2 037 876</b>	<b>2 063 000</b>	<b>2 189 994</b>	<b>2 063 000</b>
<b>TOTAL ASSETS</b>		<b>2 898 291</b>	<b>2 682 899</b>	<b>2 672 182</b>	<b>3 119 918</b>	<b>2 672 182</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		17 369	28 891	15 188	(12 661)	15 188
Consumer deposits		35 315	32 846	32 846	36 904	32 846
Trade and other payables from exchange transactions		147 675	112 595	158 431	124 469	158 431
Trade and other payables from non-exchange transactions		37 945	46 376	33 987	84 872	33 987
Provision		39 844	35 473	37 073	15 402	37 073
VAT		112 191	74 576	74 576	140 598	74 576
Other current liabilities		4 839	4 622	4 622	4 839	4 622
<b>Total current liabilities</b>		<b>395 179</b>	<b>335 379</b>	<b>356 723</b>	<b>394 423</b>	<b>356 723</b>
<b>Non current liabilities</b>						
Financial liabilities		43 628	16 435	16 435	50 716	16 435
Provision		47 192	41 487	41 487	47 192	41 487
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		98 891	101 052	101 052	98 891	101 052
<b>Total non current liabilities</b>		<b>189 711</b>	<b>158 975</b>	<b>158 975</b>	<b>196 799</b>	<b>158 975</b>
<b>TOTAL LIABILITIES</b>		<b>584 890</b>	<b>494 353</b>	<b>515 698</b>	<b>591 223</b>	<b>515 698</b>
<b>NET ASSETS</b>	2	<b>2 313 400</b>	<b>2 188 546</b>	<b>2 156 484</b>	<b>2 528 695</b>	<b>2 156 484</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		2 313 400	2 188 546	2 156 484	2 528 695	2 156 484
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2 313 400</b>	<b>2 188 546</b>	<b>2 156 484</b>	<b>2 528 695</b>	<b>2 156 484</b>



The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 29 February 2024. Total assets are R3.1 billion over the total liabilities of R591 million this therefore mean the municipality is still able to meet its financial obligations.