



The Game changer of South Coast development

RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

QUARTERLY BUDGET STATEMENT FOR THE 3rd QUARTER ENDED 31 MARCH 2024

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/2024 BUDGET FOR THE PERIOD ENDING 31 MARCH 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 31 MARCH 2024 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 3rd quarter ended 31 MARCH 2024 is detailed below. The Quarterly 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 Capital Expenditure
- 5.6 Transfers and Grants Receipts
- 5.7 Transfers and Grants Expenditure
- 5.8 Salaries Expenditure
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- 5.10. Performance Indicators

6. MAIN TABLES

- 6.1. Summary
- 6.2. Financial Performance by Revenue and Expenditure
- 6.3. Capital Expenditure
- 6.4. Statement of Financial Position
- 6.5. Statement of Cash flows

Section 52d Budget Implementation ratio analysis.

National treasury has ratio norms in place that aid in the analysis of actual performance against budgeted performance. As at the end of the first quarter of the 2023/24 financial year, the tables below compare the implementation of the budget with the third quarter against the implementation of the 2022/23 financial year third quarter. This comparison assesses the performance of the municipality in implementing its budget efficiently.

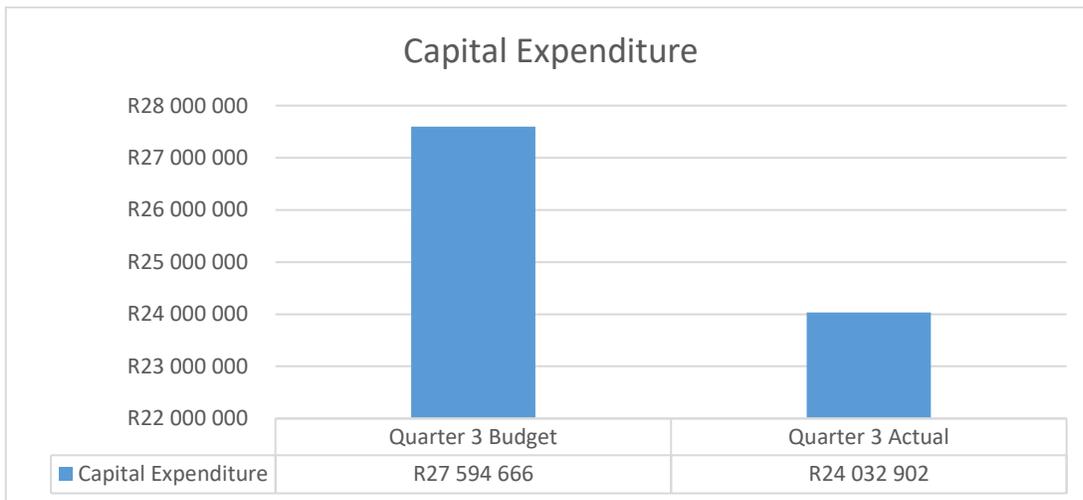
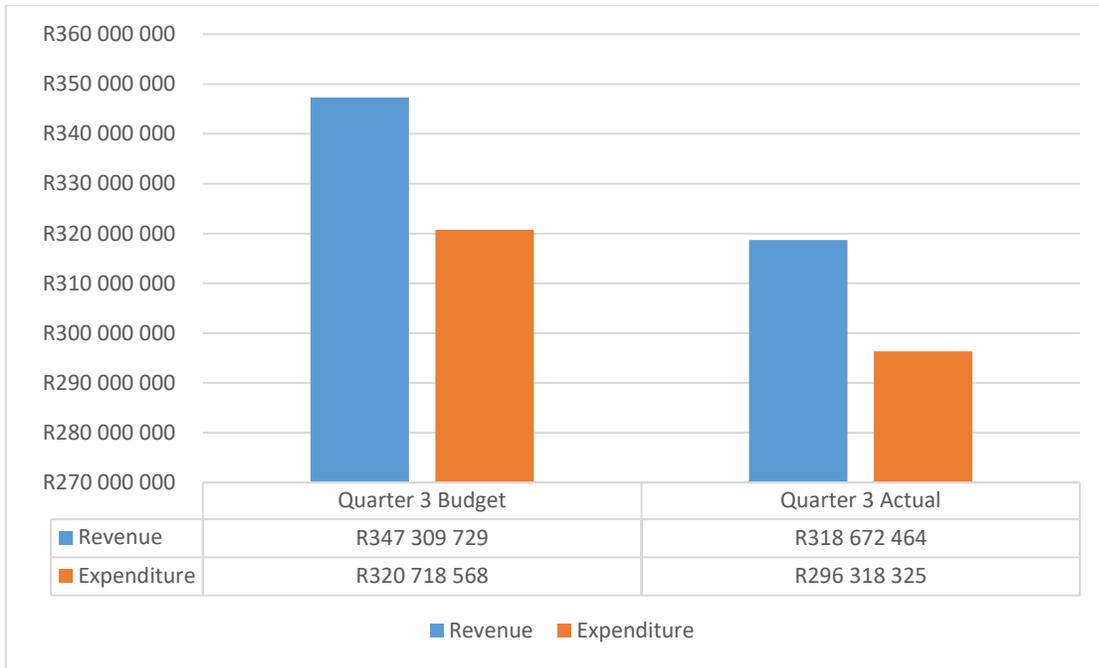
The table below shows the municipality in the third quarter of both financial years' Operating revenues performance has been in line with the budgeted performance, with a 4% improvement in the billing of service charges and property rates. Overall operational revenue implementation is at a 92% for the 3rd quarter.

The municipality has maintained 7% net operating surplus margin over the 3rd quarter of both financial years, which is acceptable based on the norm range set by national treasury of which the net surplus margin should be greater than zero.

BUDGET IMPLEMENTATION							
RATIO		DATA SOURCE		NORM/RANGE	INPUT DE DESCRIPTION	Quarter 3 2024	Quarter 3 2023
Operating Revenue budget		Actual Operating		95%-100%	Actual Operating Revenue	318 672 464.39	341 095 226.62
Implementation indicator		Revenue/Budget Operating			YTD Budget Operating Revenue	347 309 979	333 317 199.75
						92%	102%
Service Charges and Property Rates Revenue Budget		Actual Service Charges and property rates revenue/budget service charges and property rates revenue x 100		95%-100%	Actual Service Charges and property rates	196 149 233.09	181 932 637.37
					Budget service charges and property rates revenue	188 638 348.75	182 202 241.50
						104%	100%

FINANCIAL PERFORMANCE							
A.EFFICIENCY							
RATIO		DATA SOURCE		NORM/RANGE	INPUT DE DESCRIPTION	Quarter 3 2024	Quarter 3 2023
Net Operating Surplus Margin		(Total Operating Revenue-Total Operating Expenditure)/Total Operating Revenue		equal or >0%	Total Operating Revenue	318 672 464.39	341 095 226.62
					Total Operating Expenditure	296 318 324.95	256 176 998.70
					Taxation Expense		
						7%	25%

Revenue, Operational and Capital Expenditure comparison between Budget versus Actual Performance for the 3rd Quarter.



5.1 Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M09 - Quarter 3

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	486 141	509 406	509 406	134 863	463 446	463 096	349	0%	509 406
Service charges	212 429	245 147	245 147	62 087	195 626	193 837	1 788	1%	245 147
Investment revenue	10 845	8 511	11 275	1 922	7 504	7 074	429	6%	11 275
Transfers and subsidies - Operational	285 417	390 026	389 742	85 439	343 249	292 378	50 871	17%	389 742
Other own revenue	132 063	98 017	120 730	22 971	68 620	81 905	(13 285)	-16%	-
Total Revenue (excluding capital transfers and contributions)	1 126 895	1 251 108	1 276 300	307 282	1 078 444	1 038 290	40 153	4%	1 276 300
Employee costs	455 419	483 929	483 842	122 007	358 862	373 687	(14 825)	-4%	483 842
Remuneration of Councillors	29 567	31 164	40 283	8 595	31 606	33 136	(1 530)	-5%	40 283
Depreciation and amortisation	94 294	104 756	110 770	21 818	65 453	79 953	(14 500)	-18%	110 770
Interest	24 062	9 958	9 960	979	1 459	7 485	(6 026)	-81%	9 960
Inventory consumed and bulk purchases	119 244	168 819	166 358	34 965	104 222	136 590	(32 368)	-24%	166 358
Transfers and subsidies	14 465	13 838	14 737	1 312	7 336	11 950	(4 614)	-39%	14 737
Other expenditure	426 555	440 726	497 740	105 891	306 350	366 771	(60 422)	-16%	497 740
Total Expenditure	1 163 606	1 253 191	1 323 690	295 566	875 287	1 009 571	(134 285)	-13%	1 323 690
Surplus/(Deficit)	(36 711)	(2 083)	(47 390)	11 716	203 157	28 719	174 438	607%	(47 390)
Transfers and subsidies - capital (monetary allocations)	185 621	109 848	123 093	11 391	72 480	89 009	(16 529)	-19%	123 093
Transfers and subsidies - capital (in-kind)	1 490	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	150 400	107 765	75 703	23 106	275 637	117 728	157 909	134%	75 703
Surplus/ (Deficit) for the year	150 400	107 765	75 703	23 106	275 637	117 728	157 909	134%	75 703
Capital expenditure & funds sources									
Capital expenditure	212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Capital transfers recognised	161 075	95 520	107 038	20 927	74 931	83 213	(8 282)	-10%	107 038
Borrowing	6 412	21 452	21 452	-	-	17 162	(17 162)	-100%	21 452
Internally generated funds	44 758	37 921	47 890	9 297	24 877	33 375	(8 498)	-25%	47 890
Total sources of capital funds	212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Financial position									
Total current assets	735 851	645 023	609 181		1 051 007				609 181
Total non current assets	2 162 440	2 037 876	2 063 000		2 196 795				2 063 000
Total current liabilities	395 179	335 379	356 723		462 419				356 723
Total non current liabilities	189 711	158 975	158 975		196 345				158 975
Community wealth/Equity	2 313 400	2 188 546	2 156 484		2 589 038				2 156 484
Cash flows									
Net cash from (used) operating	45 732	95 608	157 551	103 113	331 034	383 715	52 681	14%	157 551
Net cash from (used) investing	242 572	(168 358)	(187 898)	(35 097)	(115 795)	(161 114)	(45 319)	28%	(187 898)
Net cash from (used) financing	(31 987)	(18 414)	32 117	(13 737)	(34 929)	(33 605)	1 324	-4%	32 117
Cash/cash equivalents at the month/year end	388 010	40 427	133 361	-	294 561	320 587	26 026	8%	116 022
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	67 769	37 212	20 888	17 914	16 579	21 861	14 289	461 328	657 840
Creditors Age Analysis									
Total Creditors	181	68	917	(20)	-	5	-	-	1 151

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) - M09 - Quarter 3

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		153 095	182 436	182 436	44 795	137 647	136 827	820	1%	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		59 334	62 711	62 711	17 291	57 979	57 010	968	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	14 824	3 812	8 343	11 735	(3 391)	-29%	14 824
Agency services		5 341	5 371	6 248	1 571	4 349	4 248	101	2%	6 248
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	8 340	2 267	6 083	5 576	507	9%	8 340
Interest from Current and Non Current Assets		10 845	8 511	11 275	1 922	7 504	7 074	429	6%	11 275
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	4 975	862	3 306	2 993	313	10%	4 975
Licence and permits		596	636	637	173	463	477	(14)	-3%	637
Operational Revenue		3 673	1 106	1 230	295	668	861	(193)	-22%	1 230
Non-Exchange Revenue										
Property rates		486 141	509 406	509 406	134 863	463 446	463 096	349	0%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	34 529	4 103	14 487	25 018	(10 531)	-42%	34 529
Licence and permits		7 734	9 628	9 628	1 573	6 711	7 221	(509)	-7%	9 628
Transfers and subsidies - Operational		285 417	390 026	389 742	85 439	343 249	292 378	50 871	17%	389 742
Interest		28 075	30 164	30 164	8 315	23 706	22 623	1 083	5%	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		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 126 895	1 251 108	1 276 300	307 282	1 078 444	1 038 290	40 153	4%	1 276 300

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.

Service Charges -Electricity

Electricity revenue YTD Actual for the 3rd quarter ended 31 MARCH 2024 is R137.6 million, YTD Budget is R136,8 million with a variance of R820 thousand. Electricity revenue for the 3rd quarter is 1% more than the projected YTD budget.

Service Charges – Waste Management

The YTD actual billing for refuse removals for 3rd quarter ended is R58 million and the YTD Budget billing is R57 million, with YTD variance of 2% more than the budgeted quarter billing. Water management billing is linked to property rates billing and the slight over performance is attributed to new applications for annual billing, yielding more revenue for the quarter.

Sale of Goods and Rendering of Services

YTD actual R8.3 million and YTD budget for the quarter is R11.7 million, with the negative variance of R3.4million, less revenue was received than anticipated.

Agency Services

Agency services comprise of driver's license application, learners license application and renewal fees, and commission earned by the municipality on employee FICS deductions for the administration of collecting loan repayments on behalf of financial institutions. The YTD actual of R4.3 million compared to the YTD budget of R4.2 million. License applications and renewals in the 3rd quarter performed according to revenue projections for this quarter with a slight variance of R101 thousand.

Interest earned on arrear debtors

The interest earned on arrear debtors to date is R6 million, and the YTD budget being R5.6 million. Interest charged on outstanding debt is in line with projected revenues based on the anticipated collection rate and revenue enhancement measures put in place.

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 R7.5 million, YTD budget is R7 million, variance of R429 thousand which is more than year to date budget. The municipality had a substantial balance in the investment accounts largely from the equitable share tranche which in turn earned more interest for the quarter.

Rental of Facilities

Rental of facilities amounts annual budget is R4.9 million, this is the rental of fixed asset revenue such as halls, airport hangers and garages. YTD actual of R3.3 million, YTD budget of R3 million, R313 thousand more than revenue projections for the 3rd quarter.

Operational Revenue

YTD actual R668 thousand and YTD budget for the quarter is R861 thousand with a variance of R193 thousand.

Property Rates by Usage

The YTD Actual for property rates for the 3rd quarter ended 31 MARCH 2024 is R463 million and the YTD Budget for property rates R463 million with a 0% variance.

Fines

Fines, Penalties, and forfeits are derived from building fines, illegal connections, overdue books, The YTD actual is R14.5 million with a YTD budget of R25 million. There is a 42% 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 R6.7 million as of 31 MARCH 2024, YTD Budget is R7.2 million which is in line with the revenue projections for the 3rd quarter.

Transfers and Subsidies -Operational

For the 3rd quarter ended 31 MARCH 2024 the operational grant recognized /received to date amounts to R343.2 million, YTD Budget is R292.4 million. The variance between YTD budget versus actual is due to the 3rd tranche received from Equitable share which 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.

Overall revenue YTD budget to date

The YTD Actual revenue is R1.078 billion for the period ending 31 MARCH 2024, YTD Budget is R1.038 billion. Actual amount is more 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.

5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - Quarter 3

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		455 419	483 929	483 842	122 007	358 862	373 687	(14 825)	-4%	483 842
Remuneration of councillors		29 567	31 164	40 283	8 595	31 606	33 136	(1 530)	-5%	40 283
Bulk purchases - electricity		107 470	158 320	153 320	31 751	93 345	126 406	(33 061)	-26%	153 320
Inventory consumed		11 774	10 499	13 038	3 214	10 877	10 184	693	7%	13 038
Debt impairment		19 926	-	32 571	-	-	8 143	(8 143)	-100%	32 571
Depreciation and amortisation		94 294	104 756	110 770	21 818	65 453	79 953	(14 500)	-18%	110 770
Interest		24 062	9 958	9 960	979	1 459	7 485	(6 026)	-81%	9 960
Contracted services		211 569	273 776	283 115	55 999	182 367	220 292	(37 925)	-17%	283 115
Transfers and subsidies		14 465	13 838	14 737	1 312	7 336	11 950	(4 614)	-39%	14 737
Irrecoverable debts written off		27 590	10 513	10 513	1 548	4 079	7 885	(3 806)	-48%	10 513
Operational costs		161 955	156 437	171 541	49 096	121 308	130 452	(9 144)	-7%	171 541
Losses on Disposal of Assets		5 320	-	-	(752)	(1 404)	-	(1 404)	#DIV/0!	-
Other Losses		197	-	-	-	-	-	-	-	-
Total Expenditure		1 163 606	1 253 191	1 323 690	295 566	875 287	1 009 571	(134 285)	-13%	1 323 690

Employee related costs and Remuneration of Councillors

The 3rd quarter ended 31 MARCH 2024 YTD Budget is R373.7 million with the YTD Actual being R358.9 million which is in line with the expenditure projections for the 3rd quarter. Employee related cost is further detailed in table 5.8 Salaries expenditure details. Remuneration of councillors actual expenditure is sitting at R31.6 million with YTD Budget of R33.1 million, the variance is due to council member upgrading to a new task grade.

Contracted Services

Contracted services are made up of various operational projects such as Repairs and maintenance and typical work stream. Contracted services for the period ended 31 MARCH 2024 amounts to R182.4 million, The YTD Budget is R220.3 million and YTD Variance is R37.9 million. The variance in contracted services in the 3rd quarter is due to repair and maintenance projects funded by the disaster relief grant which has the project expenditure YTD actual for the quarter as R35.2 million. The first tranche amounting to R31 million was received in October, the second tranche amounting to R24 million was received in December and the third tranche amounting R27.3 million was received in February.

Inventory Consumed

YTD Inventory consumed amounts to R10.9 million as of 31 MARCH 2024 with the YTD Budget being R10.2 million. There is a variance of R693 thousand.

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 R121.3 million, YTD Budget is R130.5 million and there is a -7% variance.

Depreciation

Depreciation and asset impairment expenditure amount of R65.5 million to date from the beginning of the year. The year-to-date budget is R80 million, resulting in a variance of -18%.

Debt Written-off

Debt written off YTD budget of R 7.9 million versus the actual YTD of R4.1 million for the 3rd quarter ended 31 MARCH 2024. The R4.1 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 written off 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 YTD budget for transfers and subsidies is R11.9 million and YTD expenditure is R7.3 million.

Overall expenditure budget

The overall expenditure YTD Actual is R875.3 million as of 31 MARCH 2024, YTD Budget is R1 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 stated above.

Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R203 million compared to the YTD Budget (Deficit) of R28.7 million.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 - Quarter 3

Description	NT Code	Budget Year 2023/24									Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr					
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	6	10	11	3	13	17	20	999	1 080	1 062	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	17 176	8 555	2 409	1 387	1 224	1 470	878	13 735	46 833	18 694	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	40 280	21 406	12 633	10 850	10 182	15 550	8 525	269 438	388 864	314 546	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0	-	-	
Receivables from Exchange Transactions - Waste Management	1600	5 857	3 417	2 256	1 933	1 795	1 592	1 478	52 846	71 176	59 645	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	3 608	3 539	3 445	3 353	3 226	3 056	2 830	113 427	136 483	125 892	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	842	285	134	387	138	176	558	10 883	13 404	12 143	-	-	
Total By Income Source	2000	67 769	37 212	20 888	17 914	16 579	21 861	14 289	461 328	687 840	631 972	-	-	
2022/23 - totals only		62 674	30 429	18 758	16 140	14 554	15 404	65 399	359 954	583 311	471 461	-	-	
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 411	859	731	735	769	6 300	621	45 135	57 560	53 559	-	-	
Commercial	2300	25 765	13 538	5 308	4 296	4 056	4 374	3 656	83 637	144 630	100 019	-	-	
Households	2400	39 580	22 793	14 844	12 881	11 751	11 183	10 010	332 412	455 454	378 237	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	67 756	37 190	20 883	17 912	16 576	21 857	14 286	461 184	687 644	631 815	-	-	

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 - M09 - Quarter 3

Description	NT Code	Budget Year 2023/24									Total	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			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	301
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	181	68	917	(20)	-	5	-	-	-	1 151	197
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	181	68	917	(20)	-	5	-	-	-	1 151	499

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) - M09 - Quarter 3

Vote Description	Ref	2022/23			Budget Year 2023/24					
		Approved Outcomes	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD Variance	YTD Variance %	Full Year Estimate
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Other		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		298	-	-	-	-	-	(1 447)	-36%	4 108
Vote 2 - Finance and Administration		3 938	3 801	4 108	1 544	2 542	3 989	18	11%	220
Vote 3 - Internal Audit		676	200	220	32	188	170	(69)	-52%	189
Vote 4 - Community and Social Services		379	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1 613	4 340	995	27	420	2 043	(1 623)	-79%	995
Vote 7 - Housing		229	180	189	14	65	134	(69)	-52%	189
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		109 489	115 220	116 915	21 986	78 929	89 902	(10 974)	-12%	116 915
Vote 10 - Road Transport		77 794	7 200	31 700	6 519	16 920	19 980	(3 060)	-15%	31 700
Vote 11 - Environment Protection		389	500	300	103	292	295	(3)	-1%	300
Vote 12 - Energy Sources		13 778	22 952	21 452	-	-	16 862	(16 862)	-100%	21 452
Vote 13 - Other		(843)	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		4 505	500	500	-	452	375	77	20%	500
Total Capital single-year expenditure	4	212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Total Capital Expenditure		212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Capital Expenditure - Functional Classification										
Governance and administration		4 934	4 001	4 355	1 575	2 730	4 159	(1 428)	-34%	4 355
Executive and council		320	-	27	-	-	-	-	-	27
Finance and administration		3 938	3 801	4 108	1 544	2 542	3 989	(1 447)	-36%	4 108
Internal audit		676	200	220	32	188	170	18	11%	220
Community and public safety		2 072	4 520	1 185	41	485	2 177	(1 692)	-78%	1 185
Community and social services		379	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 464	4 340	995	27	420	2 043	(1 623)	-79%	995
Housing		229	180	189	14	65	134	(69)	-52%	189
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		187 798	122 920	148 888	28 608	96 141	110 177	(14 036)	-13%	148 888
Planning and development		109 467	115 220	116 888	21 986	78 929	89 902	(10 974)	-12%	116 888
Road transport		77 943	7 200	31 700	6 519	16 920	19 980	(3 060)	-15%	31 700
Environmental protection		389	500	300	103	292	295	(3)	-1%	300
Trading services		18 283	23 452	21 952	-	452	17 237	(16 785)	-97%	21 952
Energy sources		13 778	22 952	21 452	-	-	16 862	(16 862)	-100%	21 452
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 505	500	500	-	452	375	77	20%	500
Other		(843)	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Funded by:										
National Government		130 557	93 781	103 166	20 927	74 931	80 517	(5 587)	-7%	103 166
Provincial Government		30 518	1 739	3 872	-	-	2 695	(2 695)	-100%	3 872
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		161 075	95 520	107 038	20 927	74 931	83 213	(8 282)	-10%	107 038
Borrowing	6	6 412	21 452	21 452	-	-	17 162	(17 162)	-100%	21 452
Internally generated funds		44 758	37 921	47 890	9 297	24 877	33 375	(8 498)	-25%	47 890
Total Capital Funding		212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R99.8 million, the YTD budgeted is R133.7 million and there is a -25% 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

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



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER MAR 2024							
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)(GRAP 23)	Expenditure: Capital (Revenue Recognised)(GPAP 23)	Internally Funded	Closing Balance as at	
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 88 848 000	R -	R 57 422 231	R -	R	31 425 768 94
NEIGHBOURHOOD GRANT	R 1 200 663	R 24 178 000	R -	R 26 502 342	R 1 123 679	R	-
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 5 776 761	R 4 175 017	R -	R -	R	1 601 733 79
MUNICIPAL DISASTER RESPONSE	R -	R -	R -	R -	R -	R	-
MUNICIPAL DISASTER RECOVERY	R -	R 82 298 000	R 53 662 727	R -	R -	R	28 635 272 94
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 95
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 374 182	R -	R -	R	1 575 818 49
COMMUNITY LIBRARIES GRANT (MOB)	R -	R 775 000	R -	R -	R -	R	775 000 00
MUSEUM GRANT	R -	R 476 000	R 2 119 789	R -	R 1 643 789	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
TOTAL	R 8 541 271	R 206 241 791	R 60 331 714	R 83 924 573	R 2 767 468	R	73 294 203

Transfers and Grants Receipts

The total grants received to date for period ending 31 March 2024 amounts to R162 million, which include R88.8 million from Integrated Urban Development Grant, R24.1 million from Neighborhood Development Grant, R5.7 million from EPWP, R1.95 million from FMG, R82.3 million disaster recovery grant, R 476 thousand from Museum Grant, R2 million from Airport Grant and R715 thousand from Community libraries grant (MOB).

5.8 Transfers and Grants Expenditure



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER MAR 2024						
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)IGRAP 25	Expenditure: Capital (Revenue Recognised)IGRAP 23	Internally Funded	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 88 848 000	R -	R 57 422 231	R -	R 31 425 768.94
NEIGHBOURHOOD GRANT	R 1 200 663	R 24 178 000	R -	R 26 502 342	R 1 123 679	R -
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	R -	R 5 776 751	R 4 175 017	R -	R -	R 1 601 733.79
MUNICIPAL DISASTER RESPONSE	R -	R -	R -	R -	R -	R -
MUNICIPAL DISASTER RECOVERY	R -	R 82 298 000	R 53 662 727	R -	R -	R 28 635 272.84
INTERMIDIAL 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 374 182	R -	R -	R 1 575 818.49
COMMUNITY LIBRARIES GRANT (LCBI)	R -	R 775 000	R -	R -	R -	R 775 000.00
MUSEUM GRANT	R -	R 476 000	R 2 119 789	R -	R 1 643 789	R -
AIRPORT GRANT	R 3 763 374	R 2 000 000	R -	R -	R -	R 5 763 373.50
COGTA ELECT GRANT	R 794 811	R -	R -	R -	R -	R 794 810.61
MARKET STALLS GRANT	R 2 452 315	R -	R -	R -	R -	R 2 452 315.18
TOTAL	R 8 541 271	R 206 241 751	R 60 331 714	R 83 924 573	R 2 767 468	R 73 294 203

Transfers and Grants Expenditure

Grants are monitored monthly, and Grant's register is communicated/ shared with management to ensure effective management of grants and 100% expenditure. As of 31 March 2024, there is R60 331 714 operating expenditure recorded and capital expenditure amounting to R83 924 573

Grant expenditure

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

An amount of R88.8 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 31 March 2024 is R57.4 million and has been spent on various capital projects.

- **Neighborhood Development Partnership Grant**

An amount of R24 178 000 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 31 March 2024 is R26.5 million, with R1.1 million being internally funded.

- **Expanded Public Works Programme**

An amount of R5 776 751 has been received for the EPWP grant. This is an operational grant and the YTD actual for the period ended 31 March 2024 is R4 175 017.

- **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 31 March 2024 is R374 182.

- **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 31 March 2024 is R2 119 789, with R1 643 789 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 31 March 2024 is R53 662 727.

5.8 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 - Quarter 3

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		26 688	19 040	27 782	4 730	21 010	23 194	(2 184)	-9%	27 782
Pension and UIF Contributions		-	758	758	188	564	606	(42)	-7%	758
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 880	2 815	3 192	768	2 235	2 495	(260)	-10%	3 192
Housing Allowances		-	5 953	5 953	2 146	5 537	4 762	775	16%	5 953
Other benefits and allowances		-	2 599	2 599	762	2 260	2 079	181	9%	2 599
Sub Total - Councillors		29 567	31 164	40 283	8 595	31 606	33 136	(1 530)	-5%	40 283
% increase	4		5.4%	36.2%						36.2%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 690	3 946	3 621	613	2 094	3 157	(1 063)	-34%	3 621
Pension and UIF Contributions		146	192	133	23	61	154	(92)	-60%	133
Medical Aid Contributions		198	230	134	13	51	184	(133)	-72%	134
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		960	1 059	1 059	-	-	847	(847)	-100%	1 059
Motor Vehicle Allowance		838	1 060	928	183	502	848	(346)	-41%	928
Cellphone Allowance		87	114	92	17	50	92	(42)	-46%	92
Housing Allowances		2 655	3 275	2 243	333	1 141	2 620	(1 479)	-56%	2 243
Other benefits and allowances		1	1	1	0	0	1	(0)	-45%	1
Payments in lieu of leave		327	332	260	23	(143)	265	(409)	-154%	260
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		76	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8 978	10 209	8 470	1 204	3 756	8 167	(4 412)	-54%	8 470
% increase	4		13.7%	-5.7%						-5.7%
Other Municipal Staff										
Basic Salaries and Wages		274 917	289 060	293 685	72 858	216 695	230 791	(14 096)	-6%	293 685
Pension and UIF Contributions		50 977	50 460	54 484	13 273	39 409	40 368	(960)	-2%	54 484
Medical Aid Contributions		20 094	20 688	21 909	5 484	15 842	16 535	(693)	-4%	21 909
Overtime		21 821	18 985	22 020	7 780	16 913	14 828	2 085	14%	22 020
Performance Bonus		22 443	22 473	24 034	3 829	17 727	18 018	(291)	-2%	24 034
Motor Vehicle Allowance		18 911	18 975	21 168	4 943	14 984	15 180	(196)	-1%	21 168
Cellphone Allowance		1 021	1 007	1 047	247	749	805	(57)	-7%	1 047
Housing Allowances		4 152	4 059	3 430	808	2 499	3 247	(748)	-23%	3 430
Other benefits and allowances		5 224	6 038	5 441	1 951	4 438	4 830	(392)	-8%	5 441
Payments in lieu of leave		4 871	22 480	5 668	6 654	17 660	17 984	(325)	-2%	5 668
Long service awards		4 268	2 751	3 620	1 386	4 048	2 201	1 847	84%	3 620
Post-retirement benefit obligations		17 103	15 852	17 343	1 283	3 259	-	3 259	#DIV/0!	17 343
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		638	912	1 523	306	885	732	153	21%	1 523
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		446 442	473 720	475 372	120 802	355 106	365 519	(10 413)	-3%	475 372
% increase	4		6.1%	6.5%						6.5%
Total Parent Municipality		484 987	515 094	524 125	130 602	390 467	406 822	(16 355)	-4%	524 125

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 R31.6 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R33.1 million. This indicates a variance of R1.5 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 R3.8 million and a YTD budget of R8.2 million. The variance is due to vacancies that have not been filled as yet.

Other Municipal Staff

The municipal staff year to date spending is sitting at R355.1 million against the year-to-date budget of R365.5 million with the variance being 3%.

5.9 Long-term Loans

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 31 MARCH 2024



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 March 2024	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 31 March 2024
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	-R 10 380 212.91		-R 239 569.63		R 515 281.23	-R 10 104 501.31
DBSA	12.67%	22-Nov-30	61007761	-R 7 540 360.77		-R 235 531.95		R 414 268.04	-R 7 361 624.68
TOTAL DBSA LOANS				-R 17 920 573.68	R -	-R 475 101.58	R -	R 929 549.27	-R 17 466 125.99
TOTAL LOANS				-R 17 920 573.68	R -	-R 475 101.58	R -	R 929 549.27	-R 17 466 125.99

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, the third tranche was received in July and the current loan balance outstanding is R17.5 million as of 31 MARCH 2024. 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 1	Year 2	Year 3	Totals	Year 4	Total
Electricity Meters Replacement	3,000,000	2,000,000	2,000,000	7,000,000		
Network infrastructure studies	500,000					
Electrical Cables Replacement	-	1,000,000	500,000	1,500,000		
Mini-substations Replacement	-	1,000,000	1,000,000	2,000,000		
Inter-switches (RMU) Replacement	-	1,000,000	1,000,000	2,000,000		
11kV Interconnector - Marburg to Port Shepstone Substation	-	-	-	-	14,500,000.00	
Memorial & Reynolds Sw/Sta Refurbishment & Replace Switchgear	-	3,476,000	3,476,000	6,952,000	6,952,000.00	
Totals	R 3,500,000.00	R 8,476,000.00	R 7,976,000.00	R 19,952,000.00	21,452,000.00	41,404,000.00

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

Financial Years	2020/2021	2022/2023	2023/2024	Total
Receipts	R 3 500 000.00	R 8 476 000.00	R 7 976 000.00	R 19 952 000.00

- A total of **R19 952 000** has been received from 2020/2021 to 2023/2024.

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

- A total of **R13 501 355.84** has been spent on the above-mentioned capital projects, a total of **R6 450 644.16** remains unspent in the 2023/2024 financial year due to an additional draw down of the loan being received in new financial year in the month of July. No expenditure has been incurred in DBSA funded capital projects within the 3rd quarter of the financial year.

5.10 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M09 - Quarter 3

Description of financial indicator	Basis of calculation	Ref	Budget Year 2023/24				
			2022/23 Actual Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Estimate
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-0.7%	9.2%	9.1%	0.2%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		3.0%	13.8%	12.2%	0.0%	21.5%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		14.9%	14.0%	15.1%	14.5%	15.1%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	186.2%	192.3%	170.8%	227.3%	170.8%
Liquidity Ratio	Monetary Assets/Current Liabilities		28.9%	12.1%	6.4%	53.7%	6.4%
Revenue Management							
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%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		40.4%	38.7%	37.9%	33.3%	37.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.1%	15.5%	14.9%	11.1%	14.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.5%	9.2%	9.5%	0.1%	3.9%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational						

The above table gives an overview of the financial indicators of the municipality for the 3rd Quarter 31 MARCH 2024.

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R17 466 126.99 as of 31 MARCH 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 31 March 2024: $R1\ 051\ 007/R462\ 419 = 2.27:1$

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 R1.71: R1 ratio and the actual ratio as of 31 MARCH 2024 is R2.27:1 which is still 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 31 March 2024: $(R1\ 051\ 007-R12\ 494)/R462\ 419 = 2.25:1$

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 31/03/2024

ACCOUNT NO	INVESTMENT DETAILS		CURRENT MONTH						YTD					
	INSTITUTION & TYPE	PROJECT NAME / DETAILS	MONTHLY OPENING BALANCE	INTEREST INVESTED	BANK CHARGES	DEPOSIT	WITHDRAWALS	CURRENT BALANCE	INVESTMENT BALANCES AS AT	INTEREST	BANK DEPOSITS	CHARGES	INVESTMENT WITHDRAWALS	BALANCE AS AT
			31/03/2024	31/03/2024	31/03/2024	31/03/2024	31/03/2024	45 108.00	31/03/2024				31/03/2024	
37869284011	STANDARD BANK - CALL	LOUISIANA HSG	10 629 864.01	79 137.86	-	-	-	10 689 001.97	10 042 468.82	646 533.15	-	-	-	10 689 001.97
37869284033	STANDARD BANK - CALL	NZIMAKWE 1 HSG	683 320.38	5 096.82	-	-	-	688 417.20	648 777.21	41 639.99	-	-	-	688 417.20
37869284034	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 133 721.63	8 456.32	-	-	-	1 142 177.95	1 073 093.36	69 084.59	-	-	-	1 142 177.95
37869284005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	359 997.76	2 685.19	-	-	-	362 682.95	340 745.77	21 937.18	-	-	-	362 682.95
37869284006	STANDARD BANK - CALL	BHOBOYI EST-HSG	13 092.89	56.82	-	-	-	13 149.71	12 678.87	469.43	-	-	-	13 149.71
37869284007	STANDARD BANK - CALL	DAMAGED HSES	83 769.39	401.36	-	-	-	84 169.75	83 855.07	3 314.68	-	-	-	84 169.75
37869284008	STANDARD BANK - CALL	UPLANDS HSG	83 674.38	400.85	-	-	-	84 075.23	83 749.21	3 326.02	-	-	-	84 075.23
37869284010	STANDARD BANK - CALL	IRIKOLOMBE HSG	1 626 516.44	11 975.35	-	-	-	1 638 491.79	1 619 659.33	97 832.46	-	-	-	1 638 491.79
37869284016	STANDARD BANK - CALL	AIDA PROJECT	159 623.62	1 106.62	-	-	-	160 730.24	151 047.25	9 682.99	-	-	-	160 730.24
37869284012	STANDARD BANK - CALL	MASINENGU HSG	36 267 635.86	239 516.82	-	-	-	36 507 152.68	34 328 112.24	2 210 040.44	-	-	-	36 507 152.68
37869284013	STANDARD BANK - CALL	KWAMAVUNDLA HSG	270 260.72	2 015.85	-	-	-	272 276.57	255 897.68	16 458.89	-	-	-	272 276.57
37869284014	STANDARD BANK - CALL	KWAKOLO HOUSING	12 824 431.89	95 730.80	-	-	-	12 920 162.69	12 148 071.10	782 091.59	-	-	-	12 920 162.69
37869284015	STANDARD BANK - CALL	KWADWALANE HOUSING	581 511.25	4 337.44	-	-	-	585 848.69	559 413.15	36 435.54	-	-	-	585 848.69
			64 686 493.81	482 002.30	-	-	-	65 168 496.11	61 230 524.86	3 937 881.25	-	-	-	65 168 496.11
74873652518	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUND)	10 639 831.65	72 292.55	-	-	-	10 712 124.10	10 834 633.79	656 107.69	-	-	-775 617.37	10 712 124.10
			10 639 831.65	72 292.55	-	-	-	10 712 124.10	10 834 633.79	656 107.69	-	-	-775 617.37	10 712 124.10
37869284016	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	54 983.06	407.80	-	-	-	55 390.86	51 758.71	3 632.15	-	-	-	55 390.86
37869284017	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	12 093.75	80.21	-	-	-	12 173.96	11 468.98	704.97	-	-	-	12 173.96
			66 776.81	488.01	-	-	-	67 564.82	63 227.69	4 337.12	-	-	-	67 564.82
62726014151	FNB - CALL	RNM - PRIMARY INVESTMENT AC'	51 193 470.45	774 812.00	-	141 500 000.00	-83 000 000.00	110 375 282.45	7 529 242.03	6 127 787.42	817 000 000.00	-	-720 261 727.65	110 375 282.45
			51 193 470.45	774 812.00	-	141 500 000.00	-83 000 000.00	110 375 282.45	7 529 242.03	6 127 787.42	817 000 000.00	-	-720 261 727.65	110 375 282.45
74873652519	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 868 745.01	26 188.32	-	-	-	3 894 933.33	3 660 757.16	234 176.17	-	-	-	3 894 933.33
			3 868 745.01	26 188.32	-	-	-	3 894 933.33	3 660 757.16	234 176.17	-	-	-	3 894 933.33
92788100791	NEEDBANK	RESERVES INVESTMENT ACCOUNT	38 727 626.98	254 915.69	-	-	-	38 982 542.67	27 139 957.96	1 142 584.71	10 010 000.00	-	-	38 982 542.67
			38 727 626.98	254 915.69	-	-	-	38 982 542.67	27 139 957.96	1 142 584.71	10 010 000.00	-	-	38 982 542.67
		GRAND TOTAL RNM INVESTMENT + INTEREST	159 627 848.61	1 610 765.95	-	141 500 000.00	-83 000 000.00	229 133 051.56	110 401 321.50	12 774 577.43	817 000 000.00	-	-721 037 344.37	229 133 051.56

The Investment register as of 31 MARCH 2024 has the closing balance of R229.1 million, with R1.61 million total YTD interest earned on 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 - M09 - Quarter 3

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	486 141	509 406	509 406	134 863	463 446	463 096	349	0%	509 406
Service charges	212 429	245 147	245 147	62 087	195 626	193 837	1 788	1%	245 147
Investment revenue	10 845	8 511	11 275	1 922	7 504	7 074	429	6%	11 275
Transfers and subsidies - Operational	285 417	390 026	389 742	85 439	343 249	292 378	50 871	17%	389 742
Other own revenue	132 063	98 017	120 730	22 971	68 620	81 905	(13 285)	-16%	-
Total Revenue (excluding capital transfers and contributions)	1 126 895	1 251 108	1 276 300	307 282	1 078 444	1 038 290	40 153	4%	1 276 300
Employee costs	455 419	483 929	483 842	122 007	358 862	373 687	(14 825)	-4%	483 842
Remuneration of Councillors	29 567	31 164	40 283	8 595	31 606	33 136	(1 530)	-5%	40 283
Depreciation and amortisation	94 294	104 756	110 770	21 818	65 453	79 953	(14 500)	-18%	110 770
Interest	24 062	9 958	9 960	979	1 459	7 485	(6 026)	-81%	9 960
Inventory consumed and bulk purchases	119 244	168 819	166 358	34 965	104 222	136 590	(32 368)	-24%	166 358
Transfers and subsidies	14 465	13 838	14 737	1 312	7 336	11 950	(4 614)	-39%	14 737
Other expenditure	426 555	440 726	497 740	105 891	306 350	366 771	(60 422)	-16%	497 740
Total Expenditure	1 163 606	1 253 191	1 323 690	295 566	875 287	1 009 571	(134 285)	-13%	1 323 690
Surplus/(Deficit)	(36 711)	(2 083)	(47 390)	11 716	203 157	28 719	174 438	607%	(47 390)
Transfers and subsidies - capital (monetary allocations)	185 621	109 848	123 093	11 391	72 480	89 009	(16 529)	-19%	123 093
Transfers and subsidies - capital (in-kind)	1 490	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	150 400	107 765	75 703	23 106	275 637	117 728	157 909	134%	75 703
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	150 400	107 765	75 703	23 106	275 637	117 728	157 909	134%	75 703
Capital expenditure & funds sources									
Capital expenditure	212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Capital transfers recognised	161 075	95 520	107 038	20 927	74 931	83 213	(8 282)	-10%	107 038
Borrowing	6 412	21 452	21 452	-	-	17 162	(17 162)	-100%	21 452
Internally generated funds	44 758	37 921	47 890	9 297	24 877	33 375	(8 498)	-25%	47 890
Total sources of capital funds	212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Financial position									
Total current assets	735 851	645 023	609 181		1 051 007				609 181
Total non current assets	2 162 440	2 037 876	2 063 000		2 196 795				2 063 000
Total current liabilities	395 179	335 379	356 723		462 419				356 723
Total non current liabilities	189 711	158 975	158 975		196 345				158 975
Community wealth/Equity	2 313 400	2 188 546	2 156 484		2 589 038				2 156 484
Cash flows									
Net cash from (used) operating	45 732	95 608	157 551	103 113	331 034	383 715	52 681	14%	157 551
Net cash from (used) investing	242 572	(168 358)	(187 898)	(35 097)	(115 795)	(161 114)	(45 319)	28%	(187 898)
Net cash from (used) financing	(31 987)	(18 414)	32 117	(13 737)	(34 929)	(33 605)	1 324	-4%	32 117
Cash/cash equivalents at the month/year end	388 010	40 427	133 361	-	294 561	320 587	26 026	8%	116 022
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	67 769	37 212	20 888	17 914	16 579	21 861	14 289	461 328	657 840
Creditors Age Analysis									
Total Creditors	181	68	917	(20)	-	5	-	-	1 151

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) - M09 - Quarter 3

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		153 095	182 436	182 436	44 795	137 647	136 827	820	1%	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		59 334	62 711	62 711	17 291	57 979	57 010	968	2%	62 711
Sale of Goods and Rendering of Services		25 874	9 571	14 824	3 812	8 343	11 735	(3 391)	-29%	14 824
Agency services		5 341	5 371	6 248	1 571	4 349	4 248	101	2%	6 248
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 461	6 982	8 340	2 267	6 083	5 576	507	9%	8 340
Interest from Current and Non Current Assets		10 845	8 511	11 275	1 922	7 504	7 074	429	6%	11 275
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		4 686	3 498	4 975	862	3 306	2 993	313	10%	4 975
Licence and permits		596	636	637	173	463	477	(14)	-3%	637
Operational Revenue		3 673	1 106	1 230	295	668	861	(193)	-22%	1 230
Non-Exchange Revenue										
Property rates		486 141	509 406	509 406	134 863	463 446	463 096	349	0%	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		23 969	31 062	34 529	4 103	14 487	25 018	(10 531)	-42%	34 529
Licence and permits		7 734	9 628	9 628	1 571	6 711	7 221	(509)	-7%	9 628
Transfers and subsidies - Operational		285 417	390 026	389 742	85 439	343 249	292 378	50 871	17%	389 742
Interest		28 075	30 164	30 164	8 315	23 706	22 623	1 083	5%	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	652	-	-	652	(652)	-100%	652
Other Gains		25 853	-	9 503	-	503	503	0	0%	9 503
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 126 895	1 251 108	1 276 300	307 282	1 078 444	1 038 290	40 153	4%	1 276 300
Expenditure By Type										
Employee related costs		455 419	483 929	483 842	122 007	358 862	373 687	(14 825)	-4%	483 842
Remuneration of councillors		29 567	31 164	40 283	8 595	31 606	33 136	(1 530)	-5%	40 283
Bulk purchases - electricity		107 470	158 320	153 320	31 751	93 345	126 406	(33 061)	-26%	153 320
Inventory consumed		11 774	10 499	13 038	3 214	10 877	10 184	693	7%	13 038
Debt impairment		19 926	-	32 571	-	-	8 143	(8 143)	-100%	32 571
Depreciation and amortisation		94 294	104 756	110 770	21 818	65 453	79 953	(14 500)	-18%	110 770
Interest		24 062	9 958	9 960	979	1 459	7 485	(6 026)	-81%	9 960
Contracted services		211 569	273 776	283 115	55 999	182 367	220 292	(37 925)	-17%	283 115
Transfers and subsidies		14 465	13 838	14 737	1 312	7 336	11 950	(4 614)	-39%	14 737
Irrecoverable debts written off		27 590	10 513	10 513	1 548	4 079	7 885	(3 806)	-48%	10 513
Operational costs		161 955	156 437	171 541	49 096	121 308	130 452	(9 144)	-7%	171 541
Losses on Disposal of Assets		5 320	-	-	(752)	(1 404)	-	(1 404)	#DIV/0!	-
Other Losses		197	-	-	-	-	-	-	-	-
Total Expenditure		1 163 606	1 253 191	1 323 690	295 566	875 287	1 009 571	(134 285)	-13%	1 323 690
Surplus/(Deficit)		(36 711)	(2 083)	(47 390)	11 716	203 157	28 719	174 438	607%	(47 390)
Transfers and subsidies - capital (monetary allocations)		185 621	109 848	123 093	11 391	72 480	89 009	(16 529)	-19%	123 093
Transfers and subsidies - capital (in-kind)		1 490	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		150 400	107 765	75 703	23 106	275 637	117 728			75 703
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		150 400	107 765	75 703	23 106	275 637	117 728			75 703
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		150 400	107 765	75 703	23 106	275 637	117 728			75 703
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		150 400	107 765	75 703	23 106	275 637	117 728			75 703

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) - M09 - Quarter 3

Vote Description	Ref	2022/23	Budget Year 2023/24			YTD Actual	YTD Budget	YTD Variance	YTD Variance %	Financial Forecast
		Actual	Original Budget	Revised Budget	Quarter 3					
R thousands										
Multi-Year expenditure appropriation	2									
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 13 - Other		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		298	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		3 938	3 801	4 108	1 544	2 542	3 989	(1 447)	-36%	4 108
Vote 3 - Internal Audit		676	200	220	32	188	170	18	11%	220
Vote 4 - Community and Social Services		379	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		1 613	4 340	995	27	420	2 043	(1 623)	-79%	995
Vote 7 - Housing		229	180	189	14	65	134	(69)	-52%	189
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		109 489	115 220	116 915	21 986	78 929	89 902	(10 974)	-12%	116 915
Vote 10 - Road Transport		77 794	7 200	31 700	6 519	16 920	19 980	(3 060)	-15%	31 700
Vote 11 - Environment Protection		389	500	300	103	292	295	(3)	-1%	300
Vote 12 - Energy Sources		13 778	22 952	21 452	-	-	16 862	(16 862)	-100%	21 452
Vote 13 - Other		(843)	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		4 505	500	500	-	452	375	77	20%	500
Total Capital single-year expenditure	4	212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Total Capital Expenditure		212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Capital Expenditure - Functional Classification										
Governance and administration		4 934	4 001	4 355	1 575	2 730	4 159	(1 428)	-34%	4 355
Executive and council		320	-	27	-	-	-	-	-	27
Finance and administration		3 938	3 801	4 108	1 544	2 542	3 989	(1 447)	-36%	4 108
Internal audit		676	200	220	32	188	170	18	11%	220
Community and public safety		2 072	4 520	1 185	41	485	2 177	(1 692)	-78%	1 185
Community and social services		379	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 484	4 340	995	27	420	2 043	(1 623)	-79%	995
Housing		229	180	189	14	65	134	(69)	-52%	189
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		187 798	122 920	148 888	28 608	96 141	110 177	(14 036)	-13%	148 888
Planning and development		109 487	115 220	116 888	21 986	78 929	89 902	(10 974)	-12%	116 888
Road transport		77 943	7 200	31 700	6 519	16 920	19 980	(3 060)	-15%	31 700
Environmental protection		389	500	300	103	292	295	(3)	-1%	300
Trading services		18 283	23 452	21 952	-	452	17 237	(16 785)	-97%	21 952
Energy sources		13 778	22 952	21 452	-	-	16 862	(16 862)	-100%	21 452
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 505	500	500	-	452	375	77	20%	500
Other		(843)	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379
Funded by:										
National Government		130 557	93 781	103 166	20 927	74 931	80 517	(5 587)	-7%	103 166
Provincial Government		30 518	1 739	3 872	-	-	2 695	(2 695)	-100%	3 872
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		161 075	95 520	107 038	20 927	74 931	83 213	(8 282)	-10%	107 038
Borrowing	6	6 412	21 452	21 452	-	-	17 162	(17 162)	-100%	21 452
Internally generated funds		44 758	37 921	47 890	9 297	24 877	33 375	(8 498)	-25%	47 890
Total Capital Funding		212 244	154 893	176 379	30 224	99 808	133 749	(33 942)	-25%	176 379

This table provides an overview of actuals to date of the capital expenditure per department for the 3rd Quarter ended 31 MARCH 2024.

6.4 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M09 - Quarter 3

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		114 251	40 427	22 857	248 370	22 857
Trade and other receivables from exchange transactions		110 482	143 554	138 590	143 343	138 590
Receivables from non-exchange transactions		353 515	333 984	307 784	472 893	307 784
Current portion of non-current receivables		–	–	–	–	–
Inventory		5 564	2 559	14 812	12 494	14 812
VAT		147 570	121 348	121 988	169 437	121 988
Other current assets		4 469	3 151	3 151	4 469	3 151
Total current assets		735 851	645 023	609 181	1 051 007	609 181
Non current assets						
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	1 839 458	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	258	2 129
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2 162 440	2 037 876	2 063 000	2 196 795	2 063 000
TOTAL ASSETS		2 898 291	2 682 899	2 672 182	3 247 802	2 672 182
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		17 369	28 891	15 188	(17 560)	15 188
Consumer deposits		35 315	32 846	32 846	37 245	32 846
Trade and other payables from exchange transactions		147 675	112 595	158 431	124 374	158 431
Trade and other payables from non-exchange transactions		37 945	46 376	33 987	118 600	33 987
Provision		39 844	35 473	37 073	51 130	37 073
VAT		112 191	74 576	74 576	143 791	74 576
Other current liabilities		4 839	4 622	4 622	4 839	4 622
Total current liabilities		395 179	335 379	356 723	462 419	356 723
Non current liabilities						
Financial liabilities		43 628	16 435	16 435	50 262	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
Total non current liabilities		189 711	158 975	158 975	196 345	158 975
TOTAL LIABILITIES		584 890	494 353	515 698	658 764	515 698
NET ASSETS	2	2 313 400	2 188 546	2 156 484	2 589 038	2 156 484
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2 313 400	2 188 546	2 156 484	2 589 038	2 156 484
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2 313 400	2 188 546	2 156 484	2 589 038	2 156 484

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 3rd quarter ended 31 MARCH 2024. Current assets are R1.05 billion and the current liabilities at R462.4 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 - M09 - Quarter 3

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		462 432	483 936	483 936	126 916	370 084	505 695	(135 611)	-27%	483 936
Service charges		232 464	232 890	232 890	67 472	199 036	261 882	(62 845)	-24%	232 890
Other revenue		86 694	26 628	29 263	21 417	61 146	53 962	7 183	13%	29 263
Transfers and Subsidies - Operational		291 700	390 290	395 386	105 095	350 577	338 391	12 186	4%	395 386
Transfers and Subsidies - Capital		184 599	109 848	110 025	43 234	153 568	132 163	21 405	16%	110 025
Interest		10 332	8 511	11 275	1 741	6 747	11 916	(5 169)	-43%	11 275
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(1 221 166)	(1 131 649)	(1 130 069)	(261 785)	(808 667)	(894 713)	86 047	-10%	(1 130 069)
Interest		(1 324)	(9 958)	9 958	(978)	(1 457)	(10 818)	9 361	-87%	9 958
Transfers and Subsidies		-	(14 888)	14 888	-	-	(14 763)	14 763	-100%	14 888
NET CASH FROM/(USED) OPERATING ACTIVITIES		45 732	95 608	157 551	103 113	331 034	383 715	52 681	14%	157 551
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		242 572	(168 358)	(187 898)	(35 097)	(115 795)	(161 114)	45 319	-28%	(187 898)
NET CASH FROM/(USED) INVESTING ACTIVITIES		242 572	(168 358)	(187 898)	(35 097)	(115 795)	(161 114)	(45 319)	28%	(187 898)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(31 987)	(18 414)	32 117	(13 737)	(34 929)	(33 605)	(1 324)	4%	32 117
NET CASH FROM/(USED) FINANCING ACTIVITIES		(31 987)	(18 414)	32 117	(13 737)	(34 929)	(33 605)	1 324	-4%	32 117
NET INCREASE/ (DECREASE) IN CASH HELD		256 317	(91 164)	1 770	54 279	180 309	188 996			1 770
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		294 561	320 587			116 022

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.