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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2022 (M06)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 31 DECEMBER 2022

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2022/23 Budget of the Ray Nkonyeni Municipality for the period ending 31 December 2022 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 31 December 2022 is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Revenue By source
- 5.3 Expenditure by Type
- 5.4 Debtors Age Analysis
- 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

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6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

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5.1 Monthly Budget Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M06 December

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	464 477	498 623	498 623	43 303	313 843	318 690	(4 846)	-2%	498 623
Service charges	214 942	253 618	253 618	18 529	115 768	136 458	(20 690)	-15%	253 618
Investment revenue	5 182	5 397	5 397	50	773	2 719	(1 946)	-72%	5 397
Transfers and subsidies	256 804	285 102	285 229	84 217	188 931	142 551	46 380	33%	285 229
Other own revenue	141 612	131 888	131 888	4 743	45 666	67 253	(21 587)	-32%	131 888
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 174 755	150 842	664 982	667 671	(2 689)	-0%	1 174 755
Employee costs	446 000	447 279	447 237	38 682	229 747	225 289	4 459	2%	447 237
Remuneration of Councillors	26 249	31 434	31 434	2 386	15 142	15 717	(575)	-4%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	45 101	59 700	(14 599)	-24%	101 619
Finance charges	19 931	12 922	12 922	340	681	461	220	48%	12 922
Inventory consumed and bulk purchases	136 545	149 809	149 809	10 764	60 845	76 261	(15 416)	-20%	149 809
Transfers and subsidies	9 890	13 178	13 178	-	1 625	9 153	(7 528)	-82%	13 178
Other expenditure	392 589	415 344	415 513	27 626	164 551	224 051	(59 499)	-27%	415 513
Total Expenditure	1 125 063	1 171 585	1 171 712	87 314	517 692	610 632	(92 940)	-15%	1 171 712
Surplus/(Deficit)	(42 047)	3 043	3 043	63 528	147 291	57 039	90 251	158%	3 043
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	152 367	-	58 901	75 669	(16 768)	-22%	152 367
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 494	135 403	155 410	63 528	206 192	132 708	73 483	55%	155 410
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	155 410	63 528	206 192	132 708	73 483	55%	155 410
Capital expenditure & funds sources									
Capital expenditure	210 882	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137
Capital transfers recognised	138 668	115 052	132 450	15 729	78 259	65 825	12 434	19%	132 450
Borrowing	1 867	7 166	7 166	383	1 268	7 166	(5 898)	-82%	7 166
Internally generated funds	33 256	58 521	58 521	1 868	6 863	40 039	(33 176)	-83%	58 521
Total sources of capital funds	173 791	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137
Financial position									
Total current assets	630 229	553 761	550 893	-	857 160	-	-	-	550 893
Total non current assets	1 987 740	1 878 708	1 896 106	-	2 029 028	-	-	-	1 896 106
Total current liabilities	345 489	321 834	316 356	-	399 176	-	-	-	316 356
Total non current liabilities	191 699	150 842	150 842	-	199 762	-	-	-	150 842
Community wealth/Equity	2 087 579	1 959 793	1 979 801	-	2 287 250	-	-	-	1 979 801
Cash flows									
Net cash from (used) operating	259 474	167 979	180 013	65 280	21 523	97 716	76 193	78%	180 013
Net cash from (used) investing	(185 208)	(179 130)	(196 642)	(15 965)	(90 589)	(105 046)	(14 458)	14%	(196 642)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 514)	(20 114)	(17 683)	2 431	-14%	(19 098)
Cash/cash equivalents at the month/year end	182 070	112 823	107 346	-	42 411	118 058	75 647	64%	95 865
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	61 070	28 410	20 637	15 322	38 171	13 201	39 720	344 063	560 595
Creditors Age Analysis									
Total Creditors	4 261	(1 435)	1 784	-	-	-	-	-	4 610

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

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	498 623	43 303	313 843	318 690	(4 846)	-2%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	13 085	77 419	91 429	(14 009)	-15%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 443	38 349	45 030	(6 681)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	214	1 599	1 355	244	18%	2 610
Interest earned - external investments		5 162	5 397	5 397	50	773	2 719	(1 946)	-72%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 966	16 770	12 293	4 477	36%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	37	10 564	11 187	(623)	-6%	22 158
Licences and permits		8 138	7 824	7 824	606	4 305	3 952	352	9%	7 824
Agency services		4 965	4 894	4 894	342	2 415	2 466	(51)	-2%	4 894
Transfers and subsidies		256 804	285 102	285 229	84 217	188 931	142 551	46 380	33%	285 229
Other revenue		55 569	70 013	70 013	578	10 013	36 000	(25 987)	-72%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 174 755	150 842	664 982	667 671	(2 689)	0%	1 174 755
Expenditure By Type										
Employee related costs		446 000	447 279	447 237	38 682	229 747	225 289	4 459	2%	447 237
Remuneration of councillors		26 249	31 434	31 434	2 386	15 142	15 717	(575)	-4%	31 434
Debt impairment		34 456	9 984	9 984	123	2 737	4 992	(2 255)	-45%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	45 101	59 700	(14 599)	-24%	101 619
Finance charges		19 931	12 922	12 922	340	681	461	220	48%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	9 442	54 965	68 912	(13 946)	-20%	137 074
Inventory consumed		13 825	12 735	12 735	1 322	5 880	7 350	(1 470)	-20%	12 735
Contracted services		213 910	244 881	245 007	13 232	99 765	130 317	(30 552)	-23%	245 007
Transfers and subsidies		9 890	13 178	13 178	-	1 625	9 153	(7 528)	-82%	13 178
Other expenditure		143 732	160 480	160 522	14 271	62 049	88 742	(26 692)	-30%	160 522
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 171 712	87 314	517 692	610 632	(92 940)	-15%	1 171 712
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(42 047)	3 043	3 043	63 528	147 291	57 039	90 251	0	3 043
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		146 929	132 360	152 367	-	58 901	75 669	(16 768)	(0)	152 367
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 597	-	-	-	-	-	-	-	-
Taxation		123 494	135 403	155 410	63 528	206 192	132 708	-	-	155 410
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	-	-
Attributable to minorities		123 494	135 403	155 410	63 528	206 192	132 708	-	-	155 410
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		123 494	135 403	155 410	63 528	206 192	132 708	-	-	155 410
Surplus/ (Deficit) for the year		-	-	-	-	-	-	-	-	-
		123 494	135 403	155 410	63 528	206 192	132 708	-	-	155 410

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

Revenue by Source

This table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and details explained below.

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	498 623	498 623	43 303	313 843	318 690	(4 846)	-2%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	13 085	77 419	91 429	(14 009)	-15%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 443	38 349	45 030	(6 681)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	214	1 599	1 355	244	18%	2 610
Interest earned - external investments		5 182	5 397	5 397	50	773	2 719	(1 946)	-72%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 966	16 770	12 293	4 477	36%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	37	10 564	11 187	(623)	-6%	22 158
Licences and permits		8 138	7 824	7 824	606	4 305	3 952	352	9%	7 824
Agency services		4 965	4 894	4 894	342	2 415	2 466	(51)	-2%	4 894
Transfers and subsidies		256 804	285 102	285 229	84 217	188 931	142 551	46 380	33%	285 229
Other revenue		55 569	70 013	70 013	578	10 013	36 000	(25 987)	-72%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 174 755	150 842	664 982	667 671	(2 689)	0%	1 174 755

Property Rates

Property rates consists of multiple categories under the jurisdiction of Ray Nkonyeni Municipality, the bulk revenue is billed on three categories: Residential properties, Business and Commercial properties as well as State owned properties. The annual budget for Property rates is R498.62 million and The YTD actual billing is R313.8 million, compared to the YTD budget of R318.6 million. The R4.8 variance which is 2% less than the YTD Budget, this variance is reasonable in comparison to the anticipated billing revenue for property rates.

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 31 December 2022 is R77.4 million while the YTD Budget is R91.4 million. There is a variance of R14 million between the YTD actual and YTD budget. This variance of 15% is due to electricity losses resulting from unforeseeable circumstances such as illegal connections. Electricity billing will be monitored and adjusted accordingly during the adjustment budget process in February.

Refuse Revenue

The overall YTD actual billing for refuse removals is R38.3 million and the YTD Budget billing is R45 million, with YTD variance of 15%. The municipality is aware of the huge difference and will be considering adjusting downwards on the adjustment budget.

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 R773 thousand, YTD budget is R2.7 million, and there is a variance of R1.9 million. The municipality did not manage to generate the estimated interest in its investments due to the amount invested and the fluctuation of repo rate of the country caused by the current economic status of the country.

Interest earned on arrear debtors

The interest charged on arrear debtors to date is R13.8 million, 34% more compared to the YTD budget of R3.5 million. This results from an increase in debtors that fail to pay timeously and therefore the debt collection policy is applied to encourage settlement of debt while also recovering revenue to the municipality. This will be monitored and if there is a need it will be adjusted for accordingly during the adjustment budget.

Agency Services

Agency services comprise of driver's license application, learners license application and renewal fees, this is the commission earned by the municipality on the services performed by the municipality on behalf of the Department of transport and third parties on payroll section. The annual projected revenue is R4.8 million, with the YTD actual of R2.41 million against YTD Budget of R2.46 million. This shows that the municipality is doing very well in collecting revenues on behalf of their principals and earns more commission than estimated.

Fines

Fines, Penalties, and forfeits are derived from building fines, illegal connections, overdue books, and the bulk budget being on traffic fines for R21.48 million and the total budget being R22.16 million. The YTD actual is R10.5million with a YTD budget of R11.18 million there is a 6% variance. The municipality is in line with its targets.

Licenses and Permits

Licenses and permits actuals to date amounts to R4.3 million and there is a 9% variance against year-to-date budget of R3.9 million. This positive variance arises from an increase in the rate at which collection motor vehicle licenses and permits takes place. The municipality is doing well on this revenue item. The upward adjustment budget will be considered and will be determined by the mid-year review.

Rental of Facilities

Rental of facilities amounts annual budget is R2.6 million, this is the rental of fixed asset revenue such as halls, airport hangers, skip hire and garages. The YTD actuals for the rental of facilities is R 1.59 million, with the YTD budget being R1.35 million showing a 18% variance between actual and budgeted figures.

Transfers and Subsidies

Operational grants recognized YTD actual amounts to R 188.9 million, YTD Budget is R142.5 million. YTD variance is R46.3 million. Grant revenue in the financial system is straight lined across 12 months, yet the grants are recognized once the expenditure is incurred which further creates a variance monthly on transfers and subsidies. In addition, the second tranche of equitable share has contributed to the large variance in the actual versus budget for the month of December

Other Revenue

Other revenue is made up of numerous miscellaneous items (e.g., town planning fees, market income, cemetery fees, clinics subsidies, etc.) and gains on disposal of assets are included. Other revenue also includes construction contract revenue that is revenue recognized on receipt of funding for housing projects with a budget of R56 million, this revenue is contingent on the actual expenditure as the funding is based on claims for work done on the various housing projects. The actuals of other revenue to date are R10 million, YTD Budget is R36 million. The municipality has receipted about R 3.9 million from the Department of Human Settlement. The municipality is no longer doing the claims from Department of Human Settlement due to the change of agreements. This will be taken into consideration in the adjustment budget.

Overall Revenue YTD Budget to Date

The YTD Actual revenue excluding capital transfers is R664.9 million for the period ending 31 December 2022, YTD Budget is R667.6 million, the variance of R2.7 million is results from the differences within the different revenue streams and how they have been performing.

5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		446 000	447 279	447 237	38 682	229 747	225 289	4 459	2%	447 237
Remuneration of councillors		26 249	31 434	31 434	2 386	15 142	15 717	(575)	-4%	31 434
Debt impairment		34 456	9 984	9 984	123	2 737	4 992	(2 255)	-45%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	45 101	59 700	(14 599)	-24%	101 619
Finance charges		19 931	12 922	12 922	340	681	461	220	48%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	9 442	54 965	68 912	(13 946)	-20%	137 074
Inventory consumed		13 825	12 735	12 735	1 322	5 880	7 350	(1 470)	-20%	12 735
Contracted services		213 910	244 881	245 007	13 232	99 765	130 317	(30 552)	-23%	245 007
Transfers and subsidies		9 890	13 178	13 178	-	1 625	9 153	(7 528)	-82%	13 178
Other expenditure		143 732	160 480	160 522	14 271	62 049	88 742	(26 692)	-30%	160 522
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 171 712	87 314	517 692	610 632	(92 940)	-15%	1 171 712

Employee Related Costs and Remuneration of Councillors

Actual YTD for employee related costs amount to R229.7 million YTD Budget is R225.2 million as of 31 December 2022. Actual YTD remuneration of councillors YTD actuals amounts to R15.1 million with YTD Budget of R15.7 million and there is a 4% variance. Employee related cost is further detailed under table 5.9 Salaries Expenditure Details.

Contracted Services

Contracted services are made up of various operational projects such as Housing, Repairs and maintenance and typical work stream. Contracted services for the period ended 31 December 2022 amounts to R86.5 million, The YTD Budget is R107.5 million and YTD Variance is R20.9 million. The variance in contracted services as at the end of November is attributed to mainly housing projects with a huge variance between YTD budget and YTD actual the municipality budgets for the human settlement grant as per the provincial gazette allocation and the projects and implemented by the municipality and the department of human settlement through a tripartite agreement which creates a variance in the YTD budget and YTD actual on the projects that will be implemented during the financial year. Contracted services are monitored and identified adjustment will be made during the adjustment budget.

Inventory Consumed

YTD Inventory consumed amounts to R5.8 million as of 31 December 2022 with the YTD Budget being R7.3 million. This reflects a variance of R1.4 million. Inventory budget was straight lined across the 12 months of the financial year and will be a variance as consumption differs.

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 R62 million, YTD Budget is R88.7 million and there is a 33% variance. The variance is a result of cost containment measures implemented by the municipality to ensure that the financial resources of the municipality are used efficiently.

Depreciation and Asset Impairment

Depreciation and asset impairment expenditure amount 9.7s to R45.1 million to date from the beginning of the year. The year-to-date budget is R5 million, resulting in a variance of 24%. Assets are procured based on the current needs of the departments and depreciation expense is charged from the day the asset is available for use and this will result in the variance between budget versus actual depreciation expense.

Debt Impairment

The YTD actuals for Debt Impairment amounts to R2.7 million while the year-to-date budget is R4.9 million. The R2.7 million YTD expenditure relates to interest written-off on outstanding accounts where consumers arrange with the municipality to pay the capital portion of the debt as a once off payment and have the interest written off and the conditions of write-off are based on the age of the debt if it is over 2 years then the full interest is written off on payment of the capital portion. Debt impairment expenditure is contingent on consumer applications for payment arrangement with the municipality and this is a contributing factor to the variance between the YTD actual versus the YTD budget.

Transfers and Subsidies

Transfers and subsidies relate to donations made by the municipality to fund local economic development such as SMME development, Cooperative's development, and poverty alleviation projects within the jurisdiction of Ray Nkonyeni Municipality. YTD actual of R1.6 million and a YTD budget of R9.1 million with a variance of R7.5 million.

Overall Expenditure Budget

The overall expenditure YTD Actual is R517.6 million as of 31 December 2022, YTD Budget is R610.6 million. There is 15% variance, due to the trends of different types of expenditure as explained above such as contracted services having housing projects that have been directly paid by the department of human settlements reducing the expenditure incurred by the municipality on behalf of the department of human settlements, as well as some of the cost containment measures in other items of expenditure.

Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). YTD Surplus excluding capital transfers is R147.2 million compared to the YTD Budget surplus R57 million.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2022/23									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	40	42	36	35	36	35	169	444	837	718
Trade and Other Receivables from Exchange Transactions - Electricity	1300	14 632	5 721	2 422	1 290	784	848	3 054	11 461	40 213	17 437
Receivables from Non-exchange Transactions - Property Rates	1400	37 583	16 729	13 148	9 575	30 222	8 244	19 890	203 166	338 558	271 098
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0
Receivables from Exchange Transactions - Waste Management	1600	5 309	2 800	1 944	1 661	4 295	1 359	3 329	39 070	59 767	49 714
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	2 970	2 948	2 853	2 608	2 575	2 585	12 357	80 916	109 810	101 039
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	536	170	234	154	260	131	921	9 006	11 410	10 471
Total By Income Source	2000	61 070	28 410	20 637	15 322	38 171	13 201	39 720	344 063	560 595	450 478
2022/23 - totals only		19 230	8 433	17 433	15 262	13 630	12 355	66 291	310 723	463 357	418 260
Debtors Age Analysis By Customer Group											
Organs of State	2200	2 251	908	2 248	810	15 971	1 102	3 192	31 767	58 250	52 842
Commercial	2300	21 083	8 145	4 593	3 294	3 990	2 681	8 446	63 291	115 524	81 702
Households	2400	37 735	19 357	13 796	11 218	18 210	9 418	28 082	249 006	386 821	315 933
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	61 070	28 410	20 637	15 322	38 171	13 201	39 720	344 063	560 595	450 478

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 - M06 December

Description	NT Code	Budget Year 2022/23									
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	388	349	-	-	-	-	-	-	-	737
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	3 873	(1 784)	1 784	-	-	-	-	-	-	3 873
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	4 261	(1 435)	1 784	-	-	-	-	-	-	4 610

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) - M06 December

Vote Description	Ref	2021/22	Budget Year 2022/23								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
Single Year expenditure appropriation	2										
Vote 1 - Mayor and Council		130	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		39 465	3 075	3 075	-	370	1 595	(1 224)	-77%	3 075	
Vote 3 - Internal Audit		115	185	185	-	29	185	(156)	-84%	185	
Vote 4 - Community and Social Services		5 881	200	200	-	-	100	(100)	-100%	200	
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	
Vote 6 - Public Safety		7 014	5 440	5 440	158	1 529	2 730	(1 201)	-44%	5 440	
Vote 7 - Housing		115	273	273	-	5	273	(268)	-98%	273	
Vote 8 - Health		-	-	-	-	-	-	-	-	-	
Vote 9 - Planning and Development		98 653	99 409	100 198	9 948	52 454	55 081	(2 627)	-5%	100 198	
Vote 10 - Road Transport		51 752	55 006	71 615	5 221	26 956	39 520	(12 564)	-32%	71 615	
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-	
Vote 12 - Energy Sources		2 599	15 348	15 348	2 560	4 654	12 594	(7 941)	-63%	15 348	
Vote 13 - Other		3 108	-	-	-	-	-	-	-	-	
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	
Vote 15 - Waste Management		2 052	1 804	1 804	93	391	952	(561)	-59%	1 804	
Total Capital single-year expenditure	4	210 882	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137	
Total Capital Expenditure		210 882	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137	
Capital Expenditure - Functional Classification											
Governance and administration		39 765	3 280	3 280	-	400	1 800	(1 400)	-78%	3 280	
Executive and council		186	20	20	-	-	20	(20)	-100%	20	
Finance and administration		39 487	3 075	3 075	-	370	1 595	(1 224)	-77%	3 075	
Internal audit		92	185	185	-	29	185	(156)	-84%	185	
Community and public safety		12 521	5 813	5 813	158	1 534	3 043	(1 508)	-50%	5 813	
Community and social services		5 881	200	200	-	-	100	(100)	-100%	200	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		6 525	5 340	5 340	158	1 529	2 670	(1 141)	-43%	5 340	
Housing		115	273	273	-	5	273	(268)	-98%	273	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		150 838	154 495	171 893	15 169	79 410	94 641	(15 231)	-16%	171 893	
Planning and development		98 597	99 389	100 178	9 948	52 454	55 061	(2 607)	-5%	100 178	
Road transport		52 241	55 106	71 715	5 221	26 956	39 580	(12 624)	-32%	71 715	
Environmental protection		-	-	-	-	-	-	-	-	-	
Trading services		4 650	17 152	17 152	2 652	5 045	13 546	(8 502)	-63%	17 152	
Energy sources		2 599	15 348	15 348	2 560	4 654	12 594	(7 941)	-63%	15 348	
Water management		-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	
Waste management		2 052	1 804	1 804	93	391	952	(561)	-59%	1 804	
Other		3 108	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification	3	210 882	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137	
Funded by:											
National Government		123 164	115 052	131 661	14 720	77 234	65 608	11 626	18%	131 661	
Provincial Government		4 618	-	789	1 008	1 025	217	808	372%	789	
District Municipality		-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 885	-	-	-	-	-	-	-	-	
Transfers recognised - capital		138 668	115 052	132 450	15 729	78 259	65 825	12 434	19%	132 450	
Borrowing	6	1 867	7 166	7 166	383	1 268	7 166	(5 898)	-82%	7 166	
Internally generated funds		33 256	58 521	58 521	1 868	6 863	40 039	(33 176)	-83%	58 521	
Total Capital Funding		173 791	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137	

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R86.3 million, the YTD budgeted is R113 million and there is 24% variance. The internal generated funds are mainly used to acquire Computers, Furniture and Equipment. The delay on the spending results from the expired contract of the service providers supplying computers and there were delays on the SCM processes on appointing a new service provider.

5.7 Transfers and Grants Receipts




KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER DEC 2022						
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Internally Funded	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 48 816 000	R -	R 30 495 085		R 18 320 915
COGTA ELEC GRANT	R 784 811	R -	R -	R -		R 784 811
MUNICIPAL DISASTER RELIEF GRANT	R 8 100 000	R 11 000 000	R -	R 16 099 573		R 3 000 427
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 3 500 000				R 3 500 000
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 981 740	R -		R 968 260
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 4 254 000	R 3 113 611	R -		R 1 140 389
AIRPORT GRANT		R 1 000 000		R 823 328		R 176 672
MUSEUM SUBSIDY GRANT	R -	R 449 000		R 1 353 325	R 904 325	
NEIGHBOURHOOD DEV GRANT		R 45 820 000	R -	R 37 537 621		R 8 282 379
MARKET STALLS GRANT	R 7 003 970	R -		R -		R 7 003 970
MODULAR LIBRARIES GRANT	R 272 452	R -		R -		R 272 452
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)		R 3 000 000	R -			R 3 000 000
TOTAL	R 16 161 232	R 119 789 000	R 4 095 351	R 86 308 932	R 904 325	R 46 450 276

Transfers and Grants Receipts

The total grants received to date for period ending 31 December 2022 amounts to R119.7 million, which include R45.8 million from Neighborhood Development Grant, R3.0 million from Energy Efficiency and Demand Side Management Grant, R1.0 million from Margate Airport Grant, R48.8 million from Integrated Urban Development Grant, R11 million from Municipal Disaster Relief Grant, R 3.5 million from Integrated National Electrification Programme, R 1.95 million from Financial Management Grant, R4.2 million from Expanded Public Works Programme, and R449 thousand from Museum.

5.8 Transfers and Grants Expenditure



KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER DEC 2022						
Name of grant	Opening Balance as at	Receipts	Expenditure: Operating (Revenue Recognised)/GRAP 23	Expenditure: Capital (Revenue Recognised)/GRAP 23	Internally Funded	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)		R 48 816 000	R -	R 30 495 085		R 18 320 915
COGTA ELEC GRANT	R 784 811	R -	R -	R -		R 784 811
MUNICIPAL DISASTER RELIEF GRANT	R 8 100 000	R 11 000 000	R -	R 16 099 573		R 3 000 427
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 3 500 000				R 3 500 000
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 981 740	R -		R 968 260
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 4 254 000	R 3 113 611	R -		R 1 140 389
AIRPORT GRANT		R 1 000 000		R 823 328		R 176 672
MUSEUM SUBSIDY GRANT	R -	R 449 000		R 1 353 325	R 904 325	
NEIGHBOURHOOD DEV GRANT		R 45 820 000	R -	R 37 537 621		R 8 282 379
MARKET STALLS GRANT	R 7 003 970	R -		R -		R 7 003 970
MODULAR LIBRARIES GRANT	R 272 452	R -		R -		R 272 452
ENERGY EFFICIENT AND DEMAND SIDE MANAGEMENT GRANT (EEDSM)		R 3 000 000	R -			R 3 000 000
TOTAL	R 16 161 232	R 119 789 000	R 4 095 351	R 86 308 932	R 904 325	R 46 450 276

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 December 2022, Operating and Capital Expenditure has a closing balance of R46.4 million, with YTD spending of R4 million and R86.3 million, for operational grants and capital grants respectively.

Grant's expenditure

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

An amount of R48.8 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 31 December 2022 is R30.4 million and has been spent on various capital projects.

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

An amount of R4.2 million has been received for EPWP grant. This is an operational grant to pay salaries for EPWP employees and the YTD actual for the period ended 31 December 2022 is R3.1 million.

- **Neighborhood Development Partnership Grant**

An amount of R45.8 million has been received for the Neighborhood Development Partnership Grant. This is a capital grant and the YTD actual for the period ended 31 December is R37.5 million.

- **Finance Management Grant**

An amount of R 1.95 million has been received for Finance management grant. This is an operational grant and the YTD actual for the period ended 31 December 2022 is R981.7 thousand.

- **Municipal Disaster Relief Grant**

An amount of R 11 million has been received for the disaster relief grant with an opening amount of R 8.1 million. This is an operational grant and the YTD actual for the period ended 31 December 2022 is R16.1 million to fund the repairs to roads due to the floods that occurred earlier in the year.

5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		23 352	28 393	28 393	2 148	13 697	14 196	(499)	-4%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	238	1 445	1 521	(76)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		26 249	31 434	31 434	2 386	15 142	15 717	(575)	-4%	31 434
% increase	4		19.8%	19.8%						19.8%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7 328	4 393	4 393	620	2 160	2 196	(36)	-2%	4 393
Pension and UIF Contributions		80	189	189	12	81	94	(14)	-15%	189
Medical Aid Contributions		72	78	78	17	105	39	66	169%	78
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	-	-	529	(529)	-100%	1 059
Motor Vehicle Allowance		495	1 158	1 158	69	454	579	(125)	-22%	1 158
Cellphone Allowance		109	115	115	8	44	58	(14)	-25%	115
Housing Allowances		1 425	3 488	3 488	218	1 416	1 744	(328)	-19%	3 488
Other benefits and allowances		0	0	0	0	0	0	0	71%	0
Payments in lieu of leave		239	-	-	65	226	-	226	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 815	10 481	10 481	1 008	4 486	5 240	(755)	-14%	10 481
% increase	4		-1.3%	-1.3%						-1.3%
Other Municipal Staff										
Basic Salaries and Wages		275 568	276 977	276 977	22 887	137 153	138 588	(1 435)	-1%	276 977
Pension and UIF Contributions		49 183	51 553	51 553	4 238	25 506	25 776	(270)	-1%	51 553
Medical Aid Contributions		18 869	20 813	20 813	1 646	9 849	10 406	(558)	-5%	20 813
Overtime		18 959	14 695	14 695	1 576	8 393	8 678	(285)	-3%	14 695
Performance Bonus		21 372	23 805	23 805	1 913	13 430	11 902	1 528	13%	23 805
Motor Vehicle Allowance		17 850	18 637	18 637	1 587	9 243	9 319	(76)	-1%	18 637
Cellphone Allowance		993	1 046	1 046	83	520	523	(3)	-1%	1 046
Housing Allowances		3 771	3 946	3 946	338	2 031	1 973	58	3%	3 946
Other benefits and allowances		5 101	3 006	2 964	376	2 345	1 722	622	36%	2 964
Payments in lieu of leave		3 802	4 200	4 200	2 422	13 075	2 100	10 975	523%	4 200
Long service awards		5 264	2 270	2 270	245	1 457	1 135	322	28%	2 270
Post-retirement benefit obligations		14 654	15 852	15 852	363	2 261	7 926	(5 665)	-71%	15 852
Sub Total - Other Municipal Staff		435 385	438 798	438 758	37 673	225 282	220 048	5 213	2%	438 758
% increase	4		0.3%	0.3%						0.3%
Total Parent Municipality		472 249	478 713	478 671	41 068	244 889	241 006	3 884	2%	478 671

Councillors Remuneration

An actual amount of R15.1 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R15.7 million. This indicates a variance of only R575 thousand. This indicates that this item is on schedule and the variance is not material.

Senior Managers of the Municipality

The head of departments on the municipality including the Municipal manager are classified under this subheading with a YTD actual of R4.4 million and a YTD budget of R5.2 million with the variance of R 755 thousand.

Other Municipal Staff

The municipal staff year to date spending is sitting at R244.8 million against the year-to-date budget of R241 million with the variance of R3.8 million and the variance is mainly caused by the different months of bonuses & salary notches for the employees.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 31 DECEMBER 2022



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE	LOAN ADVANCE	LOAN INTEREST	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE
				01 DECEMBER 2022		CHARGED			31 DECEMBER 2022
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	-R 3 158 200.94			-R 73 699.43	R 139 629.51	-R 3 092 270.86
DBSA	12.67%	22-Nov-30	61007761	-R 8 343 301.32			-R 263 508.43	R 414 268.04	-R 8 192 541.71
									R -
TOTAL DBSA LOANS				-R 11 501 502.26	R -	R -	-R 337 207.86	R 553 897.55	-R 11 284 812.57
TOTAL LOANS				-R 11 501 502.26	R -	R -	-R 337 207.86	R 553 897.55	-R 11 284 812.57

The municipality currently has a structured unsecured loan with the Development Bank of Southern Africa (DBSA), The Municipality entered into a loan agreement for the funding of Capital infrastructure projects. In the 2020/21 financial year the first drawdown of R3.5 million was received, as well as the second drawdown of R8.47 million and current loan balance outstanding is R11.2 million as of 31 December 2022. The municipality is still able to make loan repayments as and when they are due. The loan agreement from DBSA is spread across four years funding various capital projects.

ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

PROJECTS TO BE INCLUDED IN RNLM BUDGET						
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Totals</u>	<u>Year 4</u>	<u>Total</u>
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

5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-1.4%	9.8%	9.8%	0.1%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.9%	4.0%	3.6%	1.5%	3.6%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	14.1%	13.7%	16.2%	13.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	23.9%	23.9%	0.0%	23.9%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	182.4%	172.1%	174.1%	214.7%	174.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	34.8%	60.7%	34.8%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		45.4%	37.0%	37.2%	91.2%	37.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		41.2%	38.1%	38.1%	34.5%	38.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.5%	9.8%	9.8%	0.1%	3.8%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

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

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R11 284 812 as of 31 December 2022.

Liquidity

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

Budgeted Current Ratio: R553 761 000/ R321 834 000= **1.72:1**

Adjusted Budget Current Ratio: R 550 893 000/316 356 000 =**1.74:1**

Actual Current Ratio as 31 December 2022: R857 160 000: R399 176 000=**2.15:1**

Current ratio is a liquidity ratio used to measure whether the municipality has enough resources to meet its short-term obligations. A good ratio is R1.5-R2 for every R1 owed. The budget showed a R1.74: R1 ratio and the actual ratio as of 31 December 2022 is R2.15:1. The ratio is performing well.

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


Budgeted Acid test Ratio: (R 553 761 000-R3 301 000) / R321 834 000= **1.71:1**

Adjusted Budget Current Ratio: (R 550 893 000-3 301 000)/ R 316 356 000 = **1.73:1**

Actual Acid test Ratio as 31 December 2022: (R857 160 000– R8 458 000)/ R399 176 000=**2.13:1**

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

5.12 Investment Register

 RAY NKONYENI MUNICIPALITY INVESTMENT REGISTER FOR THE PERIOD ENDING 31/12/2022														
INVESTMENT DETAILS			CURRENT MONTH						YTD					
ACCOUNT NO	INSTITUTION & TYPE	PROJECT NAME / DETAILS	MONTHLY	INTEREST	BANK				INVESTMENT		BANK		INVESTMENT	
			OPENING	INVESTED	CHARGES	DEPOSIT	WITHDRAWALS	CURRENT	BALANCES AS AT	INTEREST	DEPOSITS	CHARGES	WITHDRAWALS	BALANCE AS AT
			31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	01/07/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	30/11/2022
378692984011	STANDARD BANK - CALL	LOUISIANA HSG	9 616 875.79	57 174.30	-	-	-	-	9 674 050.09	9 388 400.89	285 649.20	-	-	9 674 050.09
378692984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	619 367.70	3 682.27	-	-	-	-	623 049.97	604 652.95	18 397.02	-	-	623 049.97
378692984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 027 615.43	6 109.38	-	-	-	-	1 033 724.81	1 003 201.65	30 523.16	-	-	1 033 724.81
378692984005	STANDARD BANK - CALL	BHOBOVI SUB-HSG	328 305.19	1 939.95	-	-	-	-	328 245.14	318 552.93	9 692.21	-	-	328 245.14
378692984006	STANDARD BANK - CALL	BHOBOVI EST-HSG	12 386.89	37.35	-	-	-	-	12 424.24	12 281.03	163.21	-	-	12 424.24
378692984007	STANDARD BANK - CALL	DAMAGED HSES	78 755.03	270.90	-	-	-	-	79 025.93	77 791.97	1 233.96	-	-	79 025.93
378692984008	STANDARD BANK - CALL	UPLANDS HSG	78 675.29	270.82	-	-	-	-	78 945.91	77 713.22	1 232.69	-	-	78 945.91
378692984009	STANDARD BANK - CALL	MKHOLOMBE HSG	1 455 249.06	8 651.75	-	-	-	-	1 463 900.81	1 420 675.68	43 225.13	-	-	1 463 900.81
378692984010	STANDARD BANK - CALL	AIDS PROJECT	144 684.27	860.18	-	-	-	-	145 544.45	141 246.91	4 297.54	-	-	145 544.45
89140356988	STANDARD BANK - CALL	MASINENGE HSG	32 855 790.26	159 328.08	-	-	-	-	33 015 118.34	32 183 664.01	831 454.33	-	-	33 015 118.34
89139356986	STANDARD BANK - CALL	KWAMAVUNDLA HSG	244 636.14	1 187.29	-	-	-	-	246 023.43	239 627.57	6 195.86	-	-	246 023.43
89141356989	STANDARD BANK - CALL	KWAXOLO HOUSING	11 627 044.13	56 383.20	-	-	-	-	11 683 427.33	11 389 191.33	294 236.00	-	-	11 683 427.33
90439364823	STANDARD BANK - CALL	KWADWALANE HOUSING	528 806.10	2 554.65	-	-	-	-	529 360.75	516 029.30	13 331.45	-	-	529 360.75
			58 614 291.28	298 448.92	-	-	-	-	58 912 841.20	44 328 712.21	1 539 631.76	-	-	58 912 841.20
74873852518	INVESTEC - CALL	MHOA (HOUSING DEVELOPMENT FUND)	16 030 980.37	91 903.63	-	-	-	-	16 122 884.00	16 114 888.17	463 989.29	-	-455 994.46	16 122 884.00
			16 030 980.37	91 903.63	-	-	-	-	16 122 884.00	16 114 888.17	463 989.29	-	-455 994.46	16 122 884.00
89111356985	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	49 538.78	240.23	-	-	-	-	49 779.01	48 525.35	1 253.66	-	-	49 779.01
89111357732	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	10 956.01	53.13	-	-	-	-	11 009.14	10 731.88	277.26	-	-	11 009.14
			60 494.79	293.36	-	-	-	-	60 788.15	59 257.23	1 530.92	-	-	60 788.15
8272691451	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	48 823 572.57	813 395.88	-	140 500 000.00	-67 000 000.00	123 136 968.45	47 140 857.71	3 796 128.94	434 500 000.00	-	-362 300 018.20	123 136 968.45
			48 823 572.57	813 395.88	-	140 500 000.00	-67 000 000.00	123 136 968.45	47 140 857.71	3 796 128.94	434 500 000.00	-	-362 300 018.20	123 136 968.45
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 456 897.08	20 111.57	-	-	-	-	3 477 008.65	3 376 881.86	100 126.79	-	-	3 477 008.65
			3 456 897.08	20 111.57	-	-	-	-	3 477 008.65	3 376 881.86	100 126.79	-	-	3 477 008.65
3788100793	NEDBANK	RESERVES INVESTMENT ACCOUNT	26 064 031.12	143 887.74	-	-	-	-	26 207 918.86	25 800 000.00	407 918.86	-	-	26 207 918.86
			26 064 031.12	143 887.74	-	-	-	-	26 207 918.86	25 800 000.00	407 918.86	-	-	26 207 918.86
		GRAND TOTAL RNM INVESTMENT + INTEREST	153 050 367.21	1 368 042.10	-	140 500 000.00	-67 000 000.00	227 918 403.31	136 820 598.18	6 309 326.56	434 500 000.00	-455 994.46	-362 300 018.20	227 918 403.31

The Investment register as of 31 December 2022 has the closing balance of R227.8 million, with R6.3 million total interest earned for the month from which R3.7 million was made on primary investment and various investment accounts as shown in the above register including the housing development fund which is not a part of the interest earned shown on the statement of financial performance as this is not revenue generated for the municipality but rather interest earned on unspent housing development funds.

6.1 Monthly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M06 December

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	464 477	498 623	498 623	43 303	313 843	318 690	(4 846)	-2%	498 623
Service charges	214 942	253 618	253 618	18 529	115 768	136 458	(20 690)	-15%	253 618
Investment revenue	5 182	5 397	5 397	50	773	2 719	(1 946)	-72%	5 397
Transfers and subsidies	256 804	285 102	285 229	84 217	188 931	142 551	46 380	33%	285 229
Other own revenue	141 612	131 888	131 888	4 743	45 666	67 253	(21 587)	-32%	131 888
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 174 755	150 842	664 982	667 671	(2 689)	-0%	1 174 755
Employee costs	446 000	447 279	447 237	38 682	229 747	225 289	4 459	2%	447 237
Remuneration of Councillors	26 249	31 434	31 434	2 386	15 142	15 717	(575)	-4%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	45 101	59 700	(14 599)	-24%	101 619
Finance charges	19 931	12 922	12 922	340	681	461	220	48%	12 922
Inventory consumed and bulk purchases	136 545	149 809	149 809	10 764	60 845	76 261	(15 416)	-20%	149 809
Transfers and subsidies	9 890	13 178	13 178	-	1 625	9 153	(7 528)	-82%	13 178
Other expenditure	392 589	415 344	415 513	27 626	164 551	224 051	(59 499)	-27%	415 513
Total Expenditure	1 125 063	1 171 585	1 171 712	87 314	517 692	610 632	(92 940)	-15%	1 171 712
Surplus/(Deficit)	(42 047)	3 043	3 043	63 528	147 291	57 039	90 251	158%	3 043
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	152 367	-	58 901	75 669	(16 768)	-22%	152 367
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 494	135 403	155 410	63 528	206 192	132 708	73 483	55%	155 410
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	155 410	63 528	206 192	132 708	73 483	55%	155 410
Capital expenditure & funds sources									
Capital expenditure	210 882	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137
Capital transfers recognised	138 668	115 052	132 450	15 729	78 259	65 825	12 434	19%	132 450
Borrowing	1 867	7 166	7 166	383	1 268	7 166	(5 898)	-82%	7 166
Internally generated funds	33 256	58 521	58 521	1 868	6 863	40 039	(33 176)	-83%	58 521
Total sources of capital funds	173 791	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137
Financial position									
Total current assets	630 229	553 761	550 893	-	857 160	-	-	-	550 893
Total non current assets	1 987 740	1 878 708	1 896 106	-	2 029 028	-	-	-	1 896 106
Total current liabilities	345 489	321 834	316 356	-	399 176	-	-	-	316 356
Total non current liabilities	191 699	150 842	150 842	-	199 762	-	-	-	150 842
Community wealth/Equity	2 087 579	1 959 793	1 979 801	-	2 287 250	-	-	-	1 979 801
Cash flows									
Net cash from (used) operating	259 474	167 979	180 013	65 280	21 523	97 716	76 193	78%	180 013
Net cash from (used) investing	(185 208)	(179 130)	(196 642)	(15 965)	(90 589)	(105 046)	(14 458)	14%	(196 642)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 514)	(20 114)	(17 683)	2 431	-14%	(19 098)
Cash/cash equivalents at the month/year end	182 070	112 823	107 346	-	42 411	118 058	75 647	64%	95 865
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	61 070	28 410	20 637	15 322	38 171	13 201	39 720	344 063	560 595
Creditors Age Analysis									
Total Creditors	4 261	(1 435)	1 784	-	-	-	-	-	4 610

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

6.2 Statement of Financial Performance (Revenue and Expenditure)

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		464 477	496 623	496 623	43 303	313 843	318 690	(4 846)	-2%	496 623
Service charges - electricity revenue		157 558	182 857	182 857	13 085	77 419	91 429	(14 009)	-15%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 443	38 349	45 030	(6 681)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	214	1 599	1 355	244	18%	2 610
Interest earned - external investments		5 182	5 397	5 397	50	773	2 719	(1 946)	-72%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 966	16 770	12 293	4 477	36%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	37	10 564	11 187	(623)	-6%	22 158
Licences and permits		8 138	7 824	7 824	606	4 305	3 952	352	9%	7 824
Agency services		4 965	4 894	4 894	342	2 415	2 466	(51)	-2%	4 894
Transfers and subsidies		256 804	285 102	285 229	84 217	188 931	142 551	46 380	33%	285 229
Other revenue		55 569	70 013	70 013	578	10 013	36 000	(25 987)	-72%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 174 755	150 842	664 982	667 671	(2 689)	0%	1 174 755
Expenditure By Type										
Employee related costs		446 000	447 279	447 237	38 682	229 747	225 289	4 458	2%	447 237
Remuneration of councillors		26 249	31 434	31 434	2 386	15 142	15 717	(575)	-4%	31 434
Debt impairment		34 456	9 984	9 984	123	2 737	4 992	(2 255)	-45%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	45 101	59 700	(14 599)	-24%	101 619
Finance charges		19 931	12 922	12 922	340	681	461	220	48%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	9 442	54 965	68 912	(13 946)	-20%	137 074
Inventory consumed		13 825	12 735	12 735	1 322	5 880	7 350	(1 470)	-20%	12 735
Contracted services		213 910	244 881	245 007	13 232	99 765	130 317	(30 552)	-23%	245 007
Transfers and subsidies		9 890	13 178	13 178	-	1 625	9 153	(7 528)	-82%	13 178
Other expenditure		143 732	160 480	160 522	14 271	62 049	88 742	(26 692)	-30%	160 522
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 171 712	87 314	517 692	610 632	(92 940)	-15%	1 171 712
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(42 047)	3 043	3 043	63 528	147 291	57 039	90 251	0	3 043
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		146 929	132 360	152 367	-	58 901	75 669	(16 768)	(0)	152 367
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
		6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 494	135 403	155 410	63 528	206 192	132 708			155 410
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 494	135 403	155 410	63 528	206 192	132 708			155 410
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 494	135 403	155 410	63 528	206 192	132 708			155 410
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 494	135 403	155 410	63 528	206 192	132 708			155 410

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by source and expenditure by type for the period ended 31 December 2022. The full year forecast provides a guideline in terms of overall performance, and it gives an overview whether the municipality will be able to spend as per budget

6.3 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		130	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		39 465	3 075	3 075	-	370	1 595	(1 224)	-77%	3 075
Vote 3 - Internal Audit		115	185	185	-	29	185	(156)	-84%	185
Vote 4 - Community and Social Services		5 881	200	200	-	-	100	(100)	-100%	200
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 014	5 440	5 440	158	1 529	2 730	(1 201)	-44%	5 440
Vote 7 - Housing		115	273	273	-	5	273	(268)	-98%	273
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		98 653	99 409	100 198	9 948	52 454	55 081	(2 627)	-5%	100 198
Vote 10 - Road Transport		51 752	55 006	71 615	5 221	26 956	39 520	(12 564)	-32%	71 615
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		2 599	15 348	15 348	2 560	4 654	12 594	(7 941)	-63%	15 348
Vote 13 - Other		3 108	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2 052	1 804	1 804	93	391	952	(561)	-59%	1 804
Total Capital single-year expenditure	4	210 882	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137
Total Capital Expenditure		210 882	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137
Capital Expenditure - Functional Classification										
Governance and administration		39 765	3 280	3 280	-	400	1 800	(1 400)	-78%	3 280
Executive and council		186	20	20	-	-	20	(20)	-100%	20
Finance and administration		39 487	3 075	3 075	-	370	1 595	(1 224)	-77%	3 075
Internal audit		92	185	185	-	29	185	(156)	-84%	185
Community and public safety		12 521	5 813	5 813	158	1 534	3 043	(1 508)	-50%	5 813
Community and social services		5 881	200	200	-	-	100	(100)	-100%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	5 340	158	1 529	2 670	(1 141)	-43%	5 340
Housing		115	273	273	-	5	273	(268)	-98%	273
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		150 838	154 495	171 893	15 169	79 410	94 641	(15 231)	-16%	171 893
Planning and development		98 597	99 389	100 178	9 948	52 454	55 061	(2 607)	-5%	100 178
Road transport		52 241	55 106	71 715	5 221	26 956	39 580	(12 624)	-32%	71 715
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		4 650	17 152	17 152	2 652	5 045	13 546	(8 502)	-63%	17 152
Energy sources		2 599	15 348	15 348	2 560	4 654	12 594	(7 941)	-63%	15 348
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	1 804	93	391	952	(561)	-59%	1 804
Other		3 108	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	210 882	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137
Funded by:										
National Government		123 164	115 052	131 661	14 720	77 234	65 608	11 626	18%	131 661
Provincial Government		4 618	-	789	1 008	1 025	217	808	372%	789
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10 885	-	-	-	-	-	-	-	-
Transfers recognised - capital		138 668	115 052	132 450	15 729	78 259	65 825	12 434	19%	132 450
Borrowing	6	1 867	7 166	7 166	383	1 268	7 166	(5 898)	-82%	7 166
Internally generated funds		33 256	58 521	58 521	1 868	6 863	40 039	(33 176)	-83%	58 521
Total Capital Funding		173 791	180 739	198 137	17 979	86 389	113 029	(26 641)	-24%	198 137

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

6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		437 643	468 731	468 731	44 053	243 544	234 444	9 100	4%	468 731
Service charges		212 962	228 256	228 256	19 521	117 140	114 128	3 012	3%	228 256
Other revenue		228 121	44 677	44 677	4 761	30 961	23 140	7 821	34%	44 677
Transfers and Subsidies - Operational		314 043	341 677	341 803	87 065	201 071	171 194	29 877	17%	341 803
Transfers and Subsidies - Capital		159 345	132 360	144 267	18 272	114 223	78 214	36 009	46%	144 267
Interest		1 520	5 397	5 397	-	602	2 719	(2 117)	-78%	5 397
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(1 086 911)	(1 027 019)	(1 027 019)	(108 055)	(685 350)	(517 385)	167 965	-32%	(1 027 019)
Finance charges		(336)	(12 922)	(12 922)	(337)	(669)	(461)	208	-45%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(8 278)	(8 278)	100%	(13 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES		259 474	167 979	180 013	65 280	21 523	97 716	76 193	78%	180 013
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(185 208)	(179 130)	(196 642)	(15 965)	(90 589)	(105 046)	(14 458)	14%	(196 642)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(185 208)	(179 130)	(196 642)	(15 965)	(90 589)	(105 046)	(14 458)	14%	(196 642)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	7 976	7 976	-	-	7 976	(7 976)	-100%	7 976
Increase (decrease) in consumer deposits		807	1 412	1 412	97	886	(40 015)	40 901	-102%	1 412
Payments										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 611)	(21 000)	14 356	35 356	246%	(28 486)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(35 009)	(19 098)	(19 098)	(3 514)	(20 114)	(17 683)	2 431	-14%	(19 098)
NET INCREASE/ (DECREASE) IN CASH HELD		39 257	(30 248)	(35 726)	45 801	(89 180)	(25 014)			(35 726)
Cash/cash equivalents at beginning:		142 813	143 072	143 072		131 591	143 072			131 591
Cash/cash equivalents at month/year end:		182 070	112 823	107 346		42 411	118 058			95 865

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 31 December 2022, cash from operating activities actual to date is 78% less than the budgeted YTD due to payments to suppliers and employees. The fluctuation in payments to suppliers is affected by timing of the suppliers' invoicing to the municipality which has an impact on the municipality's cash coverage. Property Rates and Service Charges are in line with the cashflow projections.

6.5 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		10 397	(6 528)	(12 005)	46 515	(12 005)
Call investment deposits		121 194	122 051	122 051	195 773	122 051
Consumer debtors		310 244	294 403	294 403	406 029	294 403
Other debtors		181 336	140 390	142 999	200 385	142 999
Current portion of long-term receivables		–	143	143	–	143
Inventory		7 058	3 301	3 301	8 458	3 301
Total current assets		630 229	553 761	550 893	857 160	550 893
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		307 811	205 741	205 741	307 811	205 741
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1 676 867	1 668 460	1 685 858	1 718 342	1 685 858
Biological		–	–	–	–	–
Intangible		857	2 436	2 436	670	2 436
Other non-current assets		2 205	2 071	2 071	2 205	2 071
Total non current assets		1 987 740	1 878 708	1 896 106	2 029 028	1 896 106
TOTAL ASSETS		2 617 969	2 432 469	2 446 999	2 886 188	2 446 999
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		14 580	1 378	1 378	(6 420)	1 378
Consumer deposits		32 846	33 452	33 452	33 732	33 452
Trade and other payables		257 969	247 979	242 501	319 785	242 501
Provisions		40 094	39 025	39 025	52 078	39 025
Total current liabilities		345 489	321 834	316 356	399 176	316 356
Non current liabilities						
Borrowing		49 160	26 734	26 734	57 223	26 734
Provisions		142 539	124 108	124 108	142 539	124 108
Total non current liabilities		191 699	150 842	150 842	199 762	150 842
TOTAL LIABILITIES		537 188	472 676	467 198	598 937	467 198
NET ASSETS	2	2 080 781	1 959 793	1 979 801	2 287 250	1 979 801
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 087 579	1 848 149	1 868 156	2 287 250	1 868 156
Reserves		–	111 644	111 644	–	111 644
TOTAL COMMUNITY WEALTH/EQUITY	2	2 087 579	1 959 793	1 979 801	2 287 250	1 979 801

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 31 December 2022. Total assets are R2.8 billion over the total liabilities of R598 million this indicates that the municipality can cover its financial obligations.