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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2022 (M05)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 30 NOVEMBER 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 30 November 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 30 November 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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6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

6.5. Financial Position

5.1 Monthly Budget Statement of Financial Performance

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M05 November

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	43 313	270 541	273 706	(3 166)	-1%	498 623
Service charges	214 942	253 618	253 618	18 404	97 239	114 787	(17 548)	-15%	253 618
Investment revenue	5 182	5 397	5 397	69	723	2 273	(1 549)	-68%	5 397
Transfers and subsidies	256 804	285 102	285 229	1 461	104 714	114 057	(9 343)	-8%	285 229
Other own revenue	141 612	131 888	131 888	15 819	40 923	56 216	(15 293)	-27%	131 888
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 174 755	79 067	514 141	561 040	(46 900)	-8%	1 174 755
Employee costs	446 000	447 279	447 237	40 145	191 066	187 713	3 353	2%	447 237
Remuneration of Councillors	26 249	31 434	31 434	2 417	12 756	13 098	(342)	-3%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	37 584	49 750	(12 166)	-24%	101 619
Finance charges	19 931	12 922	12 922	1	341	369	(28)	-8%	12 922
Inventory consumed and bulk purchases	136 545	149 809	149 809	10 768	50 081	60 840	(10 759)	-18%	149 809
Transfers and subsidies	9 890	13 178	13 178	22	1 625	8 190	(6 565)	-80%	13 178
Other expenditure	392 589	415 344	415 513	30 083	136 926	183 878	(46 952)	-26%	415 513
Total Expenditure	1 125 063	1 171 585	1 171 712	90 954	430 378	503 838	(73 460)	-15%	1 171 712
Surplus/(Deficit)	(42 047)	3 043	3 043	(11 887)	83 763	57 203	26 560	46%	3 043
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	152 367	38 580	58 901	58 811	90	0%	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	26 694	142 664	116 013	26 651	23%	155 410
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	155 410	26 694	142 664	116 013	26 651	23%	155 410
Capital expenditure & funds sources									
Capital expenditure	210 882	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Capital transfers recognised	138 668	115 052	132 450	9 230	62 530	52 936	9 594	18%	132 450
Borrowing	1 867	7 166	7 166	467	885	-	885	#DIV/0!	7 166
Internally generated funds	33 256	58 521	58 521	1 860	4 994	22 429	(17 434)	-78%	58 521
Total sources of capital funds	173 791	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Financial position									
Total current assets	630 229	553 761	550 893		775 217				550 893
Total non current assets	1 987 740	1 878 708	1 896 106		2 018 565				1 896 106
Total current liabilities	345 489	321 834	316 356		370 082				316 356
Total non current liabilities	191 699	150 842	150 842		199 978				150 842
Community wealth/Equity	2 087 579	1 959 793	1 979 801		2 223 723				1 979 801
Cash flows									
Net cash from (used) operating	259 474	167 979	180 013	(50 345)	(43 757)	78 167	121 924	156%	180 013
Net cash from (used) investing	(185 208)	(179 130)	(196 642)	(14 965)	(74 623)	(68 500)	6 123	-9%	(196 642)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 696)	(16 600)	(20 352)	(3 752)	18%	(19 098)
Cash/cash equivalents at the month/year end	182 070	112 823	107 346	-	(3 390)	132 387	135 777	103%	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	60 868	30 519	17 565	43 613	13 799	4 167	46 922	340 637	558 089
Creditors Age Analysis									
Total Creditors	(1 302)	1 784	-	-	-	-	-	-	482

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) - M05 November

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	43 313	270 541	273 706	(3 166)	-1%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	12 832	64 334	76 190	(11 857)	-16%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 572	32 905	38 597	(5 692)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	240	1 385	1 133	252	22%	2 610
Interest earned - external investments		5 182	5 397	5 397	69	723	2 273	(1 549)	-68%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 861	13 804	10 275	3 529	34%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	10 345	10 527	9 350	1 177	13%	22 158
Licences and permits		8 138	7 824	7 824	736	3 699	3 304	395	12%	7 824
Agency services		4 965	4 894	4 894	408	2 073	2 061	12	1%	4 894
Transfers and subsidies		256 804	285 102	285 229	1 461	104 714	114 057	(9 343)	-8%	285 229
Other revenue		55 569	70 013	70 013	1 229	9 435	30 094	(20 659)	-69%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 174 755	79 067	514 141	561 040	(46 900)	-8%	1 174 755
Expenditure By Type										
Employee related costs		446 000	447 279	447 237	40 145	191 066	187 713	3 353	2%	447 237
Remuneration of councillors		26 249	31 434	31 434	2 417	12 756	13 098	(342)	-3%	31 434
Debt impairment		34 456	9 984	9 984	763	2 614	2 496	118	5%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	37 584	49 750	(12 166)	-24%	101 619
Finance charges		19 931	12 922	12 922	1	341	369	(28)	-8%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	9 053	45 524	54 717	(9 193)	-17%	137 074
Inventory consumed		13 825	12 735	12 735	1 715	4 557	6 123	(1 566)	-26%	12 735
Contracted services		213 910	244 881	245 007	19 639	86 533	107 473	(20 941)	-19%	245 007
Transfers and subsidies		9 890	13 178	13 178	22	1 625	8 190	(6 565)	-80%	13 178
Other expenditure		143 732	160 480	160 522	9 681	47 779	73 908	(26 130)	-35%	160 522
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 171 712	90 954	430 378	503 838	(73 460)	-15%	1 171 712
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(42 047)	3 043	3 043	(11 887)	83 763	57 203	26 560	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	38 580	58 901	58 811	90	0	152 367
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		6 597	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		123 494	135 403	155 410	26 694	142 664	116 013			155 410
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 494	135 403	155 410	26 694	142 664	116 013			155 410
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 494	135 403	155 410	26 694	142 664	116 013			155 410
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 494	135 403	155 410	26 694	142 664	116 013			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) - M05 November

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	43 313	270 541	273 706	(3 166)	-1%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	12 832	64 334	76 190	(11 857)	-16%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 572	32 905	38 597	(5 692)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	240	1 385	1 133	252	22%	2 610
Interest earned - external investments		5 182	5 397	5 397	69	723	2 273	(1 549)	-68%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 861	13 804	10 275	3 529	34%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	10 345	10 527	9 350	1 177	13%	22 158
Licences and permits		8 138	7 824	7 824	736	3 699	3 304	395	12%	7 824
Agency services		4 965	4 894	4 894	408	2 073	2 061	12	1%	4 894
Transfers and subsidies		256 804	285 102	285 229	1 461	104 714	114 057	(9 343)	-8%	285 229
Other revenue		55 569	70 013	70 013	1 229	9 435	30 094	(20 659)	-69%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 083 016	1 174 628	1 174 755	79 067	514 141	561 040	(46 900)	-8%	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 R270,5 million, compared to the YTD budget of R273,7 million. The R3,2 variance which is 1% more than the YTD Budget, this variance is in line with the anticipated billing revenue for property rates.

Electricity Revenue

The YTD Actual for the electricity billing for the period ended 30 November 2022 is R64.3 million while the YTD Budget is R76,1 million. There is a variance of R11,9 million between the YTD actual and YTD budget. This variance of 16% 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 R32.9 million and the YTD Budget billing is R38,6 million, with YTD variance of 15%. The municipality is aware of the huge difference 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 R723 thousand, YTD budget is R2.3 million, and there is a variance of R1.5 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 R2.07 million against YTD Budget of R2.06 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 R9.3 million there is a 13% variance. The municipality is in line with its targets.

Licenses and Permits

Licenses and permits actuals to date amounts to R3.7 million and there is a 12% variance against year-to-date budget of R3.3 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 1.4 million, with the YTD budget being R1.1 million showing a 22% variance between actual and budgeted figures.

Transfers and Subsidies

Operational grants recognized YTD actual amounts to R 104.7 million, YTD Budget is R114.1 million. YTD variance is R9.3 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 on a monthly basis on transfers and subsidies.

Other Revenue

Other revenue is made up of numerous miscellaneous items (e.g., town planning fees, market income, cemetery fees, clinics subsidies, etc.) and gains on disposal of assets are included. Other revenue also includes construction contract revenue that is revenue recognized on receipt of funding for housing projects with a budget of 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 R9.3 million, YTD Budget is R30.1 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 R514.1 million for the period ending 30 November 2022, YTD Budget is R561.0 million, the variance of R46.9 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) - M05 November

Vote Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		446 000	447 279	447 237	40 145	191 066	187 713	3 353	2%	447 237
Remuneration of councillors		26 249	31 434	31 434	2 417	12 756	13 098	(342)	-3%	31 434
Debt impairment		34 456	9 984	9 984	763	2 614	2 496	118	5%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	37 584	49 750	(12 166)	-24%	101 619
Finance charges		19 931	12 922	12 922	1	341	369	(28)	-8%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	9 053	45 524	54 717	(9 193)	-17%	137 074
Inventory consumed		13 825	12 735	12 735	1 715	4 557	6 123	(1 566)	-26%	12 735
Contracted services		213 910	244 881	245 007	19 639	86 533	107 473	(20 941)	-19%	245 007
Transfers and subsidies		9 890	13 178	13 178	22	1 625	8 190	(6 565)	-80%	13 178
Other expenditure		143 732	160 480	160 522	9 681	47 779	73 908	(26 130)	-35%	160 522
Losses		491	-	-	-	-	-	-	-	-
Total Expenditure		1 125 063	1 171 585	1 171 712	90 954	430 378	503 838	(73 460)	-15%	1 171 712

Employee Related Costs and Remuneration of Councillors

Actual YTD for employee related costs amount to R191.1 million YTD Budget is R187.7 million as of 30 November 2022. Actual YTD remuneration of councillors YTD actuals amounts to R12.8 million with YTD Budget of R13.1 million and there is a 3% 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 30 November 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 R4.6 million as of 30 November 2022 with the YTD Budget being R6.1 million. This reflects a variance of R1.6 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 R47.8 million, YTD Budget is R73.9 million and there is a 35% 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 amounts to R37.6 million to date from the beginning of the year. The year-to-date budget is R49.8 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 R1.9 million while the year-to-date budget is R2.5 million. The R2.6 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 7.2 million with a variance of R5.6 million which will be covered once the donations are made at the end of the 2nd quarter of the financial year.

Overall Expenditure Budget

The overall expenditure YTD Actual is R430.4 million as of 30 November 2022, YTD Budget is R503.8 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 R58.9 million compared to the YTD Budget surplus R58.8million.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

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	45	38	36	36	35	34	164	419	808	689
Trade and Other Receivables from Exchange Transactions - Electricity	1300	15 188	5 857	1 897	996	882	722	3 076	11 109	39 728	16 785
Receivables from Non-exchange Transactions - Property Rates	1400	37 062	18 666	10 925	35 119	8 690	245	26 499	202 103	339 308	272 656
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0
Receivables from Exchange Transactions - Waste Management	1600	5 259	2 758	1 905	4 584	1 446	20	4 502	38 497	58 971	49 049
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	2 974	2 915	2 632	2 594	2 607	2 606	12 176	79 542	108 046	99 525
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	340	285	171	283	139	540	505	8 967	11 230	10 434
Total By Income Source	2000	60 868	30 519	17 565	43 613	13 799	4 167	46 922	340 637	558 089	449 138
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	2 258	2 447	824	18 124	1 113	535	3 442	33 381	62 125	56 597
Commercial	2300	21 323	8 600	4 010	5 831	2 736	778	10 009	62 011	115 296	81 364
Households	2400	37 287	19 472	12 731	19 658	9 950	2 853	33 471	245 245	380 667	311 177
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	60 868	30 519	17 565	43 613	13 799	4 167	46 922	340 637	558 089	449 138

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 - M05 November

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	406	-	-	-	-	-	-	-	406
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	(1 708)	1 784	-	-	-	-	-	-	76
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	(1 302)	1 784	-	-	-	-	-	-	482

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) - M05 November

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	1									
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		130	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		39 465	3 075	3 075	357	370	1 366	(995)	-73%	3 075
Vote 3 - Internal Audit		115	185	185	-	29	185	(156)	-84%	185
Vote 4 - Community and Social Services		5 881	200	200	-	-	83	(83)	-100%	200
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 014	5 440	5 440	413	1 371	2 275	(904)	-40%	5 440
Vote 7 - Housing		115	273	273	(15)	5	89	(84)	-95%	273
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		98 653	99 409	100 198	2 417	42 506	47 475	(4 969)	-10%	100 198
Vote 10 - Road Transport		51 752	55 006	71 615	6 411	21 735	20 868	867	4%	71 615
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		2 599	15 348	15 348	1 676	2 094	2 230	(136)	-6%	15 348
Vote 13 - Other		3 108	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2 052	1 804	1 804	299	299	793	(495)	-62%	1 804
Total Capital single-year expenditure	4	210 882	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Total Capital Expenditure		210 882	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		39 765	3 280	3 280	357	400	1 551	(1 151)	-74%	3 280
Executive and council		186	20	20	-	-	-	-	-	20
Finance and administration		39 487	3 075	3 075	357	370	1 366	(995)	-73%	3 075
Internal audit		92	185	185	-	29	185	(156)	-84%	185
<i>Community and public safety</i>		12 521	5 813	5 813	398	1 376	2 397	(1 021)	-43%	5 813
Community and social services		5 881	200	200	-	-	83	(83)	-100%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	5 340	413	1 371	2 225	(854)	-38%	5 340
Housing		115	273	273	(15)	5	89	(84)	-95%	273
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		150 838	154 495	171 893	8 827	64 241	68 393	(4 152)	-6%	171 893
Planning and development		98 597	99 389	100 178	2 417	42 506	47 475	(4 969)	-10%	100 178
Road transport		52 241	55 106	71 715	6 411	21 735	20 918	817	4%	71 715
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		4 650	17 152	17 152	1 975	2 393	3 024	(631)	-21%	17 152
Energy sources		2 599	15 348	15 348	1 676	2 094	2 230	(136)	-6%	15 348
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	1 804	299	299	793	(495)	-62%	1 804
Other		3 108	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	210 882	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Funded by:										
National Government		123 164	115 052	131 661	9 230	62 513	52 827	9 686	18%	131 661
Provincial Government		4 618	-	789	-	17	109	(92)	-85%	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	9 230	62 530	52 936	9 594	18%	132 450
Borrowing	6	1 867	7 166	7 166	467	885	-	885	#DIV/0!	7 166
Internally generated funds		33 256	58 521	58 521	1 860	4 994	22 429	(17 434)	-78%	58 521
Total Capital Funding		173 791	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R68.4 million, the YTD budgeted is R75.4 million and there is 9% 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 was delay on the SCM processes on appointing a new service provider. The delayed was caused by the non-response on the first advert and the municipality had to re advertisem again.


5.7 Transfers and Grants Receipts

 KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER						
KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER NOV 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 32 544 000	R -	R 21 936 665		R 10 607 335
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 14 674 560		R 4 425 440
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 956 740	R -		R 993 260
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 1 519 000	R 2 669 170	R -	R 1 150 170	
AIRPORT GRANT		R 1 000 000	R -			R 1 000 000
MUSEUM SUBSIDY GRANT	R -	R 449 000		R -		R 449 000
NEIGHBOURHOOD DEV GRANT		R 45 820 000	R -	R 33 161 754		R 12 658 246
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 2 000 000	R -			R 2 000 000
TOTAL	R 16 161 232	R 99 782 000	R 3 625 910	R 69 772 979	R 1 150 170	R 43 694 514

Transfers and Grants Receipts

The total grants received to date for period ending 30 November 2022 amounts to R99.7 million, which include R45.8 million from Neighborhood Development Grant, R2.0 million from Energy Efficiency and Demand Side Management Grant, R1.0 million from Margate Airport Grant, R32.5 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, R 1.519 million from Expanded Public Works Programme, R1 million for Airport Grant, and R449 thousand from Museum.

5.8 Transfers and Grants Expenditure

 KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER						
KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER NOV 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 32 544 000	R -	R 21 936 665		R 10 607 335
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 14 674 560		R 4 425 440
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 956 740	R -		R 993 260
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 1 519 000	R 2 669 170	R -	R 1 150 170	
AIRPORT GRANT		R 1 000 000	R -			R 1 000 000
MUSEUM SUBSIDY GRANT	R -	R 449 000		R -		R 449 000
NEIGHBOURHOOD DEV GRANT		R 45 820 000	R -	R 33 161 754		R 12 658 246
MARKET STALLS GRANT	R 7 003 970	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 2 000 000	R -			R 2 000 000
TOTAL	R 16 161 232	R 99 782 000	R 3 425 910	R 69 772 979	R 1 150 170	R 43 694 514

Transfers and Grants Expenditure

Grants are monitored monthly, and Grant's register is communicated/ shared with management to ensure effective management of grants and 100% expenditure. As of 30 November 2022, Operating and Capital Expenditure has a closing balance of R43.7 million, with YTD spending of R3.6 million and R69.7 million, for operational grants and capital grants respectively.

Grant's expenditure

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

An amount of R32.54 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ended 30 November 2022 is R21.9 million and has been spent on various capital projects.

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

An amount of R 1.5 million has been received for EPWP grant. This is an operational grant to pay salaries for EPWP employees and the YTD actual for the period ended 30 November 2022 is R2.7 million of which R1.2 million has been funded internally.

- **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 30 November is R33.2 million.

- **Finance Management Grant**

An amount of R 1.95 million has been received for Finance management grant. This is an operational grant and the YTD actual for the period ended 30 November 2022 is R956.7 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 30 November 2022 is R14,7 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 - M05 November

Summary of Employee and Councillor remuneration	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	1	A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		23 352	28 393	28 393	2 176	11 549	11 830	(281)	-2%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	241	1 207	1 267	(61)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		26 249	31 434	31 434	2 417	12 756	13 098	(342)	-3%	31 434
% increase	4		19.8%	19.8%						19.8%
Senior Managers of the Municipality										
Basic Salaries and Wages		7 328	4 393	4 393	284	1 541	1 830	(290)	-16%	4 393
Pension and UIF Contributions		80	189	189	12	68	79	(10)	-13%	189
Medical Aid Contributions		72	78	78	17	87	32	55	169%	78
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	-	-	441	(441)	-100%	1 059
Motor Vehicle Allowance		495	1 158	1 158	69	385	483	(98)	-20%	1 158
Cellphone Allowance		109	115	115	6	36	48	(12)	-25%	115
Housing Allowances		1 425	3 488	3 488	210	1 199	1 454	(255)	-18%	3 488
Other benefits and allowances		0	0	0	0	0	0	0	73%	0
Payments in lieu of leave		239	-	-	50	161	-	161	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 615	10 481	10 481	648	3 477	4 367	(890)	-20%	10 481
% increase	4		-1.3%	-1.3%						-1.3%
Other Municipal Staff										
Basic Salaries and Wages		275 568	276 977	276 977	22 832	114 266	115 490	(1 224)	-1%	276 977
Pension and UIF Contributions		49 183	51 553	51 553	4 246	21 268	21 480	(212)	-1%	51 553
Medical Aid Contributions		18 869	20 813	20 813	1 638	8 202	8 672	(469)	-5%	20 813
Overtime		18 959	14 695	14 695	1 653	6 818	7 212	(395)	-5%	14 695
Performance Bonus		21 372	23 805	23 805	3 470	11 517	9 919	1 599	16%	23 805
Motor Vehicle Allowance		17 850	18 637	18 637	1 537	7 655	7 766	(110)	-1%	18 637
Cellphone Allowance		993	1 046	1 046	82	437	436	1	0%	1 046
Housing Allowances		3 771	3 946	3 946	337	1 693	1 644	49	3%	3 946
Other benefits and allowances		5 101	3 006	2 964	361	1 969	1 427	541	38%	2 964
Payments in lieu of leave		3 802	4 200	4 200	2 618	10 652	1 750	8 902	509%	4 200
Long service awards		5 264	2 270	2 270	287	1 212	946	266	28%	2 270
Post-retirement benefit obligations		14 654	15 852	15 852	436	1 898	6 605	(4 707)	-71%	15 852
Sub Total - Other Municipal Staff		435 385	436 798	436 756	39 497	187 589	183 346	4 242	2%	436 756
% increase	4		0.3%	0.3%						0.3%
Total Parent Municipality		472 249	478 713	478 671	42 562	203 822	200 811	3 011	1%	478 671

Councillors Remuneration

An actual amount of R12.7 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R13.09 million. This indicates a variance of only R342 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 R3.5 million and a YTD budget of R4.4 million with the variance of R 890 thousand.

Other Municipal Staff

The municipal staff year to date spending is sitting at R187.6 million against the year-to-date budget of R 183.3 million with the variance of R 4.2 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 : 30 NOVEMBER 2022



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 NOVEMBER 2022	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 30 NOVEMBER 2022
				R				R	R
DBSA	9.36%	31-Mar-31	61007684	-R 3 158 200.94					-R 3 158 200.94
DBSA	12.67%	22-Nov-30	61007761	-R 8 343 301.32					-R 8 343 301.32
									R -
TOTAL DBSA LOANS				-R 11 501 502.26	R -	R -	R -	R -	-R 11 501 502.26
TOTAL LOANS				-R 11 501 502.26	R -	R -	R -	R -	-R 11 501 502.26

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 R11.5 million as of 30 November 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	Year 1				Year 2				Year 3				Year 4				Total
	Year 1	Year 2	Year 3	Totals	Year 1	Year 2	Year 3	Totals	Year 1	Year 2	Year 3	Totals	Year 1	Year 2	Year 3	Totals	
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 - M05 November

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-1.4%	9.8%	9.8%	0.1%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.9%	4.0%	3.6%	1.3%	3.6%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	14.1%	13.7%	15.5%	13.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	23.9%	23.9%	0.0%	23.9%
Liquidity							
Current Ratio	Current assets/current liabilities	1	182.4%	172.1%	174.1%	209.5%	174.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	34.8%	45.4%	34.8%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		45.4%	37.0%	37.2%	116.5%	37.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		41.2%	38.1%	38.1%	37.2%	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%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

The above table gives an overview of the financial indicators of the municipality for the period ended 30 November 2022 and the indicators are broken down below.

Borrowing Management

The outstanding amount in the loan from DBSA is currently sitting at R11 501 502 as of 30 November 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 30 November 2022: R775 217 000: R370 087 000=**2.09:1**

Current ratio is a liquidity ratio used to measure whether the municipality has enough resources to meet its short-term obligations. A good ratio is R1.5-R2 for every R1 owed. The budget showed a R1.74: R1 ratio and the actual ratio as of 30 November 2022 is R2.09:1. 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 30 November 2022: (R775 217 000– R8 250 000)/ R370 087 000=**2.07:1**

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

5.12 Investment Register



RAY NKONYENI MUNICIPALITY
INVESTMENT REGISTER FOR THE PERIOD ENDING 30/11/2022

ACCOUNT NO	INVESTMENT DETAILS		CURRENT MONTH						YTD					
	INSTITUTION & TYPE	PROJECT NAME / DETAILS	MONTHLY OPENING BALANCES	INTEREST INVESTED 30/11/2022	BANK CHARGES 30/11/2022	DEPOSIT 30/11/2022	WITHDRAWALS 30/11/2022	CURRENT BALANCE	INVESTMENT BALANCES AS AT 01/07/2022	INTEREST	BANK DEPOSITS	CHARGES	INVESTMENT WITHDRAWALS	BALANCE AS AT 30/11/2022
37892984011	STANDARD BANK - CALL	LOUISIANA HSG	9 566 748.65	50 127.14	-	-	-	9 616 875.79	9 388 400.89	228 474.90	-	-	-	9 616 875.79
37892984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	616 139.30	3 228.40	-	-	-	619 367.70	604 652.95	14 714.75	-	-	-	619 367.70
37892984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 022 259.07	5 356.36	-	-	-	1 027 615.43	1 003 201.65	24 413.78	-	-	-	1 027 615.43
37892984005	STANDARD BANK - CALL	BHOBHOYI SUB-HSG	324 604.35	1 700.84	-	-	-	326 305.19	318 552.93	7 752.26	-	-	-	326 305.19
37892984006	STANDARD BANK - CALL	BHOBHOYI EST-HSG	12 357.18	29.71	-	-	-	12 386.89	12 261.03	125.86	-	-	-	12 386.89
37892984007	STANDARD BANK - CALL	DAMAGED HSES	78 533.95	221.08	-	-	-	78 755.03	77 791.97	963.06	-	-	-	78 755.03
37892984008	STANDARD BANK - CALL	UPLANDS HSG	78 454.44	220.85	-	-	-	78 675.29	77 713.22	962.07	-	-	-	78 675.29
37892984009	STANDARD BANK - CALL	MKHOLOMBE HSG	1 447 663.70	7 585.36	-	-	-	1 455 249.06	1 420 675.68	34 573.38	-	-	-	1 455 249.06
37892984010	STANDARD BANK - CALL	AIDS PROJECT	143 930.12	754.15	-	-	-	144 684.27	141 246.91	3 437.36	-	-	-	144 684.27
89149356988	STANDARD BANK - CALL	MASINENGE HSG	32 696 116.76	112 422.39	-	-	-	32 808 539.15	32 183 664.91	624 874.24	-	-	-	32 808 539.15
89139356986	STANDARD BANK - CALL	KWAMAVUNDLA HSG	243 646.28	1 189.86	-	-	-	244 836.14	239 627.67	5 208.47	-	-	-	244 836.14
89141356989	STANDARD BANK - CALL	KWAXOLO HOUSING	11 570 538.69	56 505.44	-	-	-	11 627 044.13	11 389 191.33	237 852.80	-	-	-	11 627 044.13
80439364623	STANDARD BANK - CALL	KWADWALANE HOUSING	524 245.91	2 560.19	-	-	-	526 806.10	516 029.30	10 776.80	-	-	-	526 806.10
			58 325 238.40	241 991.77	-	-	-	58 567 140.17	44 328 712.21	1 241 181.84	-	-	-	58 614 391.28
74873852518	INVESTEC - CALL	RHODA (HOUSING DEVELOPMENT FUNDS)	15 950 354.60	80 625.77	-	-	-	16 030 980.37	16 114 889.17	372 085.66	-	-	-	16 486 974.83
			15 950 354.60	80 625.77	-	-	-	16 030 980.37	16 114 889.17	372 085.66	-	-	-	16 486 974.83
89111256985	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	49 299.03	240.75	-	-	-	49 539.78	48 525.35	1 014.43	-	-	-	49 539.78
89111357732	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	10 902.77	53.24	-	-	-	10 956.01	10 731.88	224.13	-	-	-	10 956.01
			60 200.80	293.99	-	-	-	60 494.79	59 257.23	1 237.56	-	-	-	60 494.79
82728614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	79 829 042.01	494 530.56	-	38 500 000.00	-70 000 000.00	48 823 572.57	47 140 857.71	2 982 733.06	284 000 000.00	-	-295 300 018.20	48 823 572.57
			79 829 042.01	494 530.56	-	38 500 000.00	-70 000 000.00	48 823 572.57	47 140 857.71	2 982 733.06	284 000 000.00	-	-295 300 018.20	48 823 572.57
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 439 300.12	17 596.96	-	-	-	3 456 897.08	3 376 881.86	80 015.22	-	-	-	3 456 897.08
			3 439 300.12	17 596.96	-	-	-	3 456 897.08	3 376 881.86	80 015.22	-	-	-	3 456 897.08
37881000791	NEDBANK	RESERVES INVESTMENT ACCOUNT	25 938 248.44	125 782.68	-	-	-	26 064 031.12	25 800 000.00	264 031.12	-	-	-	26 064 031.12
			25 938 248.44	125 782.68	-	-	-	26 064 031.12	25 800 000.00	264 031.12	-	-	-	26 064 031.12
		GRAND TOTAL RNM INVESTMENT + INTEREST	183 542 384.37	960 731.73	-	38 500 000.00	-70 000 000.00	153 003 116.10	136 820 598.18	4 941 284.46	284 000 000.00	-	-295 300 018.20	153 506 361.67

The Investment register as of 30 November 2022 has the closing balance of R153.6 million, with R961 thousand total interest earned for the month from which R495 thousand 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 - M05 November

Description	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									
Financial Performance									
Property rates	464 477	498 623	498 623	43 313	270 541	273 706	(3 166)	-1%	498 623
Service charges	214 942	253 618	253 618	18 404	97 239	114 787	(17 548)	-15%	253 618
Investment revenue	5 182	5 397	5 397	69	723	2 273	(1 549)	-68%	5 397
Transfers and subsidies	256 804	285 102	285 229	1 461	104 714	114 057	(9 343)	-8%	285 229
Other own revenue	141 612	131 888	131 888	15 819	40 923	56 216	(15 293)	-27%	131 888
Total Revenue (excluding capital transfers and contributions)	1 083 016	1 174 628	1 174 755	79 067	514 141	561 040	(46 900)	-8%	1 174 755
Employee costs	446 000	447 279	447 237	40 145	191 066	187 713	3 353	2%	447 237
Remuneration of Councillors	26 249	31 434	31 434	2 417	12 756	13 098	(342)	-3%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	7 517	37 584	49 750	(12 166)	-24%	101 619
Finance charges	19 931	12 922	12 922	1	341	369	(28)	-8%	12 922
Inventory consumed and bulk purchases	136 545	149 809	149 809	10 768	50 081	60 840	(10 759)	-18%	149 809
Transfers and subsidies	9 890	13 178	13 178	22	1 625	8 190	(6 565)	-80%	13 178
Other expenditure	392 589	415 344	415 513	30 083	136 926	183 878	(46 952)	-26%	415 513
Total Expenditure	1 125 063	1 171 585	1 171 712	90 954	430 378	503 838	(73 460)	-15%	1 171 712
Surplus/(Deficit)	(42 047)	3 043	3 043	(11 887)	83 763	57 203	26 560	46%	3 043
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	152 367	38 580	58 901	58 811	90	0%	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	26 694	142 664	116 013	26 651	23%	155 410
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	123 494	135 403	155 410	26 694	142 664	116 013	26 651	23%	155 410
Capital expenditure & funds sources									
Capital expenditure	210 882	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Capital transfers recognised	138 668	115 052	132 450	9 230	62 530	52 936	9 594	18%	132 450
Borrowing	1 867	7 166	7 166	467	885	-	885	#DIV/0!	7 166
Internally generated funds	33 256	58 521	58 521	1 860	4 994	22 429	(17 434)	-78%	58 521
Total sources of capital funds	173 791	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Financial position									
Total current assets	630 229	553 761	550 893		775 217				550 893
Total non current assets	1 987 740	1 878 708	1 896 106		2 018 565				1 896 106
Total current liabilities	345 489	321 834	316 356		370 082				316 356
Total non current liabilities	191 699	150 842	150 842		199 978				150 842
Community wealth/Equity	2 087 579	1 959 793	1 979 801		2 223 723				1 979 801
Cash flows									
Net cash from (used) operating	259 474	167 979	180 013	(50 345)	(43 757)	78 167	121 924	156%	180 013
Net cash from (used) investing	(185 208)	(179 130)	(196 642)	(14 965)	(74 623)	(68 500)	6 123	-9%	(196 642)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 696)	(16 600)	(20 352)	(3 752)	18%	(19 098)
Cash/cash equivalents at the month/year end	182 070	112 823	107 346	-	(3 390)	132 387	135 777	103%	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	60 868	30 519	17 565	43 613	13 799	4 167	46 922	340 637	558 089
Creditors Age Analysis									
Total Creditors	(1 302)	1 784	-	-	-	-	-	-	482

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) - M05 November

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	43 313	270 541	273 706	(3 166)	-1%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	12 832	64 334	76 190	(11 857)	-16%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 572	32 905	38 597	(5 692)	-15%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	240	1 385	1 133	252	22%	2 610
Interest earned - external investments		5 182	5 397	5 397	69	723	2 273	(1 549)	-68%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 861	13 804	10 275	3 529	34%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	10 345	10 527	9 350	1 177	13%	22 158
Licences and permits		8 138	7 824	7 824	736	3 699	3 304	395	12%	7 824
Agency services		4 965	4 894	4 894	408	2 073	2 061	12	1%	4 894
Transfers and subsidies		256 804	285 102	285 229	1 461	104 714	114 057	(9 343)	-8%	285 229
Other revenue		55 569	70 013	70 013	1 229	9 435	30 094	(20 659)	-69%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
		1 083 016	1 174 628	1 174 755	79 067	514 141	561 040	(46 900)	-8%	1 174 755
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		446 000	447 279	447 237	40 145	191 066	187 713	3 353	2%	447 237
Remuneration of councillors		26 249	31 434	31 434	2 417	12 756	13 098	(342)	-3%	31 434
Debt impairment		34 456	9 984	9 984	763	2 614	2 496	118	5%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	7 517	37 584	49 750	(12 166)	-24%	101 619
Finance charges		19 931	12 922	12 922	1	341	369	(28)	-8%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	9 053	45 524	54 717	(9 193)	-17%	137 074
Inventory consumed		13 825	12 735	12 735	1 715	4 557	6 123	(1 566)	-26%	12 735
Contracted services		213 910	244 881	245 007	19 639	86 533	107 473	(20 941)	-19%	245 007
Transfers and subsidies		9 890	13 178	13 178	22	1 625	8 190	(6 565)	-80%	13 178
Other expenditure		143 732	160 480	160 522	9 681	47 779	73 908	(26 130)	-35%	160 522
Losses		491	-	-	-	-	-	-	-	-
		1 125 063	1 171 585	1 171 712	90 954	430 378	503 838	(73 460)	-15%	1 171 712
Total Expenditure										
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(42 047)	3 043	3 043	(11 887)	83 763	57 203	26 560	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	38 580	58 901	58 811	90	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	26 694	142 664	116 013			155 410
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 494	135 403	155 410	26 694	142 664	116 013			155 410
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 494	135 403	155 410	26 694	142 664	116 013			155 410
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 494	135 403	155 410	26 694	142 664	116 013			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 30 November 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) - M05 November

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	357	370	1 366	(995)	-73%	3 075
Vote 3 - Internal Audit		115	185	185	-	29	185	(156)	-84%	185
Vote 4 - Community and Social Services		5 881	200	200	-	-	83	(83)	-100%	200
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		7 014	5 440	5 440	413	1 371	2 275	(904)	-40%	5 440
Vote 7 - Housing		115	273	273	(15)	5	89	(84)	-95%	273
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		98 653	99 409	100 198	2 417	42 506	47 475	(4 969)	-10%	100 198
Vote 10 - Road Transport		51 752	55 006	71 615	6 411	21 735	20 868	867	4%	71 615
Vote 11 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 12 - Energy Sources		2 599	15 348	15 348	1 676	2 094	2 230	(136)	-6%	15 348
Vote 13 - Other		3 108	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		2 052	1 804	1 804	299	299	793	(495)	-62%	1 804
Total Capital single-year expenditure	4	210 882	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Total Capital Expenditure		210 882	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		39 765	3 280	3 280	357	400	1 551	(1 151)	-74%	3 280
Executive and council		186	20	20	-	-	-	-	-	20
Finance and administration		39 487	3 075	3 075	357	370	1 366	(995)	-73%	3 075
Internal audit		92	185	185	-	29	185	(156)	-84%	185
<i>Community and public safety</i>		12 521	5 813	5 813	398	1 376	2 397	(1 021)	-43%	5 813
Community and social services		5 881	200	200	-	-	83	(83)	-100%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	5 340	413	1 371	2 225	(854)	-38%	5 340
Housing		115	273	273	(15)	5	89	(84)	-95%	273
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		150 838	154 495	171 893	8 827	64 241	68 393	(4 152)	-6%	171 893
Planning and development		98 597	99 389	100 178	2 417	42 506	47 475	(4 969)	-10%	100 178
Road transport		52 241	55 106	71 715	6 411	21 735	20 918	817	4%	71 715
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		4 650	17 152	17 152	1 975	2 393	3 024	(631)	-21%	17 152
Energy sources		2 599	15 348	15 348	1 676	2 094	2 230	(136)	-6%	15 348
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	1 804	299	299	793	(495)	-62%	1 804
Other		3 108	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	210 882	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	198 137
Funded by:										
National Government		123 164	115 052	131 661	9 230	62 513	52 827	9 686	18%	131 661
Provincial Government		4 618	-	789	-	17	109	(92)	-85%	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	9 230	62 530	52 936	9 594	18%	132 450
Borrowing	6	1 867	7 166	7 166	467	885	-	885	#DIV/0!	7 166
Internally generated funds		33 256	58 521	58 521	1 860	4 994	22 429	(17 434)	-78%	58 521
Total Capital Funding		173 791	180 739	198 137	11 558	68 409	75 364	(6 955)	-9%	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 30 November 2022.

6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M05 November

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		437 643	468 731	468 731	41 525	199 491	195 397	4 094	2%	468 731
Service charges		212 962	228 256	228 256	20 503	97 619	95 107	2 512	3%	228 256
Other revenue		228 121	44 677	44 677	8 929	26 200	19 319	6 881	36%	44 677
Transfers and Subsidies - Operational		314 043	341 677	341 803	1 311	114 006	138 415	(24 409)	-18%	341 803
Transfers and Subsidies - Capital		159 345	132 360	144 267	1 500	95 951	67 601	28 351	42%	144 267
Interest		1 520	5 397	5 397	-	602	2 273	(1 670)	-73%	5 397
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(1 086 911)	(1 027 019)	(1 027 019)	(124 113)	(577 295)	(432 247)	145 048	-34%	(1 027 019)
Finance charges		(336)	(12 922)	(12 922)	-	(332)	(236)	97	-41%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(7 461)	(7 461)	100%	(13 178)
NET CASH FROM/(USED) OPERATING ACTIVITIES		259 474	167 979	180 013	(50 345)	(43 757)	78 167	121 924	156%	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)	(14 965)	(74 623)	(68 500)	6 123	-9%	(196 642)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(185 208)	(179 130)	(196 642)	(14 965)	(74 623)	(68 500)	6 123	-9%	(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	77	789	(40 015)	40 804	-102%	1 412
Payments										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 772)	(17 389)	11 687	29 077	249%	(28 486)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(35 009)	(19 098)	(19 098)	(3 696)	(16 600)	(20 352)	(3 752)	18%	(19 098)
NET INCREASE/ (DECREASE) IN CASH HELD		39 257	(30 248)	(35 726)	(69 006)	(134 981)	(10 685)			(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		(3 390)	132 387			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 30 November 2022, cash from operating activities actual to date is 156% 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 - M05 November

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)	47 121	(12 005)
Call investment deposits		121 194	122 051	122 051	120 773	122 051
Consumer debtors		310 244	294 403	294 403	403 585	294 403
Other debtors		181 336	140 390	142 999	195 489	142 999
Current portion of long-term receivables		-	143	143	-	143
Inventory		7 058	3 301	3 301	8 250	3 301
Total current assets		630 229	553 761	550 893	775 217	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	1 707 864	1 685 858
Biological		-	-	-	-	-
Intangible		857	2 436	2 436	686	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	2 018 565	1 896 106
TOTAL ASSETS		2 617 969	2 432 469	2 446 999	2 793 783	2 446 999
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		14 580	1 378	1 378	(2 809)	1 378
Consumer deposits		32 846	33 452	33 452	33 635	33 452
Trade and other payables		257 969	247 979	242 501	289 431	242 501
Provisions		40 094	39 025	39 025	49 825	39 025
Total current liabilities		345 489	321 834	316 356	370 082	316 356
Non current liabilities						
Borrowing		49 160	26 734	26 734	57 439	26 734
Provisions		142 539	124 108	124 108	142 539	124 108
Total non current liabilities		191 699	150 842	150 842	199 978	150 842
TOTAL LIABILITIES		537 188	472 676	467 198	570 060	467 198
NET ASSETS	2	2 080 781	1 959 793	1 979 801	2 223 723	1 979 801
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 087 579	1 848 149	1 868 156	2 223 723	1 868 156
Reserves		-	111 644	111 644	-	111 644
TOTAL COMMUNITY WEALTH/EQUITY	2	2 087 579	1 959 793	1 979 801	2 223 723	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 30 November 2022. Total assets are R2.8 billion over the total liabilities of R570 million this indicates that the municipality can cover its financial obligations.