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# RAY NKONYENI MUNICIPALITY

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## TREASURY DEPARTMENT

### MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2022 (M03)

Prepared By: Budget and Treasury Office

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/2023 BUDGET FOR THE PERIOD ENDING 30 SEPTEMBER 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 September 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 September 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

## **6. MAIN TABLES**

6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure

6.3. Capital Expenditure

6.4. Cash Flow

6.5. Financial Position

## 5.1 Monthly Budget Statement of Financial Performance

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

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M03 September

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	464 477	498 623	498 623	43 063	181 809	179 933	1 875	1%	498 623
Service charges	214 942	253 618	253 618	16 930	60 153	71 445	(11 292)	-16%	253 618
Investment revenue	5 182	5 397	5 397	2	652	1 339	(687)	-51%	5 397
Transfers and subsidies	256 804	285 102	285 102	1 602	103 253	57 070	46 182	81%	285 102
Other own revenue	141 612	131 888	131 888	4 562	14 419	33 110	(18 692)	-56%	131 888
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>66 160</b>	<b>360 285</b>	<b>342 899</b>	<b>17 387</b>	<b>5%</b>	<b>1 174 628</b>
Employee costs	446 000	447 279	447 237	38 160	112 741	112 562	178	0%	447 237
Remuneration of Councillors	26 249	31 434	31 434	3 139	7 866	7 859	7	0%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	22 550	22 550	29 850	(7 300)	-24%	101 619
Finance charges	19 931	12 922	12 922	3	8	186	(178)	-96%	12 922
Inventory consumed and bulk purchases	136 545	149 809	149 809	16 013	29 878	31 495	(1 617)	-5%	149 809
Transfers and subsidies	9 890	13 178	13 178	1 223	1 480	6 265	(4 785)	-76%	13 178
Other expenditure	385 792	415 344	415 387	26 805	82 231	108 364	(26 133)	-24%	415 387
<b>Total Expenditure</b>	<b>1 118 266</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>107 893</b>	<b>256 753</b>	<b>296 581</b>	<b>(39 828)</b>	<b>-13%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>	<b>(35 250)</b>	<b>3 043</b>	<b>3 043</b>	<b>(41 733)</b>	<b>103 532</b>	<b>46 318</b>	<b>57 214</b>	<b>124%</b>	<b>3 043</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	151 460	20 321	20 321	29 094	(8 774)	-30%	151 460
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>	<b>48 441</b>	<b>64%</b>	<b>154 503</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>	<b>48 441</b>	<b>64%</b>	<b>154 503</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>210 882</b>	<b>180 739</b>	<b>197 348</b>	<b>18 717</b>	<b>38 549</b>	<b>38 462</b>	<b>87</b>	<b>0%</b>	<b>197 348</b>
Capital transfers recognised	138 668	115 052	131 661	18 004	36 190	30 066	6 124	20%	131 661
Borrowing	1 867	7 166	7 166	-	-	-	-	-	7 166
Internally generated funds	33 256	58 521	58 521	713	2 360	8 397	(6 037)	-72%	58 521
<b>Total sources of capital funds</b>	<b>173 791</b>	<b>180 739</b>	<b>197 348</b>	<b>18 717</b>	<b>38 549</b>	<b>38 462</b>	<b>87</b>	<b>0%</b>	<b>197 348</b>
<b>Financial position</b>									
Total current assets	637 027	553 761	550 644		781 559				550 644
Total non current assets	1 987 740	1 878 708	1 895 317		2 003 739				1 895 317
Total current liabilities	345 489	321 834	316 225		373 692				316 225
Total non current liabilities	191 699	150 842	150 842		200 175				150 842
Community wealth/Equity	2 087 579	1 959 793	1 978 893		2 211 431				1 978 893
<b>Cash flows</b>									
Net cash from (used) operating	259 474	167 979	178 979	(47 728)	21 425	35 942	14 517	40%	178 979
Net cash from (used) investing	(185 208)	(179 130)	(195 739)	(21 707)	(45 537)	(37 197)	8 340	-22%	(195 739)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 236)	(10 162)	(24 943)	(14 781)	59%	(19 098)
<b>Cash/cash equivalents at the month/year end</b>	<b>182 070</b>	<b>112 823</b>	<b>107 215</b>	<b>-</b>	<b>97 316</b>	<b>116 873</b>	<b>19 557</b>	<b>17%</b>	<b>95 734</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	57 698	63 104	17 324	4 639	3 555	12 657	55 158	331 422	545 558
<b>Creditors Age Analysis</b>									
Total Creditors	8	-	-	20	-	-	-	320	347

## 5.2 Financial Performance -Revenue by Source

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	498 623	43 063	181 809	179 933	1 875	1%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	11 726	38 054	45 714	(7 660)	-17%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 205	22 099	25 731	(3 633)	-14%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	228	679	668	12	2%	2 610
Interest earned - external investments		5 182	5 397	5 397	2	652	1 339	(687)	-51%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 697	7 997	6 053	1 943	32%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	31	90	5 509	(5 419)	-98%	22 158
Licences and permits		8 138	7 824	7 824	832	2 050	1 946	104	5%	7 824
Agency services		4 965	4 894	4 894	360	1 230	1 214	15	1%	4 894
Transfers and subsidies		256 804	285 102	285 102	1 602	103 253	57 070	46 182	81%	285 102
Other revenue		55 569	70 013	70 013	415	2 373	17 720	(15 347)	-87%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>66 160</b>	<b>360 285</b>	<b>342 899</b>	<b>17 387</b>	<b>5%</b>	<b>1 174 628</b>
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	447 237	38 160	112 741	112 562	178	0%	447 237
Remuneration of councillors		26 249	31 434	31 434	3 139	7 866	7 859	7	0%	31 434
Debt impairment		27 659	9 984	9 984	425	1 285	2 496	(1 211)	-49%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	22 550	22 550	29 850	(7 300)	-24%	101 619
Finance charges		19 931	12 922	12 922	3	8	186	(178)	-96%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	14 808	28 193	27 827	366	1%	137 074
Inventory consumed		13 825	12 735	12 735	1 204	1 685	3 667	(1 983)	-54%	12 735
Contracted services		213 910	244 881	244 881	20 122	50 416	61 963	(11 547)	-19%	244 881
Transfers and subsidies		9 890	13 178	13 178	1 223	1 480	6 265	(4 785)	-76%	13 178
Other expenditure		143 732	160 480	160 522	6 258	30 530	43 905	(13 375)	-30%	160 522
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 118 266</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>107 893</b>	<b>256 753</b>	<b>296 581</b>	<b>(39 828)</b>	<b>-13%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(35 250)	3 043	3 043	(41 733)	103 532	46 318	57 214	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	151 460	20 321	20 321	29 094	(8 774)	(0)	151 460
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 597	-	-	-	-	-	-	-	-
Taxation		130 292	135 403	154 503	(21 413)	123 853	75 412	-	-	154 503
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	-	-
Attributable to minorities		130 292	135 403	154 503	(21 413)	123 853	75 412	-	-	154 503
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		130 292	135 403	154 503	(21 413)	123 853	75 412	-	-	154 503
Surplus/ (Deficit) for the year		-	-	-	-	-	-	-	-	-
		130 292	135 403	154 503	(21 413)	123 853	75 412	-	-	154 503

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) - M03 September

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	498 623	43 063	181 809	179 933	1 875	1%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	11 726	38 054	45 714	(7 660)	-17%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 205	22 099	25 731	(3 633)	-14%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	228	679	668	12	2%	2 610
Interest earned - external investments		5 182	5 397	5 397	2	652	1 339	(687)	-51%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 697	7 997	6 053	1 943	32%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	31	90	5 509	(5 419)	-98%	22 158
Licences and permits		8 138	7 824	7 824	832	2 050	1 946	104	5%	7 824
Agency services		4 965	4 894	4 894	360	1 230	1 214	15	1%	4 894
Transfers and subsidies		256 804	285 102	285 102	1 602	103 253	57 070	46 182	81%	285 102
Other revenue		55 569	70 013	70 013	415	2 373	17 720	(15 347)	-87%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>66 160</b>	<b>360 285</b>	<b>342 899</b>	<b>17 387</b>	<b>5%</b>	<b>1 174 628</b>

## 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 R181,8 million, compared to the YTD budget of R179,9 million. The R1,8 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 September 2022 is R38 million while the YTD Budget is R45,7 million. There is a variance of R7,6 million between the YTD actual and YTD budget. This variance of 17% 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.

## Refuse Revenue

The overall YTD actual billing for refuse removals is R22 million and the YTD Budget billing is R25,7 million, with YTD variance of 14%.

## **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 R652 thousand, YTD budget is R1,3 million, and there is a variance of R687 thousand. 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 R7.9 million, 32% more compared to the YTD budget of R6 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 R1.23 million against YTD Budget of R1.21 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 R59 thousand with a YTD budget of R3.6, there is a 98% variance which results from traffic fines revenue and throughout the year there will be differences between the actual versus budget and this is mainly attributed to timing difference in capturing the fines in the financial system from the Traffman system. Total actual revenue for the as at the end of September amounts to R90 thousand rand which stems from the revenue from illegal connections and building fines.

## **Licenses and Permits**

Licenses and permits actuals to date amounts to R2 million and there is a 5% variance against year-to-date budget of R1.9 million. This positive variance arises from an increase in the rate at which collection motor vehicle licenses and permits takes place.

## **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 679 thousand, with the YTD budget being R668 thousand showing a 2% variance between actual and budgeted figures.

## **Transfers and Subsidies**

Operational grants recognized YTD actual amounts to R 103 million, YTD Budget is R57 million. YTD variance is R46.1 million, the major variance is caused by the first tranche of Equitable Share that was received in the beginning of the financial year of R101.6 million as Equitable share is an unconditional grant therefore monies receive are recognized as revenue on receipt whereas operational conditional grants are recognized as revenue when conditions being met as per the set guidelines. Grant revenue in the financial system is straight lined across 12 months, yet the grants are received in tranches 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 R1.95 million, YTD Budget is R17.7 million. The municipality has not received any payment from the Department of Human Settlement.

## **Overall Revenue YTD Budget to Date**

The YTD Actual revenue excluding capital transfers is R360.2 million for the period ending 30 September 2022, YTD Budget is R342.8 million, the variance of R17.3 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) - M03 September

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
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	447 237	38 160	112 741	112 562	178	0%	447 237
Remuneration of councillors		26 249	31 434	31 434	3 139	7 866	7 859	7	0%	31 434
Debt impairment		27 659	9 984	9 984	425	1 285	2 496	(1 211)	-49%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	22 550	22 550	29 850	(7 300)	-24%	101 619
Finance charges		19 931	12 922	12 922	3	8	186	(178)	-96%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	14 808	28 193	27 827	366	1%	137 074
Inventory consumed		13 825	12 735	12 735	1 204	1 685	3 667	(1 983)	-54%	12 735
Contracted services		213 910	244 881	244 881	20 122	50 416	61 963	(11 547)	-19%	244 881
Transfers and subsidies		9 890	13 178	13 178	1 223	1 480	6 265	(4 785)	-76%	13 178
Other expenditure		143 732	160 480	160 522	6 258	30 530	43 905	(13 375)	-30%	160 522
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 118 266</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>107 893</b>	<b>256 753</b>	<b>296 581</b>	<b>(39 828)</b>	<b>-13%</b>	<b>1 171 585</b>

### Employee Related Costs and Remuneration of Councillors

Actual YTD for employee related costs amount to R112.7 million YTD Budget is R112.5 million as of 30 September 2022. Actual YTD remuneration of councillors YTD actuals amounts to R7.86 million with YTD Budget of R7.85 million and there is a 0% 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 September 2022 amounts to R50.4 million, The YTD Budget is R61.1 million and YTD Variance is R11.5 million. The variance in contracted services as at the end of September is attributed to mainly housing projects with a R 5 million 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 is monitored and identified adjustment will be made during the adjustment budget.

### Inventory Consumed

YTD Inventory consumed amounts to R1.68 million as of 30 September 2022 with the YTD Budget being R3.6 million. This reflects a variance of R1.98 million.

### **Other Operating Expenditure**

Other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Budget Road shows, municipal running cost such as electricity consumption and water services. YTD Actuals for Other operating expenditure are R30.5 million, YTD Budget is R43.9 million and there is a 30% 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 R22.5 million to date from the beginning of the year. The year-to-date budget is R29.85 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 R1.285 million while the year-to-date budget is R2.496 million. The R1.28 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 R1.48 million and a YTD budget of 6.27 million with a variance of R4.7million which will be covered once the donations are made in the 2<sup>nd</sup> quarter of the financial year.

### **Overall Expenditure Budget**

The overall expenditure YTD Actual is R256.75 million as of 30 September 2022, YTD Budget is R296.58 million. There is 13% 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 R103.5 million compared to the YTD Budget surplus R57.2 million.

## 5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

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
<b>R thousands</b>											
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivables from Exchange Transactions - Water	1200	41	40	37	35	35	33	159	364	743	626
Trade and Other Receivables from Exchange Transactions - Electricity	1300	13 524	6 439	1 902	1 010	751	603	3 333	10 506	38 068	16 203
Receivables from Non-exchange Transactions - Property Rates	1400	35 919	47 128	10 721	270	76	7 928	33 386	197 358	332 786	239 018
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	0	0	0
Receivables from Exchange Transactions - Waste Management	1600	5 107	6 429	1 806	20	-	1 386	5 737	37 679	58 163	44 822
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	2 709	2 672	2 693	2 694	2 626	2 577	12 021	76 563	104 553	96 480
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	400	397	166	610	68	129	523	8 952	11 245	10 282
<b>Total By Income Source</b>	<b>2000</b>	<b>57 698</b>	<b>63 104</b>	<b>17 324</b>	<b>4 639</b>	<b>3 555</b>	<b>12 657</b>	<b>55 158</b>	<b>331 422</b>	<b>545 558</b>	<b>407 431</b>
<b>2022/23 - totals only</b>		<b>19 230</b>	<b>8 433</b>	<b>17 433</b>	<b>15 262</b>	<b>13 630</b>	<b>12 355</b>	<b>66 291</b>	<b>310 723</b>	<b>463 357</b>	<b>418 260</b>
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	2200	2 171	19 567	1 185	563	517	669	3 919	33 629	62 219	39 297
Commercial	2300	19 349	11 912	3 914	937	734	2 593	11 574	59 086	110 099	74 924
Households	2400	36 179	31 625	12 225	3 140	2 304	9 394	39 666	238 707	373 240	293 211
Other	2500	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>57 698</b>	<b>63 104</b>	<b>17 324</b>	<b>4 639</b>	<b>3 555</b>	<b>12 657</b>	<b>55 158</b>	<b>331 422</b>	<b>545 558</b>	<b>407 431</b>

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

## 5.5 Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2022/23								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	130	-	-	-	-	-	-	-	130
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	(123)	-	-	20	-	-	-	320	217
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>347</b>

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


## 5.6 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

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
<b>R thousands</b>	1									
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		39 765	3 280	3 280	26	39	907	(868)	-96%	3 280
Executive and council		186	20	20	-	-	-	-	-	20
Finance and administration		39 487	3 075	3 075	0	13	907	(895)	-99%	3 075
Internal audit		92	185	185	26	26	-	26	#DIV/0!	185
<i>Community and public safety</i>		12 521	5 813	5 813	-	622	1 385	(763)	-55%	5 813
Community and social services		5 881	200	200	-	-	50	(50)	-100%	200
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 525	5 340	5 340	-	610	1 335	(725)	-54%	5 340
Housing		115	273	273	-	12	-	12	#DIV/0!	273
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		150 838	154 495	171 104	18 691	37 888	34 510	3 378	10%	171 104
Planning and development		98 597	99 389	99 389	15 705	30 403	23 715	6 687	28%	99 389
Road transport		52 241	55 106	71 715	2 986	7 485	10 795	(3 309)	-31%	71 715
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		4 650	17 152	17 152	-	-	1 660	(1 660)	-100%	17 152
Energy sources		2 599	15 348	15 348	-	-	1 184	(1 184)	-100%	15 348
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 052	1 804	1 804	-	-	476	(476)	-100%	1 804
Other		3 108	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>210 882</b>	<b>180 739</b>	<b>197 348</b>	<b>18 717</b>	<b>38 549</b>	<b>38 462</b>	<b>87</b>	<b>0%</b>	<b>197 348</b>
<b>Funded by:</b>										
National Government		123 164	115 052	131 661	17 988	36 173	30 066	6 107	20%	131 661
Provincial Government		4 618	-	-	17	17	-	17	#DIV/0!	-
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	131 661	18 004	36 190	30 066	6 124	20%	131 661
Borrowing	6	1 867	7 166	7 166	-	-	-	-	-	7 166
Internally generated funds		33 256	58 521	58 521	713	2 360	8 397	(6 037)	-72%	58 521
<b>Total Capital Funding</b>		<b>173 791</b>	<b>180 739</b>	<b>197 348</b>	<b>18 717</b>	<b>38 549</b>	<b>38 462</b>	<b>87</b>	<b>0%</b>	<b>197 348</b>

The above table give details of YTD actual capital expenditure and the funding. The YTD Actual capital expenditure is R38.5 million, the YTD budgeted is R38.4 million and there is 0% variance. Capital expenditure from National grants is in line with the budgeted expenditure and there are projects that are ahead of schedule resulting in the YTD actual being greater than that of the YTD budget.


## 5.7 Transfers and Grants Receipts

 <b>KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER</b>						
<b>KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER</b> <b>SEP 2022</b>						
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 2 241 546	R 32 544 000	R -	R 8 109 085		R 26 676 461
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 4 278 530		R 14 821 470
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 2 000 000				R 2 000 000
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 746 292	R -		R 1 203 708
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 1 519 000	R 1 799 234	R -	R 280 234	
NEIGHBOURHOOD DEV GRANT	R 797 803	R 22 351 000	R -	R 27 924 383	R 4 775 579	
MARKET STALLS GRANT	R 7 003 970	R -		R -		R 7 003 970
MODULAR LIBRARIES GRANT	R 272 452	R -		R -		R 272 452
<b>TOTAL</b>	<b>R 19 200 582</b>	<b>R 71 364 000</b>	<b>R 2 545 526</b>	<b>R 40 311 998</b>	<b>R 5 055 813</b>	<b>R 52 762 871</b>

### Transfers and Grants Receipts

The total grants received to date for period ending 30 September 2022 amounts to R71.3 million, which include R32.54 million from Integrated Urban Development Grant, R1.52 million from Expanded Public Work Programme, R22.35 million from Neighborhood Development Grant, R2 million from Integrated National Electrification Programme Grant, R11 million Disaster Relief Grant and R1.95 million Finance Management Grant.

## 5.8 Transfers and Grants Expenditure

 <b>KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER</b>						
<b>KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER</b> <b>SEP 2022</b>						
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 2 241 546	R 32 544 000	R -	R 8 109 085		R 26 676 461
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 4 278 530		R 14 821 470
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	R -	R 2 000 000				R 2 000 000
FINANCIAL MANAGEMENT GRANT (FMG)	R -	R 1 950 000	R 746 292	R -		R 1 203 708
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITY (EPWP)		R 1 519 000	R 1 799 234	R -	R 280 234	
NEIGHBOURHOOD DEV GRANT	R 797 803	R 22 351 000	R -	R 27 924 383	R 4 775 579	
MARKET STALLS GRANT	R 7 003 970	R -		R -		R 7 003 970
MODULAR LIBRARIES GRANT	R 272 452	R -		R -		R 272 452
<b>TOTAL</b>	<b>R 19 200 582</b>	<b>R 71 364 000</b>	<b>R 2 545 526</b>	<b>R 40 311 998</b>	<b>R 5 055 813</b>	<b>R 52 762 871</b>

### Transfers and Grants Expenditure

Grants are monitored monthly, and Grant's register is communicated/ shared with management to ensure effective management of grants and 100% expenditure. As of 30 September 2022, Operating and Capital Expenditure has a closing balance of R52.76 million, with YTD spending of R2.54 million and R40.3 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 September 2022 is R8.1 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 September 2022 is R1.799 million.

- **Neighborhood Development Partnership Grant**

An amount of R22.35 million has been received for the Neighborhood Development Partnership Grant. This is a capital grant and the YTD actual for the period ended 30 September is R27.92 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 September 2022 is R746 292 thousand.

- **Municipal Disaster Relief Grant**

An amount of R 11 million has been received for the disaster recovery grant. This is an operational grant and the YTD actual for the period ended 30 September 2022 is R4,28 million to fund the repairs to roads due to the recent floods.



## 5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

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
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		23 352	28 393	28 393	2 898	7 142	7 098	44	1%	28 393
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 897	3 042	3 042	241	724	760	(36)	-5%	3 042
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>26 249</b>	<b>31 434</b>	<b>31 434</b>	<b>3 139</b>	<b>7 866</b>	<b>7 859</b>	<b>7</b>	<b>0%</b>	<b>31 434</b>
% increase	4		19.8%	19.8%						19.8%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		7 328	4 393	4 393	284	964	1 098	(134)	-12%	4 393
Pension and UIF Contributions		80	189	189	12	44	47	(3)	-7%	189
Medical Aid Contributions		72	78	78	17	52	19	33	169%	78
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		866	1 059	1 059	-	-	265	(265)	-100%	1 059
Motor Vehicle Allowance		495	1 158	1 158	69	247	290	(43)	-15%	1 158
Cellphone Allowance		109	115	115	6	24	29	(5)	-17%	115
Housing Allowances		1 425	3 488	3 488	210	780	872	(92)	-11%	3 488
Other benefits and allowances		0	0	0	0	0	0	0	80%	0
Payments in lieu of leave		239	-	-	50	61	-	61	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>10 615</b>	<b>10 481</b>	<b>10 481</b>	<b>648</b>	<b>2 172</b>	<b>2 620</b>	<b>(448)</b>	<b>-17%</b>	<b>10 481</b>
% increase	4		-1.3%	-1.3%						-1.3%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		275 568	276 977	276 977	22 963	68 546	69 294	(748)	-1%	276 977
Pension and UIF Contributions		49 183	51 553	51 553	4 270	12 776	12 888	(112)	-1%	51 553
Medical Aid Contributions		18 869	20 813	20 813	1 648	4 913	5 203	(290)	-6%	20 813
Overtime		18 959	14 695	14 695	1 261	3 806	4 280	(475)	-11%	14 695
Performance Bonus		21 372	23 805	23 805	2 211	5 609	5 951	(342)	-6%	23 805
Motor Vehicle Allowance		17 850	18 637	18 637	1 538	4 589	4 659	(70)	-2%	18 637
Cellphone Allowance		993	1 046	1 046	108	272	261	11	4%	1 046
Housing Allowances		3 771	3 946	3 946	340	1 019	986	33	3%	3 946
Other benefits and allowances		5 101	3 006	2 964	381	1 211	838	373	45%	2 964
Payments in lieu of leave		3 802	4 200	4 200	2 234	6 144	1 050	5 094	485%	4 200
Long service awards		5 264	2 270	2 270	199	581	568	14	2%	2 270
Post-retirement benefit obligations		14 654	15 852	15 852	358	1 102	3 963	(2 861)	-72%	15 852
<b>Sub Total - Other Municipal Staff</b>		<b>435 385</b>	<b>436 798</b>	<b>436 756</b>	<b>37 512</b>	<b>110 568</b>	<b>109 942</b>	<b>626</b>	<b>1%</b>	<b>436 756</b>
% increase	4		0.3%	0.3%						0.3%
<b>Total Parent Municipality</b>		<b>472 249</b>	<b>478 713</b>	<b>478 671</b>	<b>41 299</b>	<b>120 607</b>	<b>120 421</b>	<b>186</b>	<b>0%</b>	<b>478 671</b>

### Councillors Remuneration

An actual amount of R7.866 million has been spent to date on the remuneration of councillors compared to the budgeted amount of R7.859 million. This indicates a variance of only R7 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 R842 thousand and a YTD budget of R873 thousand. and the variance is not material.

### Other Municipal Staff

The municipal staff year to date spending is sitting at R36.67 million against the year-to-date budget of R 36.58 million with the only variance of R 94 thousand and the variance is not material.

## 5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY  
LONG TERM LOANS REGISTER : 30 SEPTEMBER 2022



DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE		LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	CAPITAL REPAYMENT	CLOSING BALANCE
				01 SEPTEMBER 2022	30 SEPTEMBER 2022					
				R					R	R
DBSA	9.36%	31-Mar-31	61007684	R	11 697 820.21					R 11 697 820.21
<b>TOTAL DBSA LOANS</b>				R	11 697 820.21	R	-	R	-	R 11 697 820.21
<b>TOTAL LOANS</b>				R	11 697 820.21	R	-	R	-	R 11 697 820.21

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 R11.69 million as of 30 September 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 the application was made at the end of last financial year and was received on the 1<sup>st</sup> month of the financial year.

### ANNEXURE B: PROGRAMME/PROJECTS DESCRIPTION

PROJECTS TO BE INCLUDED IN RNLM BUDGET	Year 1				Year 2				Year 3				Totals				Year 4				Total								
Electricity Meters Replacement	3,000,000				2,000,000					2,000,000					7,000,000														
Network infrastructure studies	500,000																												
Electrical Cables Replacement	-				1,000,000					500,000					1,500,000														
Mini-substations Replacement	-				1,000,000					1,000,000					2,000,000														
Inter-switches (RMU) Replacement	-				1,000,000					1,000,000					2,000,000														
11kV Interconnector - Marburg to Port Shepstone Substation	-				-					-					-														
Memorial & Reynolds Sw/Sta Refurbishment & Replace Switchgear	-				3,476,000					3,476,000					6,952,000														
<b>Totals</b>	<b>R 3,500,000.00</b>				<b>R 8,476,000.00</b>					<b>R 7,976,000.00</b>				<b>R 19,952,000.00</b>															

## 5.11 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M03 September

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		-1.4%	9.8%	9.8%	0.0%	3.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.9%	4.0%	3.6%	0.0%	3.6%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	14.1%	13.7%	15.9%	13.7%
Gearing	Long Term Borrowing/ Funds & Reserves		44.0%	23.9%	23.9%	51.6%	23.9%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	184.4%	172.1%	174.1%	209.1%	174.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		38.1%	35.9%	34.8%	52.5%	34.8%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		46.0%	37.0%	37.2%	160.5%	37.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		41.2%	38.1%	38.1%	31.3%	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%	0.0%	3.8%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue 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 September 2022 and the indicators are broken down below.

## **Borrowing Management**

The outstanding amount in the loan from DBSA is currently sitting at R11 697 820 as of 30 September 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 550 644 000/316 225 000 =**1.74:1**

**Actual Current Ratio as 30 September 2022:** R781 559 000: R373 692 000=**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 September 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 550 644 000-3 301 000)/ R 316 225 000 = **1.73:1**

**Actual Acid test Ratio as 30 September 2022:** (R781 559 000– R7 239 000)/ R373 692 000=**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 30/09/2022

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
			BALANCES	30/09/2022	30/09/2022	30/09/2022	30/09/2022	BALANCE	01/07/2022					30/09/2022
378692984011	STANDARD BANK - CALL	LOUISIANA HSG	9 472 053.10	44 181.29	-	-	-	9 516 234.39	9 388 400.89	127 833.50	-	-	-	9 516 234.39
378692984003	STANDARD BANK - CALL	NZIMAKWE 1 HSG	610 040.51	2 845.46	-	-	-	612 885.97	604 652.95	8 233.02	-	-	-	612 885.97
378692984004	STANDARD BANK - CALL	NZIMAKWE 2 HSG	1 012 140.34	4 721.01	-	-	-	1 016 861.35	1 003 201.65	13 659.70	-	-	-	1 016 861.35
378692984005	STANDARD BANK - CALL	BHOBOYI SUB-HSG	321 391.29	1 499.09	-	-	-	322 890.38	318 552.93	4 337.45	-	-	-	322 890.38
378692984006	STANDARD BANK - CALL	BHOBOYI EST-HSG	12 303.42	24.44	-	-	-	12 327.86	12 261.03	66.83	-	-	-	12 327.86
378692984007	STANDARD BANK - CALL	DAMAGED HSES	78 127.16	187.29	-	-	-	78 314.45	77 791.97	522.48	-	-	-	78 314.45
378692984008	STANDARD BANK - CALL	UPLANDS HSG	78 048.07	187.10	-	-	-	78 235.17	77 713.22	521.95	-	-	-	78 235.17
378692984009	STANDARD BANK - CALL	MKHOLOMBE HSG	1 433 334.14	6 685.62	-	-	-	1 440 019.76	1 420 675.68	19 344.08	-	-	-	1 440 019.76
378692984010	STANDARD BANK - CALL	AIDS PROJECT	142 505.44	664.70	-	-	-	143 170.14	141 246.91	1 923.23	-	-	-	143 170.14
89140/356988	STANDARD BANK - CALL	MASINENGE HSG	32 419 298.18	137 670.99	-	-	-	32 556 969.17	32 183 664.01	373 305.16	-	-	-	32 556 969.17
89139/356986	STANDARD BANK - CALL	KWAMAVUNDLA HSG	241 583.48	1 025.90	-	-	-	242 609.38	239 827.57	2 781.81	-	-	-	242 609.38
89141/356989	STANDARD BANK - CALL	KWAXOLO HOUSING	11 472 577.81	48 719.17	-	-	-	11 521 296.98	11 389 191.33	132 105.65	-	-	-	11 521 296.98
90439/364623	STANDARD BANK - CALL	KWADWALANE HOUSING	519 807.43	2 207.40	-	-	-	522 014.83	516 029.30	5 985.53	-	-	-	522 014.83
			57 813 210.37	250 619.46	-	-	-	58 063 829.83	44 328 712.21	690 620.39	-	-	-	58 063 829.83
74873852518	INVESTEC - CALL	MIHOA (HOUSING DEVELOPMENT FUND)	16 251 934.36	72 799.76	-	-	-	16 324 734.12	16 114 889.17	209 844.95	-	-	-	16 324 734.12
			16 251 934.36	72 799.76	-	-	-	16 324 734.12	16 114 889.17	209 844.95	-	-	-	16 324 734.12
89111/356985	STANDARD BANK-CALL	RNM- UNSPENT CONDITIONAL GRANTS	48 880.64	207.58	-	-	-	49 088.22	48 525.35	562.87	-	-	-	49 088.22
89111/357732	STANDARD BANK-CALL	RNM-ACCREDITATION FUNDS	10 810.46	45.91	-	-	-	10 856.37	10 731.88	124.49	-	-	-	10 856.37
			59 691.10	253.49	-	-	-	59 944.59	59 257.23	687.36	-	-	-	59 944.59
62726614151	FNB - CALL	RNM - PRIMARY INVESTMENT A/C	139 029 293.69	615 947.04	-	28 500 000.00	-90 800 018.20	77 345 222.53	47 140 857.71	2 004 383.02	214 500 000.00	-	-186 300 018.20	77 345 222.53
			139 029 293.69	615 947.04	-	28 500 000.00	-90 800 018.20	77 345 222.53	47 140 857.71	2 004 383.02	214 500 000.00	-	-186 300 018.20	77 345 222.53
74873852518	FNB	FNB- 48 HOUR CASH ACCELERATOR	3 406 106.10	15 467.45	-	-	-	3 421 573.55	3 376 881.86	44 691.69	-	-	-	3 421 573.55
			3 406 106.10	15 467.45	-	-	-	3 421 573.55	3 376 881.86	44 691.69	-	-	-	3 421 573.55
		<b>GRAND TOTAL RNM INVESTMENT + INTEREST</b>	<b>216 560 235.62</b>	<b>955 087.20</b>	<b>-</b>	<b>28 500 000.00</b>	<b>-90 800 018.20</b>	<b>155 215 304.62</b>	<b>111 020 598.18</b>	<b>2 950 227.41</b>	<b>214 500 000.00</b>	<b>-</b>	<b>-186 300 018.20</b>	<b>155 215 304.62</b>

The Investment register as of 30 September 2022 has the closing balance of R155.2 million, with R955 thousand total interest earned for the month from which R615 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 - M03 September

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	464 477	498 623	498 623	43 063	181 809	179 933	1 875	1%	498 623
Service charges	214 942	253 618	253 618	16 930	60 153	71 445	(11 292)	-16%	253 618
Investment revenue	5 182	5 397	5 397	2	652	1 339	(687)	-51%	5 397
Transfers and subsidies	256 804	285 102	285 102	1 602	103 253	57 070	46 182	81%	285 102
Other own revenue	141 612	131 888	131 888	4 562	14 419	33 110	(18 692)	-56%	131 888
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>66 160</b>	<b>360 285</b>	<b>342 899</b>	<b>17 387</b>	<b>5%</b>	<b>1 174 628</b>
Employee costs	446 000	447 279	447 237	38 160	112 741	112 562	178	0%	447 237
Remuneration of Councillors	26 249	31 434	31 434	3 139	7 866	7 859	7	0%	31 434
Depreciation & asset impairment	93 859	101 619	101 619	22 550	22 550	29 850	(7 300)	-24%	101 619
Finance charges	19 931	12 922	12 922	3	8	186	(178)	-96%	12 922
Inventory consumed and bulk purchases	136 545	149 809	149 809	16 013	29 878	31 495	(1 617)	-5%	149 809
Transfers and subsidies	9 890	13 178	13 178	1 223	1 480	6 265	(4 785)	-76%	13 178
Other expenditure	385 792	415 344	415 387	26 805	82 231	108 364	(26 133)	-24%	415 387
<b>Total Expenditure</b>	<b>1 118 266</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>107 893</b>	<b>256 753</b>	<b>296 581</b>	<b>(39 828)</b>	<b>-13%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>	<b>(35 250)</b>	<b>3 043</b>	<b>3 043</b>	<b>(41 733)</b>	<b>103 532</b>	<b>46 318</b>	<b>57 214</b>	<b>124%</b>	<b>3 043</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	146 929	132 360	151 460	20 321	20 321	29 094	(8 774)	-30%	151 460
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	18 612	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>	<b>48 441</b>	<b>64%</b>	<b>154 503</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>	<b>48 441</b>	<b>64%</b>	<b>154 503</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>210 882</b>	<b>180 739</b>	<b>197 348</b>	<b>18 717</b>	<b>38 549</b>	<b>38 462</b>	<b>87</b>	<b>0%</b>	<b>197 348</b>
Capital transfers recognised	138 668	115 052	131 661	18 004	36 190	30 066	6 124	20%	131 661
Borrowing	1 867	7 166	7 166	-	-	-	-	-	7 166
Internally generated funds	33 256	58 521	58 521	713	2 360	8 397	(6 037)	-72%	58 521
<b>Total sources of capital funds</b>	<b>173 791</b>	<b>180 739</b>	<b>197 348</b>	<b>18 717</b>	<b>38 549</b>	<b>38 462</b>	<b>87</b>	<b>0%</b>	<b>197 348</b>
<b>Financial position</b>									
Total current assets	637 027	553 761	550 644		781 559				550 644
Total non current assets	1 987 740	1 878 708	1 895 317		2 003 739				1 895 317
Total current liabilities	345 489	321 834	316 225		373 692				316 225
Total non current liabilities	191 699	150 842	150 842		200 175				150 842
Community wealth/Equity	2 087 579	1 959 793	1 978 893		2 211 431				1 978 893
<b>Cash flows</b>									
Net cash from (used) operating	259 474	167 979	178 979	(47 728)	21 425	35 942	14 517	40%	178 979
Net cash from (used) investing	(185 208)	(179 130)	(195 739)	(21 707)	(45 537)	(37 197)	8 340	-22%	(195 739)
Net cash from (used) financing	(35 009)	(19 098)	(19 098)	(3 236)	(10 162)	(24 943)	(14 781)	59%	(19 098)
<b>Cash/cash equivalents at the month/year end</b>	<b>182 070</b>	<b>112 823</b>	<b>107 215</b>	<b>-</b>	<b>97 316</b>	<b>116 873</b>	<b>19 557</b>	<b>17%</b>	<b>95 734</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	57 698	63 104	17 324	4 639	3 555	12 657	55 158	331 422	545 558
<b>Creditors Age Analysis</b>									
Total Creditors	8	-	-	20	-	-	-	320	347

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) - M03 September

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	498 623	43 063	181 809	179 933	1 875	1%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	11 726	38 054	45 714	(7 660)	-17%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 205	22 099	25 731	(3 633)	-14%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	228	679	668	12	2%	2 610
Interest earned - external investments		5 182	5 397	5 397	2	652	1 339	(687)	-51%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 697	7 997	6 053	1 943	32%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	31	90	5 509	(5 419)	-98%	22 158
Licences and permits		8 138	7 824	7 824	832	2 050	1 946	104	5%	7 824
Agency services		4 965	4 894	4 894	360	1 230	1 214	15	1%	4 894
Transfers and subsidies		256 804	285 102	285 102	1 602	103 253	57 070	46 182	81%	285 102
Other revenue		55 569	70 013	70 013	415	2 373	17 720	(15 347)	-87%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>66 160</b>	<b>360 285</b>	<b>342 899</b>	<b>17 387</b>	<b>5%</b>	<b>1 174 628</b>
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	447 237	38 160	112 741	112 562	178	0%	447 237
Remuneration of councillors		26 249	31 434	31 434	3 139	7 866	7 859	7	0%	31 434
Debt impairment		27 659	9 984	9 984	425	1 285	2 496	(1 211)	-49%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	22 550	22 550	29 850	(7 300)	-24%	101 619
Finance charges		19 931	12 922	12 922	3	8	186	(178)	-96%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	14 808	28 193	27 827	366	1%	137 074
Inventory consumed		13 825	12 735	12 735	1 204	1 685	3 667	(1 983)	-54%	12 735
Contracted services		213 910	244 881	244 881	20 122	50 416	61 963	(11 547)	-19%	244 881
Transfers and subsidies		9 890	13 178	13 178	1 223	1 480	6 285	(4 785)	-78%	13 178
Other expenditure		143 732	160 480	160 522	6 258	30 530	43 905	(13 375)	-30%	160 522
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 118 266</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>107 893</b>	<b>256 753</b>	<b>296 581</b>	<b>(39 828)</b>	<b>-13%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(35 250)	3 043	3 043	(41 733)	103 532	46 318	57 214	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	151 460	20 321	20 321	29 094	(8 774)	(0)	151 460
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
		6 597	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>			<b>154 503</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>			<b>154 503</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>			<b>154 503</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>			<b>154 503</b>

The table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by source and expenditure by type for the period ended 30 September 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 C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		464 477	498 623	498 623	43 063	181 809	179 933	1 875	1%	498 623
Service charges - electricity revenue		157 558	182 857	182 857	11 726	38 054	45 714	(7 660)	-17%	182 857
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		57 384	70 761	70 761	5 205	22 099	25 731	(3 633)	-14%	70 761
Rental of facilities and equipment		3 897	2 610	2 610	228	679	668	12	2%	2 610
Interest earned - external investments		5 182	5 397	5 397	2	652	1 339	(687)	-51%	5 397
Interest earned - outstanding debtors		31 155	24 389	24 389	2 697	7 997	6 053	1 943	32%	24 389
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 190	22 158	22 158	31	90	5 509	(5 419)	-98%	22 158
Licences and permits		8 138	7 824	7 824	832	2 050	1 946	104	5%	7 824
Agency services		4 965	4 894	4 894	360	1 230	1 214	15	1%	4 894
Transfers and subsidies		256 804	285 102	285 102	1 602	103 253	57 070	46 182	81%	285 102
Other revenue		55 569	70 013	70 013	415	2 373	17 720	(15 347)	-87%	70 013
Gains		7 697	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 083 016</b>	<b>1 174 628</b>	<b>1 174 628</b>	<b>66 160</b>	<b>360 285</b>	<b>342 899</b>	<b>17 387</b>	<b>5%</b>	<b>1 174 628</b>
<b>Expenditure By Type</b>										
Employee related costs		446 000	447 279	447 237	38 160	112 741	112 562	178	0%	447 237
Remuneration of councillors		26 249	31 434	31 434	3 139	7 866	7 859	7	0%	31 434
Debt impairment		27 659	9 984	9 984	425	1 285	2 496	(1 211)	-49%	9 984
Depreciation & asset impairment		93 859	101 619	101 619	22 550	22 550	29 850	(7 300)	-24%	101 619
Finance charges		19 931	12 922	12 922	3	8	186	(178)	-96%	12 922
Bulk purchases - electricity		122 720	137 074	137 074	14 808	28 193	27 827	366	1%	137 074
Inventory consumed		13 825	12 735	12 735	1 204	1 685	3 667	(1 983)	-54%	12 735
Contracted services		213 910	244 881	244 881	20 122	50 416	61 963	(11 547)	-19%	244 881
Transfers and subsidies		9 890	13 178	13 178	1 223	1 480	6 265	(4 785)	-76%	13 178
Other expenditure		143 732	160 480	160 522	6 258	30 530	43 905	(13 375)	-30%	160 522
Losses		491	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1 118 266</b>	<b>1 171 585</b>	<b>1 171 585</b>	<b>107 893</b>	<b>256 753</b>	<b>296 581</b>	<b>(39 828)</b>	<b>-13%</b>	<b>1 171 585</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(35 290)	3 043	3 043	(41 733)	103 532	46 318	57 214	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	151 460	20 321	20 321	29 094	(8 774)	(0)	151 460
Transfers and subsidies - capital (in-kind - all)		12 015	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 597	-	-	-	-	-	-	-	-
Taxation		130 292	135 403	154 503	(21 413)	123 853	75 412	-	-	154 503
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	-	-
Attributable to minorities		130 292	135 403	154 503	(21 413)	123 853	75 412	-	-	154 503
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		130 292	135 403	154 503	(21 413)	123 853	75 412	-	-	154 503
<b>Surplus/ (Deficit) for the year</b>		<b>130 292</b>	<b>135 403</b>	<b>154 503</b>	<b>(21 413)</b>	<b>123 853</b>	<b>75 412</b>			<b>154 503</b>

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 30 September 2022.



## 6.4 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		437 643	468 731	468 731	57 958	115 979	117 143	(1 164)	-1%	468 731
Service charges		212 962	228 256	228 256	21 893	57 588	57 064	524	1%	228 256
Other revenue		228 121	44 677	44 677	875	12 214	11 463	751	7%	44 677
Transfers and Subsidies - Operational		314 043	341 677	341 677	1 230	111 237	72 273	38 964	54%	341 677
Transfers and Subsidies - Capital		159 345	132 360	143 360	-	67 895	44 340	23 555	53%	143 360
Interest		1 520	5 397	5 397	-	602	1 339	(737)	-55%	5 397
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(1 086 911)	(1 027 019)	(1 027 019)	(129 682)	(344 091)	(261 622)	82 469	-32%	(1 027 019)
Finance charges		(336)	(12 922)	(12 922)	-	-	(231)	(231)	100%	(12 922)
Transfers and Grants		(6 913)	(13 178)	(13 178)	-	-	(5 828)	(5 828)	100%	(13 178)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>239 474</b>	<b>167 979</b>	<b>178 979</b>	<b>(47 728)</b>	<b>21 425</b>	<b>35 942</b>	<b>14 517</b>	<b>40%</b>	<b>178 979</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(185 208)	(179 130)	(195 739)	(21 707)	(45 537)	(37 197)	8 340	-22%	(195 739)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(185 208)</b>	<b>(179 130)</b>	<b>(195 739)</b>	<b>(21 707)</b>	<b>(45 537)</b>	<b>(37 197)</b>	<b>8 340</b>	<b>-22%</b>	<b>(195 739)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	7 976	7 976	-	-	-	-		7 976
Increase (decrease) in consumer deposits		807	1 412	1 412	322	571	(32 039)	32 610	-102%	1 412
<b>Payments</b>										
Repayment of borrowing		(35 816)	(28 486)	(28 486)	(3 558)	(10 733)	7 096	17 829	251%	(28 486)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(35 009)</b>	<b>(19 098)</b>	<b>(19 098)</b>	<b>(3 236)</b>	<b>(10 162)</b>	<b>(24 943)</b>	<b>(14 781)</b>	<b>59%</b>	<b>(19 098)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>39 257</b>	<b>(30 248)</b>	<b>(35 857)</b>	<b>(72 670)</b>	<b>(34 274)</b>	<b>(26 198)</b>			<b>(35 857)</b>
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	107 215		97 316	116 873			95 734

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources. As of 30 September 2022, cash from operating activities actual to date is 40% less than the budgeted TYD 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.

## 6.5 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		10 397	(6 528)	(12 136)	32 736	(12 136)
Call investment deposits		121 194	122 051	122 051	163 273	122 051
Consumer debtors		317 042	294 403	294 403	397 889	294 403
Other debtors		181 336	140 390	142 881	180 422	142 881
Current portion of long-term receivables		–	143	143	–	143
Inventory		7 058	3 301	3 301	7 239	3 301
<b>Total current assets</b>		<b>637 027</b>	<b>553 761</b>	<b>550 644</b>	<b>781 559</b>	<b>550 644</b>
<b>Non current assets</b>						
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	1 685 069	1 692 373	1 685 069
Biological		–	–	–	–	–
Intangible		857	2 436	2 436	1 350	2 436
Other non-current assets		2 205	2 071	2 071	2 205	2 071
<b>Total non current assets</b>		<b>1 987 740</b>	<b>1 878 708</b>	<b>1 895 317</b>	<b>2 003 739</b>	<b>1 895 317</b>
<b>TOTAL ASSETS</b>		<b>2 624 767</b>	<b>2 432 469</b>	<b>2 445 961</b>	<b>2 785 298</b>	<b>2 445 961</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		14 580	1 378	1 378	3 847	1 378
Consumer deposits		32 846	33 452	33 452	33 417	33 452
Trade and other payables		257 969	247 979	242 370	290 921	242 370
Provisions		40 094	39 025	39 025	45 507	39 025
<b>Total current liabilities</b>		<b>345 489</b>	<b>321 834</b>	<b>316 225</b>	<b>373 692</b>	<b>316 225</b>
<b>Non current liabilities</b>						
Borrowing		49 160	26 734	26 734	57 636	26 734
Provisions		142 539	124 108	124 108	142 539	124 108
<b>Total non current liabilities</b>		<b>191 699</b>	<b>150 842</b>	<b>150 842</b>	<b>200 175</b>	<b>150 842</b>
<b>TOTAL LIABILITIES</b>		<b>537 188</b>	<b>472 676</b>	<b>467 067</b>	<b>573 867</b>	<b>467 067</b>
<b>NET ASSETS</b>	2	<b>2 087 579</b>	<b>1 959 793</b>	<b>1 978 893</b>	<b>2 211 431</b>	<b>1 978 893</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 975 934	1 848 149	1 867 249	2 099 787	1 867 249
Reserves		111 644	111 644	111 644	111 644	111 644
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2 087 579</b>	<b>1 959 793</b>	<b>1 978 893</b>	<b>2 211 431</b>	<b>1 978 893</b>

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 30 September 2022. Total assets are R2.79 billion over the total liabilities of R573 million this indicates that the municipality can cover its financial obligations.