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RAY NKONYENI MUNICIPALITY

TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED 30 APRIL 2026 (M10)

Prepared By: Budget and Treasury Office

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2025/2026 BUDGET FOR THE PERIOD ENDING 30 APRIL 2026

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2025/26 Budget of the Ray Nkonyeni Municipality for the period ending 30 April 2026 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 30 April 2026 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
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5.6 Capital Expenditure
5.7 Transfers and Grants Receipts
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5.9 Salaries Expenditure
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5.11 Performance Indicators
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6. MAIN TABLES

6.1. Monthly Budget Statement Summary

6.2. Financial Performance by Revenue and Expenditure,

6.3. Capital Expenditure

6.4. Financial Position

6.5. Cash Flow

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 - M10 - April

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	532,725	556,296	576,370	51,543	558,293	558,398	(105)	0%	576,370
Service charges	258,644	306,591	329,169	24,034	282,739	262,652	20,087	8%	329,169
Investment revenue	11,068	13,802	13,802	204	2,895	6,674	(3,779)	-57%	13,802
Transfers and subsidies - Operational	356,798	331,550	332,198	142	330,686	276,680	54,005	20%	332,198
Other own revenue	158,331	112,456	156,427	6,943	85,814	86,158	(344)	0%	156,427
Total Revenue (excluding capital transfers and contributions)	**1,317,566**	**1,320,695**	**1,407,967**	**82,867**	**1,260,426**	**1,190,562**	**69,864**	**6%**	**1,407,967**
Employee costs	589,975	534,610	512,150	41,961	464,755	428,296	36,459	9%	512,150
Remuneration of Councillors	36,958	35,896	37,385	3,077	32,622	31,030	1,592	5%	37,385
Depreciation and amortisation	118,013	107,839	107,839	7,646	76,380	89,866	(13,487)	-15%	107,839
Interest	31,135	11,126	12,626	0	1,016	(8,504)	9,520	-112%	12,626
Inventory consumed and bulk purchases	191,019	182,849	183,456	182	96,758	150,609	(53,852)	-36%	183,456
Transfers and subsidies	18,976	16,267	13,469	391	10,022	12,311	(2,289)	-19%	13,469
Other expenditure	506,571	390,988	398,263	26,630	307,956	332,331	(24,376)	-7%	398,263
Total Expenditure	**1,492,646**	**1,279,575**	**1,265,189**	**79,887**	**989,507**	**1,035,939**	**(46,432)**	**-4%**	**1,265,189**
Surplus/(Deficit)	**(175,080)**	**41,120**	**142,778**	**2,979**	**270,919**	**154,623**	**116,296**	**75%**	**142,778**
Transfers and subsidies - capital (monetary allocations)	103,225	109,254	112,362	10,240	98,960	94,153	4,806	5%	112,362
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	**(71,855)**	**150,374**	**255,140**	**13,219**	**369,878**	**248,776**	**121,102**	**49%**	**255,140**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(71,855)**	**150,374**	**255,140**	**13,219**	**369,878**	**248,776**	**121,102**	**49%**	**255,140**
Capital expenditure & funds sources									
Capital expenditure	**173,694**	**173,725**	**147,792**	**6,701**	**117,212**	**134,134**	**(16,923)**	**-13%**	**147,792**
Capital transfers recognised	105,211	95,003	95,268	4,102	91,083	74,757	16,326	22%	95,268
Borrowing	3,620	–	–	–	–	–	–		–
Internally generated funds	34,495	78,722	52,523	2,599	26,129	59,377	(33,249)	-56%	52,523
Total sources of capital funds	**143,326**	**173,725**	**147,792**	**6,701**	**117,212**	**134,134**	**(16,923)**	**-13%**	**147,792**
Financial position									
Total current assets	203,508	723,399	383,860		411,720				383,860
Total non current assets	2,395,015	2,391,781	2,464,967		2,435,739				2,464,967
Total current liabilities	422,902	490,366	443,217		301,820				443,217
Total non current liabilities	257,565	218,237	232,412		257,565				232,412
Community wealth/Equity	1,918,058	2,406,577	2,173,199		2,288,074				2,173,199
Cash flows									
Net cash from (used) operating	–	208,907	161,571	5,322	202,794	205,173	2,379	1%	161,571
Net cash from (used) investing	148,841	(173,725)	(170,654)	(6,093)	(137,141)	(151,155)	(14,013)	9%	(170,654)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**215,246**	**42,003**	**37,918**	–	**112,654**	**101,020**	**(11,634)**	**-12%**	**37,918**
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	99,441	46,307	29,659	24,085	21,623	19,268	18,785	602,464	861,633
Creditors Age Analysis									
Total Creditors	9	–	–	–	–	–	–	–	9

5.2 Financial Performance -Revenue by Source

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

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 - April

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		194,163	230,619	250,667	17,241	207,415	197,895	9,520	5%	250,667
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		64,481	75,971	78,502	6,793	75,324	64,757	10,567	16%	78,502
Sale of Goods and Rendering of Services		19,887	12,712	11,278	962	9,187	8,531	656	8%	11,278
Agency services		11,957	7,331	18,852	552	11,496	9,766	1,730	18%	18,852
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		10,415	10,394	11,997	1,101	10,396	9,149	1,247	14%	11,997
Interest from Current and Non Current Assets		11,068	13,802	13,802	204	2,895	6,674	(3,779)	-57%	13,802
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4,188	5,477	6,206	384	4,716	5,001	(286)	-6%	6,206
Licence and permits		511	493	659	47	522	510	12	2%	659
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		2,746	1,041	1,197	279	1,578	961	617	64%	1,197
Non-Exchange Revenue								–		
Property rates		532,725	556,296	576,370	51,543	558,293	558,398	(105)	0%	576,370
Surcharges and Taxes		–	–	–	–	2	–	2	#DIV/0!	–
Fines, penalties and forfeits		43,560	26,357	32,793	103	13,993	16,780	(2,787)	-17%	32,793
Licence and permits		837	12,477	978	69	867	3,498	(2,632)	-75%	978
Transfers and subsidies - Operational		356,798	331,550	332,198	142	330,686	276,680	54,005	20%	332,198
Interest		36,020	36,173	42,466	3,446	33,087	31,960	1,127	4%	42,466
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		(931)	–	–	–	–	–	–		–
Other Gains		29,140	–	30,000	–	(30)	–	(30)	#DIV/0!	30,000
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**1,317,566**	**1,320,695**	**1,407,967**	**82,867**	**1,260,426**	**1,190,562**	**69,864**	**6%**	**1,407,967**
Expenditure By Type										
Employee related costs		589,975	534,610	512,150	41,961	464,755	428,296	36,459	9%	512,150
Remuneration of councillors		36,958	35,896	37,385	3,077	32,622	31,030	1,592	5%	37,385
Bulk purchases - electricity		177,510	170,932	170,932	–	86,274	138,713	(52,439)	-38%	170,932
Inventory consumed		13,509	11,917	12,524	182	10,484	11,897	(1,413)	-12%	12,524
Debt impairment		100,360	11,775	11,775	–	–	–	–		11,775
Depreciation and amortisation		118,013	107,839	107,839	7,646	76,380	89,866	(13,487)	-15%	107,839
Interest		31,135	11,126	12,626	0	1,016	(8,504)	9,520	-112%	12,626
Contracted services		240,599	212,306	213,937	18,597	179,957	185,263	(5,307)	-3%	213,937
Transfers and subsidies		18,976	16,267	13,469	391	10,022	12,311	(2,289)	-19%	13,469
Irrecoverable debts written off		5,853	5,742	13,314	961	20,211	9,328	10,883	117%	13,314
Operational costs		158,103	161,166	159,237	7,072	107,792	137,739	(29,947)	-22%	159,237
Losses on Disposal of Assets		1,656	–	–	–	–	–	–		–
Other Losses		–	–	–	–	(5)	–	(5)	#DIV/0!	–
Total Expenditure		**1,492,646**	**1,279,575**	**1,265,189**	**79,887**	**989,507**	**1,035,939**	**(46,432)**	**-4%**	**1,265,189**
Surplus/(Deficit)		(175,080)	41,120	142,778	2,979	270,919	154,623	116,296	75%	142,778
Transfers and subsidies - capital (monetary allocations)		103,225	109,254	112,362	10,240	98,960	94,153	4,806	5%	112,362
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		(71,855)	150,374	255,140	13,219	369,878	248,776			255,140
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		(71,855)	150,374	255,140	13,219	369,878	248,776			255,140
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		(71,855)	150,374	255,140	13,219	369,878	248,776			255,140
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		(71,855)	150,374	255,140	13,219	369,878	248,776			255,140

Revenue

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

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 - April

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		194,163	230,619	250,667	17,241	207,415	197,895	9,520	5%	250,667
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		64,481	75,971	78,502	6,793	75,324	64,757	10,567	16%	78,502
Sale of Goods and Rendering of Services		19,887	12,712	11,278	962	9,187	8,531	656	8%	11,278
Agency services		11,957	7,331	18,852	552	11,496	9,766	1,730	18%	18,852
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		10,415	10,394	11,997	1,101	10,396	9,149	1,247	14%	11,997
Interest from Current and Non Current Assets		11,068	13,802	13,802	204	2,895	6,674	(3,779)	-57%	13,802
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4,188	5,477	6,206	384	4,716	5,001	(286)	-6%	6,206
Licence and permits		511	493	659	47	522	510	12	2%	659
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		2,746	1,041	1,197	279	1,578	961	617	64%	1,197
Non-Exchange Revenue								–		
Property rates		532,725	556,296	576,370	51,543	558,293	558,398	(105)	0%	576,370
Surcharges and Taxes		–	–	–	–	2	–	2	#DIV/0!	–
Fines, penalties and forfeits		43,560	26,357	32,793	103	13,993	16,780	(2,787)	-17%	32,793
Licence and permits		837	12,477	978	69	867	3,498	(2,632)	-75%	978
Transfers and subsidies - Operational		356,798	331,550	332,198	142	330,686	276,680	54,005	20%	332,198
Interest		36,020	36,173	42,466	3,446	33,087	31,960	1,127	4%	42,466
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		(931)	–	–	–	–	–	–		–
Other Gains		29,140	–	30,000	–	(30)	–	(30)	#DIV/0!	30,000
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		1,317,566	1,320,695	1,407,967	82,867	1,260,426	1,190,562	69,864	6%	1,407,967

Revenue from Exchange Transactions

Service charges - Electricity

For the period ended 30 April 2026, the Year-to-Date (YTD) Actual electricity billing amounts to R 207,4 million, compared to a YTD Budget of R 197.9 million. The positive variance is due to municipality's improved access to electricity meter readings that were previously unavailable, resulting in a shift from estimated billing to the use of actual consumption data. The utilisation of verified meter readings has enhanced the accuracy and reliability of electricity billing, leading to the recognition of revenue that more accurately reflects actual usage by consumers. The electricity billing performance is above the anticipated budget for the period under review.

Service charges – Waste Management

For the period ended 30 April 2026, the Year-to-Date (YTD) Actual Billing for refuse removal services amounts to R 75.3 million, compared to a YTD Budget of R 64.7 million, resulting in an over-performance variance of approximately R 10.5 million. This is due to the budget for waste management being straight lined over 12 months during the budgeting period and the billing is over a 10-month period.

Sales of goods and Rendering of Services

As of 30 April 2026, the Year-to-Date (YTD) Actual Revenue amounts to R 9.1 million, against Year-to-Date (YTD) Budget of R 8.5 million, when compared to the YTD budgeted performance. The positive variance of approximately 8% is mainly attributable to higher-than-anticipated revenue from Accreditation Grant funding and once-off income such as insurance claims and sale of documents. These gains were partially offset by underperformance in key revenue streams including Building Plan Fees, Land Use Applications, and Traffic-related income, largely due to lower service demand and timing differences in revenue collection.

Agency Services

Agency services for the period ending 30 April 2026, the annual projected revenue amounts to R 18,8 million, while the Year-to-Date (YTD) Actual Revenue stands at R 11.4 million, compared to a YTD Budget of R 9,7 million, resulting in a variance of approximately R 1.7 million. The variance is mainly due to higher-than-anticipated commission from agency-related activities during the reporting period under review.

Interest earned from receivables

For the period ended 30 April 2026, the Year-to-Date (YTD) Budget amounted to R 10.3 million, compared to the YTD Actual of R 9.1 million, reflecting a variance of approximately R 1.2 million. The municipality has experienced an increase in receivables, which has consequently led to higher interest billing. This trend indicates that outstanding amounts from debtors are taking longer to settle, resulting in additional interest charges being levied in accordance with municipal policies.

Interest earned from Investments

As of 30 April 2026, the Year-to-Date (YTD) Actual amounts to R 2.8 million, compared to a YTD Budget of R 6.6 million, resulting in a variance of approximately R 3.7 million. This underperformance is largely attributable to the municipality's deteriorating cash coverage ratio, which has declined compared to the previous financial year, thereby limiting the availability of surplus cash for investment purposes and the generation of interest income. While the required cash coverage benchmark is three months, the municipality's cash coverage as at 31 April 2026 stood at negative 0.12 months, indicating significant liquidity constraints. The reduced cash position underscores ongoing cash flow pressures and directly constrains the municipality's ability to earn investment revenue, highlighting the need for strengthened cash flow management and improved revenue collection to restore liquidity levels.

Rental from fixed assets

The Year-to-Date (YTD) Budget for rental of facilities amounts to R 5 million, representing revenue derived from the rental of fixed assets. The YTD Actual Revenue stands at R 4.7 million, variance of R 286 thousand. The underperformance is mainly due to lower than anticipated occupancy and utilisation of municipal facilities, well as slower recovery of rental income from certain tenants during the reporting period.

Licenses and Permits

As of 30 April 2026, the Year-to-Date (YTD) Actual Revenue amounts to R 522 thousand, compared to a YTD Budget of R 510 thousand, resulting in a variance of approximately R 12 thousand. The favourable variance indicates that revenue collection from licensing and permit-related services is performing slightly above the anticipated budget projections for the period under review. The YTD actual primarily comprises professional driver's permits and Road and trading licence.

Revenue from non-exchange transactions

Property Rates

Property rates revenue comprises various categories under the jurisdiction of Ray Nkonyeni Municipality, with the bulk of the revenue generated from residential properties, business and commercial properties, and state-owned properties. The annual budget for property rates amounts to R 576.3 million, while the Year-to-Date (YTD) Actual Billing stands at R 558,2 million, compared to a YTD Budget of R 558.3 million, resulting in a negative variance of approximately R 105 thousand in line with property rates projected revenue. The minimal variance indicates that property rates billing is largely in line with the municipality's projected revenue targets for the period under review. This reflects stability and consistency in the implementation of the approved property rates tariffs and the municipality's billing processes as the municipality bill property rates for 10 Months.

Fines

Revenue from fines, penalties, and forfeits is derived from building fines, illegal connections, overdue library books, and primarily traffic fines, with a total annual budget of R 32.7 million. As of 30 April 2026, the Year-to-Date (YTD) Actual Revenue stands at R 13.9 million, compared to a YTD Budget of R 16.7 million, resulting in a negative variance of approximately R 2.7 million. The is due to revenue from fines, penalties and forfeits is primarily attributable to fines which are contingent of infringements to traffic and by law violations.

Licenses and Permits

For the Year-to-Date (YTD) reporting period, actual revenue from licenses and permits amounts to R 867 thousand in line with the adjusted revenue projection of R 978 thousand. The underperformance is due to lower than anticipated applications and renewals of business licences, Road and Traffic Taxi Rank fees during the reporting period, certain compliance and administrative processes affected the timing of revenue collection.

Transfers and Subsidies -Operational

As of 30 April 2026, the Year-to-Date (YTD) Actual Revenue from operational grants recognized/received amounts to R 330.5 million, compared to a YTD Budget of R 270.6 million, resulting in a variance of approximately R 54 million. The variance is attributed to grants revenue budget being straight lined over 12 months whilst the recognition of actual grant revenue is based on the conditions of each grant being met and as the end of April 2026 the full tranche of grants has been transferred to the municipality.

Interest on Property Rates

Interest on Property Rates for the current financial year, the Year-to-Date (YTD) Budget is R 31.9 million, while the YTD Actual Revenue amounts to R 33 million, resulting in a variance of approximately 4%. The main contributors to this revenue stream are residential properties, business and commercial properties, and state-owned properties. The municipality has experienced an increase in receivables, which has consequently led to higher interest billing. This trend indicates that outstanding amounts from debtors are taking longer to settle, resulting in additional interest charges being levied in accordance with municipal policies.

Other Gains

The Year-to-Date (YTD) actual revenue under Other Gains as at April 2026 is mainly due to non-operational transactions recognised during the financial year. The municipality has budgeted R 30 million for the 2026/27 financial year, and this projection has been maintained across the MTREF based on historical realised gains recorded in prior audited financial statements, including R 29.1 million disclosed in Note 45 of the 2024/25 Audited Annual Financial Statements.

Other Gains comprise largely non-recurring items, including gains realised from the disposal of property, plant and equipment, fair value adjustments, insurance claim recoveries, and other once-off transactions. Performance against the budget will depend on the occurrence and timing of these transactions during the financial year.

Total Revenue

For the period ending 30 April 2026, the Year-to-Date (YTD) Actual Revenue, excluding capital transfers, amounts to R 1.2 million, compared to a YTD Budget of R 1.1 million, resulting in a favourable variance of approximately R 69.8 million. The variance is primarily driven by differences in performance across the various revenue streams, as detailed in the preceding sections, reflecting fluctuations in billing, collection patterns, and recognition of conditional grants.

5.3 Expenditure by Type

KZN216 Ray Nkonyeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 - April

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		589,975	534,610	512,150	41,961	464,755	428,296	36,459	9%	512,150
Remuneration of councillors		36,958	35,896	37,385	3,077	32,622	31,030	1,592	5%	37,385
Bulk purchases - electricity		177,510	170,932	170,932	–	86,274	138,713	(52,439)	-38%	170,932
Inventory consumed		13,509	11,917	12,524	182	10,484	11,897	(1,413)	-12%	12,524
Debt impairment		100,360	11,775	11,775	–	–	–	–		11,775
Depreciation and amortisation		118,013	107,839	107,839	7,646	76,380	89,866	(13,487)	-15%	107,839
Interest		31,135	11,126	12,626	0	1,016	(8,504)	9,520	-112%	12,626
Contracted services		240,599	212,306	213,937	18,597	179,957	185,263	(5,307)	-3%	213,937
Transfers and subsidies		18,976	16,267	13,469	391	10,022	12,311	(2,289)	-19%	13,469
Irrecoverable debts written off		5,853	5,742	13,314	961	20,211	9,328	10,883	117%	13,314
Operational costs		158,103	161,166	159,237	7,072	107,792	137,739	(29,947)	-22%	159,237
Losses on Disposal of Assets		1,656	–	–	–	–	–	–		–
Other Losses		–	–	–	–	(5)	–	(5)	#DIV/0!	–
Total Expenditure		**1,492,646**	**1,279,575**	**1,265,189**	**79,887**	**989,507**	**1,035,939**	**(46,432)**	**-4%**	**1,265,189**

Employee related costs and Remuneration of Councillors

As at 30 April 2026, the Year-to-Date (YTD) Actual Employee-Related Costs amounted to R 464.7 million against the Year-to-Date budget of R 428.2 million. resulting in an unfavourable variance of approximately R 36.4 million (9%). The variance is mainly attributable to the timing differences in the payment of employee bonuses, as these are not always paid for in the same period as budgeted. Additional contributing factors may include overtime, acting allowances, and other personnel-related costs incurred during the period under review. The variance is largely timing-related and is expected to normalise over the remainder of the financial year as expenditure aligns with the approved budget.

Remuneration for councillors for as at 30 April 2026 amounts to R 32.6 million when measured against Year-to-Date budget of R 31 million. This is due to timing differences between the budgeted allocations and the actual payments processed during the financial year, hence the variance. Further details on employee-related costs can be found in Table 5.9: Expenditure – Salaries Details.

Contracted Services

For the period ending 30 April 2026, the Year-to-Date (YTD) Actual Expenditure on contracted services amounts to R 179.9 million, compared to a YTD Budget of R 185.2 million, resulting in a variance of R 5,3 million. This is due to underspending that is attributable to delays in the appointment and implementation of certain contracted services, timing differences in the submission and processing of invoices, and cost-containment measures implemented during the period under review.

Bulk Purchases

Electricity expenditure as at 30 April 2026 amounted to R 86.2 million against a Year-to-Date (YTD) Budget of R 138.7 million, resulting in a negative variance of approximately 38%. The underspending is due to bulk electricity purchase invoices from Eskom that were not fully processed and captured in the financial system during the reporting period due to the municipality's current financial constraints.

The municipality currently owes Eskom approximately R 98.6 million relating to about five months of outstanding bulk electricity purchases, excluding the March 2026 billing. As these invoices have not yet been recognised in the financial system, the YTD actual expenditure reflected in the report is understated and does not fully represent the municipality's actual electricity expenditure obligations as at 30 April 2026.

The delay in processing and settlement of Eskom accounts has resulted in arrears due to ongoing cash flow and financial challenges experienced by the municipality. The Chief Financial Officer is currently engaging with Eskom to negotiate a structured repayment arrangement aimed at settling the outstanding debt and improving the municipality's financial position going forward.

Inventory Consumed

As of 30 April 2026, the YTD actual expenditure on inventory consumed by the municipality amounts to R 10.4 million, compared to the YTD budget of R 11.9 million. This reflects a negative variance of R 1.4 million, equivalent to approximately 12%, This variance is largely attributable to the straight-line budgeting approach applied to inventory consumption over the twelve months of the financial year, whereas actual consumption patterns fluctuate based on operational demand. In addition, delays in certain operational activities or procurement processes may have contributed to the reduced level of inventory utilisation.

Depreciation and Amortization

For the period ending 30 April 2026, the Year-to-Date (YTD) Actual Depreciation Expense amounts to R 76.3 million, compared to a YTD Budget of R 89.8 million, resulting in a variance of R 13.4 million. The variance is primarily attributable to lower depreciation charges arising from capital assets that were budgeted to be capitalised but have not yet been acquired or transferred from Work-in-Progress to Property, Plant and Equipment during the period under review. In addition, no impairment losses have been recognised to date, as impairment assessments are conducted at year-end.

The other contributing factor to this variance is related to asset impairment, the journal will be processed at year end in accordance with GRAP.

Finance charges

Finance charges amount to R 1 million, which is 112% less than the year-to-date budget of R 8.5 million. Finance charges reflect a negative variance of 6.2 million as at the end of April 2026. The Finance Charges budget was compiled considering the existing loan. The municipality currently has R 13.4 million existing loan with the DBSA.

The interest together with the redemption payments are made at the specific times during the financial year hence the variance. The next finance charge is due in June 2026. Interest charged on finance lease assets will be captured at year end in preparation for the annual financial statement and the current variance will be taken into account.

Transfers and Subsidies

As of 30 April 2026, Year-to-Date (YTD) Actual Expenditure on transfers and subsidies amounts to R 10 million, compared to a YTD Budget of R 12.3 million, reflecting an underspending variance of approximately R 2.2 million The variance may be attributed to delays in the implementation of certain programmes and projects that require transfer payments, as well as the timing of payments to beneficiaries approved for support programmes.

Overall expenditure budget

The overall expenditure YTD Actual is R 989.5 million, YTD Budget is R 1 million. There is a R 46.4 million variance. The variance is primarily driven by differences in performance across the various expenditure line items such as inventory shortage, and transfers and subsidies dure is specific periods.

Surplus/ (Deficit)

Total Revenue less Total Expenditure equals to Surplus (Deficit). The YTD surplus excluding capital transfers is R 270.9 million compared to the YTD Budget surplus of 154.6 million due to the performance of the various line items detailed above.

5.4 Debtors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 - April

Description	NT Code	Budget Year 2025/26											
R thousands		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6	5	4	3	3	3	3	1,087	1,114	1,099	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	41,072	15,161	6,535	3,697	2,940	1,742	1,338	24,164	96,649	33,881	(57)	–
Receivables from Non-exchange Transactions - Property Rates	1400	46,390	22,471	15,845	13,477	12,194	11,552	11,567	333,526	467,022	382,316	(786)	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	0	0	0	–	–
Receivables from Exchange Transactions - Waste Management	1600	6,883	3,809	2,681	2,272	2,204	1,898	1,784	66,393	87,924	74,551	(101)	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	4,493	4,504	4,408	4,159	4,139	3,950	3,867	164,200	193,720	180,315	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	597	357	187	477	144	123	227	13,092	15,204	14,064	(24)	–
Total By Income Source	**2000**	**99,441**	**46,307**	**29,659**	**24,085**	**21,623**	**19,268**	**18,785**	**602,464**	**861,633**	**686,226**	**(967)**	–
2024/25 - totals only		–	–	–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	6,492	5,155	4,059	3,847	3,458	3,594	3,316	70,089	100,009	84,304	–	–
Commercial	2300	47,735	16,975	9,038	5,530	4,911	3,056	3,032	101,611	191,888	118,140	(86)	–
Households	2400	45,214	24,177	16,563	14,709	13,255	12,617	12,438	430,763	569,736	483,782	(881)	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**99,441**	**46,307**	**29,659**	**24,085**	**21,623**	**19,268**	**18,785**	**602,464**	**861,633**	**686,226**	**(967)**	–

Debtors Analysis – Customer Group and Ageing

As at the reporting date, an analysis of outstanding debt indicates varying contributions across customer groups to the total debtors' book.

Customer Group Contribution to Total Debt:

Households remain the largest contributor to total outstanding debt, accounting for approximately 70% of the total debtors' balance, followed by Business/Commercial customers at 18%. Government debtors contribute around 12%, while other categories (such as industrial, agricultural, and other minor groups) collectively make up the remaining 0%. This distribution reflects a high dependency on household collections, which typically carry a higher risk of default.

Ageing of Debt per Income Source:

The ageing profile of debtors shows that a significant portion of outstanding amounts falls within the 90+ days category, representing approximately 100% of total debt, indicating potential collection challenges.

- Service charges (electricity, water, sanitation, and refuse) constitute the share of aged debt, with about 15.9% of these balances outstanding for more than 90 days.
- Property rates debt reflects a similar trend, with approximately 55.7% of balances aged beyond 90 days and constitutes the largest share.
- Other revenue sources (such as fines, rentals, and sundry debtors) contribute a smaller portion but still show a notable percentage (28.3%) in the over 90 days category.

5.5 Creditors Age Analysis

KZN216 Ray Nkonyeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 - April

Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	9	–	–	–	–	–	–	–	9	–
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**9**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9**	**–**

The municipality's aged creditors analysis for Month 10 indicates that total outstanding creditors reflected on Supporting Table SC4 amounted to approximately R 9 thousand, with the full balance falling within the 0–30 days category under Trade Creditors. No balances were reported in the older ageing categories (31 days and above), and there were no outstanding amounts relating to bulk water, PAYE, VAT, pension deductions, loan repayments, Auditor-General fees, or other creditors.

However, the municipality has to disclosed that an amount of approximately R 98 million is owed to Eskom relating to bulk electricity accounts. The amount is subject to payment arrangements and ongoing account management processes between the municipality and Eskom. This obligation remains significant due to the financial pressure it places on municipal cash flows and liquidity

Overall, the absence of aged creditors older than 90 days on the reporting table reflects improved creditor management and compliance with section 65(2)(e) of the MFMA, which requires municipalities to settle creditors within 30 days of receiving invoices.

5.6 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 - April

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Mayor and Council		–	–	–	–	–	–	–		–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–		–
Vote 3 - Internal Audit		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–		–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		–	–	–	–	–	–	–		–
Vote 10 - Road Transport		–	–	–	–	–	–	–		–
Vote 11 - Environment Protection		–	–	–	–	–	–	–		–
Vote 12 - Energy Sources		–	–	–	–	–	–	–		–
Vote 13 - Other		–	–	–	–	–	–	–		–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–		–
Vote 15 - Waste Management		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		–	401	30	–	–	91	(91)	-100%	30
Vote 2 - Finance and Administration		34,366	7,810	1,618	–	300	3,692	(3,393)	-92%	1,618
Vote 3 - Internal Audit		101	320	202	–	72	178	(106)	-60%	202
Vote 4 - Community and Social Services		15,998	–	–	–	–	–	–		–
Vote 5 - Sport and Recreation		76	–	–	–	–	–	–		–
Vote 6 - Public Safety		–	2,750	247	–	205	727	(522)	-72%	247
Vote 7 - Housing		33	210	265	–	–	349	(349)	-100%	265
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		105,284	137,810	131,594	4,811	105,353	112,322	(6,968)	-6%	131,594
Vote 10 - Road Transport		13,334	18,520	8,231	824	8,100	10,293	(2,194)	-21%	8,231
Vote 11 - Environment Protection		–	500	500	25	215	417	(202)	-48%	500
Vote 12 - Energy Sources		3,620	4,304	4,304	1,042	2,710	5,228	(2,518)	-48%	4,304
Vote 13 - Other		–	600	300	–	–	420	(420)	-100%	300
Vote 14 - Waste Water Management		–	–	–	–	–	–	–		–
Vote 15 - Waste Management		882	500	500	–	257	417	(160)	-38%	500
Total Capital single-year expenditure	4	173,694	173,725	147,792	6,701	117,212	134,134	(16,923)	-13%	147,792
Total Capital Expenditure		173,694	173,725	147,792	6,701	117,212	134,134	(16,923)	-13%	147,792
Capital Expenditure - Functional Classification										
Governance and administration		34,467	8,531	1,850	–	372	3,962	(3,590)	-91%	1,850
Executive and council		–	401	30	–	–	91	(91)	-100%	30
Finance and administration		34,366	7,810	1,618	–	300	3,692	(3,393)	-92%	1,618
Internal audit		101	320	202	–	72	178	(106)	-60%	202
Community and public safety		16,107	2,960	512	–	205	1,076	(871)	-81%	512
Community and social services		15,998	–	–	–	–	–	–		–
Sport and recreation		76	–	–	–	–	–	–		–
Public safety		–	2,750	247	–	205	727	(522)	-72%	247
Housing		33	210	265	–	–	349	(349)	-100%	265
Health		–	–	–	–	–	–	–		–
Economic and environmental services		118,619	156,830	140,325	5,659	113,667	123,032	(9,364)	-8%	140,325
Planning and development		105,284	137,810	131,594	4,811	105,353	112,322	(6,968)	-6%	131,594
Road transport		13,334	18,520	8,231	824	8,100	10,293	(2,194)	-21%	8,231
Environmental protection		–	500	500	25	215	417	(202)	-48%	500
Trading services		4,502	4,804	4,804	1,042	2,968	5,645	(2,677)	-47%	4,804
Energy sources		3,620	4,304	4,304	1,042	2,710	5,228	(2,518)	-48%	4,304
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		882	500	500	–	257	417	(160)	-38%	500
Other		–	600	300	–	–	420	(420)	-100%	300
Total Capital Expenditure - Functional Classification	3	173,694	173,725	147,792	6,701	117,212	134,134	(16,923)	-13%	147,792
Funded by:										
National Government		105,211	95,003	95,003	4,102	91,083	74,492	16,591	22%	95,003
Provincial Government		–	–	265	–	–	265	(265)	-100%	265
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		105,211	95,003	95,268	4,102	91,083	74,757	16,326	22%	95,268
Borrowing	6	3,620	–	–	–	–	–	–		–
Internally generated funds		34,495	78,722	52,523	2,599	26,129	59,377	(33,249)	-56%	52,523
Total Capital Funding		143,326	173,725	147,792	6,701	117,212	134,134	(16,923)	-13%	147,792

The table above provides details of Year-to-Date (YTD) Actual Capital Expenditure and Funding Sources. As of 30 April 2026, the YTD Actual Capital Expenditure amounts to R 117.2 million, compared to a YTD Budget of R 134.1 million, resulting in a variance of approximately R 16.9 million. The variance is primarily due to delays in the implementation of internally funded projects due to cash coverage. Capital expenditure remains largely backloaded, with the majority of construction activities and related payments scheduled for execution in the fourth quarter of the financial year. As a result, expenditure is expected to accelerate towards year-end as projects progress and contractor payments are processed.

5.7 Transfers and Grants Receipts

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER APRIL 2026									
Name of grant	Gazetted Amount	Opening Balance as at	Receipts	Outstanding trench	Unapproved rollover application	Expenditure: Operating (Revenue Recognised)/GRAP 2	Expenditure: Capital (Revenue Recognised)/GRAP 2	Internally Funded	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)	89,404,000		R 89,404,000	R -		R -	R 85,739,900.35		R 3,664,099.65
NEIGHBOURHOOD GRANT	14,900,000	R 13,944,509	R 14,900,000	R -	R -13,944,509	R -	R 14,589,267.35		R 310,732.65
ENERGY EFFICIENT & DEMAND SIDE MANAGANEMENT	5,000,000	R 456,107	R 5,000,000	R -	R -456,107	R -	R 2,989,728		R 2,010,271.78
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	3,159,000	R -	R 3,159,000	R -		R 3,159,000	R -		R -
MUNICIPAL DISASTER RESPONSE	-	R 24,977		R -		R -	R -		R 24,976.87
MUNICIPAL DISASTER RECOVERY		R 1,426	R -	R -		R -			R 1,426.00
INEP GRANT	-		R 1,000,000			R -	R -		R 1,000,000.00
FINANCIAL MANAGEMENT GRANT (FMG)	2,000,000	R 0	R 2,000,000	R -		R 1,229,084			R 770,916.35
PROVINCIALIZATION OF LIBRARY GRANT	14,142,000	R -	R 14,142,000	R -		R 14,142,000	R -		R -
CYBER CADET GRANT	2,216,000	R -	R 2,216,000	R -		R 1,800,500	R -		R 415,500.26
COMMUNITY LIBRARIES GRANT (MOB)	310,000	R -	R 310,000	R -		R 228,665	R -		R 81,335.00
MUSEUM GRANT	530,000	R 0	R 530,000	R -		R 530,000	R -		R -
MODULAR LIBRARIES GRANT	780,000	R -	R 780,000	R -		R 780,000	R -		R -
AIRPORT GRANT	-	R 3,108,393	R -	R -		R 3,108,393	R -		R -
COMMUNITY LIBRARIES MAINT GRANT			R 571,100			R -	R -		R 571,100.00
TOTAL	R 132,441,000	R 17,535,412	R 134,012,100	R -	R -14,400,616	R 24,977,641	R 103,318,896	R -	R 8,850,359

Opening Balances -Grant Register

As of 30 June 2025, the total unspent grants of Ray Nkonyeni Municipality amount to R 17,535,412, as reflected in the municipality's Grant Register. These balances represent unutilized portions of previously allocated conditional grants and are carried forward as opening balances into the current financial. To note that R 3.1 million has been recognised this financial year.

Transfers and Grants Receipts

The total grants received to date for period ending 30 April 2026 amounts to R 134 million, which include R 89.4 million from IUDG, Neighbourhood Development Grant R 14.2 million, Energy Efficient & Demand Side Management R 5 million, Expanded Public Works Programme R 3.2 million, INEP Grant R 1 million, Finance Management Grant R 2 million, Provincialization of Library Grant R 14.1 million, Cyber Cadet Grant R 2.2 million, Community Libraries Grant R 310 thousand, Museum Grant R 530 thousand and Modular Libraries Grant R 780 thousand and community libraries Maintenance grant of R 571 thousand.

5.8 Transfers and Grants Expenditure

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER

KZN216 RAY NKONYENI MUNICIPALITY GRANT REGISTER APRIL 2026									
Name of grant	Gazetted Amount	Opening Balance as at	Receipts	Outstanding trench	Unapproved rollover application	Expenditure: Operating (Revenue Recognised)/GRAP 2	Expenditure: Capital (Revenue Recognised)/GRAP 2	Internally Funded	Closing Balance as at
INTEGRATED URBAN DEVELOPMENT (IUDG)	89,404,000		R 89,404,000	R -		R -	R 85,739,900.35		R 3,664,099.65
NEIGHBOURHOOD GRANT	14,900,000	R 13,944,509	R 14,900,000	R -	R -13,944,509	R -	R 14,589,267.35		R 310,732.65
ENERGY EFFICIENT & DEMAND SIDE MANAGANEMENT	5,000,000	R 456,107	R 5,000,000	R -	R -456,107	R -	R 2,989,728		R 2,010,271.78
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	3,159,000	R -	R 3,159,000	R -		R 3,159,000	R -		R -
MUNICIPAL DISASTER RESPONSE	-	R 24,977		R -		R -	R -		R 24,976.87
MUNICIPAL DISASTER RECOVERY		R 1,426	R -	R -		R -			R 1,426.00
INEP GRANT	-		R 1,000,000			R -	R -		R 1,000,000.00
FINANCIAL MANAGEMENT GRANT (FMG)	2,000,000	R 0	R 2,000,000	R -		R 1,229,084			R 770,916.35
PROVINCIALIZATION OF LIBRARY GRANT	14,142,000	R -	R 14,142,000	R -		R 14,142,000	R -		R -
CYBER CADET GRANT	2,216,000	R -	R 2,216,000	R -		R 1,800,500	R -		R 415,500.26
COMMUNITY LIBRARIES GRANT (MOB)	310,000	R -	R 310,000	R -		R 228,665	R -		R 81,335.00
MUSEUM GRANT	530,000	R 0	R 530,000	R -		R 530,000	R -		R -
MODULAR LIBRARIES GRANT	780,000	R -	R 780,000	R -		R 780,000	R -		R -
AIRPORT GRANT	-	R 3,108,393	R -	R -		R 3,108,393	R -		R -
COMMUNITY LIBRARIES MAINT GRANT			R 571,100			R -	R -		R 571,100.00
TOTAL	R 132,441,000	R 17,535,412	R 134,012,100	R -	R -14,400,616	R 24,977,641	R 103,318,896	R -	R 8,850,359

Transfers and Grants Expenditure

Grants are monitored monthly, and Grant's register is communicated/ shared with management to ensure effective management of grants and expenditure. As at the 30 April 2026, there is R 24.2 million operating expenditure recorded and capital expenditure amounting to R 103.3 million.

Grant's expenditure

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

  An amount of R 89.4 million has been received to date for the IUDG. This is a capital grant and the YTD actual for the period ending 30 April 2026 is R 85.7 million and has been spent on various capital projects.

- **Neighbourhood Development Partnership Grant**

  An amount of R 14.9 million has been received for the Neighbourhood Development Partnership Grant. This is a capital grant and the YTD actual spending for the period ending 30 April 2026 is R 14.5 million

- **Energy Efficient and Demand Side Management Grant**

  An amount of R 5 million has been received for the Energy Efficient and Demand Side Management Grant. This is a capital grant and the YTD actual spending for the period ending 30 April 2026 is R 2.9 million.

- **Expanded Public Works Programme Grant**

  An amount of R 3.1 million has been received for the Expanded Public Works Programme Grant. This is an operational grant and the YTD actual spending for the period ending 30 April 2026 is R 3.1 million.

- **INEP Grant**

  An amount of R 1 million has been received for INEP Grant as at 30 April 2026. No spending reported on this line item.

- **Finance Management Grant**

  An amount of R 2 million has been received for Finance Management Grant. This is an operational grant and the YTD actual for the period ending 30 April 2026 is R 1.2 million.

- **Provincialization of Library Grant**

  An amount of R 14.1 million has been received for Provincialization of Library Grant. This is an operational grant and the YTD actual for the period ending 30 April 2026 is R 14.1 million.

- **Cyber Cadet Grant**

  An amount of R 2.2 million has been received for Cyber Cadet Grant. This is an operational grant and the YTD actual for the period ending 30 April 2026 is R 1,8 million.

- **Community Libraries Grant**

  An amount of R 310 thousand has been received for Community libraries Grant. This is an operational grant and the YTD actual for the period ending 30 April 2026 is R 228 thousand.

- **Museum Grant**

  An amount of R 530 thousand has been received for Museum Grant. This is an operational grant and the YTD actual for the period ending 30 April 2026 is R 530 thousand.

- **Modular Libraries Grant**

  An amount of R 780 thousand has been received for Modular Libraries Grant. This is an operational grant and the YTD actual for the period ending 30 April 2026 is R 780 thousand.

- **Community Libraries Main Grant**

  An amount of R 571 thousand has been received for INEP Grant as at 30 April 2026. No spending reported on this line item.

5.9 Salaries Expenditure details

KZN216 Ray Nkonyeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 - April

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		20,391	18,856	19,245	1,567	18,027	16,005	2,022	13%	19,245
Pension and UIF Contributions		835	923	926	78	759	771	(12)	-2%	926
Medical Aid Contributions		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		3,094	3,129	2,981	261	2,536	2,496	39	2%	2,981
Housing Allowances		9,092	9,245	10,697	887	8,458	8,793	(335)	-4%	10,697
Other benefits and allowances		3,546	3,743	3,535	284	2,841	2,964	(122)	-4%	3,535
Sub Total - Councillors		36,958	35,896	37,385	3,077	32,622	31,030	1,592	5%	37,385
% increase	4		-2.9%	1.2%						1.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3,638	4,004	4,965	289	4,048	4,057	(9)	0%	4,965
Pension and UIF Contributions		216	227	361	16	297	290	8	3%	361
Medical Aid Contributions		88	102	159	–	91	128	(37)	-29%	159
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		507	800	800	–	–	405	(405)	-100%	800
Motor Vehicle Allowance		938	1,099	1,099	69	1,000	916	84	9%	1,099
Cellphone Allowance		79	90	180	10	108	143	(35)	-25%	180
Housing Allowances		1,411	1,449	3,509	204	1,897	2,753	(856)	-31%	3,509
Other benefits and allowances		1	1	8	0	1	6	(5)	-89%	8
Payments in lieu of leave		101	21	71	–	(141)	39	(180)	-458%	71
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		6,978	7,794	11,152	588	7,300	8,736	(1,435)	-16%	11,152
% increase	4		11.7%	59.8%						59.8%
Other Municipal Staff										
Basic Salaries and Wages		398,211	339,877	306,593	25,980	292,273	258,267	34,005	13%	306,593
Pension and UIF Contributions		55,935	55,539	58,885	4,778	47,303	48,792	(1,489)	-3%	58,885
Medical Aid Contributions		23,071	23,752	26,253	2,207	21,080	21,669	(588)	-3%	26,253
Overtime		22,933	23,916	24,893	2,329	20,592	20,663	(71)	0%	24,893
Performance Bonus		25,111	26,390	28,121	977	20,683	23,290	(2,607)	-11%	28,121
Motor Vehicle Allowance		21,473	19,943	22,802	1,913	18,684	18,764	(79)	0%	22,802
Cellphone Allowance		1,004	1,016	1,109	82	856	916	(60)	-7%	1,109
Housing Allowances		4,245	2,712	3,088	257	2,573	2,542	31	1%	3,088
Other benefits and allowances		6,162	5,612	7,159	514	5,478	5,837	(360)	-6%	7,159
Payments in lieu of leave		6,652	5,907	6,007	1,550	18,681	4,908	13,773	281%	6,007
Long service awards		6,129	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	10,686	18,353	12,353	491	4,793	10,794	(6,001)	-56%	12,353
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		1,386	677	954	104	909	772	137	18%	954
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		582,997	523,694	498,216	41,183	453,905	417,214	36,692	9%	498,216
% increase	4		-10.2%	-14.5%						-14.5%
Total Parent Municipality		626,933	567,384	546,753	44,847	493,827	456,979	36,848	8%	546,753

Councillors’ Remuneration

As of 30 April 2026, the Year-to-Date (YTD) Actual Expenditure on councillors’ remuneration amounts to R 32.6 million, compared to a YTD Budget of R 31 million, resulting in a variance of approximately R 1.5 million. This reflects an over-expenditure of around 5% relative to the approved budget. This is due to timing differences between the budgeted allocations and the actual payments processed during the financial year.

Senior Managers of the Municipality

The heads of departments in the municipality, including the Municipal Manager, are classified under this subheading with a YTD actual of R 7.3 million and a YTD budget of R 8.7 million, with an underspending of R 1.4 million. The variance is the timing of service-related benefits such as bonus and leave pay which are recorded as the accrued expenditure.

Other Municipal Staff

The YTD budget amounts to R 453.9 million with a YTD actual of R 417.2 million. The variance is due to the timing differences relating to the recognition of service-related benefits such as bonuses, leave pay provisions, and other accrued employee benefits which are accounted for as accrued expenditure at specific intervals during the financial year. Overall, the expenditure performance reflects controlled spending on employee-related costs by Ray Nkonyeni Municipality during the period under review.

5.10 Long-term Loans

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 30 April 2026

RAY NKONYENI MUNICIPALITY
The Game changer of South Coast development

DETAILS	%	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 April 2026	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 30 April 2026
			R				R	R
DBSA Loan 1	R 0.09	'61007684	- 7,691,566.61	R -	R -	R -	R -	-R 7,691,566.61
DBSA Loan 2	R 0.13	'61007761	- 5,751,066.51	R -	R -	R -	R -	-R 5,751,066.51
TOTAL DBSA LOANS			**-R 13,442,633.12**	R -	R -	R -	R -	**-R 13,442,633.12**
TOTAL LOANS			**-R 13,442,633.12**	R -	R -	R -	R -	**-R 13,442,633.12**

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 R 3.5 million was received, as well as the second drawdown of R 8.47, as well as the third drawdown of R 7.9 million totalling a total of R 19.9 million and the current loan balance owed to DBSA is R 13.4 million as at 30 April 2026. The loan agreement from DBSA is spread across four years funding various capital projects. The last withdrawal has not been fully drawn because disbursement hasn’t been submitted yet.

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	-	-	-	-	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 - M10 - April

Description of financial indicator	Basis of calculation	Ref	2024/25	Budget Year 2025/26			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.1%	9.3%	9.5%	0.1%	4.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		2.1%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		28.0%	19.4%	22.1%	15.9%	22.1%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	48.1%	147.5%	86.6%	136.4%	86.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		11.1%	7.0%	6.0%	20.0%	6.0%
Revenue Management							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		8.8%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		44.8%	40.5%	36.4%	36.9%	36.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		10.4%	10.9%	9.2%	8.3%	9.2%
Interest & Depreciation	I&D/Total Revenue - capital revenue		11.3%	9.0%	8.6%	0.1%	3.6%
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						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational						

References

1. Consumer debtors > 12 months old are excluded from current assets.

2. Material variances to be explained.

Calculations						
Financial liabilities		89,857	56,824	64,703	89,857	
Total Assets		2,598,523	3,115,180	2,848,827	2,847,459	2,848,827
Employee related costs		589,975	534,610	512,150	464,755	512,150
Repairs & Maintenance		137,462	144,419	129,023	104,918	129,023
Interest (finance charges)		31,135	11,126	12,626	1,016	12,626
Principal paid						
Depreciation		118,013	107,839	107,839		37,385
Operating expenditure		1,492,646	1,279,575	1,265,189	989,507	1,265,189
Total Capital Expenditure		173,694	173,725	147,792	6,701	117,212
Borrowed funding for capital		3,620				
Debt		537,451	466,182	481,291	363,542	481,291
Equity		1,918,058	2,406,577	2,173,199	2,288,074	2,173,199
Reserves and funds						
Borrowing		89,857	56,824	64,703	89,857	64,703
Current assets		203,508	723,399	383,860	411,720	383,860
Current liabilities		422,902	490,366	443,217	301,820	443,217
Monetary assets		47,001	34,442	26,651	60,373	26,651
Total Revenue (excluding capital transfers and contributions)		1,317,566	1,320,695	1,407,967	1,260,426	1,407,967
Transfers and subsidies - Operational		356,798				
Transfers and subsidies - capital (monetary allocations)		103,225	109,254	112,362	98,960	112,362
Debt service payments			56,551	60,005		12,626
Outstanding debtors (receivables)		115,588				
Annual services revenue		791,370	862,886	905,540	75,578	841,031
Cash + investments	Including LT investments	47,001	34,442	26,651	60,373	26,651
Fixed operational expend. (monthly)						
Longstanding debtors outstanding						
Longstanding debtors recovered						
Attorney collections						

The above table gives an overview of the financial indicators of the municipality for the period ending 30 April 2026 and the indicators are broken down below.

Borrowing Management

The outstanding amount in the loan from DBSA is currently R 13,442,633.12 as at 30 April 2026.

Liquidity

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

Current Ratio: R 723,399 000 / R490,366 000= **1.48:1**

Actual Current Ratio as of 30 April 2026: R 411 720 000/ R 301 820 000=**1.36:1**

The current ratio is a liquidity ratio used to measure whether the municipality has enough resources to meet its short-term obligations. A good ratio is R 1.5-R 2 for every R 1 owed. The budget showed a R 1.48: R 1 ratio and the actual ratio as of 30 April 2026 is: R 1.36: R 1 which is less the norm. The current ratio currently indicates that the municipality can meet its short-term obligations because of ratio being R 1.

Acid test Ratio: Current Assets- Inventory/Current Liability

Budgeted Acid test Ratio: (R 723 399 000-R 11 019 000)/ R 490 366 000=**1.45:1**

Actual Acid test Ratio as 30 April 2026:(R 411 720 000-R 6 854 000)/R 301 820 000= **1.34:1**

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 R 1 for every R 1 owed. Budgeted to date acid test ratio is more than R 1: R 1, while actual acid test ratio is R 1.34: R 1 which shows that the municipality will be able to pay it short term liabilities with its short-term assets.

5.12 Investment Register

KZN216 Ray Nkonyeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 - April

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
KZN216|378692984011|Standard Bank		M	10	Y	0	8.10%	0	0	20260430	11,786	695			12,480
KZN216|378692984004|Standard Bank		M	10	Y	0	8.10%	0	0	20260430	1,259	74			1,334
KZN216|378692984005|Standard Bank		M	10	Y	0	8.10%	0	0	20260430	400	24			423
KZN216|378692984018|Standard Bank		M	10	Y	0	8.00%	0	0	20260430	15,579	918			16,497
KZN216|62726614151|FNB		M	10	Y	0	8.10%	0	0	20260430	429	1,966	(642,656)	651,850	11,589
KZN216|74873852518|FNB		M	10	Y	0	8.00%	0	0	20260430	4,218	241	–		4,460
KZN216|037881000791|NEDBANK		M	10	Y	0	7.75%	0	0	20260430	21,206	489	(20,000)		1,695
														–
														–
Municipality sub-total										54,877	4,406	(662,656)	651,850	48,478
Entities														
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2									54,877	4,406	(662,656)	651,850	48,478

The Investment register as of 30 April 2026 has the closing balance of R 48.4 million, with R 3.2 million in total interest earned in various investment accounts as shown in the above register.

Included from the above table is Human Settlements Housing Development Funds amount of R 30.7 million which held by the municipality on behalf the department of human settlement and is currently invested in accordance with the Municipality's Cash and Investment Policy, thereby earning interest until such time that the funds are required for housing project commitments. The interest generated to date is R 918,098 thousand.

Total interest received on investment amounts as at 30 April 2026 amounts to R 4.4 million.

6.1 Monthly Budget Statement Summary

KZN216 Ray Nkonyeni - Table C1 Monthly Budget Statement Summary - M10 - April

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	532,725	556,296	576,370	51,543	558,293	558,398	(105)	0%	576,370
Service charges	258,644	306,591	329,169	24,034	282,739	262,652	20,087	8%	329,169
Investment revenue	11,068	13,802	13,802	204	2,895	6,674	(3,779)	-57%	13,802
Transfers and subsidies - Operational	356,798	331,550	332,198	142	330,686	276,680	54,005	20%	332,198
Other own revenue	158,331	112,456	156,427	6,943	85,814	86,158	(344)	0%	156,427
Total Revenue (excluding capital transfers and contributions)	**1,317,566**	**1,320,695**	**1,407,967**	**82,867**	**1,260,426**	**1,190,562**	**69,864**	**6%**	**1,407,967**
Employee costs	589,975	534,610	512,150	41,961	464,755	428,296	36,459	9%	512,150
Remuneration of Councillors	36,958	35,896	37,385	3,077	32,622	31,030	1,592	5%	37,385
Depreciation and amortisation	118,013	107,839	107,839	7,646	76,380	89,866	(13,487)	-15%	107,839
Interest	31,135	11,126	12,626	0	1,016	(8,504)	9,520	-112%	12,626
Inventory consumed and bulk purchases	191,019	182,849	183,456	182	96,758	150,609	(53,852)	-36%	183,456
Transfers and subsidies	18,976	16,267	13,469	391	10,022	12,311	(2,289)	-19%	13,469
Other expenditure	506,571	390,988	398,263	26,630	307,956	332,331	(24,376)	-7%	398,263
Total Expenditure	**1,492,646**	**1,279,575**	**1,265,189**	**79,887**	**989,507**	**1,035,939**	**(46,432)**	**-4%**	**1,265,189**
Surplus/(Deficit)	**(175,080)**	**41,120**	**142,778**	**2,979**	**270,919**	**154,623**	**116,296**	**75%**	**142,778**
Transfers and subsidies - capital (monetary allocations)	103,225	109,254	112,362	10,240	98,960	94,153	4,806	5%	112,362
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	**(71,855)**	**150,374**	**255,140**	**13,219**	**369,878**	**248,776**	**121,102**	**49%**	**255,140**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(71,855)**	**150,374**	**255,140**	**13,219**	**369,878**	**248,776**	**121,102**	**49%**	**255,140**
Capital expenditure & funds sources									
Capital expenditure	**173,694**	**173,725**	**147,792**	**6,701**	**117,212**	**134,134**	**(16,923)**	**-13%**	**147,792**
Capital transfers recognised	105,211	95,003	95,268	4,102	91,083	74,757	16,326	22%	95,268
Borrowing	3,620	–	–	–	–	–	–		–
Internally generated funds	**34,495**	**78,722**	**52,523**	**2,599**	**26,129**	**59,377**	**(33,249)**	**-56%**	**52,523**
Total sources of capital funds	**143,326**	**173,725**	**147,792**	**6,701**	**117,212**	**134,134**	**(16,923)**	**-13%**	**147,792**
Financial position									
Total current assets	203,508	723,399	383,860		411,720				383,860
Total non current assets	2,395,015	2,391,781	2,464,967		2,435,739				2,464,967
Total current liabilities	422,902	490,366	443,217		301,820				443,217
Total non current liabilities	257,565	218,237	232,412		257,565				232,412
Community wealth/Equity	**1,918,058**	**2,406,577**	**2,173,199**		**2,288,074**				**2,173,199**
Cash flows									
Net cash from (used) operating	–	208,907	161,571	5,322	202,794	205,173	2,379	1%	161,571
Net cash from (used) investing	148,841	(173,725)	(170,654)	(6,093)	(137,141)	(151,155)	(14,013)	9%	(170,654)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**215,246**	**42,003**	**37,918**	**–**	**112,654**	**101,020**	**(11,634)**	**-12%**	**37,918**
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	99,441	46,307	29,659	24,085	21,623	19,268	18,785	602,464	861,633
Creditors Age Analysis									
Total Creditors	9	–	–	–	–	–	–	–	9

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 in the table above, considers the original budget less than the YTD budget plus the YTD actual, this therefore gives a projection based on the YTD performance on how the municipality will perform for the financial year in terms of the original budget.

6.2 Statement of Financial Performance (Revenue and Expenditure)

KZN216 Ray Nkonyeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M10 - April

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		929,387	930,623	984,288	56,161	911,791	865,104	46,688	5%	984,288
Executive and council		302,729	308,440	308,440	166	309,036	257,033	52,002	20%	308,440
Finance and administration		626,658	622,183	675,848	55,996	602,756	608,071	(5,315)	-1%	675,848
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		23,116	22,254	21,885	91	18,821	18,466	355	2%	21,885
Community and social services		17,414	18,120	19,285	72	16,201	15,759	443	3%	19,285
Sport and recreation		55	53	102	3	65	50	16	32%	102
Public safety		1,757	165	121	3	85	111	(25)	-23%	121
Housing		3,890	3,916	2,378	14	2,469	2,547	(78)	-3%	2,378
Health		–	–	–	–	–	–	–		–
Economic and environmental services		183,092	156,930	162,333	10,763	128,354	120,977	7,377	6%	162,333
Planning and development		127,441	107,977	114,491	10,161	103,481	91,408	12,073	13%	114,491
Road transport		55,287	48,537	47,232	561	24,395	29,187	(4,792)	-16%	47,232
Environmental protection		363	416	610	40	477	382	95	25%	610
Trading services		284,519	318,866	347,837	26,036	296,651	276,302	20,349	7%	347,837
Energy sources		208,725	238,147	258,944	18,574	212,658	204,202	8,455	4%	258,944
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		75,794	80,719	88,894	7,461	83,993	72,100	11,894	16%	88,894
Other	4	678	1,277	3,985	55	3,769	3,866	(97)	-3%	3,985
Total Revenue - Functional	2	1,420,791	1,429,949	1,520,329	93,106	1,359,386	1,284,715	74,671	6%	1,520,329
Expenditure - Functional										
Governance and administration		600,647	428,721	447,973	28,931	328,005	341,485	(13,480)	-4%	447,973
Executive and council		60,091	58,939	63,107	4,399	49,528	51,261	(1,733)	-3%	63,107
Finance and administration		493,690	333,206	345,163	20,696	242,567	256,387	(13,820)	-5%	345,163
Internal audit		46,866	36,575	39,703	3,836	35,910	33,837	2,073	6%	39,703
Community and public safety		148,358	156,170	153,224	13,983	140,828	130,249	10,579	8%	153,224
Community and social services		71,979	73,041	73,471	5,455	59,765	62,170	(2,405)	-4%	73,471
Sport and recreation		(10,369)	5,639	5,679	434	4,920	4,755	165	3%	5,679
Public safety		71,783	67,249	61,947	6,991	65,055	53,459	11,596	22%	61,947
Housing		14,966	10,242	12,127	1,104	11,088	9,866	1,222	12%	12,127
Health		–	–	–	–	–	–	–		–
Economic and environmental services		320,427	302,121	278,675	20,455	239,392	236,603	2,789	1%	278,675
Planning and development		67,345	65,979	58,017	3,250	47,547	50,206	(2,659)	-5%	58,017
Road transport		224,927	213,561	195,119	14,849	165,789	165,161	628	0%	195,119
Environmental protection		28,155	22,580	25,539	2,356	26,055	21,236	4,820	23%	25,539
Trading services		417,169	379,961	378,275	15,684	276,069	321,208	(45,139)	-14%	378,275
Energy sources		222,362	204,087	204,746	2,007	114,995	166,704	(51,710)	-31%	204,746
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		194,807	175,874	173,529	13,677	161,074	154,503	6,571	4%	173,529
Other		6,045	12,603	7,042	835	5,214	6,395	(1,180)	-18%	7,042
Total Expenditure - Functional	3	1,492,646	1,279,575	1,265,189	79,887	989,507	1,035,939	(46,432)	-4%	1,265,189
Surplus/ (Deficit) for the year		(71,855)	150,374	255,140	13,219	369,878	248,776	121,102	49%	255,140

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 April 2026. The full year forecast provides a guideline in terms of overall performance, and it gives an overview of whether the municipality will be able to spend as per budget.

6.3 Capital Expenditure

KZN216 Ray Nkonyeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 - April

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Mayor and Council		–	–	–	–	–	–	–		–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–		–
Vote 3 - Internal Audit		–	–	–	–	–	–	–		–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–		–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public Safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		–	–	–	–	–	–	–		–
Vote 10 - Road Transport		–	–	–	–	–	–	–		–
Vote 11 - Environment Protection		–	–	–	–	–	–	–		–
Vote 12 - Energy Sources		–	–	–	–	–	–	–		–
Vote 13 - Other		–	–	–	–	–	–	–		–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–		–
Vote 15 - Waste Management		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - Mayor and Council		–	401	30	–	–	91	(91)	-100%	30
Vote 2 - Finance and Administration		34,366	7,810	1,618	–	300	3,692	(3,393)	-92%	1,618
Vote 3 - Internal Audit		101	320	202	–	72	178	(106)	-60%	202
Vote 4 - Community and Social Services		15,998	–	–	–	–	–	–		–
Vote 5 - Sport and Recreation		76	–	–	–	–	–	–		–
Vote 6 - Public Safety		–	2,750	247	–	205	727	(522)	-72%	247
Vote 7 - Housing		33	210	265	–	–	349	(349)	-100%	265
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and Development		105,284	137,810	131,594	4,811	105,353	112,322	(6,968)	-6%	131,594
Vote 10 - Road Transport		13,334	18,520	8,231	824	8,100	10,293	(2,194)	-21%	8,231
Vote 11 - Environment Protection		–	500	500	25	215	417	(202)	-48%	500
Vote 12 - Energy Sources		3,620	4,304	4,304	1,042	2,710	5,228	(2,518)	-48%	4,304
Vote 13 - Other		–	600	300	–	–	420	(420)	-100%	300
Vote 14 - Waste Water Management		–	–	–	–	–	–	–		–
Vote 15 - Waste Management		882	500	500	–	257	417	(160)	-38%	500
Total Capital single-year expenditure	4	173,694	173,725	147,792	6,701	117,212	134,134	(16,923)	-13%	147,792
Total Capital Expenditure		173,694	173,725	147,792	6,701	117,212	134,134	(16,923)	-13%	147,792
Capital Expenditure - Functional Classification										
Governance and administration		34,467	8,531	1,850	–	372	3,962	(3,590)	-91%	1,850
Executive and council		–	401	30	–	–	91	(91)	-100%	30
Finance and administration		34,366	7,810	1,618	–	300	3,692	(3,393)	-92%	1,618
Internal audit		101	320	202	–	72	178	(106)	-60%	202
Community and public safety		16,107	2,960	512	–	205	1,076	(871)	-81%	512
Community and social services		15,998	–	–	–	–	–	–		–
Sport and recreation		76	–	–	–	–	–	–		–
Public safety		–	2,750	247	–	205	727	(522)	-72%	247
Housing		33	210	265	–	–	349	(349)	-100%	265
Health		–	–	–	–	–	–	–		–
Economic and environmental services		118,619	156,830	140,325	5,659	113,667	123,032	(9,364)	-8%	140,325
Planning and development		105,284	137,810	131,594	4,811	105,353	112,322	(6,968)	-6%	131,594
Road transport		13,334	18,520	8,231	824	8,100	10,293	(2,194)	-21%	8,231
Environmental protection		–	500	500	25	215	417	(202)	-48%	500
Trading services		4,502	4,804	4,804	1,042	2,968	5,645	(2,677)	-47%	4,804
Energy sources		3,620	4,304	4,304	1,042	2,710	5,228	(2,518)	-48%	4,304
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		882	500	500	–	257	417	(160)	-38%	500
Other		–	600	300	–	–	420	(420)	-100%	300
Total Capital Expenditure - Functional Classification	3	173,694	173,725	147,792	6,701	117,212	134,134	(16,923)	-13%	147,792
Funded by:										
National Government		105,211	95,003	95,003	4,102	91,083	74,492	16,591	22%	95,003
Provincial Government		–	–	265	–	–	265	(265)	-100%	265
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		105,211	95,003	95,268	4,102	91,083	74,757	16,326	22%	95,268
Borrowing	6	3,620	–	–	–	–	–	–		–
Internally generated funds		34,495	78,722	52,523	2,599	26,129	59,377	(33,249)	-56%	52,523
Total Capital Funding		143,326	173,725	147,792	6,701	117,212	134,134	(16,923)	-13%	147,792

This table provides an overview of actuals to date of the capital expenditure on monthly basis of the municipality for the period ended 30 April 2026.

6.4 Statement financial Position

KZN216 Ray Nkonyeni - Table C6 Monthly Budget Statement - Financial Position - M10 - April

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		47,001	34,442	26,651	60,373	26,651
Trade and other receivables from exchange transactions		39,518	148,308	114,844	103,817	114,844
Receivables from non-exchange transactions		72,721	372,406	152,798	185,766	152,798
Current portion of non-current receivables		–	–	–	–	–
Inventory		5,550	11,019	5,341	6,854	5,341
VAT		35,369	152,422	80,877	51,722	80,877
Other current assets		3,349	4,802	3,349	3,188	3,349
Total current assets		**203,508**	**723,399**	**383,860**	**411,720**	**383,860**
Non current assets						
Investments		–	–	–	–	–
Investment property		430,436	395,906	460,436	430,436	460,436
Property, plant and equipment		1,961,903	1,988,020	2,002,691	2,002,735	2,002,691
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		2,460	2,348	2,460	2,460	2,460
Intangible assets		215	5,508	(621)	108	(621)
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2,395,015**	**2,391,781**	**2,464,967**	**2,435,739**	**2,464,967**
TOTAL ASSETS		**2,598,523**	**3,115,180**	**2,848,827**	**2,847,459**	**2,848,827**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		26,530	27,972	22,708	(24,542)	22,708
Consumer deposits		40,652	38,330	40,652	40,872	40,652
Trade and other payables from exchange transactions		249,380	224,601	239,703	126,193	239,703
Trade and other payables from non-exchange transactions		50,778	41,848	33,269	51,128	33,269
Provision		52,183	4,694	55,907	68,748	55,907
VAT		3,379	152,921	50,976	39,421	50,976
Other current liabilities		–	–	–	–	–
Total current liabilities		**422,902**	**490,366**	**443,217**	**301,820**	**443,217**
Non current liabilities						
Financial liabilities		89,857	56,824	64,703	89,857	64,703
Provision		46,802	46,476	46,802	46,802	46,802
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		120,907	114,936	120,907	120,907	120,907
Total non current liabilities		**257,565**	**218,237**	**232,412**	**257,565**	**232,412**
TOTAL LIABILITIES		**680,467**	**708,603**	**675,628**	**559,385**	**675,628**
NET ASSETS	2	**1,918,056**	**2,406,577**	**2,173,199**	**2,288,074**	**2,173,199**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,957,495	2,446,014	2,212,635	2,327,510	2,212,635
Reserves and funds		(39,437)	(39,437)	(39,437)	(39,437)	(39,437)
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,918,058**	**2,406,577**	**2,173,199**	**2,288,074**	**2,173,199**

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 April 2026. Total assets are R 2.8 million over the total liabilities of R 559 thousand this therefore means the municipality is still able to meet its financial obligations.

6.5 Statement Cash Flow

KZN216 Ray Nkonyeni - Table C7 Monthly Budget Statement - Cash Flow - M10 - April

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	510,680	512,571	45,062	461,149	509,989	(48,840)	-10%	512,571
Service charges		–	281,450	294,101	28,426	268,575	240,867	27,708	12%	294,101
Other revenue		–	38,634	39,985	1,292	26,226	28,155	(1,929)	-7%	39,985
Transfers and Subsidies - Operational		–	333,764	334,412	11	320,215	278,756	41,459	15%	334,412
Transfers and Subsidies - Capital		–	109,254	109,254	–	110,304	91,045	19,259	21%	109,254
Interest		–	56,551	60,005	1,256	14,375	43,936	(29,561)	-67%	60,005
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		–	(1,094,032)	(1,214,853)	(70,726)	(998,050)	(964,327)	(33,723)	3%	(1,214,853)
Interest		–	(11,126)	12,626	–	–	(10,172)	10,172	-100%	12,626
Transfers and Subsidies		–	(16,267)	13,469	–	–	(13,077)	13,077	-100%	13,469
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	208,907	161,571	5,322	202,794	205,173	2,379	1%	161,571
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		148,841	(173,725)	(170,654)	(6,093)	(137,141)	(151,155)	14,013	-9%	(170,654)
NET CASH FROM/(USED) INVESTING ACTIVITIES		148,841	(173,725)	(170,654)	(6,093)	(137,141)	(151,155)	(14,013)	9%	(170,654)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		148,841	35,182	(9,083)	(771)	65,653	54,018			(9,083)
Cash/cash equivalents at beginning:		66,405	6,821	47,001		47,001	47,001			47,001
Cash/cash equivalents at month/year end:		215,246	42,003	37,918		112,654	101,020			37,918

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