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**INTERNAL MEMO**

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**DATE : 14 JUNE 2021**  
**TO : THE HONOURABLE MAYOR**  
**FROM : MUNICIPAL MANAGER**  
**RE : MONTHLY BUDGET STATEMENT**

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Kindly find the attached monthly budget statement for your Review, in compliance with the S71 (1) of the Municipal Finance Management Act. The budget statement is for the period ending **31 May 2021**.

The office of the Mayor is kindly requested to assist with Mayor's Report based the assessment of the attached Monthly Budget Statement. The mayors report is in compliance with Regulation 29 of the Municipal Budget and reporting regulations, which state that; if the Mayor tables MFMA S71 report to council it must be accompanied by Mayor's report in a format set out in schedule C.

In terms of S54 of the Municipal Finance Management Act

On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must— (a) consider the statement or report; (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan; (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget; (d) issue any appropriate instructions to the accounting officer to ensure— (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and (ii) that spending of funds and revenue collection proceed in accordance with the budget; (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; (f) in the case of a section 72 report, submit the report to the council by 31 January of each year. (2) If the municipality faces any serious financial problems, the mayor must— (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include— (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget; (ii) the tabling of an adjustments budget; or (iii) steps in terms of Chapter 13; and (b) alert the council and the MEC for local government in the province to those problems. (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Yours Faithfully

Handwritten signature of R.N. Hlongwa in black ink, written over a horizontal line.

**R.N. HLONGWA**  
**Chief Financial Officer**

Handwritten signature of P.M. Manqele in black ink, written over a horizontal line.

**P.M. MANQELE**  
**Municipal Manager**

# **ZULULAND DISTRICT MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED**

**30 APRIL 2021**

**MFMA S71 REPORT**

**2020/2021 FINANCIAL YEAR**

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## **GLOSSARY**

**Adjustment Budgets** – it is the formal means by which a municipality may revise its budget during a financial year. Prescribed in section 28 of the Municipal Finance Management Act.

**Allocations**— money received from Provincial or National Government or other municipalities.

**AFS** – Annual Financial Statements.

**Budget** – the financial plan of the municipality.

**Budget related policy** – policy of a municipality affecting or affected by the budget.

**Capital Expenditure** – spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statements** – a statement showing when actual cash will be received and spent by the municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings.

**CFO** – Chief Financial Officer

**DORA** – Division of Revenue Act. An annual legislation indicating the allocations from National Government and Provincial Government

**DWAF** – Department of Water Affairs

**EPWP** – Expanded Public Works Program

**Equitable Share** – a general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

**FMG** – Financial Management Grant

**Fruitless and wasteful expenditure** – expenditure that was made in vain and would have been avoided had reasonable care been exercised

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared

**MSCOA** – Municipal Standard Chart of Accounts

**IDP** –Integrated Development Plan. The main strategic planning document of a municipality

**KPI** – Key Performance Indicators. Measures of service output and/or outcome

**LED** – Local Economic Development

**MFMA** – Municipal Finance Management Act (No. 53 of 2003). The principal piece of legislation relating to municipal finance management

**MIG** – Municipal Infrastructure Grant

**MSIG** – Municipal Systems Improvement Grant

**WSIG** – Water services Infrastructure Grant

**MTREF** – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

**MWIG** – Municipal Water Infrastructure Grant

**Operating Expenditure** – spending on the day to day expenses of a municipality such as general expenses, salaries & wages, and repairs & maintenance

**R & M** – Repairs and Maintenance

**SCM** - Supply Chain Management

**SSBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget statements

**Strategic Objectives** - the main priorities of a municipality as set out in the IDP Budget spending must contribute towards achievement of these strategic objectives

**Unauthorised Expenditure** – generally spending without or in excess of an approved budget

**Virement** – transfer of budget

**ZDM** – Zululand District Municipality

**PART 1 – IN-YEAR REPORT**

**1.1 MAYORS REPORT**

To be attached

**1.2 COUNCIL RESOLUTION**

The Monthly Budget Statement and supporting documentation for the period ended 31 May 2021 be noted.

## 1.3 EXECUTIVE SUMMARY

### BUDGET PERFORMANCE ANALYSIS

The Summary Statement of Financial Performance is prepared in terms of the prescribed budget formats, detailing revenue by source type and expenditure by input type. The summary report indicates the following:

#### Summary Statement of Financial Performance

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Total Revenue By Source (Excluding Capital Transfers)	573 928 445	637 051 445	626 839 808
Total Operating Expenditure	563 862 195	626 205 195	604 304 685
Surplus/(Deficit)	10 066 250	10 846 250	22 535 123

#### Operating revenue Performance

Total operating revenue generated by the Municipality as at **31 May 2021** is **R626.8 million** which is **98%** of the adjusted operating budget, this amount largely comprises of equitable share and operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Operating revenue is explained by source in Section 1.4 Operating Revenue Performance.

The Municipality is largely dependent on government grants for its operations, service charges revenue recognized is only **R46.9 million**, which is **7%** of the total generated operating revenue.

#### Operating Expenditure Performance

Total Operating Expenditure as at **31 May 2021** is **R604.3 million** which is **97%** of the adjusted operating budget. Operating expenditure is explained by source in Section 1.5 Operating Expenditure Performance.

#### Capital Expenditure and Funding

#### Summary Statement of Capital Expenditure and Funding



	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Total Capital Expenditure	454 134 250	459 362 250	371 537 133
Total Capital Financing	454 134 250	459 362 250	371 537 133

Total Capital Expenditure as at **31 May 2021** is **R371.5 million** which is **81%** of the adjusted capital budget. Capital expenditure is explained by source in Section 1.6 Capital Expenditure and Funding.

### **Major Variances between actuals and year to date budget**

Variances between year to date actual and year to date budget are highlighted in Section 1.4 Operating Revenue Performance and 1.5 Operating Expenditure Performance.

On Revenue there seem to be no major variances between year-to-date budget and year to date actual, there are minor variances on interest on investments on Service charges, this is due to accelerated expenditure on grants and to the fact that there are no meters and most consumers are billed on estimate rather than actual; respectively. The Municipality is in a process to secure funding for the procurement of meters.

Major variances on expenditure are on contracted services and Other expenditure, this is due to accelerated expenditure in; water provision through water tankers; security services; water/sewer plant operating cost and Eskom (bulk electricity) which have spent more than year to date budget. Also, some expenditure items are once off and seasonal, which may not necessarily indicate future high expenditure.

The Financial Performance indicate a surplus of **R22.5 million**, this means the Municipality was able to generate enough revenue to cover all expenses for the period being reported.

## 1.4 OPERATING REVENUE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	Budget Year 2020/21								
		2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue By Source</b>										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		27 255	41 368	41 368	6 260	36 784	37 920	(1 136)	-3%	41 368
Service charges - sanitation revenue		10 457	11 140	11 140	1 047	10 147	10 211	(65)	-1%	11 140
Service charges - refuse revenue								-		
Rental of facilities and equipment		159	200	200	15	164	183	(20)	-11%	200
Interest earned - external investments		4 760	5 000	5 000	61	2 818	4 583	(1 766)	-39%	5 000
Interest earned - outstanding debtors		27	-	56	6	50	45	5	11%	56
Dividends received								-		
Fines, penalties and forfeits		4	100	22	5	14	29	(15)	-52%	22
Licences and permits		-	-	22	-	10	18	(8)	-43%	22
Agency services								-		
Transfers and subsidies		485 800	515 221	578 344	254	576 287	528 927	47 361	9%	578 344
Other revenue		1 045	900	900	87	567	825	(258)	-31%	900
Gains		-	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>529 507</b>	<b>573 928</b>	<b>637 051</b>	<b>7 736</b>	<b>626 840</b>	<b>582 742</b>	<b>44 098</b>	<b>8%</b>	<b>637 051</b>

The year-to-date actual indicates operating revenue of **R626.8 million** for **eleven months**. The total revenue to-date represents **98%** of the operating revenue budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

The sources of funding are important to ensure that the expenditure is actually funded and cash backed. Each line item on the face of financial performance is explained below:

### Service charges – Water revenue

This is amounts billed on customers for water used, the year-to-date actual is **R36.7 million**, which is below year-to-date budget of **R37.9 million**. An unfavourable variance of **R1.1 million** or **3%** is observed.

### Service charges – Sanitation revenue

This is amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R10.1 million** which is slightly below year to budget of **R10.2 million**. An unfavourable variance of **R65 thousand** or **1%** is observed.

### Rent of facilities

Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is **R164 thousand** which is below year-to-date budget of **R183 thousand**. An unfavourable variance of **R20 thousand** or **11%** is observed.

### **Interest on investment**

Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is **R2.8 million**, which is below year-to-date budget of **R4.5 million**. An unfavourable variance of **R1.7 million** or **39%** is observed.

### **Interest earned - outstanding debtors**

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R50 thousand**, which is below year-to-date budget of **R45 thousand**. A favourable variance of **R5 thousand** or **11%** is observed.

### **Fines, penalties and forfeits**

Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is **R14 thousand**, the year-to-date budget is **R29 thousand**. An unfavourable variance of **R15 thousand** or **50%** against adjusted budget is observed.

### **Licences and permits**

This amount is for health certificates issued, the year-to-date actual is **R10 thousand**, the year-to-date budget is **R18 thousand**. An unfavourable variance of **R8 thousand** or **43%** against adjusted budget is observed.

### **Transfers and subsidies**

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2020; and provincial gazette, Transfers and subsidies is revenue recognized as operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Transfers and subsidies (Grants) are recognised/recorded as revenue when condition has been met, except for equitable share, which is not a conditional grant.

Transfers and subsidies year to date actual is **R576.2 million**, which is above year-to-date budget of **R528.9 million**.

## Other revenue

Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is **R567 thousand**, which is below year-to-date budget of **R825 thousand**. An unfavorable variance of **R258 thousand** is observed.

## 1.5 OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May										
Description	Ref	2019/20		Budget Year 2020/21						
		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		219 973	223 466	225 466	18 062	209 674	206 645	3 029	1%	225 466
Remuneration of councillors		8 372	8 350	8 350	716	7 767	7 655	112	1%	8 350
Debt impairment		15 905	11 000	14 723	-	-	13 434	(13 434)	-100%	14 723
Depreciation & asset impairment		77 826	62 886	62 886	6 690	73 667	57 645	16 022	28%	62 886
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		17 076	23 552	23 552	1 203	16 336	21 538	(5 202)	-24%	23 552
Other materials		14 685	8 590	7 817	1	7 244	7 260	(17)	0%	7 817
Contracted services		241 433	139 217	173 534	11 350	193 729	158 242	35 487	22%	173 534
Transfers and subsidies		6 292	10 852	13 119	1 069	10 019	12 661	(2 641)	-21%	13 119
Other expenditure		99 255	75 949	96 758	7 370	85 868	86 297	(430)	0%	96 758
Losses		37	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>700 854</b>	<b>563 862</b>	<b>626 205</b>	<b>46 460</b>	<b>604 305</b>	<b>571 378</b>	<b>32 927</b>	<b>6%</b>	<b>626 205</b>

The year-to-date actual indicates spending of **R604.3 million** for **eleven months**. The total expenditure to date represents **97%** of the adjusted operational budget.

### Employee Related Costs

Employee related costs year to date actual is **R209.6 million**, the year-to-date budget is **R206.6 million**, an unfavorable variance of **R3 million** or **1%** is observed.

### Remuneration of Councillors

Remuneration of Councillors year to date actual is **R7.7 million**, the year-to-date budget is **R7.6 million**, an unfavorable variance of **R112 thousand** or **1%** is observed.

### Debt impairment

This is the provision for doubtful debts as a result of a non-collection. No provision for doubtful debts has been recorded, Assessment and provision for bad debts is done at year end.

## Depreciation

This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is **R73.6 million**. The year-to-date budget is **R57.6 million**. An unfavorable variance of **R16 million** or **28%** is observed.

## Bulk purchases

Bulk purchases water from the Department of Water and Sanitation and other independent water producers. The year-to-date actual is **R16.3 million**, the year-to-date budget is **R21.5 million**, a favorable variance of **R5.2 million** or **24%** is observed. Bulk water purchases expenditure is based on amount/volume of water extracted for purification.

## Other Materials

Other materials year to date actual is **R7.2 million**, the year-to-date budget is **R7.2 million**, an unfavourable variance of **R17 thousand** or less than **1%** is observed

## Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R193.7 million** which is above year to date budget of **R158.2 million**, an unfavourable variance of **R35.4 million** or **22%** is observed.

## Transfers and subsidies paid

Transfers and subsidies paid year to date actual is **R10 million**, the year-to-date budget is **R12.6 million**, a favourable variance of **R2.6 million** or **21%** is observed.

## Other expenditure

Other expenditure year to date actual is **R85.8 million**, the year-to-date budget is **R86.2 million**, an unfavourable variance of **R430 thousand** or less than **1%** is observed.

## Operating Grants Expenditure Performance

Operating grants are allocated and spent as per Division of Revenue Act requirements

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Finance Management	1 200 000	1 200 000	823 810
EPWP Incentive	9 261 000	9 261 000	9 261 000
Art centre Subsisies (Indonsa Grant)	1 911 000	1 911 000	955 500
Tourism Grant (Roll over From 2019/2020)		700 000	216 795
Spatial Development Framework (Roll over From 2019/2020)		1 000 000	758 230
<b>Total Operating Grant Expenditure</b>	<b>12 372 000</b>	<b>14 072 000</b>	<b>12 015 335</b>

## Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2019/20		Budget Year 2020/21						
		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							-			
Service charges - electricity revenue							-			
Service charges - water revenue		27 255	41 368	41 368	6 260	36 784	37 920	(1 136)	-3%	41 368
Service charges - sanitation revenue		10 457	11 140	11 140	1 047	10 147	10 211	(65)	-1%	11 140
Service charges - refuse revenue								-		
Rental of facilities and equipment		159	200	200	15	164	183	(20)	-11%	200
Interest earned - external investments		4 760	5 000	5 000	61	2 818	4 583	(1 766)	-39%	5 000
Interest earned - outstanding debtors		27	-	56	6	50	45	5	11%	56
Dividends received								-		
Fines, penalties and forfeits		4	100	22	5	14	29	(15)	-52%	22
Licences and permits		-	-	22	-	10	18	(8)	-43%	22
Agency services								-		
Transfers and subsidies		485 800	515 221	578 344	254	576 287	528 927	47 361	9%	578 344
Other revenue		1 045	900	900	87	567	825	(258)	-31%	900
Gains		-	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>529 507</b>	<b>573 928</b>	<b>637 051</b>	<b>7 736</b>	<b>626 840</b>	<b>582 742</b>	<b>44 098</b>	<b>8%</b>	<b>637 051</b>
<b>Expenditure By Type</b>										
Employee related costs		219 973	223 466	225 466	18 062	209 674	206 645	3 029	1%	225 466
Remuneration of councillors		8 372	8 350	8 350	716	7 767	7 655	112	1%	8 350
Debt impairment		15 905	11 000	14 723	-	-	13 434	(13 434)	-100%	14 723
Depreciation & asset impairment		77 826	62 886	62 886	6 690	73 667	57 645	16 022	28%	62 886
Finance charges		-	-	-	-	-	-	-		-
Bulk purchases		17 076	23 552	23 552	1 203	16 336	21 538	(5 202)	-24%	23 552
Other materials		14 685	8 590	7 817	1	7 244	7 260	(17)	0%	7 817
Contracted services		241 433	139 217	173 534	11 350	193 729	158 242	35 487	22%	173 534
Transfers and subsidies		6 292	10 852	13 119	1 069	10 019	12 661	(2 641)	-21%	13 119
Other expenditure		99 255	75 949	96 758	7 370	85 868	86 297	(430)	0%	96 758
Losses		37	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>700 854</b>	<b>563 862</b>	<b>626 205</b>	<b>46 460</b>	<b>604 305</b>	<b>571 378</b>	<b>32 927</b>	<b>6%</b>	<b>626 205</b>
<b>Surplus/(Deficit)</b>		<b>(171 347)</b>	<b>10 066</b>	<b>10 846</b>	<b>(38 725)</b>	<b>22 535</b>	<b>11 364</b>	<b>11 171</b>	<b>0</b>	<b>10 846</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		491 852	444 068	448 516	22 042	419 697	375 582	44 114	0	448 516
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)										
Transfers and subsidies - capital (in-kind - all)		8 360	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>			<b>459 362</b>
Taxation		-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after taxation</b>		<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>			<b>459 362</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>			<b>459 362</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>			<b>459 362</b>

## 1.6 CAPITAL EXPENDITURE AND FUNDING

The Capital Expenditure Report reflected has been prepared on the basis of the format required by National Treasury, and is categorized by municipal vote. The capital expenditure is funded from the following sources:

- Government Grants
- Internally Generated Funds

The summary report indicates the following: -

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Total Capital Expenditure	454 134 250	459 362 250	371 537 133
Total Capital Financing	454 134 250	459 362 250	371 537 133

The capital expenditure amounts to **R 371.5 million** which is **81%** of the capital budget, after a period of **eleven months**.

CAPITAL EXPENDITURE BY SOURCE	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	223 984 000	221 235 000	189 452 402
Regional Bulk Infrastructure (RBIG)	100 000 000	113 798 000	97 255 741
Water services infrastructure Grant (WSIG)	105 500 000	105 500 000	76 994 691
Rural Roads Asset Managemnt Systems Grant	2 383 000	2 383 000	1 301 974
Sports Infrastructure Grant	5 588 000	-	-
KwaMajomela Manufacturing	6 613 000	5 600 000	2 713 587
Indonsa Grant	974 000	974 000	201 200
Other Assets	9 092 250	9 872 250	3 617 538
<b>Total Operating Expenditure</b>	<b>454 134 250</b>	<b>459 362 250</b>	<b>371 537 133</b>

### Capital Grant Expenditure as per MFMA circular no. 58

In terms of Circular No.58 conditional/capital grants must be reported VAT inclusive, below Grants expenditure is VAT inclusive.

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	223 984 000	221 235 000	216 145 794
Regional Bulk Infrastructure (RBIG)	100 000 000	113 798 000	111 581 601
Water services infrastructure Grant (WSIG)	105 500 000	105 500 000	88 802 462
Rural Roads Asset Managemnt Systems Grant	2 383 000	2 383 000	1 497 270
Sports Infrastructure Grant	5 588 000	-	-
KwaMajomela Manufacturing	6 613 000	5 600 000	3 120 626
<b>Total Capital Grant Expenditure</b>	<b>444 068 000</b>	<b>448 516 000</b>	<b>421 147 752</b>

Overall capital grant expenditure is sitting at **94%** of the adjusted capital budget **MIG** is sitting at **98%**, **RBIG** at **98%**, **WSIG** at **84%** and **RAMS** at **63%**, **Kwamajomela Grant 56%**

**Capital budget summary**



DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Ref	Budget Year 2020/21								
		2019/20 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>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Council		-	-	-	-	350	(350)	-100%	-	-
Vote 02 - Corporate Services		556	7 870	3 728	1 055	2 941	3 867	(926)	-24%	3 728
Vote 03 - Finance		686	1 222	5 534	-	677	4 668	(3 991)	-86%	5 534
Vote 04 - Community Development		-	13 175	6 574	589	2 915	6 091	(3 176)	-52%	6 574
Vote 05 - Planning & Wsa		409 264	431 867	442 916	18 722	365 005	351 787	13 217	4%	442 916
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		8 360	-	610	-	-	1 065	(1 065)	-100%	610
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	418 865	454 134	459 362	20 366	371 537	367 828	3 709	1%	459 362
<b>Total Capital Expenditure</b>		418 865	454 134	459 362	20 366	371 537	367 828	3 709	1%	459 362
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		1 241	14 530	9 112	1 055	3 618	9 334	(5 717)	-61%	9 112
Executive and council		-	-	-	-	-	350	(350)	-100%	-
Finance and administration		1 241	14 530	9 112	1 055	3 618	8 984	(5 367)	-60%	9 112
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	974	974	-	201	881	(680)	-77%	974
Community and social services		-	974	974	-	201	881	(680)	-77%	974
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	8 996	7 983	1 027	4 016	6 547	(2 532)	-39%	7 983
Planning and development		-	8 996	7 983	1 027	4 016	6 547	(2 532)	-39%	7 983
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		417 624	429 484	441 143	18 283	363 703	350 930	12 773	4%	441 143
Energy sources		-	-	-	-	-	-	-	-	-
Water management		417 624	429 484	441 143	18 283	363 703	350 930	12 773	4%	441 143
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	150	150	-	-	136	(136)	-100%	150
<b>Total Capital Expenditure - Functional Classification</b>	3	418 865	454 134	459 362	20 366	371 537	367 828	3 709	1%	459 362
<b>Funded by:</b>										
National Government		407 237	431 867	442 916	18 722	365 005	351 787	13 217	4%	442 916
Provincial Government		8 360	13 175	6 574	589	2 915	6 091	(3 176)	-52%	6 574
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		415 596	445 042	449 490	19 311	367 920	357 878	10 041	3%	449 490
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		3 269	9 092	9 872	1 055	3 618	9 950	(6 332)	-64%	9 872
<b>Total Capital Funding</b>		418 865	454 134	459 362	20 366	371 537	367 828	3 709	1%	459 362

## **1.7 IN-YEAR BUDGET TABLES**

The following part of in-year reporting presented below focuses on monthly budget statement tables as required in terms of regulation 28 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's 2020/2021 budget, actual financial performance, actual capital expenditure, actual financial position, and actual cashflow as implemented by the Accounting officer in terms of S62 of the MFMA.

Below are tables as per Schedule C for **the period being reported**.

### **Table C1 – Monthly Budget Statement Summary**

DC26 Zululand - Table C1 Monthly Budget Statement Summary - M11 May

Description	2019/20	Budget Year 2020/21							
	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	-	-	-	-	-	-	-	-	-
Service charges	37 712	52 507	52 507	7 307	46 931	48 132	(1 201)	-2%	52 507
Investment revenue	4 760	5 000	5 000	61	2 818	4 583	(1 766)	-39%	5 000
Transfers and subsidies	485 800	515 221	578 344	254	576 287	528 927	47 361	9%	578 344
Other own revenue	1 236	1 200	1 200	113	804	1 100	(296)	-27%	1 200
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>529 507</b>	<b>573 928</b>	<b>637 051</b>	<b>7 736</b>	<b>626 840</b>	<b>582 742</b>	<b>44 098</b>	<b>8%</b>	<b>637 051</b>
Employee costs	219 973	223 466	225 466	18 062	209 674	206 645	3 029	1%	225 466
Remuneration of Councillors	8 372	8 350	8 350	716	7 767	7 655	112	1%	8 350
Depreciation & asset impairment	77 826	62 886	62 886	6 690	73 667	57 645	16 022	28%	62 886
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	31 761	32 142	31 369	1 204	23 580	28 799	(5 219)	-18%	31 369
Transfers and subsidies	6 292	10 852	13 119	1 069	10 019	12 661	(2 641)	-21%	13 119
Other expenditure	356 630	226 166	285 015	18 720	279 597	257 973	21 624	8%	285 015
<b>Total Expenditure</b>	<b>700 854</b>	<b>563 862</b>	<b>626 205</b>	<b>46 460</b>	<b>604 305</b>	<b>571 378</b>	<b>32 927</b>	<b>6%</b>	<b>626 205</b>
<b>Surplus/(Deficit)</b>	<b>(171 347)</b>	<b>10 066</b>	<b>10 846</b>	<b>(38 725)</b>	<b>22 535</b>	<b>11 364</b>	<b>11 171</b>	<b>98%</b>	<b>10 846</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	491 852	444 068	448 516	22 042	419 697	375 582	44 114	12%	448 516
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)	8 360	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>	<b>55 286</b>	<b>14%</b>	<b>459 362</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>	<b>55 286</b>	<b>14%</b>	<b>459 362</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>418 865</b>	<b>454 134</b>	<b>459 362</b>	<b>20 366</b>	<b>371 537</b>	<b>367 828</b>	<b>3 709</b>	<b>1%</b>	<b>459 362</b>
Capital transfers recognised	415 596	445 042	449 490	19 311	367 920	357 878	10 041	3%	449 490
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	3 269	9 092	9 872	1 055	3 618	9 950	(6 332)	-64%	9 872
<b>Total sources of capital funds</b>	<b>418 865</b>	<b>454 134</b>	<b>459 362</b>	<b>20 366</b>	<b>371 537</b>	<b>367 828</b>	<b>3 709</b>	<b>1%</b>	<b>459 362</b>
<b>Financial position</b>									
Total current assets	88 332	117 837	134 697		129 721				134 697
Total non current assets	3 937 998	4 624 242	4 615 170		4 235 868				4 615 170
Total current liabilities	245 841	138 612	210 079		161 103				210 079
Total non current liabilities	65 053	45 000	45 000		46 822				45 000
Community wealth/Equity	3 514 930	4 564 843	4 491 404		3 962 528				4 491 404
<b>Cash flows</b>									
Net cash from (used) operating	-	528 285	501 060	(49 075)	782 480	459 305	(323 175)	-70%	501 060
Net cash from (used) investing	-	(439 834)	(473 365)	(20 366)	(371 537)	(407 701)	(36 164)	9%	(459 065)
Net cash from (used) financing	5	0	-	(0)	(3 630)	(3 311)	319	-10%	(3 612)
<b>Cash/cash equivalents at the month/year end</b>	<b>12 484</b>	<b>114 903</b>	<b>39 992</b>	<b>-</b>	<b>419 603</b>	<b>48 293</b>	<b>(371 309)</b>	<b>-769%</b>	<b>38 383</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	-	-	-	-	-	-	-	-	-
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

Description	Ref	Budget Year 2020/21								
		2019/20 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>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		471 993	515 837	571 594	166	568 657	523 598	45 058	9%	571 594
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		471 993	515 837	571 594	166	568 657	523 598	45 058	9%	571 594
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		2 507	1 911	1 933	-	966	1 769	(804)	-45%	1 933
Community and social services		2 507	1 911	1 911	-	956	1 752	(796)	-45%	1 911
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	22	-	10	18	(8)	-43%	22
<i><b>Economic and environmental services</b></i>		9 054	8 996	7 983	1 181	3 938	7 436	(3 498)	-47%	7 983
Planning and development		9 054	8 996	7 983	1 181	3 938	7 436	(3 498)	-47%	7 983
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		546 165	491 252	502 357	28 176	472 002	424 160	47 841	11%	502 357
Energy sources		-	-	-	-	-	-	-	-	-
Water management		535 708	480 113	491 218	27 127	461 854	413 949	47 905	12%	491 218
Waste water management		10 457	11 140	11 140	1 049	10 148	10 211	(64)	-1%	11 140
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	4	-	-	1 700	254	975	1 360	(385)	-28%	1 700
<b>Total Revenue - Functional</b>	2	1 029 719	1 017 996	1 085 567	29 778	1 046 537	958 324	88 213	9%	1 085 567
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		210 187	247 966	267 427	14 248	167 968	245 547	(77 579)	-32%	267 427
Executive and council		39 831	36 873	44 977	4 666	40 572	40 799	(227)	-1%	44 977
Finance and administration		170 355	211 093	222 450	9 582	127 396	204 748	(77 352)	-38%	222 450
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		18 209	22 844	22 542	1 250	15 798	20 705	(4 907)	-24%	22 542
Community and social services		7 397	11 158	11 174	389	5 858	10 236	(4 377)	-43%	11 174
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		10 812	11 686	11 368	861	9 940	10 470	(530)	-5%	11 368
<i><b>Economic and environmental services</b></i>		25 785	20 502	20 819	1 777	17 151	19 128	(1 977)	-10%	20 819
Planning and development		25 785	20 502	20 819	1 777	17 151	19 128	(1 977)	-10%	20 819
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		437 998	264 596	307 680	28 664	395 927	278 818	117 109	42%	307 680
Energy sources		(655)	-	-	-	-	-	-	-	-
Water management		435 028	260 968	304 052	28 409	392 572	275 492	117 080	42%	304 052
Waste water management		3 625	3 628	3 628	256	3 355	3 326	29	1%	3 628
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>		8 676	7 954	7 737	521	7 461	7 180	281	4%	7 737
<b>Total Expenditure - Functional</b>	3	700 854	563 862	626 205	46 460	604 305	571 378	32 927	6%	626 205
<b>Surplus/(Deficit) for the year</b>		328 865	454 134	459 362	(16 683)	442 232	386 946	55 286	14%	459 362

**MBRR Table C2 – Monthly Budget Statement Financial Performance (revenue and expenditure by functional classification)**

Table C2 is a view of the actual financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into

15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional and the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table C4.

**DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May**

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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 Vote</b>	1									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		942	400	400	-	258	367	(109)	-29.7%	400
Vote 03 - Finance		471 647	509 849	571 194	166	568 399	522 580	45 819	8.8%	571 194
Vote 04 - Community Development		1 911	14 112	9 233	931	4 381	9 033	(4 652)	-51.5%	9 233
Vote 05 - Planning & Wsa		507 220	441 128	452 177	21 364	426 518	378 168	48 349	12.8%	452 177
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		37 542	41 368	41 424	6 266	36 834	37 965	(1 131)	-3.0%	41 424
Vote 09 - Waste Water		10 457	11 140	11 140	1 049	10 148	10 211	(64)	-0.6%	11 140
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1 029 719</b>	<b>1 017 996</b>	<b>1 085 567</b>	<b>29 778</b>	<b>1 046 537</b>	<b>958 324</b>	<b>88 213</b>	<b>9.2%</b>	<b>1 085 567</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Council		39 831	36 873	44 977	4 666	40 572	40 799	(227)	-0.6%	44 977
Vote 02 - Corporate Services		96 926	76 116	87 784	7 188	86 740	80 643	6 097	7.6%	87 784
Vote 03 - Finance		73 742	132 382	132 263	2 320	39 807	121 715	(81 908)	-67.3%	132 263
Vote 04 - Community Development		35 290	42 919	41 917	2 694	32 650	38 783	(6 132)	-15.8%	41 917
Vote 05 - Planning & Wsa		38 954	29 958	30 468	1 054	9 613	27 942	(18 329)	-65.6%	30 468
Vote 06 - Technical Services		7 894	1 926	1 869	469	5 861	1 725	4 136	239.8%	1 869
Vote 07 - Water Purification		47 289	37 554	37 347	4 290	50 323	34 317	16 005	46.6%	37 347
Vote 08 - Water Distribution		357 958	202 507	245 951	23 524	335 384	222 129	113 256	51.0%	245 951
Vote 09 - Waste Water		3 625	3 628	3 628	256	3 355	3 326	29	0.9%	3 628
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		(655)	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>700 854</b>	<b>563 862</b>	<b>626 205</b>	<b>46 460</b>	<b>604 305</b>	<b>571 378</b>	<b>32 927</b>	<b>5.8%</b>	<b>626 205</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>	<b>55 286</b>	<b>14.3%</b>	<b>459 362</b>

**MBRR Table C3 - Monthly Budget Statement Financial Performance (revenue and expenditure by municipal vote)**

Table C3 is a view of the actual financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	Budget Year 2020/21								
		2019/20 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								-		
Service charges - electricity revenue								-		
Service charges - water revenue		27 255	41 368	41 368	6 260	36 784	37 920	(1 136)	-3%	41 368
Service charges - sanitation revenue		10 457	11 140	11 140	1 047	10 147	10 211	(65)	-1%	11 140
Service charges - refuse revenue										
Rental of facilities and equipment		159	200	200	15	164	183	(20)	-11%	200
Interest earned - external investments		4 760	5 000	5 000	61	2 818	4 583	(1 766)	-39%	5 000
Interest earned - outstanding debtors		27	-	56	6	50	45	5	11%	56
Dividends received										
Fines, penalties and forfeits		4	100	22	5	14	29	(15)	-52%	22
Licences and permits		-	-	22	-	10	18	(8)	-43%	22
Agency services										
Transfers and subsidies		485 800	515 221	578 344	254	576 287	528 927	47 361	9%	578 344
Other revenue		1 045	900	900	87	567	825	(258)	-31%	900
Gains		-	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>529 507</b>	<b>573 928</b>	<b>637 051</b>	<b>7 736</b>	<b>626 840</b>	<b>582 742</b>	<b>44 098</b>	<b>8%</b>	<b>637 051</b>
<b>Expenditure By Type</b>										
Employee related costs		219 973	223 466	225 466	18 062	209 674	206 645	3 029	1%	225 466
Remuneration of councillors		8 372	8 350	8 350	716	7 767	7 655	112	1%	8 350
Debt impairment		15 905	11 000	14 723	-	-	13 434	(13 434)	-100%	14 723
Depreciation & asset impairment		77 826	62 886	62 886	6 690	73 667	57 645	16 022	28%	62 886
Finance charges		-	-	-	-	-	-	-		-
Bulk purchases		17 076	23 552	23 552	1 203	16 336	21 538	(5 202)	-24%	23 552
Other materials		14 685	8 590	7 817	1	7 244	7 260	(17)	0%	7 817
Contracted services		241 433	139 217	173 534	11 350	193 729	158 242	35 487	22%	173 534
Transfers and subsidies		6 292	10 852	13 119	1 069	10 019	12 661	(2 641)	-21%	13 119
Other expenditure		99 255	75 949	96 758	7 370	85 868	86 297	(430)	0%	96 758
Losses		37	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>700 854</b>	<b>563 862</b>	<b>626 205</b>	<b>46 460</b>	<b>604 305</b>	<b>571 378</b>	<b>32 927</b>	<b>6%</b>	<b>626 205</b>
<b>Surplus/(Deficit)</b>		<b>(171 347)</b>	<b>10 066</b>	<b>10 846</b>	<b>(38 725)</b>	<b>22 535</b>	<b>11 364</b>	<b>11 171</b>	<b>0</b>	<b>10 846</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		491 852	444 068	448 516	22 042	419 697	375 582	44 114	0	448 516
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)		8 360	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>			<b>459 362</b>
Taxation		-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after taxation</b>		<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>			<b>459 362</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>			<b>459 362</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>328 865</b>	<b>454 134</b>	<b>459 362</b>	<b>(16 683)</b>	<b>442 232</b>	<b>386 946</b>			<b>459 362</b>

**MBRR Table C4 - Monthly Budget Statement Financial Performance (revenue and expenditure by source)**

Table C4 indicates the actual revenue and expenditure by source, and the calculated surplus which will be used to fund Capital Expenditure on table C5.

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Ref	Budget Year 2020/21								
		2019/20 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>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Council		-	-	-	-	-	350	(350)	-100%	-
Vote 02 - Corporate Services		556	7 870	3 728	1 055	2 941	3 867	(926)	-24%	3 728
Vote 03 - Finance		686	1 222	5 534	-	677	4 668	(3 991)	-86%	5 534
Vote 04 - Community Development		-	13 175	6 574	589	2 915	6 091	(3 176)	-52%	6 574
Vote 05 - Planning & Wsa		409 264	431 867	442 916	18 722	365 005	351 787	13 217	4%	442 916
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		8 360	-	610	-	-	1 065	(1 065)	-100%	610
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	418 865	454 134	459 362	20 366	371 537	367 828	3 709	1%	459 362
<b>Total Capital Expenditure</b>		<b>418 865</b>	<b>454 134</b>	<b>459 362</b>	<b>20 366</b>	<b>371 537</b>	<b>367 828</b>	<b>3 709</b>	<b>1%</b>	<b>459 362</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		1 241	14 530	9 112	1 055	3 618	9 334	(5 717)	-61%	9 112
Executive and council		-	-	-	-	-	350	(350)	-100%	-
Finance and administration		1 241	14 530	9 112	1 055	3 618	8 984	(5 367)	-60%	9 112
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	974	974	-	201	881	(680)	-77%	974
Community and social services		-	974	974	-	201	881	(680)	-77%	974
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	8 996	7 983	1 027	4 016	6 547	(2 532)	-39%	7 983
Planning and development		-	8 996	7 983	1 027	4 016	6 547	(2 532)	-39%	7 983
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		417 624	429 484	441 143	18 283	363 703	350 930	12 773	4%	441 143
Energy sources		-	-	-	-	-	-	-	-	-
Water management		417 624	429 484	441 143	18 283	363 703	350 930	12 773	4%	441 143
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	150	150	-	-	136	(136)	-100%	150
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>418 865</b>	<b>454 134</b>	<b>459 362</b>	<b>20 366</b>	<b>371 537</b>	<b>367 828</b>	<b>3 709</b>	<b>1%</b>	<b>459 362</b>
<b>Funded by:</b>										
National Government		407 237	431 867	442 916	18 722	365 005	351 787	13 217	4%	442 916
Provincial Government		8 360	13 175	6 574	589	2 915	6 091	(3 176)	-52%	6 574
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>415 596</b>	<b>445 042</b>	<b>449 490</b>	<b>19 311</b>	<b>367 920</b>	<b>357 878</b>	<b>10 041</b>	<b>3%</b>	<b>449 490</b>
<b>Borrowing</b>	6									
<b>Internally generated funds</b>		3 269	9 092	9 872	1 055	3 618	9 950	(6 332)	-64%	9 872
<b>Total Capital Funding</b>		<b>418 865</b>	<b>454 134</b>	<b>459 362</b>	<b>20 366</b>	<b>371 537</b>	<b>367 828</b>	<b>3 709</b>	<b>1%</b>	<b>459 362</b>

## MBRR Table C5 - Monthly Budget Statement Capital Expenditure by vote, functional classification and funding source

Table C5 indicates Actual capital Expenditure by Municipal Vote and functional classification, the budgeted amount is funded from grants and own funds, the funding is taken from table B4 surplus.

### DC26 Zululand - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		12 290	66 967	58 527	26 153	58 527
Call investment deposits		-	-	-	-	-
Consumer debtors		42 777	35 404	35 404	54 833	35 404
Other debtors		28 764	11 467	36 767	41 770	36 767
Current portion of long-term receivables		-	-	-	-	-
Inventory		4 501	4 000	4 000	6 965	4 000
<b>Total current assets</b>		<b>88 332</b>	<b>117 837</b>	<b>134 697</b>	<b>129 721</b>	<b>134 697</b>
<b>Non current assets</b>						
Long-term receivables		-	14 300	-	-	-
Investments		-	-	-	-	-
Investment property						
Investments in Associate						
Property, plant and equipment		3 937 983	4 608 942	4 615 170	4 235 744	4 615 170
Biological						
Intangible		15	1 000	-	124	-
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>3 937 998</b>	<b>4 624 242</b>	<b>4 615 170</b>	<b>4 235 868</b>	<b>4 615 170</b>
<b>TOTAL ASSETS</b>		<b>4 026 330</b>	<b>4 742 079</b>	<b>4 749 867</b>	<b>4 365 589</b>	<b>4 749 867</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		3 612	3 612	3 612	3 630	3 612
Trade and other payables		241 210	120 000	206 467	156 454	206 467
Provisions		1 019	15 000	-	1 019	-
<b>Total current liabilities</b>		<b>245 841</b>	<b>138 612</b>	<b>210 079</b>	<b>161 103</b>	<b>210 079</b>
<b>Non current liabilities</b>						
Borrowing		-	-	-	-	-
Provisions		65 053	45 000	45 000	46 822	45 000
<b>Total non current liabilities</b>		<b>65 053</b>	<b>45 000</b>	<b>45 000</b>	<b>46 822</b>	<b>45 000</b>
<b>TOTAL LIABILITIES</b>		<b>310 894</b>	<b>183 612</b>	<b>255 079</b>	<b>207 925</b>	<b>255 079</b>
<b>NET ASSETS</b>	2	<b>3 715 436</b>	<b>4 558 467</b>	<b>4 494 789</b>	<b>4 157 665</b>	<b>4 494 789</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		3 514 930	4 564 843	4 491 404	3 962 528	4 491 404
Reserves		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>3 514 930</b>	<b>4 564 843</b>	<b>4 491 404</b>	<b>3 962 528</b>	<b>4 491 404</b>



## **MBRR Table C6 - Monthly Budget Statement Financial Position**

Table A6 is consistent with international standards of good financial management practice, and improves the understanding ability of Councillors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth.

### **CURRENT ASSETS**

#### **Cash**

Cashbook balance as at **31 April 2021 R26.1 million**. This balance includes **R35 million** of call deposits.

#### **Call Investments Deposits**

Call Investments are mapping under cash above.

#### **Consumer debtors**

Consumer debtors include debtors from water and sanitation services, the balance for the reporting period is **R54.8 million**

Water Debtors	R42.2 million
Sanitation Debtors	R7.8 million
Department of Water and Sanitation	R2.7 million
Other Consumer debtors	R2.1 million

**Total** **R54.8 million**

#### **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R42.2 million**. Water debtors are amounts owed by consumers for water services billed.

#### **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R7.8 million**. Sanitation debtors are amounts owed by consumers for sewer services billed.

### **Department of Water and Sanitation**

Department of Water and sanitation debtor amounts to **R2.7 million**. This amount was raised when DWS grants were transferred to Zululand when grant condition is met, (when suppliers had submitted invoices to Zululand and Zululand had submitted invoices to DWS)

### **Other Consumer debtors**

Other consumer debtors' amount to **R2.1 million**, these are sundry debtors.

### **Other debtors**

Eskom Deposits	R14.7 million
Federal Air Deposits	R689 thousand
VAT Receivable	R26.2 million

**Total** **R41.7 million**

### **Eskom Deposits**

Eskom deposits amounting to **R14.7 million**, Eskom Security deposits are amounts paid when the Municipality opens a new electricity account with Eskom.

### **Federal Air Deposits**

Federal Air Deposits amount to **R689 thousand**, this is the amount paid as a security deposit when Federal Air was first contracted.

### **VAT Receivable**

VAT Receivable amount to **R26.2 million**, this is the amount raised when input VAT is recognized less output VAT collected.

### **Inventory**

The current level of inventory is **R6.9 million**. Inventory is currently not populating correctly.

## Non-Current Assets

### Long term receivables

The long-term receivables budgeted amount consists of Eskom account Deposits of **R14.3 million** by the end of the financial year. As the Municipalities infrastructure program continues, new connections are made and municipality pays security deposits to Eskom, the actual balance of Eskom deposits is mapped under other debtors.

### Property plant and equipment

Property plant and equipment includes capital acquisition from table C5, and the carrying amount of all asset owned by the municipality, Capital acquisition as per table C5 is **R371.5 million**, which are additions to property plant and equipment.

### Intangible

The budget of intangible assets is for the acquisition software's, current balance of intangible assets is **R124 000**.

## CURRENT AND NON-CURRENT LIABILITIES

### Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, the current balance is **R 3.6 million**

### Trade and other payables

Trade and other payables are amounts owed by the municipality to service providers. Trade and other payables as at **31 May 2021** are **R156.4 million**.

Retention	R50 million
Debtors with credit balances	R1.7 million
Output VAT (Payable)	R20 million
Unspent Conditional Grants	R26 million
Department of Water and Sanitation	R39.7 million
Leave provision	R14.1 million

Bonus provision R4.1 million

### **Current Provisions**

Current provisions amount to **R1 million**, this provision is for Post-Retirement benefit (Medical aid) and Long service awards that is paid in the current financial year.

Post Retirement benefit (Medical aid)	R157 094
Long service awards	R861 739

### **Non-current Provisions**

Non-current Provisions amounts to **R46 million**, this provision is for Post-Retirement benefit (Medical aid), Long Service award, leave provision and bonus provision.

Post Retirement benefit (Medical aid)	R35.9 million
Long Service award	R10.8 million

### **Accumulated surplus**

Accumulated surplus is the net worth of the Municipality, sitting at **R 3.9 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Ref	Budget Year 2020/21								
		2019/20 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>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates										
Service charges		-	-	26 130	3 287	28 050	23 952	4 097	17%	26 130
Other revenue		-	128 130	-	13 586	1 002 209	(0)	#####	#####	-
Transfers and Subsidies - Operational		-	515 221	576 644	-	575 689	528 590	47 098	9%	576 644
Transfers and Subsidies - Capital		-	444 068	446 416	-	446 416	409 215	37 201	9%	446 416
Interest		-	5 000	5 000	61	1 202	4 583	(3 381)	-74%	5 000
Dividends										
<b>Payments</b>										
Suppliers and employees		-	(564 134)	(533 083)	(66 010)	(1 271 086)	(488 660)	782 426	-160%	(533 083)
Finance charges										
Transfers and Grants		-	-	(20 046)	-	-	(18 376)	(18 376)	100%	(20 046)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	528 285	501 060	(49 075)	782 480	459 305	(323 175)	-70%	501 060
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables		-	14 300	(14 300)	-	-	13 108	(13 108)	-100%	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		-	(454 134)	(459 065)	(20 366)	(371 537)	(420 809)	(49 272)	12%	(459 065)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	(439 834)	(473 365)	(20 366)	(371 537)	(407 701)	(36 164)	9%	(459 065)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		5	0	-	(0)	(3 630)	(3 311)	(319)	10%	(3 612)
<b>Payments</b>										
Repayment of borrowing										
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		5	0	-	(0)	(3 630)	(3 311)	319	-10%	(3 612)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		5	88 450	27 696	(69 441)	407 313	48 293			38 383
Cash/cash equivalents at beginning:		12 478	26 452	12 296		12 290				
Cash/cash equivalents at month/year end:		12 484	114 903	39 992		419 603	48 293			38 383

**MBRR Table C7 - Monthly Budget Statement Cash Flow Statement**

The budgeted cash flow statement is the first measurement in determining if the budget is funded and whether commitments and obligations can be met.

**CASHFLOW FROM OPERATING ACTIVITIES**

**Service charges**

The Municipality has budgeted to collect **R26 million** on service charges, the estimated collection amount is based on the 50% collection rate. The collection rate is also based on previous years actual collection. The Municipality has collected **R28 million** to date, which is **107%** of the budgeted collection.

The municipality has also taken the following initiatives to boost collection rate:

- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality has a revised revenue enhancement strategy
- The municipality has an external debt collector to assist with the collection
- The Municipality is in a process to install new meters to ensure billing is accurate and not estimated.
- Municipality has adopted an indigent policy, and is in a process to finalize indigent register

### **Other Revenue**

Other revenue includes receipts from tender fees, hall hiring, fines and forfeits, and office space rental receipts. The population of other revenue is higher than expected and not credible, the Municipality is a continuous engagement with the system vendor to resolve population of this line item. Other revenue on table C4 is **R567 thousands**.

### **Transfers and subsidies – Operational**

Transfers and subsidies - Operational are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Operating grants have been received as scheduled. Transfers and subsidies operational are **R575.6 million**. Only Indonsa grant has not been fully received.

Equitable share	R564.2 million
Finance Management Grant	R1.2 million
Expanded public works program	R9.2 million
Indonsa Grant	R955.5 thousand

### **Transfers and subsidies – Capital**

Transfers and subsidies - Capital are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received as scheduled, Transfers and subsidies Capital are **R446.4 million**.

Municipal Infrastructure Grant	R221.2 million
Regional Bulk Infrastructure Grant	R113.7 million
Water services Infrastructure grant	R105.5 million
Rural Road asset Management grant	R2.3 million

Kwamajomela Manufacturing Grant

R3.5 million

## **Interest**

Interest on investment is budgeted at **R 5 million**, this estimate is based on previous year interest income, the interest includes interest on investments made and interest on bank balance. Interest is **R1.1 million** and has not populated correctly. Interest on table C4 is **R2.8 million**.

## **Payments - Suppliers and employees**

The municipality is expecting to spend 100% of what has been budgeted on Table C4, but excluding non-cash items such as depreciation and debt impairment. The municipality has made payment to suppliers and employees of **R1.2 billion**. This amount includes 2019-20 year-end creditors payments of **R129 million**, which is the main reason the 2020-2021 budget is unfunded; and also include **R470 million** cash investments made by the municipality.

## **Transfers and grants paid**

Transfers and grants payments are currently mapping on payments to suppliers and employees.

## **CASHFLOW FROM INVESTING ACTIVITIES**

### **Payments - Capital Assets**

Capital expenditure is **R371.1 million**, the capital expenditure is excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 addresses the VAT issue.

### **Cash and cash equivalents at the end**

Cash and cash equivalents are the cash available at the end of the reporting period after all expenses have been paid.

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 DEBTORS ANALYSIS

#### Debtors age analysis as at 30 April 2021

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	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	6 703	2 938	2 750	2 517	2 215	2 562	19 022	76 966	115 673	103 282		79 247
Trade and Other Receivables from Exchange Transactions - Electricity	1300												
Receivables from Non-exchange Transactions - Property Rates	1400												
Receivables from Exchange Transactions - Waste Water Management	1500	1 803	738	606	569	550	548	2 934	27 679	35 427	32 280		28 166
Receivables from Exchange Transactions - Waste Management	1600												
Receivables from Exchange Transactions - Property Rental Debtors	1700												
Interest on Arrear Debtor Accounts	1810	10	5	5	5	4	2	11	182	224	204		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820												
Other	1900	35	7	26			0		4	72	4		7
<b>Total By Income Source</b>	<b>2000</b>	<b>8 551</b>	<b>3 688</b>	<b>3 386</b>	<b>3 091</b>	<b>2 770</b>	<b>3 113</b>	<b>21 967</b>	<b>104 830</b>	<b>151 395</b>	<b>135 770</b>		<b>107 419</b>
<b>2019/20 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	2 002	764	385	637	213	364	1 721	5 932	12 018	8 868		
Commercial	2300	1 843	441	493	400	334	407	3 823	8 935	16 677	13 899		
Households	2400	4 706	2 483	2 508	2 053	2 222	2 342	16 423	89 963	122 701	113 003		107 419
Other	2500												
<b>Total By Customer Group</b>	<b>2600</b>	<b>8 551</b>	<b>3 688</b>	<b>3 386</b>	<b>3 091</b>	<b>2 770</b>	<b>3 113</b>	<b>21 967</b>	<b>104 830</b>	<b>151 395</b>	<b>135 770</b>		<b>107 419</b>

#### Debtors age analysis as at 31 May 2021

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	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	11 162	2 966	2 800	2 669	2 469	2 171	19 793	77 420	121 452	104 523		79 247
Trade and Other Receivables from Exchange Transactions - Electricity	1300												
Receivables from Non-exchange Transactions - Property Rates	1400												
Receivables from Exchange Transactions - Waste Water Management	1500	1 765	814	688	582	559	542	2 999	28 070	36 019	32 751		28 166
Receivables from Exchange Transactions - Waste Management	1600												
Receivables from Exchange Transactions - Property Rental Debtors	1700												
Interest on Arrear Debtor Accounts	1810	11	5	5	5	4	4	11	184	228	207		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820												
Other	1900	44	14	6	21			0	4	89	25		7
<b>Total By Income Source</b>	<b>2000</b>	<b>12 982</b>	<b>3 799</b>	<b>3 500</b>	<b>3 277</b>	<b>3 032</b>	<b>2 717</b>	<b>22 803</b>	<b>105 677</b>	<b>157 788</b>	<b>137 507</b>		<b>107 419</b>
<b>2019/20 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	1 951	648	706	342	632	210	1 944	6 004	12 438	9 133		
Commercial	2300	1 426	1 014	398	476	394	326	4 006	9 114	17 154	14 316		
Households	2400	9 604	2 137	2 397	2 459	2 006	2 182	16 853	90 559	128 196	114 059		107 419
Other	2500												
<b>Total By Customer Group</b>	<b>2600</b>	<b>12 982</b>	<b>3 799</b>	<b>3 500</b>	<b>3 277</b>	<b>3 032</b>	<b>2 717</b>	<b>22 803</b>	<b>105 677</b>	<b>157 788</b>	<b>137 507</b>		<b>107 419</b>

Consumer Debtors are increasing, they went up from **R151 million** as at 30 April 2021 to **R157 million** as at 31 May 2021, a **R6 million** increase is observed.



## 2.2 CREDITORS ANALYSIS

### Creditors age analysis as at 30 April 2021

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

Description	NT Code	Budget Year 2020/21									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	
<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										-
Loan repayments	0600										-
Trade Creditors	0700	2 286	1 382	4 293	16 979					24 940	
Auditor General	0800										-
Other	0900										-
<b>Total By Customer Type</b>	<b>1000</b>	<b>2 286</b>	<b>1 382</b>	<b>4 293</b>	<b>16 979</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 940</b>	<b>-</b>

### Creditors age analysis as at 31 May 2021

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2020/21									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	
<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										-
Loan repayments	0600										-
Trade Creditors	0700	5 175	1 157	1 835	19 895					28 063	
Auditor General	0800										-
Other	0900										-
<b>Total By Customer Type</b>	<b>1000</b>	<b>5 175</b>	<b>1 157</b>	<b>1 835</b>	<b>19 895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28 063</b>	<b>-</b>

Creditors are increasing, they increased from **R24.9 million** as at 30 April 2021 to **R28 million** as at 31 May 2021, a **R3.1 million** increase is observed.

## 2.3 INVESTMENT PORTFOLIO

### Investments as at 30 April 2021

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M 10 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 *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
<b>Municipality</b>														
Zululand District Municipality - ABSA Bank - 9358935948		N/A	Call Deposit	Yes	Fixed	5.2	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - Standard Bank - 060344970		N/A	Call Deposit	Yes	Fixed	4.55	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - ABSA Bank - 9359535381		N/A	Investment Trace	Yes	Fixed	4.75	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - ABSA Bank - 9359534911		N/A	Investment Trace	Yes	Fixed	4.75	N/A	N/A	N/A	35 000		(35 000)		-
Zululand District Municipality - ABSA Bank - 9361850333		N/A	Investment Trace	Yes	Fixed	4.3	N/A	N/A	N/A	100 000		(100 000)		-
Zululand District Municipality - Standard Bank - 060344970		N/A	Call Deposit	Yes	Fixed	4.3	N/A	N/A	N/A	60 000		(60 000)		-
Zululand District Municipality - ABSA Bank - 9364065202		N/A	Investment Trace	Yes	Fixed	3.8	N/A	N/A	N/A	50 000				50 000
Municipality sub-total										470 000	-	(420 000)	-	50 000
<b>Entities</b>														
Entities sub-total										-	-	-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>										<b>470 000</b>		<b>(420 000)</b>	<b>-</b>	<b>50 000</b>

### Investments as at 31 May 2021

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

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 *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
<b>Municipality</b>														
Zululand District Municipality - ABSA Bank - 9358935948		N/A	Call Deposit	Yes	Fixed	5.2	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - Standard Bank - 060344970		N/A	Call Deposit	Yes	Fixed	4.55	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - ABSA Bank - 9359535381		N/A	Investment Trace	Yes	Fixed	4.75	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - ABSA Bank - 9359534911		N/A	Investment Trace	Yes	Fixed	4.75	N/A	N/A	N/A	35 000		(35 000)		-
Zululand District Municipality - ABSA Bank - 9361850333		N/A	Investment Trace	Yes	Fixed	4.3	N/A	N/A	N/A	100 000		(100 000)		-
Zululand District Municipality - Standard Bank - 060344970		N/A	Call Deposit	Yes	Fixed	4.3	N/A	N/A	N/A	60 000		(60 000)		-
Zululand District Municipality - ABSA Bank - 9364065202		N/A	Investment Trace	Yes	Fixed	3.8	N/A	N/A	N/A	50 000		(15 000)		35 000
Municipality sub-total										470 000	-	(435 000)	-	35 000
<b>Entities</b>														
Entities sub-total										-	-	-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>										<b>470 000</b>		<b>(435 000)</b>	<b>-</b>	<b>35 000</b>

The Municipality currently has **R35 million** on investments.

## 2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

### Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		481 439	513 310	574 733	-	574 357	525 815	48 542	9.2%	574 733
Energy Efficiency and Demand Side Management Grant		6 000	-	-	-	-	-	-	-	-
Equitable Share		464 560	502 849	564 272	-	564 272	516 226	48 046	9.3%	564 272
Expanded Public Works Programme Integrated Grant		8 818	9 261	9 261	-	9 261	8 489	772	9.1%	9 261
Infrastructure Skills Development Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 465	1 200	1 200	-	824	1 100	(276)	-25.1%	1 200
Municipal Disaster Relief Grant	3	596	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
WiFi Grant [Department of Telecommunications and Postal Services]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		4 361	1 911	3 611	254	1 931	3 112	(1 181)	-38.0%	3 611
Art Centres Subsidies		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		4 361	1 911	3 611	254	1 931	3 112	(1 181)	-38.0%	3 611
Development Planning and Shared Services		-	-	-	-	-	-	-	-	-
Environmental Grant	4	-	-	-	-	-	-	-	-	-
Tourism Events		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	485 800	515 221	578 344	254	576 287	528 927	47 361	9.0%	578 344
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		491 852	431 867	442 916	21 364	417 257	369 679	47 578	12.9%	442 916
Expanded Public Works Programme Integrated Grant for Municipalities		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		225 574	223 984	221 235	2 622	216 146	203 119	13 026	6.4%	221 235
Municipal Water Infrastructure Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		163 774	100 000	113 798	4 223	111 582	67 667	43 915	64.9%	113 798
Rural Road Asset Management Systems Grant		2 504	2 383	2 383	504	1 497	2 184	(687)	-31.5%	2 383
Water Services Infrastructure Grant		100 000	105 500	105 500	14 016	88 032	96 708	(8 676)	-9.0%	105 500
<b>Provincial Government:</b>		8 360	12 201	5 600	678	2 440	5 903	(3 463)	-58.7%	5 600
Infrastructure Grant		8 360	12 201	5 600	678	2 440	5 903	(3 463)	-58.7%	5 600
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	500 212	444 068	448 516	22 042	419 697	375 582	44 114	11.7%	448 516
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	986 012	959 289	1 026 860	22 296	995 984	904 509	91 475	10.1%	1 026 860

Grants are received as per transfer schedule and have been received as such, Grants are recognized as revenue when condition has been met.

# Grant Expenditure

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

Description	Ref	2019/20	Budget Year 2020/21							
		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</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		622 104	488 940	545 865	40 177	535 931	497 859	38 072	7.6%	545 865
Energy Efficiency and Demand Side Management Grant		5 521	-	-	-	-	-	-	-	-
Equitable Share		581 036	478 359	535 404	39 549	525 184	488 247	36 937	7.6%	535 404
Expanded Public Works Programme Integrated Grant		8 668	9 261	9 261	636	9 844	8 489	1 354	16.0%	9 261
Local Government Financial Management Grant		2 306	1 200	1 200	(9)	903	1 099	(196)	-17.8%	1 200
Municipal Disaster Relief Grant		596	120	-	-	-	24	(24)	-100.0%	-
Municipal Infrastructure Grant		20 416	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		2 177	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		1 384	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		3 577	937	2 637	209	1 355	2 352	(996)	-42.4%	2 637
Art Centres Subsidies		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		3 577	937	2 637	209	1 355	2 352	(996)	-42.4%	2 637
Development Planning and Shared Services		-	-	-	-	-	-	-	-	-
Environmental Grant		-	-	-	-	-	-	-	-	-
Tourism Events		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>KwazuluNatal Provincial Planning and Development Commission</i>		3 469	-	-	-	120	-	120	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>625 681</b>	<b>489 877</b>	<b>548 502</b>	<b>40 386</b>	<b>537 286</b>	<b>500 210</b>	<b>37 076</b>	<b>7.4%</b>	<b>548 502</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		407 237	431 867	442 916	18 722	365 005	351 787	13 217	3.8%	442 916
Local Government Financial Management Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		176 939	223 984	221 235	2 295	189 452	178 948	10 505	5.9%	221 235
Regional Bulk Infrastructure Grant		143 487	100 000	113 798	3 672	97 256	85 791	11 465	13.4%	113 798
Rural Road Asset Management Systems Grant		-	2 383	2 383	438	1 302	1 923	(621)	-32.3%	2 383
Water Services Infrastructure Grant		86 811	105 500	105 500	12 317	76 995	85 126	(8 132)	-9.6%	105 500
<b>Provincial Government:</b>		8 360	13 175	6 574	589	2 915	6 091	(3 176)	-52.1%	6 574
Infrastructure Grant		8 360	13 175	6 574	589	2 915	6 091	(3 176)	-52.1%	6 574
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>415 596</b>	<b>445 042</b>	<b>449 490</b>	<b>19 311</b>	<b>367 920</b>	<b>357 878</b>	<b>10 041</b>	<b>2.8%</b>	<b>449 490</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>1 041 277</b>	<b>934 919</b>	<b>997 992</b>	<b>59 696</b>	<b>905 206</b>	<b>858 089</b>	<b>47 117</b>	<b>5.5%</b>	<b>997 992</b>

Most conditional grant expenditure is above year to date.

## Roll-overs Expenditure

The Municipality has three rolled over grants

- Tourism Development grant
- KwamaJomela manufacturing grant
- Spatial Development Framework grant

ROLLED OVER GRANTS	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Tourism Grant (Roll over From 2019/2020)		700 000	216 795
Spatial Development Framework (Roll over From 2019/2020)		1 000 000	758 230
Kwamajomela Manufacturing Grant (Roll over From 2019/2020)		2 100 000	2 100 000
<b>Total Operating Grant Expenditure</b>	<b>-</b>	<b>3 800 000</b>	<b>3 075 025</b>

DC26 Zululand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M11 May

Description	Ref	Budget Year 2020/21				
		Approved Rollover 2019/20	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<b>EXPENDITURE</b>						
<b>Operating expenditure of Approved Roll-overs</b>						
National Government:		-	-	-	-	
Provincial Government:		700	-	217	483	69.0%
Tourism Grant		700		217	483	69.0%
Spatial Development Framework		1 000	254	758		
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
<b>Total operating expenditure of Approved Roll-overs</b>		<b>700</b>	<b>-</b>	<b>217</b>	<b>483</b>	<b>69.0%</b>
<b>Capital expenditure of Approved Roll-overs</b>						
National Government:		-	-	-	-	
Provincial Government:		2 100	-	2 100	-	
Kwamajomela Manufacturing Grant		2 100	-	2 100	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
<b>Total capital expenditure of Approved Roll-overs</b>		<b>2 100</b>	<b>-</b>	<b>2 100</b>	<b>-</b>	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		<b>2 800</b>	<b>-</b>	<b>2 317</b>	<b>483</b>	<b>17.3%</b>

## 2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	2019/20		Budget Year 2020/21						
		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>										
Basic Salaries and Wages		10	-	-	-	-	-	-	-	-
Pension and UIF Contributions		429	448	448	39	444	411	33	8%	448
Medical Aid Contributions		251	267	267	6	70	245	(176)	-72%	267
Motor Vehicle Allowance		1 903	1 818	1 818	164	1 768	1 666	102	6%	1 818
Cellphone Allowance		658	653	653	58	630	598	32	5%	653
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		5 121	5 164	5 164	450	4 855	4 734	121	3%	5 164
<b>Sub Total - Councillors</b>		<b>8 372</b>	<b>8 350</b>	<b>8 350</b>	<b>716</b>	<b>7 767</b>	<b>7 655</b>	<b>112</b>	<b>1%</b>	<b>8 350</b>
<b>% increase</b>	4		<b>-0.3%</b>	<b>-0.3%</b>						<b>-0.3%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		6 011	6 442	6 442	589	5 712	5 905	(192)	-3%	6 442
Pension and UIF Contributions		2	64	64	1	9	59	(50)	-85%	64
Medical Aid Contributions		131	144	144	5	92	132	(40)	-30%	144
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 505	1 559	1 559	149	1 459	1 429	30	2%	1 559
Cellphone Allowance		64	68	68	74	131	63	69	109%	68
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		242	264	264	24	234	242	(8)	-3%	264
Payments in lieu of leave		-	-	-	207	207	-	207	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7 954</b>	<b>8 541</b>	<b>8 541</b>	<b>1 048</b>	<b>7 844</b>	<b>7 830</b>	<b>14</b>	<b>0%</b>	<b>8 541</b>
<b>% increase</b>	4		<b>7.4%</b>	<b>7.4%</b>						<b>7.4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		135 668	151 005	151 005	12 171	139 659	138 421	1 237	1%	151 005
Pension and UIF Contributions		17 879	19 733	19 733	1 677	17 884	18 089	(205)	-1%	19 733
Medical Aid Contributions		11 222	11 488	11 488	1 108	11 610	10 531	1 079	10%	11 488
Overtime		5 982	-	2 000	397	5 977	1 800	4 177	232%	2 000
Performance Bonus		9 291	10 851	10 851	427	8 333	9 947	(1 614)	-16%	10 851
Motor Vehicle Allowance		6 439	6 425	6 425	570	6 382	5 890	492	8%	6 425
Cellphone Allowance		506	517	517	45	486	473	13	3%	517
Housing Allowances		1 142	1 164	1 164	103	1 116	1 067	49	5%	1 164
Other benefits and allowances		6 379	9 042	9 042	70	8 623	8 289	334	4%	9 042
Payments in lieu of leave		5 465	-	-	344	853	-	853	#DIV/0!	-
Long service awards		2 312	-	-	104	908	-	908	#DIV/0!	-
Post-retirement benefit obligations	2	9 734	4 700	4 700	-	-	4 308	(4 308)	-100%	4 700
<b>Sub Total - Other Municipal Staff</b>		<b>212 019</b>	<b>214 925</b>	<b>216 925</b>	<b>17 014</b>	<b>201 830</b>	<b>198 816</b>	<b>3 015</b>	<b>2%</b>	<b>216 925</b>
<b>% increase</b>	4		<b>1.4%</b>	<b>2.3%</b>						<b>2.3%</b>
<b>Total Parent Municipality</b>		<b>228 345</b>	<b>231 817</b>	<b>233 817</b>	<b>18 778</b>	<b>217 442</b>	<b>214 300</b>	<b>3 142</b>	<b>1%</b>	<b>233 817</b>

Unpaid salary, allowances & benefits in arrears:										
<b>Board Members of Entities</b>										
Basic Salaries and Wages									-	
Pension and UIF Contributions									-	
Medical Aid Contributions									-	
Overtime									-	
Performance Bonus									-	
Motor Vehicle Allowance									-	
Cellphone Allowance									-	
Housing Allowances									-	
Other benefits and allowances									-	
Board Fees									-	
Payments in lieu of leave									-	
Long service awards									-	
Post-retirement benefit obligations									-	
<b>Sub Total - Board Members of Entities</b>	2	-	-	-	-	-	-	-	-	-
<b>% increase</b>	4									
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages									-	
Pension and UIF Contributions									-	
Medical Aid Contributions									-	
Overtime									-	
Performance Bonus									-	
Motor Vehicle Allowance									-	
Cellphone Allowance									-	
Housing Allowances									-	
Other benefits and allowances									-	
Payments in lieu of leave									-	
Long service awards									-	
Post-retirement benefit obligations									-	
<b>Sub Total - Senior Managers of Entities</b>	2	-	-	-	-	-	-	-	-	-
<b>% increase</b>	4									
<b>Other Staff of Entities</b>										
Basic Salaries and Wages									-	
Pension and UIF Contributions									-	
Medical Aid Contributions									-	
Overtime									-	
Performance Bonus									-	
Motor Vehicle Allowance									-	
Cellphone Allowance									-	
Housing Allowances									-	
Other benefits and allowances									-	
Payments in lieu of leave									-	
Long service awards									-	
Post-retirement benefit obligations									-	
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		228 345	231 817	233 817	18 778	217 442	214 300	3 142	1%	233 817
<b>% increase</b>	4		1.5%	2.4%						2.4%
<b>TOTAL MANAGERS AND STAFF</b>		219 973	223 466	225 466	18 062	209 674	206 645	3 029	1%	225 466

## 2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M11 May

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>Revenue By Source</b>			
	Service charges - water revenue	-3%	This is amounts billed on customers for water used, the year-to-date actual is R36.7 million, which is below year-to-date budget of R37.9 million. An unfavourable variance of R1.1 million or 3% is observed.	Most of the consumers are billed on estimate, because there are no meters. Challenge is the sources of funds to procure metres, the municipality is in a process to resolve funding issue
	Service charges - sanitation revenue	-1%	This is amounts billed on customers that are connected to the sewer system, the year-to-date actual is R10.1 million which is slightly below year to budget of R10.2 million. An unfavourable variance of R65 thousand or 1% is observed.	Sewer charge is fixed, but businesses and government are charged an additional sewer excess if they use more than 40kl of water per month, since the municipality is using metering problem sewer access is not accurately charged. Challenge is the sources of funds, the municipality has appointed a service provider that will assist in finding grant/loan that will be used for the procurement of metres.
	Service charges - refuse revenue			
	Rental of facilities and equipment	-11%	Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is R164 thousand which is below year-to-date budget of R183 thousand. An unfavourable variance of R20 thousand or 11% is observed.	the variance is not material
	Interest earned - external investments	-39%	Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is R2.8 million, which is below year-to-date budget of R4.5 million. An unfavourable variance of R1.7 million or 39% is observed.	The municipality will receive more grant transfers and more investments are expected to be made to yield interest
	Interest earned - outstanding debtors	11%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R50 thousand, which is below year-to-date budget of R45 thousand. A favourable variance of R5 thousand or 11% is observed.	
	Dividends received			
	Fines, penalties and forfeits	-52%	Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is R14 thousand, the year-to-date budget is R29 thousand. An unfavourable variance of R15 thousand or 50% against adjusted budget is observed.	
	Licences and permits	-43%	This amount is for health certificates issued, the year-to-date actual is R10 thousand, the year-to-date budget is R18 thousand. An unfavourable variance of R8 thousand or 43% against adjusted budget is observed.	
	Agency services			
	Transfers and subsidies	9%	Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2020, and provincial gazette. Transfers and subsidies is revenue recognized as operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Transfers and subsidies (Grants) are recognised/recorded as revenue when condition has been met, except for equitable share, which is not a conditional grant.	
	Other revenue	-31%	Transfers and subsidies year to date actual is R576.2 million, which is above year-to-date budget of R528.9 million. Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is R567 thousand, which is below year-to-date budget of R825 thousand. An unfavourable variance of R258 thousand is observed.	
2	<b>Expenditure By Type</b>			
	Employee related costs	1%	Employee related costs year to date actual is R209.6 million, the year-to-date budget is R206.6 million, an unfavorable variance of R3 million or 1% is observed.	
	Remuneration of councillors	1%	Remuneration of Councillors year to date actual is R7.7 million, the year-to-date budget is R7.6 million, an unfavorable variance of R112 thousand or 1% is observed.	
	Debt impairment	-100%	This is the provision for doubtful debts as a result of a non-collection. No provision for doubtful debts has been recorded. Assessment and provision for bad debts is done at year end.	
	Depreciation & asset impairment	28%	This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R73.6 million. The year-to-date budget is R57.6 million. An unfavorable variance of R16 million or 28% is observed.	
	Finance charges			
	Bulk purchases	-24%	Bulk purchases water from the Department of Water and Sanitation and other independent water producers. The year-to-date actual is R16.3 million, the year-to-date budget is R21.5 million, a favorable variance of R5.2 million or 24% is observed. Bulk water purchases expenditure is based on amount/volume of water extracted for purification.	
	Other materials	0%	Other materials year to date actual is R7.2 million, the year-to-date budget is R7.2 million, an unfavourable variance of R17 thousand or less than 1% is observed	
	Contracted services	22%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R193.7 million which is above year to date budget of R158.2 million, an unfavourable variance of R35.4 million or 22% is observed.	
	Transfers and subsidies	-21%	Transfers and subsidies paid year to date actual is R10 million, the year-to-date budget is R12.6 million, a favourable variance of R2.6 million or 21% is observed.	
	Other expenditure	0%	Other expenditure year to date actual is R85.8 million, the year-to-date budget is R86.2 million, an unfavourable variance of R430 thousand or less than 1% is observed.	
	Losses			
3	<b>Capital Expenditure</b>			
	Vote 01 - Council	-100%		
	Vote 02 - Corporate Services	-24%		
	Vote 03 - Finance	-86%		
	Vote 04 - Community Development	-52%		
	Vote 05 - Planning & Wise	4%		
	Vote 06 - Technical Services			
	Vote 07 - Water Purification			
	Vote 08 - Water Distribution	-100%		
	Vote 09 - Waste Water			
4	<b>Financial Position</b>			
	Client elected not to populate this sheet			
5	<b>Cash Flow</b>			
	Client elected not to populate this sheet			
6	<b>Measureable performance</b>			
	Client elected not to populate this sheet			
7	<b>Municipal Entities</b>			
	Client elected not to populate this sheet			



## 2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

## 2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

## 2.9 CAPITAL PROGRAMME PERFORMANCE

### Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 May

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<u>Monthly expenditure performance trend</u>									
July	53 369	37 845	32 908	75	75	32 908	32 833	99.8%	0%
August	37 995	37 845	32 908	46 591	46 666	65 817	19 150	29.1%	10%
September	53 687	37 845	39 932	67 762	114 429	105 748	(8 680)	-8.2%	25%
October	24 109	37 845	39 932	42 474	156 903	145 680	(11 223)	-7.7%	35%
November	43 003	37 845	32 527	47 428	204 331	178 208	(26 123)	-14.7%	45%
December	44 104	37 845	32 527	46 939	251 270	210 735	(40 535)	-19.2%	55%
January	10 460	37 845	32 527	2 271	253 541	243 262	(10 279)	-4.2%	56%
February	42 909	37 845	34 460	32 701	286 242	277 723	(8 520)	-3.1%	63%
March	21 893	37 845	23 595	24 983	311 226	301 318	(9 908)	-3.3%	69%
April	27 545	37 845	33 181	39 946	351 171	334 499	(16 673)	-5.0%	0
May	30 209	37 845	33 330	20 366	371 537	367 828	(3 709)	-1.0%	0
June	52 360	37 845	91 534	-	-	459 362	-	-	-
<b>Total Capital expenditure</b>	<b>441 642</b>	<b>454 134</b>	<b>459 362</b>	<b>371 537</b>					

The actual capital expenditure is greater than year-to-date spending

### Summary of Capital Expenditure by asset class and sub-class

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M11 May

Description	Ref	2019/20	Budget Year 2020/21							
		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 on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		409 264	431 867	446 228	18 722	365 005	354 350	(10 655)	-3.0%	446 228
Roads Infrastructure		-	2 383	2 383	438	1 302	1 923	621	32.3%	2 383
Roads		-	2 383	2 383	438	1 302	1 923	621	32.3%	2 383
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection								-		
Storm water Conveyance								-		
Attenuation								-		
Electrical Infrastructure		-	-	-	-	-	-	-		-
Power Plants								-		
HV Substations								-		
HV Switching Station								-		
HV Transmission Conductors								-		
MV Substations								-		
MV Switching Stations								-		
MV Networks								-		
LV Networks								-		
Capital Spares								-		
Water Supply Infrastructure		409 264	384 687	398 971	17 716	326 452	315 618	(10 833)	-3.4%	398 971
Dams and Weirs								-		
Boreholes		2 060	-	-	-	-	-	-		-
Reservoirs		5 977	-	-	-	-	-	-		-
Pump Stations		-	-	-	-	-	-	-		-
Water Treatment Works		113 609	11 871	85 669	-	81 941	67 737	(14 203)	-21.0%	85 669
Bulk Mains		210 975	246 377	197 260	16 857	148 427	154 393	5 966	3.9%	197 260
Distribution		76 642	126 439	116 042	858	96 084	93 488	(2 596)	-2.8%	116 042
Distribution Points								-		
PRV Stations								-		
Capital Spares		-	-	-	-	-	-	-		-
Sanitation Infrastructure		-	44 797	44 874	568	37 251	36 809	(443)	-1.2%	44 874
Pump Station								-		
Reticulation		-	44 797	44 874	568	37 251	36 809	(443)	-1.2%	44 874
Waste Water Treatment Works								-		
Outfall Sewers								-		
Toilet Facilities		-	-	-	-	-	-	-		-
Capital Spares								-		
Solid Waste Infrastructure		-	-	-	-	-	-	-		-
Landfill Sites								-		
Waste Transfer Stations								-		
Waste Processing Facilities								-		
Waste Drop-off Points								-		
Waste Separation Facilities								-		
Electricity Generation Facilities								-		
Capital Spares								-		
Rail Infrastructure		-	-	-	-	-	-	-		-
Rail Lines								-		
Rail Structures								-		
Rail Furniture								-		

Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
<b>Community Assets</b>	<b>-</b>	<b>12 201</b>	<b>5 600</b>	<b>589</b>	<b>2 714</b>	<b>5 210</b>	<b>2 496</b>	<b>47.9%</b>	<b>5 600</b>
Community Facilities	-	6 613	5 600	589	2 714	4 625	1 911	41.3%	5 600
Halls									
Centres	-	6 613	5 600	589	2 714	4 625	1 911	41.3%	5 600
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	5 588	-	-	-	585	585	100.0%	-
Indoor Facilities									
Outdoor Facilities	-	5 588	-	-	-	585	585	100.0%	-
Capital Spares									
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>350</b>	<b>100.0%</b>	<b>-</b>
Monuments									
Historic Buildings									
Works of Art	-	-	-	-	-	350	350	100.0%	-
Conservation Areas									
Other Heritage									

<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										
<b>Other assets</b>	-	-	-	-	-	-	-	-	-	
Operational Buildings	-	-	-	-	-	-	-	-	-	
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets										
<b>Intangible Assets</b>	13	1 000	-	-	115	130	15	11.8%	-	
Servitudes										
Licences and Rights	13	1 000	-	-	115	130	15	11.8%	-	
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	13	1 000	-	-	115	130	15	11.8%	-	
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>	458	5 222	2 396	-	562	2 649	2 087	78.8%	2 396	
Computer Equipment	458	5 222	2 396	-	562	2 649	2 087	78.8%	2 396	
<b>Furniture and Office Equipment</b>	82	120	225	-	97	179	81	45.5%	225	
Furniture and Office Equipment	82	120	225	-	97	179	81	45.5%	225	
<b>Machinery and Equipment</b>	688	1 124	1 714	-	201	2 069	1 867	90.3%	1 714	
Machinery and Equipment	688	1 124	1 714	-	201	2 069	1 867	90.3%	1 714	
<b>Transport Assets</b>	8 360	2 600	3 200	1 055	2 844	2 892	49	1.7%	3 200	
Transport Assets	8 360	2 600	3 200	1 055	2 844	2 892	49	1.7%	3 200	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land										
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on new assets</b>	1	418 865	454 134	459 362	20 366	371 537	367 828	(3 709)	-1.0%	459 362

## **2.10 OTHER SUPPORTING DOCUMENTS**

No other financial information outside of information contained in Schedule C is available

## **2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES**

The Municipality does not have any entities.

## 2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

I, **P.M. Manqele**, Municipal Manager of Zululand District Municipality, hereby certify that the Monthly Budget Statement has been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act.

  
\_\_\_\_\_  
P.M. Manqele  
Municipal Manager  
Zululand District Municipality (DC26)

Date: 2021/06/14