

ZULULAND DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 MAY 2023

MFMA S71 REPORT

2022/2023 FINANCIAL YEAR

Table of Contents

GLOSSARY.....1

PART 1 – IN-YEAR REPORT3

- 1.1. MAYORS REPORT 3
- 1.2. COUNCIL RESOLUTION 3
- 1.3. EXECUTIVE SUMMARY 3
- 1.4. OPERATING REVENUE PERFORMANCE..... 6
- 1.5. OPERATING EXPENDITURE PERFORMANCE..... 9
- 1.6. CAPITAL EXPENDITURE AND FUNDING..... 13
- 1.7. IN-YEAR BUDGET TABLES..... 17
 - MBRR Table C2 – Monthly Budget Statement Financial Performance (revenue and expenditure by functional classification) 20
 - MBRR Table C4 - Monthly Budget Statement Financial Performance (revenue and expenditure by source)..... 22
 - MBRR Table C5 - Monthly Budget Statement Capital Expenditure by vote, functional classification and funding source 23
 - MBRR Table C6 - Monthly Budget Statement Financial Position 24
 - MBRR Table C7 - Monthly Budget Statement Cash Flow Statement 32

PART 2 – SUPPORTING DOCUMENTATION35

- 2.1. DEBTORS ANALYSIS 35
- 2.2 CREDITORS ANALYSIS 36
- 2.3 INVESTMENT PORTFOLIO..... 36
- 2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE 37
- 2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS..... 40
- 2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 41
- 2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE 43
- 2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE 43
- 2.9 CAPITAL PROGRAMME PERFORMANCE 44
- 2.10 OTHER SUPPORTING DOCUMENTS 47
- 2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES..... 47
- 2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION..... 48

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 review 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	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	688 934 986	706 983 525	692 651 343	645 962 460	46 688 883	7%	98%
Total Operating Expenditure	626 160 559	695 389 525	722 654 837	635 719 367	86 935 470	14%	104%
Surplus/(Deficit)	62 774 427	11 594 000	-30 003 494	10 243 093	-40 246 587		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 May 2023** is **R692.6 million** which is **98%** of the approved operating revenue adjusted budget. The **R692.6 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R645.9 million**, a variance of **R46.6 million** or **7%** is observed.

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from trading services is only **R50.6 million** which is **7%** of the total generated operating revenue.

Major Variances between actuals and year to date budget on Operating Revenue

Reasons for variances can be attributed to Service charges water revenue, interest on external investments which has moved at a high pace than year to date budget; Transfers and subsidies, service charges sanitation revenue, interest on outstanding debtors, fines, penalties and forfeits and other revenue which are moving at a pace higher than year to date budget.

Operating revenue is explained by source in detail on Section 1.4 Operating Revenue Performance.

Operating Expenditure Performance

Total Operating Expenditure as at **31 May 2023** is **R722.6 million** which is **104%** of the approved operating adjusted expenditure budget. The **R722.6 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R635.7 million**, a variance of **R86.9 million** or **14%** is observed.

Major Variances between actuals and year to date budget on Operating Expenditure

Reasons for variances can be attributed to inventory consumed which is moving at a slow pace than year to date budget; debt impairment which has no movement; depreciation, contracted services and other expenditure which are moving at a pace higher than year to date budget; transfers and subsidies is seasonal. Employee related cost, contracted services and other expenditure can be classified as the three major cost drivers.

Operating expenditure is explained by source in detail on Section 1.5 Operating Expenditure Performance.

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	332 161 738	541 792 789	392 176 543	467 465 825	-75 289 282	-16%	72%
Total Capital Financing	332 161 738	541 792 789	392 176 543	467 465 825	-75 289 282	-16%	72%

Total Capital Expenditure as at **31 May 2023** is **R392.1 million** which is **72%** of the approved adjusted capital budget. The **R392.1 million** year to date actual is **below** the **eleven** months baseline projection or year-to-date budget of **R467.4 million**, a variance of **R75.2 million** or **16%** of the received grants is observed.

Capital expenditure is explained by source in detail on section 1.6 Capital Expenditure and Funding.

Major Variances between actuals and year to date budget on Capital expenditure

Reasons for variances can be attributed to capital grants not being spent at similar pace as year to date budget. **MIG** is at **78%**, **RBIG** is at **66%**, **WSIG** is at **88%** **RRAMG** is at **23%**, **TSUCM_COGTA Boreholes** is at **52%** and **Indonsa Art Centre** is at **0%** **KwaMajomela** is at **100%**.

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	%
Total current assets	338 914	293 376	215 639	74
Total non current assets	4 188 965	5 381 249	4 905 437	91
Total current liabilities	262 650	386 374	367 724	95
Total non current liabilities	33 904	43 932	41 810	95
TOTAL COMMUNITY WEALTH/ EQUITY	3 834 563	4 666 623	4 660 679	100

Current assets year to date actual is **R215.6 million** which is **74%** of the approved adjusted budget. **Non - Current assets** year to date actual is **R4.9 billion** which is **91%** of the approved adjusted budget. **Current Liabilities** year to date actual is **R367.7 million** which is **95%** of the approved adjusted budget. **Non - Current Liabilities** year to date is **R41.8 million** which is **95%** of the approved adjusted budget. **Accumulated surplus** year to date actual is **R4.6 billion** which is **100%** of the approved adjusted budget.

Current assets amount to **R373.8 million**, included on current assets is Cash of **R35.9 million** and **R25 million** in investments.

Current liabilities amount to **R460.6 million**, this includes unspent conditional grants amounting to **R162.9 million**.

The Current ratio is 0.5:1 [**215.6 million/367.7 million**], the current ratio norm is **2:1**

Financial Position Framework is explained in detail on section 1.7 In year Budget Tables.

1.4. OPERATING REVENUE PERFORMANCE

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		38 486	68 000	40 947	2 464	37 076	40 691	(3 615)	-9%	40 947
Service charges - sanitation revenue		12 513	12 500	15 306	997	13 555	13 703	(147)	-1%	15 306
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	209	17	191	189	3	1%	209
Interest earned - external investments		3 705	6 000	3 000	1 257	4 094	3 100	994	32%	3 000
Interest earned - outstanding debtors		288	85	200	31	224	170	54	32%	200
Dividends received								-		
Fines, penalties and forfeits		209	150	58	22	120	64	56	88%	58
Licences and permits		-	-	73	6	59	58	1	2%	73
Agency services								-		
Transfers and subsidies		537 979	601 306	645 690	239	635 440	586 704	48 735	8%	645 690
Other revenue		1 085	711	1 501	613	1 891	1 284	607	47%	1 501
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		594 501	688 935	706 984	5 647	692 651	645 962	46 689	7%	706 984

The year-to-date actual indicates operating revenue of **R692.6 million** for **eleven months**, The **R692.6 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R645.9 million**, a variance of **R46.6 million** or **7%** is observed. The total revenue to-date represents **97%** of the operating revenue adjusted 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 funded, and cash backed. Each line item on the face of financial performance is explained below:

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R37.07 million** which is **91%** of the approved adjusted budget. the **R37.07 million** year to date actual is **below** the **eleven** months baseline projection or year-to-date budget of **R40.6 million**. A variance of **R3.6 million** or **9%** is observed.

Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R13.5 million** which is **99%** of the approved adjusted budget. the **R13.5 million** year to date actual is **below** the **eleven** months baseline projection or year-to-date budget of **R13.7 million**. A variance of **R147 thousand** or **1%** is observed.

The billing is above the target, this variance is due to sewer excess charge on businesses that consume more than 40kl of water per month.

Rent of facilities

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R191 thousand** which is **92%** of the approved adjusted budget. the **R191 thousand** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R189 thousand**. A variance of **R3 thousand** or **1%** is observed.

Interest on investment

Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R4 million** which is **136%** of the approved adjusted budget. The **R4 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R3.1 million**. A variance of **R994 thousand** or **32%** is observed.

Reasons for variances can be attributed to interest rate change and the availability of cash to be invested.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is **R224 thousand** which is **112%** of the approved adjusted budget. The **R224 thousand** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R170 thousand**. A variance of **R54 thousand** or **32%** is observed.

Reasons for variances can be attributed to businesses non adherence to payment terms, the municipality must implement stringent measures to ensure businesses pay on time.

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R120 thousand** which is **207%** of the approved adjusted budget. the **R120 thousand** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R64 thousand**. A variance of **R56 thousand** or **88%** is observed.

Reasons for variances can be attributed to a negative indication that more consumers are illegally connected or a negative indication that some illegally connected consumers are not yet discovered. Municipality must keep up the disconnection of illegal connections.

Licences and Permits

Licences and permits year-to-date actual is **R59 thousand** which is **82%** of the approved adjusted budget. the **R59 thousand** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R58 thousand**. A variance of **R1 thousand** or **2%** is observed.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2022; 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 **R635.4 million** which is **98%** of the approved budget. The **R635.2 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R586.7 million**. A variance of **R48.7 million** or **8%** is observed.

All grants are received as per transfer schedule with the exception of Municipal systems improvement grant.

Reasons for variances can be attributed to nature of transfers and subsidies which depend on the transfer schedule and cannot be benchmarked against the year-to-date budget. Grants are not received monthly but in trenches as per approved transfer schedule.

Other revenue

Other revenue includes amounts for tender fees, skills development levy refund and any other revenue the Municipality may be entitled to receive such as sale of consumables. The year-to-date actual is **R1.8 million** which is **126%** of the approved adjusted budget. The **R1.8 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R1.2 million**. A variance of **R607 thousand** or **47%** is observed.

Reasons for variances can be attributed to high quantity of sale of tender documents.

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		263 669	268 152	270 158	23 169	250 700	247 411	3 290	1%	270 158
Remuneration of councillors		8 616	8 771	9 021	770	8 548	8 240	308	4%	9 021
Debt impairment		20 001	14 000	14 000	-	-	12 833	(12 833)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	8 042	88 052	73 334	14 718	20%	80 000
Finance charges		399	-	88	-	173	77	96	125%	88
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		22 023	33 320	29 928	23 524	26 777	27 767	(990)	-4%	29 928
Contracted services		318 040	106 388	179 651	10 914	206 786	157 113	49 673	32%	179 651
Transfers and subsidies		11 295	3 070	5 055	-	3 555	4 289	(734)	-17%	5 055
Other expenditure		131 178	112 460	115 217	11 131	138 064	104 656	33 408	32%	115 217
Losses		2 627	-	-	-	-	-	-	-	-
Total Expenditure		878 966	626 161	703 118	77 550	722 655	635 719	86 935	14%	703 118

The year-to-date actual indicates spending of **R722.6 million** for **eleven months**, which is **104%** of the approved adjusted operating expenditure budget. The **R722.5 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R635.7 million**, a variance of **R86.9 million** or **14%** is observed. This is the indication that the municipality is overspending on the approved adjustment budget.

Employee Related Costs

Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is **R250.7 million** which is **93%** of the approved adjusted budget. the **R250.7 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R247.4 million**. A variance of **R3.2 million** or **1%** is observed.

The variance is below 5% and not major.

Remuneration of Councillors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R8.5 million** which is **95%** of the approved adjusted budget. the **R8.5 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R8.2 million**. A variance of **R308 thousand** or **4%** is observed.

The variance is below 5% and not major.

Debt impairment

Debt impairment is the amount for provision for non-collection as per council policy. Provision for non-collection assessment and calculation is done at year end. National treasuries recommend that the assessment and calculations be done monthly.

Municipality calculate debt impairment once 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 **R88 million** which is **110%** of the approved adjusted budget. the **R88 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R73.3 million**. A variance of **R14.7 million** or **20%** is observed. Reasons for variances can be attributed to depreciation being under budgeted.

Finance charges

Finance charges are amounts for interest paid on overdue accounts. The year-to-date actual is **R173 thousand** which is **197%** of the approved adjusted budget. the **R173 thousand** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R77 thousand**. A variance of **R99 thousand** or **125%** is observed.

Bulk purchases – electricity

The Municipality does not incur bulk purchases electricity since the Municipality does not sell electricity. The purchase of electricity is under section other expenditure below.

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is **R26.7 million** which is **89%** of the approved adjusted budget. the **R26.7 million** year to date actual is **below** the **eleven** months baseline projection or year-to-date budget of **R27.7 million**. A variance of **R990 thousand** or **4%** is observed.

The variance is below 5% and not major.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R206.7 million** which is **115%** of the approved adjusted budget. the **R206.7 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R157.1 million**. A variance of **R49.6 million** or **32%** is observed.

Reasons for variances can be attributed to under budgeting of contracted services and SLA commitments not reconciling with what is available on the budget.

Transfers and subsidies paid.

Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives. The year-to-date actual is **R3.5 million** which is **74%** of the approved adjusted budget. The **R3.5 million** year to date actual is a little **below** the **eleven** months baseline projection or year-to-date budget of **R4.2 million**. A variance of **R734 thousand** or **17%** is observed.

Reasons for variances can be attributed to the nature of this expenditure item, this expenditure item is incurred as and when needed and cannot be benchmarked on a straight-line method.

Other expenditure

Other expenditure is all other expenditure not classified above. The year-to-date actual is **R138 million** which is **120%** of the approved adjusted budget. the **R138 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R104.6million**. A variance of **R33.4 million** or **32%** is observed.

It is imperative that the municipality monitor closely this expenditure item and implement strategies to reduce costs. Other expenditure includes expenses such as ESKOM, fuel, municipal services, Subsistence and travelling, audit fess, etc.

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	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 000	1 200 000	733 710	1 100 000	-366 290	-33%	61%
EPWP Incentive	8 517 000	8 517 000	8 517 000	7 807 250	709 750	9%	100%
Art centre Subsidies (Indonsa Grant)	1 911 000	1 911 000	1 079 624	1 751 750	-672 126	-38%	56%
Aviation Strategy	500 000	500 000	-	458 333	-458 333	-100%	0%
Municipal Systems Improvement Grant (MSIG)	2 787 000	2 787 000	-	2 554 750	-2 554 750	-100%	0%
Rural Roads Asset Managemnt Systems Grant	-	25 000	17 113	22 917	-5 804	-25%	68%
National Skills Fund	-	43 103 900	39 390 150	39 511 908	-121 758	0%	91%
Electricity Distribution Industry Holding	-	1 080 000	362 000	990 000	-628 000	-63%	34%
Amafa Kazulu Grant	-	200 000	-	183 333	-183 333	-100%	0%
Water services Infrastructure Grant	-	6 000 000	4 768 352	5 500 000	-731 648	-13%	79%
Total Operating Grant Expenditure	14 915 000	14 915 000	10 330 334	59 880 242	-3 341 749	-3	69%

FMG **61%**, EPWP Incentive **100%**, Art center subsidies (Indonsa Grant) **56%**,RRAMS **68%**, National Skills Fund **91%**, Amafa akwaZulu Grant **0%**, Aviation Strategy **0%**, MSIG **0%**, WSIG **68%** and EDIH LGSETA Grant **34%**.

Summary of Revenue and Operational Expenditure Performance

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

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		38 486	68 000	40 947	2 464	37 076	40 691	(3 615)	-9%	40 947
Service charges - sanitation revenue		12 513	12 500	15 306	997	13 555	13 703	(147)	-1%	15 306
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	209	17	191	189	3	1%	209
Interest earned - external investments		3 705	6 000	3 000	1 257	4 094	3 100	994	32%	3 000
Interest earned - outstanding debtors		288	85	200	31	224	170	54	32%	200
Dividends received								-		
Fines, penalties and forfeits		209	150	58	22	120	64	56	88%	58
Licences and permits		-	-	73	6	59	58	1	2%	73
Agency services								-		
Transfers and subsidies		537 979	601 306	645 690	239	635 440	586 704	48 735	8%	645 690
Other revenue		1 085	711	1 501	613	1 891	1 284	607	47%	1 501
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		594 501	688 935	706 984	5 647	692 651	645 962	46 689	7%	706 984
Expenditure By Type										
Employee related costs		263 669	268 152	270 158	23 169	250 700	247 411	3 290	1%	270 158
Remuneration of councillors		8 616	8 771	9 021	770	8 548	8 240	308	4%	9 021
Debt impairment		20 001	14 000	14 000	-	-	12 833	(12 833)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	8 042	88 052	73 334	14 718	20%	80 000
Finance charges		399	-	88	-	173	77	96	125%	88
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		22 023	33 320	29 928	23 524	26 777	27 767	(990)	-4%	29 928
Contracted services		318 040	106 388	179 651	10 914	206 786	157 113	49 673	32%	179 651
Transfers and subsidies		11 295	3 070	5 055	-	3 555	4 289	(734)	-17%	5 055
Other expenditure		131 178	112 460	115 217	11 131	138 064	104 656	33 408	32%	115 217
Losses		2 627	-	-	-	-	-	-		-
Total Expenditure		878 966	626 161	703 118	77 550	722 655	635 719	86 935	14%	703 118
Surplus/(Deficit)		(284 466)	62 774	3 866	(71 903)	(30 003)	10 243	(40 247)	(0)	3 866
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		611 248	372 306	611 948	158 111	455 499	532 994	(77 495)	(0)	611 948
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)		24 307	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		351 089	435 080	615 814	86 209	425 495	543 237			615 814
Taxation								-		
Surplus/(Deficit) after taxation		351 089	435 080	615 814	86 209	425 495	543 237			615 814
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		351 089	435 080	615 814	86 209	425 495	543 237			615 814
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		351 089	435 080	615 814	86 209	425 495	543 237			615 814

1.6. CAPITAL EXPENDITURE AND FUNDING

The Capital Expenditure Report reflected has been prepared based on the format required by National Treasury and is categorized by municipal vote. The capital expenditure is funded from Government Grants and internally Generated Funds

The summary report indicates the following: -

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	332 161 738	541 792 789	392 176 543	467 465 825	-75 289 282	-16%	72%
Total Capital Financing	332 161 738	541 792 789	392 176 543	467 465 825	-75 289 282	-16%	72%

The capital expenditure amounts to **R392.1 million** which is **72%** of the capital adjusted budget, after a period of **eleven months**.

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

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 01 - Council		6 594	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		3 746	3 261	3 341	341	468	3 059	(2 592)	-85%	3 341
Vote 03 - Finance		2 918	478	478	-	28	438	(410)	-94%	478
Vote 04 - Community Development		7 451	26	3 006	378	2 929	2 620	309	12%	3 006
Vote 05 - Planning & Wsa		464 144	327 657	526 672	126 892	388 440	460 656	(72 215)	-16%	526 672
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	348	577	19	311	509	(197)	-39%	577
Vote 08 - Water Distribution		-	391	191	-	-	184	(184)	-100%	191
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - ,		-	-	-	-	-	-	-	-	-
Vote 13 - ,		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266
Total Capital Expenditure		484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266
Capital Expenditure - Functional Classification										
Governance and administration		13 258	3 652	3 732	341	496	3 418	(2 922)	-85%	3 732
Executive and council		6 594	-	-	-	-	-	-	-	-
Finance and administration		6 664	3 652	3 732	341	496	3 418	(2 922)	-85%	3 732
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		485	70	1 277	-	1 203	1 132	71	6%	1 277
Community and social services		485	70	1 277	-	1 203	1 132	71	6%	1 277
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6 965	6 112	7 860	873	5 858	7 108	(1 250)	-18%	7 860
Planning and development		6 965	6 112	7 860	873	5 858	7 108	(1 250)	-18%	7 860
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		464 144	322 284	521 353	126 415	384 619	455 767	(71 148)	-16%	521 353
Energy sources		-	-	-	-	-	-	-	-	-
Water management		464 144	322 284	521 353	126 415	384 619	455 767	(71 148)	-16%	521 353
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	43	43	-	-	40	(40)	-100%	43
Total Capital Expenditure - Functional Classification	3	484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266
Funded by:										
National Government		464 144	323 744	520 150	125 792	383 434	454 982	(71 548)	-16%	520 150
Provincial Government		7 451	26	4 066	1 179	2 797	3 377	(580)	-17%	4 066
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		471 595	323 770	524 217	126 971	386 231	458 359	(72 128)	-16%	524 217
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		13 258	8 391	10 049	658	5 946	9 107	(3 161)	-35%	10 049
Total Capital Funding		484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266

Governance and administration

Governance and administration year-to-date actual is **R496 thousand** which is **15%** of the adjusted budget. the **R496 thousand** year to date actual is **below** the **eleven** months baseline projection or year-to-date budget of **R3.4 million**. A variance of **R2.9 million** or **85%** is observed.

Community and public safety

Community and public safety year-to-date actual is **R1.2 million** which is **94%** of the adjusted budget. the **R1.2 million** year to date actual is **above** the **eleven** months baseline projection or year-to-date budget of **R1.1 million**. A variance of **R71 thousand** or **6%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R5.8 million** which is **75%** of the adjusted budget. the **R5.8 million** year to date actual is **below** the **eleven** months baseline projection or year-to-date budget of **R7.1 million**. A variance of **R1.2 million** or **18%** is observed.

There is slow movement in RRAMS expenditure.

Trading services

Trading services year-to-date actual is **R384.6 million** which is **74%** of the adjusted budget. the **R384.6 million** year to date actual is **below** the **ten** months baseline projection or year-to-date budget of **R455.7 million**. A variance of **R71.1 million** or **16%** is observed.

This includes expenditure of all capital grants which is 72%.

Other

Other year-to-date actual is **R0** which is **0%** of the adjusted budget. the **R0** year to date actual is **below** the **ten** months baseline projection or year-to-date budget of **R40 thousand**. A variance of **R40 thousand** or **100%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %
Municipal Infrastructure Grant (MIG)	225 678 261	225 678 261	139 660 111	188 065 218	-48 405 106.58	-26%
Regional Bulk Infrastructure (RBIG)	13 258 261	217 606 087	66 457 580	181 338 406	-114 880 825.77	-63%
Water services infrastructure Grant (WSIG)	82 608 696	77 391 304	51 524 545	64 492 754	-12 968 208.44	-20%
Rural Roads Asset Managemnt Systems Grant	2 199 130	2 174 130	-	1 811 775	-1 811 775.00	-100%
Kwamajomela Manufacturing Centre Grant	-	1 641 817	1 348 274	1 368 181	-19 906.44	-1%
Indonsa Grant	26 087	26 087	-	21 739	-21 739.17	-100%
TSUCM_COGTA Boreholes		2 550 000	269 108	2 125 000	-1 855 892.45	-87%
Other Assets	8 391 303	9 689 252	5 287 555	8 074 377	-2 786 821.76	-35%
Total Operating Expenditure	332 161 738	536 756 938	264 547 173	447 297 449	-182 750 276	-433%

No expenditure on RRAMS, Indonsa to date.

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	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	259 530 000	259 530 000	202 841 867	237 902 500	-35 060 633	-15%	78%
Regional Bulk Infrastructure (RBIG)	15 247 000	250 247 000	165 410 674	229 393 083	-63 982 409	-28%	66%
Water services infrastructure Grant (WSIG)	95 000 000	89 000 000	78 747 744	81 583 333	-2 835 590	-3%	88%
Rural Roads Asset Managemnt Systems Grant	2 529 000	2 504 000	569 193	2 295 333	-1 726 141	-75%	23%
Kwamajomela Manufacturing Centre Grant	1 641 817	1 641 817	1 641 817	1 504 999	136 818	9%	100%
Indonsa Grant	30 000	30 000	-	27 500	-27 500	-100%	0%
TSUCM COGTA Boreholes	-	3 000 000	1 554 104	2 750 000	-1 195 896	-43%	52%
Total Capital Grant Expenditure	373 977 817	605 952 817	450 765 398	555 456 749	-104 691 351	-19%	74%

Overall capital grant expenditure is sitting at **72%** of the approved adjusted capital budget, **MIG** is sitting at **78%**, **RBIG** at **66%**, **WSIG** at **88%**, **RAMS** at **23%**, **KwaMajomela Manufacturing Centre** at **100%** and **Indonsa Art Centre** at **0%** and **COGTA Boreholes Intervention** is **52%**.

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 **2022/2023** 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.

MBRR Table C1 – Monthly Budget Statement Summary

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	50 999	80 500	56 253	3 461	50 632	54 394	(3 762)	-7%	56 253
Investment revenue	3 705	6 000	3 000	1 257	4 094	3 100	994	32%	3 000
Transfers and subsidies	537 979	601 306	645 690	239	635 440	586 704	48 735	8%	645 690
Other own revenue	1 817	1 129	2 041	690	2 486	1 764	722	41%	2 041
Total Revenue (excluding capital transfers and contributions)	594 501	688 935	706 984	5 647	692 651	645 962	46 689	7%	706 984
Employee costs	263 669	268 152	270 158	23 169	250 700	247 411	3 290	1%	270 158
Remuneration of Councillors	8 616	8 771	9 021	770	8 548	8 240	308	4%	9 021
Depreciation & asset impairment	101 119	80 000	80 000	8 042	88 052	73 334	14 718	20%	80 000
Finance charges	399	–	88	–	173	77	96	125%	88
Inventory consumed and bulk purchases	22 023	33 320	29 928	23 524	26 777	27 767	(990)	-4%	29 928
Transfers and subsidies	11 295	3 070	5 027	–	3 555	4 289	(734)	-17%	5 027
Other expenditure	471 845	232 848	308 895	22 044	344 850	274 602	70 248	26%	308 895
Total Expenditure	878 966	626 161	703 118	77 550	722 655	635 719	86 935	14%	703 118
Surplus/(Deficit)	(284 466)	62 774	3 866	(71 903)	(30 003)	10 243	(40 247)	-393%	3 866
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	611 248	372 306	611 948	158 111	455 499	532 994	### ###	-15%	611 948
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind all)	24 307	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	351 089	435 080	615 814	86 209	425 495	543 237	(117 742)	-22%	615 814
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	351 089	435 080	615 814	86 209	425 495	543 237	(117 742)	-22%	615 814
Capital expenditure & funds sources									
Capital expenditure	484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266
Capital transfers recognised	471 595	323 770	524 217	126 971	386 231	458 359	(72 128)	-16%	524 217
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	13 258	8 391	10 049	658	5 946	9 107	(3 161)	-35%	10 049
Total sources of capital funds	484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266
Financial position									
Total current assets	137 483	338 914	293 376		215 639				293 376
Total non current assets	4 601 310	4 188 965	5 381 249		4 905 437				5 381 249
Total current liabilities	355 836	262 650	386 374		367 724				386 374
Total non current liabilities	42 112	33 904	43 932		41 810				43 932
Community wealth/Equity	4 378 271	3 834 563	4 666 623		4 716 770				4 666 623
Cash flows									
Net cash from (used) operating	466 705	587 963	815 257	85 683	1 243 680	747 319	(496 360)	-66%	815 257
Net cash from (used) investing	(484 853)	(332 162)	(541 793)	(127 629)	(392 177)	(496 643)	(104 467)	21%	(541 793)
Net cash from (used) financing	–	–	(902)	–	(863)	(827)	37	-4%	(902)
Cash/cash equivalents at the month/year end	1 910	328 477	293 031	–	871 108	270 318	(600 790)	-222%	293 031
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 827	3 824	4 782	4 091	2 746	3 639	16 450	158 119	202 478
Creditors Age Analysis									
Total Creditors	821	45	170	–	–	–	–	–	1 036

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		530 987	594 535	636 370	2 124	632 005	578 458	53 547	9%	636 370
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		530 987	594 535	636 370	2 124	632 005	578 458	53 547	9%	636 370
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		2 011	2 011	2 299	23	1 206	2 074	(867)	-42%	2 299
Community and social services		2 011	1 911	2 243	17	1 158	2 017	(859)	-43%	2 243
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	100	56	6	48	56	(8)	-14%	56
<i>Economic and environmental services</i>		9 606	5 316	6 958	660	2 176	6 186	(4 010)	-65%	6 958
Planning and development		9 606	5 316	6 958	660	2 176	6 186	(4 010)	-65%	6 958
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		686 941	458 879	672 805	160 950	512 752	591 780	(79 027)	-13%	672 805
Energy sources		-	-	-	-	-	-	-		-
Water management		674 336	446 379	657 441	159 946	499 140	578 030	(78 890)	-14%	657 441
Waste water management		12 605	12 500	15 364	1 004	13 612	13 749	(137)	-1%	15 364
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>	4	511	500	500	1	11	458	(448)	-98%	500
Total Revenue - Functional	2	1 230 055	1 061 241	1 318 931	163 758	1 148 150	1 178 956	(30 806)	-3%	1 318 931
Expenditure - Functional										
<i>Governance and administration</i>		255 470	225 404	281 117	19 768	263 524	252 565	10 958	4%	281 117
Executive and council		61 104	47 846	53 525	3 097	54 287	48 856	5 431	11%	53 525
Finance and administration		194 366	177 558	227 593	16 671	209 237	203 709	5 527	3%	227 593
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		24 796	25 580	26 769	1 986	23 397	24 497	(1 101)	-4%	26 769
Community and social services		13 211	13 202	14 436	978	12 128	13 174	(1 045)	-8%	14 436
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		11 586	12 378	12 333	1 008	11 268	11 324	(55)	0%	12 333
<i>Economic and environmental services</i>		24 502	23 962	24 940	1 987	17 461	22 676	(5 216)	-23%	24 940
Planning and development		24 502	23 962	24 940	1 987	17 461	22 676	(5 216)	-23%	24 940
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		566 315	337 266	357 389	52 984	410 097	324 075	86 022	27%	357 389
Energy sources		-	-	-	-	-	-	-		-
Water management		558 489	332 231	352 257	52 401	404 537	319 381	85 155	27%	352 257
Waste water management		7 826	5 035	5 133	583	5 561	4 694	867	18%	5 133
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>		7 882	13 948	12 901	824	8 176	11 905	(3 729)	-31%	12 901
Total Expenditure - Functional	3	878 966	626 161	703 118	77 550	722 655	635 719	86 935	14%	703 118
Surplus/ (Deficit) for the year		351 089	435 080	615 814	86 209	425 495	543 237	(117 742)	-22%	615 814

DC26 Zululand - Table C1 Monthly Budget Statement Summary - M10 April

Description	2021/22				Budget Year 2022/23				
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	50 999	80 500	56 253	4 261	47 171	52 535	(5 364)	-10%	56 253
Investment revenue	3 705	6 000	3 000	357	2 836	3 200	(364)	-11%	3 000
Transfers and subsidies	537 979	601 306	645 690	163	635 201	527 719	107 482	20%	645 690
Other own revenue	1 817	1 129	2 041	126	1 796	1 488	308	21%	2 041
Total Revenue (excluding capital transfers and contributions)	594 501	688 935	706 984	4 907	687 004	584 942	102 063	17%	706 984
Employee costs	263 669	268 152	270 152	22 269	227 532	224 661	2 870	1%	270 152
Remuneration of Councillors	8 616	8 771	9 021	752	7 777	7 459	318	4%	9 021
Depreciation & asset impairment	101 119	80 000	80 000	8 016	80 010	66 667	13 343	20%	80 000
Finance charges	399	-	88	52	173	66	107	163%	88
Inventory consumed and bulk purchases	22 023	33 320	30 772	153	3 253	25 586	(22 333)	-87%	30 772
Transfers and subsidies	11 295	3 070	4 817	-	3 555	3 523	32	1%	4 817
Other expenditure	471 845	232 848	308 205	33 187	322 806	240 356	82 450	34%	308 205
Total Expenditure	878 966	626 161	703 055	64 429	645 105	568 318	76 787	14%	703 055
Surplus/(Deficit)	(284 466)	62 774	3 929	(59 522)	41 899	16 623	25 276	152%	3 929
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	611 248	372 306	611 948	82 168	297 388	454 040	###	-35%	611 948
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)	24 307	-	-	-	-	-	###	-	-
Surplus/(Deficit) after capital transfers & contributions	351 089	435 080	615 877	22 646	339 287	470 663	(131 377)	-28%	615 877
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	351 089	435 080	615 877	22 646	339 287	470 663	(131 377)	-28%	615 877
Capital expenditure & funds sources									
Capital expenditure	484 853	332 162	534 266	70 518	264 547	400 666	(136 119)	-34%	534 266
Capital transfers recognised	471 595	323 770	524 217	70 510	259 260	392 501	(133 241)	-34%	524 217
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13 258	8 391	10 049	8	5 288	8 165	(2 878)	-35%	10 049
Total sources of capital funds	484 853	332 162	534 266	70 518	264 547	400 666	(136 119)	-34%	534 266
Financial position									
Total current assets	137 483	338 914	293 376	-	373 668	-	-	-	293 376
Total non current assets	4 601 310	4 188 965	5 381 249	-	4 785 850	-	-	-	5 381 249
Total current liabilities	355 836	224 332	348 056	-	460 645	-	-	-	348 056
Total non current liabilities	42 112	33 904	43 932	-	41 810	-	-	-	43 932
Community wealth/Equity	4 378 271	3 834 563	4 666 623	-	4 660 769	-	-	-	4 666 623
Cash flows									
Net cash from (used) operating	466 705	549 645	776 939	-	1 127 717	647 450	(480 267)	-74%	776 939
Net cash from (used) investing	(484 853)	(332 162)	(541 793)	-	(194 029)	(451 494)	(257 465)	57%	(541 793)
Net cash from (used) financing	-	-	(902)	-	(863)	(751)	112	-15%	(902)
Cash/cash equivalents at the month/year end	1 910	290 159	254 713	-	953 293	215 672	(737 620)	-342%	254 713
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Debtors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		448	850	45 034	319	40 087	36 126	3 961	11.0%	45 034
Vote 03 - Finance		530 539	594 185	591 836	1 805	591 928	542 790	49 138	9.1%	591 836
Vote 04 - Community Development		10 481	2 011	3 941	114	2 796	3 387	(591)	-17.5%	3 941
Vote 05 - Planning & Wsa		603 289	383 610	621 610	158 020	462 426	542 042	(79 616)	-14.7%	621 610
Vote 06 - Technical Services		9 612	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		63 082	68 085	41 147	2 495	37 300	40 861	(3 560)	-8.7%	41 147
Vote 09 - Waste Water		12 605	12 500	15 364	1 004	13 612	13 749	(137)	-1.0%	15 364
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - ,		-	-	-	-	-	-	-	-	-
Vote 13 - ,		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 230 055	1 061 241	1 318 931	163 758	1 148 150	1 178 956	(30 806)	-2.6%	1 318 931
Expenditure by Vote	1									
Vote 01 - Council		61 104	47 846	53 525	3 097	54 287	48 856	5 431	11.1%	53 525
Vote 02 - Corporate Services		124 394	98 375	143 885	12 460	150 528	127 430	23 099	18.1%	143 885
Vote 03 - Finance		70 809	79 473	85 413	4 079	51 769	77 652	(25 884)	-33.3%	85 413
Vote 04 - Community Development		43 410	49 413	49 605	3 722	47 636	45 431	2 205	4.9%	49 605
Vote 05 - Planning & Wsa		62 982	23 285	30 721	4 461	22 273	26 264	(3 990)	-15.2%	30 721
Vote 06 - Technical Services		29 532	5 992	6 135	677	7 716	5 614	2 102	37.4%	6 135
Vote 07 - Water Purification		48 620	36 762	37 479	4 321	47 492	34 272	13 220	38.6%	37 479
Vote 08 - Water Distribution		430 289	279 979	291 223	44 149	335 392	265 507	69 885	26.3%	291 223
Vote 09 - Waste Water		7 826	5 035	5 133	583	5 561	4 694	867	18.5%	5 133
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - ,		-	-	-	-	-	-	-	-	-
Vote 13 - ,		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	878 966	626 161	703 118	77 550	722 655	635 719	86 935	13.7%	703 118
Surplus/ (Deficit) for the year	2	351 089	435 080	615 814	86 209	425 495	543 237	(117 742)	-21.7%	615 814

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 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		38 486	68 000	40 947	2 464	37 076	40 691	(3 615)	-9%	40 947
Service charges - sanitation revenue		12 513	12 500	15 306	997	13 555	13 703	(147)	-1%	15 306
Service charges - refuse revenue										
Rental of facilities and equipment		195	183	209	17	191	189	3	1%	209
Interest earned - external investments		3 705	6 000	3 000	1 257	4 094	3 100	994	32%	3 000
Interest earned - outstanding debtors		288	85	200	31	224	170	54	32%	200
Dividends received										
Fines, penalties and forfeits		209	150	58	22	120	64	56	88%	58
Licences and permits		-	-	73	6	59	58	1	2%	73
Agency services										
Transfers and subsidies		537 979	601 306	645 690	239	635 440	586 704	48 735	8%	645 690
Other revenue		1 085	711	1 501	613	1 891	1 284	607	47%	1 501
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		594 501	688 935	706 984	5 647	692 651	645 962	46 689	7%	706 984
Expenditure By Type										
Employee related costs		263 669	268 152	270 158	23 169	250 700	247 411	3 290	1%	270 158
Remuneration of councillors		8 616	8 771	9 021	770	8 548	8 240	308	4%	9 021
Debt impairment		20 001	14 000	14 000	-	-	12 833	(12 833)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	8 042	88 052	73 334	14 718	20%	80 000
Finance charges		399	-	88	-	173	77	96	125%	88
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		22 023	33 320	29 928	23 524	26 777	27 767	(990)	-4%	29 928
Contracted services		318 040	106 388	179 651	10 914	206 786	157 113	49 673	32%	179 651
Transfers and subsidies		11 295	3 070	5 055	-	3 555	4 289	(734)	-17%	5 055
Other expenditure		131 178	112 460	115 217	11 131	138 064	104 656	33 408	32%	115 217
Losses		2 627	-	-	-	-	-	-		-
Total Expenditure		878 966	626 161	703 118	77 550	722 655	635 719	86 935	14%	703 118
Surplus/(Deficit)		(284 466)	62 774	3 866	(71 903)	(30 003)	10 243	(40 247)	(0)	3 866
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		611 248	372 306	611 948	158 111	455 499	532 994	(77 495)	(0)	611 948
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)		24 307	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		351 089	435 080	615 814	86 209	425 495	543 237			615 814
Taxation										
Surplus/(Deficit) after taxation		351 089	435 080	615 814	86 209	425 495	543 237			615 814
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		351 089	435 080	615 814	86 209	425 495	543 237			615 814
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		351 089	435 080	615 814	86 209	425 495	543 237			615 814

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	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expenditure appropriation	2									
Vote 01 - Council		6 594	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		3 746	3 261	3 341	341	468	3 059	(2 592)	-85%	3 341
Vote 03 - Finance		2 918	478	478	-	28	438	(410)	-94%	478
Vote 04 - Community Development		7 451	26	3 006	378	2 929	2 620	309	12%	3 006
Vote 05 - Planning & Wsa		464 144	327 657	526 672	126 892	388 440	460 656	(72 215)	-16%	526 672
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	348	577	19	311	509	(197)	-39%	577
Vote 08 - Water Distribution		-	391	191	-	-	184	(184)	-100%	191
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - ,		-	-	-	-	-	-	-	-	-
Vote 13 - ,		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266
Total Capital Expenditure		484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266
Capital Expenditure - Functional Classification										
Governance and administration		13 258	3 652	3 732	341	496	3 418	(2 922)	-85%	3 732
Executive and council		6 594	-	-	-	-	-	-	-	-
Finance and administration		6 664	3 652	3 732	341	496	3 418	(2 922)	-85%	3 732
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		485	70	1 277	-	1 203	1 132	71	6%	1 277
Community and social services		485	70	1 277	-	1 203	1 132	71	6%	1 277
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		6 965	6 112	7 860	873	5 858	7 108	(1 250)	-18%	7 860
Planning and development		6 965	6 112	7 860	873	5 858	7 108	(1 250)	-18%	7 860
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		464 144	322 284	521 353	126 415	384 619	455 767	(71 148)	-16%	521 353
Energy sources		-	-	-	-	-	-	-	-	-
Water management		464 144	322 284	521 353	126 415	384 619	455 767	(71 148)	-16%	521 353
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	43	43	-	-	40	(40)	-100%	43
Total Capital Expenditure - Functional Classification	3	484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266
Funded by:										
National Government		464 144	323 744	520 150	125 792	383 434	454 982	(71 548)	-16%	520 150
Provincial Government		7 451	26	4 066	1 179	2 797	3 377	(580)	-17%	4 066
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		471 595	323 770	524 217	126 971	386 231	458 359	(72 128)	-16%	524 217
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		13 258	8 391	10 049	658	5 946	9 107	(3 161)	-35%	10 049
Total Capital Funding		484 853	332 162	534 266	127 629	392 177	467 466	(75 289)	-16%	534 266

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	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		500 468	240 335	173 174	35 928	173 174
Call investment deposits		(480 000)	–	–	25 000	–
Consumer debtors		32 918	67 333	39 816	58 611	39 816
Other debtors		81 540	28 773	77 829	74 680	77 829
Current portion of long-term receivables		–	–	–	–	–
Inventory		2 556	2 473	2 556	21 421	2 556
Total current assets		137 483	338 914	293 376	215 639	293 376
Non current assets						
Long-term receivables		–	–	–	–	–
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		4 593 488	4 188 952	5 381 224	4 897 629	5 381 224
Biological						
Intangible		15	13	25	2	25
Other non-current assets		7 807	–	–	7 807	–
Total non current assets		4 601 310	4 188 965	5 381 249	4 905 437	5 381 249
TOTAL ASSETS		4 738 792	4 527 879	5 674 625	5 121 076	5 674 625
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		902	–	–	38	–
Consumer deposits		3 621	3 633	3 621	3 621	3 621
Trade and other payables		348 935	257 262	380 375	361 687	380 375
Provisions		2 378	1 755	2 378	2 378	2 378
Total current liabilities		355 836	262 650	386 374	367 724	386 374
Non current liabilities						
Borrowing		1 092	–	1 092	1 092	1 092
Provisions		41 020	33 904	42 840	40 718	42 840
Total non current liabilities		42 112	33 904	43 932	41 810	43 932
TOTAL LIABILITIES		397 948	296 554	430 306	409 534	430 306
NET ASSETS	2	4 340 844	4 231 325	5 244 320	4 711 543	5 244 320
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		4 378 271	3 834 563	4 666 623	4 716 770	4 666 623
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	4 378 271	3 834 563	4 666 623	4 716 770	4 666 623

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 Councilors 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 May 2023 indicate bank balance of **R35.9 million**

Call Investments Deposits

Call investments as at 31 May 2023 is **R25 million**.

Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R58.6 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R202.4 million**. Consumer debtors amount to **R197.2 million** and the balance of **R5.2 million** is for shared services casted in Other Debtors.

Gross Consumer debtors	R197.2 million
Less Impairment	(R138.6 million)
Net Consumer Debtors	R58.6 million

Classification of Consumer Debtors per Service type

Water Debtors	R48.3 million
Sanitation Debtors	R10 million
Property Rentals Debtors	R102.7 thousand
Other Consumer debtors	R29.5 thousand
Total	R58.6 million

➤ **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R48.3 million**.
Water debtors are amounts owed by consumers for water services billed.

Gross Water Debtors	R154.2 million
Less Impairment	(105.8 million)
Net Water Debtors	R48.3 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R10 million**.
Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R42.7 million
Less Impairment	(R32.7 million)
Net Sanitation Debtors	R10 million

➤ **Property Rentals Debtors**

These are debtors accumulated from property rentals amounts to **R79.7 thousand**

Property Rental	R102.7 thousand
Less Impairment	(R0 thousand)
Net Property rental	R102.7 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R26.3 thousand**, these are sundry debtors.

Gross Other Debtors	R29.5 thousand
Less Impairment	(R0)
Net Other Debtors	R29.5 thousand

Classification of Consumer Debtors per Customer group

Households	R167.5 million
Commercial/Businesses	R 13.7 million
Organs of State (excl shared services of R5.2 mill)	R 15.9 million
Total	R194.4 million

Only household consumer debtors are impaired as per council policy. The breakdown is as per below:

Gross Households debtors	R167.5 million
Less Impairment	(R138.6 million)
Net Household debtors	R31.9 million

Other debtors

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R74.6 million**.

VAT Receivable	R47.6 million
Deposits Made	R16.7 million
Refunds & under/over banking	R7.3 million
Overpayments/Accrued Income/UIFW Expenditure	R2.2 million
Prepaid Expenses	R564 thousand
Insurance claims	R15.1 thousand
Salary advance	R68 thousand
Total	R74.6 million

➤ **VAT Receivable**

VAT Receivable amount to **R47.6 million**, this is the amount raised when input VAT is recognized less output VAT collected as per VAT reconciliation.

➤ **Deposits Made**

Deposits made amount to **R16.7 million**, this amount include Eskom deposits, Federal Air Deposits and Stowell Deposits.

Eskom Deposits	R16.3 million
Stowell Deposit	R200 thousand
Vryheid office	R2 thousand
Andrew Miller & Associates	R200 thousand

Eskom deposits are amounts held by Eskom as security for all accounts the Municipality has with Eskom. Security deposits are paid when the Municipality opens a new electricity account Stowell Deposit is the amount paid as a security deposit when Stowell was first contracted, and the deposit for office space rented in Vryheid.

Andrew Miller & Associates is the amount paid as a security deposit when they were first contracted.

➤ **Refunds & under/over banking**

Refunds & under/over banking amount to **R7.3 million**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

Shared services debtors	R5.3 million
Under/over banking	R2 million

Shared services debtors are debtors for the five local municipalities under the district, The District Municipality pays for the shared service on behalf of the Local municipalities, then recover these monies from the respective municipalities. Under/over banking is the unidentified debit orders pending their finalization.

➤ **Overpayments/Accrued Income/UIFW Expenditure**

Overpayments/Accrued Income/UIFW Expenditure amount to **R2.2 million**, these are payments made by the Municipality to be recovered and income expected to be received by the Municipality.

Overpayments	R906.9 thousand
Fruitless Expenditure to be recovered	R1.33 million.
Accrued Income – Asset Disposal	R36.9 thousand.

Overpayments include an amount of R4.7 million which has been provided for impairment because they are likely to be irrecoverable, those amounts are for Department of Water and sanitation amounting to R2.7 million, Amanzi Ichweba amounting to R1.4 million, BP Drakensburg amounting to R136.8 thousand, Tracker amounting to R134.2 thousand, World Focus amounting to R284.2 thousand. The balance for overpayments of R785.3 thousand is for Enduneni Constructors (R783 thousand), human resources (R116.8 thousand), Water purification – Ulundi (R4.7 thousand) and Lindani Catering (R1.9 thousand).

Fruitless expenditure to be recovered amounting to **R1.33 million** resulted from a claim of standing time due to consultant negligence.

Accrued Income – Asset Disposal is the amount of **R36.9 thousand** to be received from the actioner of assets disposed by the Municipality.

➤ **Prepaid Expense**

Prepaid Expense amounts to **R564 thousand**. Prepaid expense is made up of prepaid electricity.

➤ **Insurance Claims**

Insurance Claims amounts to **R15.1 thousand**. This amount consists of an outstanding claim.

➤ **Salary advance**

Salary advances amounts to **R68 thousand**. This amount consists of advanced employee costs.

Inventory

The current level of inventory is **R21.4 million**. Inventories include water stock and consumable stores.

NON-CURRENT ASSETS

Long term receivables

The Municipality does not have long term receivables as per MSCOA classification.

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment include current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R4.8 billion**.

Opening balance	R4.5 billion
Additions	R392.1 million
Depreciation	(R88 million)
Closing Balance	R4.8 billion

Intangible

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R4 thousand**.

Opening balance	R2 thousand
Additions	R 0
Depreciation	(R0)
Closing Balance	R2 thousand

Other non-current assets

Other non-current assets comprise of heritage assets of **R7.8 million**.

CURRENT LIABILITIES

Borrowings

This is the current portion of the finance lease agreement the Municipality entered into to procure laptops. The current balance owed amount to **R38.3 thousand**.

Opening balance	R901.7 thousand
Payment	(R863.4 thousand)
Closing Balance	R38.3 thousand

Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, the current balance is **R3.6 million**

Trade and other payables

Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R361.6 million**.

Trade Creditors	R10.5 million
Unspent Conditional Grants	R162.9 million
Retention	R55.7 million
Sessions	R2.1 million
Department of Water & Sanitation	R70.4 million
Output VAT	R12.6 million
Leave accrued	R19.07 million
Bonus	R5.4 million
Employee related cost	R347.8 thousand
Advance Payments	R2.8 million
Salary Suspense Accounts	R323 thousand
Other Suspense account	R27 thousand
Water tankers	R14.07 million
Other trade creditors	R63.9 thousand
Zanamanzi	R5.3 million
Fleet Suspense	R284 thousand
Closing Balance	R361.6 million

Current Provision

Current provisions amount to **R2.3 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)	R 405 thousand
Long service awards	R1.9 million

NON-CURRENT LIABILITIES

Borrowings

This is the long-term portion of the finance lease agreement the Municipality entered into to procure laptops amounting to **R1 million**.

The municipality is in lease contract with Business Connections (BCX), the contract is for the laptops that the municipality will use for the agreed period and will be handed over to the Municipality at the end of the contract.

The municipality is paying monthly installments to service the lease agreement.

Non-current Provisions

Non-current Provisions amounts to **R40.7 million**, this provision is for post-retirement benefit (Medical aid) and Long Service award.

Post Retirement benefit (Medical aid)	R27.1 million
Long Service award	R13.5 million

Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R4.7 billion**

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

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges		46 532	60 574	42 826	2 847	24 794	39 257	(14 463)	-37%	42 826
Other revenue		1 070 817	80 905	125 227	222 125	1 361 103	114 791	#####	1086%	125 227
Transfers and Subsidies - Operational		536 834	601 306	645 690	-	641 141	591 882	49 259	8%	645 690
Transfers and Subsidies - Capital		636 186	372 306	610 306	759	610 306	559 447	50 859	9%	610 306
Interest		3 705	6 000	5 000	109	1 309	4 583	(3 275)	-71%	5 000
Dividends								-		
Payments										
Suppliers and employees		(1 827 370)	(533 128)	(613 791)	(140 156)	(1 394 973)	(562 642)	832 332	-148%	(613 791)
Finance charges								-		
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		466 705	587 963	815 257	85 683	1 243 680	747 319	(496 360)	-66%	815 257
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(484 853)	(332 162)	(541 793)	(127 629)	(392 177)	(496 643)	(104 467)	21%	(541 793)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(484 853)	(332 162)	(541 793)	(127 629)	(392 177)	(496 643)	(104 467)	21%	(541 793)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	(902)	-	(863)	(827)	37	-4%	(902)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	(902)	-	(863)	(827)	37	-4%	(902)
NET INCREASE/ (DECREASE) IN CASH HELD		(18 148)	255 801	272 563	(41 946)	850 640	249 849			272 563
Cash/cash equivalents at beginning:		20 058	72 676	20 468	(180 300)	20 468	20 468			20 468
Cash/cash equivalents at month/year end:		1 910	328 477	293 031		871 108	270 318			293 031

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 are met.

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R42.8 million** on service charges, the estimated collection amount is based on the 65% collection rate. The collection rate is also based on previous years actual collection and initiatives the Municipality has taken to improve collection. The Municipality has collected **R24.7 million** to date. This is **58%** of budgeted collection and **49%** of year-to-date billing.

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 has replaced and installed new meters to ensure billing is accurate and not estimated.
- Municipality has adopted an indigent policy and is in a process to write off indigent households.
- The municipality has re visited the collection of flat rate strategy and decided to implement it next year.

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 in a process of developing an action plan to address these inefficiencies. Other revenue on table C4 is **R1.8 million**.

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 to date are **R641.1 million**. This amount includes FMG, Equitable share and EPWP which were received thus far under Transfers and subsidies – Operational.

Equitable share	R585.6 million
Finance Management Grant	R1.2 million
Expanded public works program	R8.5 million
Indonsa Grant	R1.9 million
Aviation Strategy	R500 thousand
Amafa research	R180 thousand
National Skills Fund	R43.1 million
Local Government Sector Education and Training Authority	R108 thousand

TOTAL

R641.1 million

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 to date, Transfers and subsidies Capital are **R610.3 million**. This amount includes RBIG, MIG, RRAMS, TSUCM_COGTA Boreholes and WSIG which were received thus far under Transfers and subsidies - Capital.

Municipal Infrastructure Grant	R 259.5 million
Regional Bulk Infrastructure Grant	R 250.2 million
Water services Infrastructure grant	R 95 million
Rural Road asset Management grant	R 2.5 million
COGTA Boreholes Grant	R 3 million
TOTAL	R610.3 million

Interest

Interest on investment is adjusted at **R3 million**, this estimate is based on the approved budget interest income, the interest includes interest on investments made and interest on bank balance. Year to date actual Interest is **R1.3 million**. Interest on investment revenue on table C4 is **R4 million**, the Municipality is in a process of developing an action plan to address these inefficiencies.

Payments - Suppliers and employees

The municipality is expecting to spend 100% of what has been budgeted on Table C4 and year-end creditors but excluding non-cash items such as depreciation and debt impairment.

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R392.1 million**, the capital expenditure is excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed. the Municipality is in a process of developing an action plan to address these inefficiencies.

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. Cash and cash equivalents to date is **R60.9 million**.

PART 2 – SUPPORTING DOCUMENTATION

2.1. DEBTORS ANALYSIS

Debtors age analysis as of 30 April 2023

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

Description	NT Code	Budget Year 2022/23										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			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	6 543	2 806	3 721	3 128	2 089	2 989	12 136	120 239	153 652	140 582	-	-	138 614
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	1 965	811	816	702	629	629	3 304	33 885	42 742	39 150	-	-	32 710
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	58	26	23	21	20	17	247	270	683	577	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	261	181	222	239	7	3	763	3 724	5 401	4 736	-	-	-
Total By Income Source	2000	8 827	3 824	4 782	4 091	2 746	3 639	16 450	158 119	202 478	185 045	-	-	171 324
2021/22 - totals only		10336947	5447650	4183342	7242989	2622141	2818794	22651014	120002171	175 305	155 337	0	-	115589151 1/2
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 550	894	1 037	810	357	786	3 710	11 093	21 238	16 757	-	-	-
Commercial	2300	1 427	499	491	379	403	364	1 414	8 743	13 719	11 302	-	-	-
Households	2400	4 851	2 431	3 253	2 902	1 986	2 489	11 326	138 283	167 522	156 987	-	-	138 614
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	8 827	3 824	4 782	4 091	2 746	3 639	16 450	158 119	202 478	185 045	-	-	138 614

Total debtors' amount to **R202.4 million**, which is an increase of **R4.2 million** from the closing balance of **R203.2 million** in previous month. The debtors over 90 days amount to **R183.9 million**. This is concerning and needs intervention since debtors above 60 days should be restricted in terms of the Municipality's credit control policy.

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 31 May 2023

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

Description	NT Code	Budget Year 2022/23									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		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	821	45	170	-	-	-	-	-	1 036	5 803	
Auditor General	0800										-	
Other	0900										-	
Total By Customer Type	1000	821	45	170	-	-	-	-	-	1 036	5 803	

2.3 INVESTMENT PORTFOLIO

Investments as at 31 May 2023

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

Investments by maturity	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
R thousands		Yrs/Months												
Municipality														
Zululand District Municipality-ABSA		24	Call account	Yes	Variable	0.08075	N/A	N/A	N/A	25 000	-	25 000	-	-
Zululand District Municipality-ABSA		30	Call account	Yes	Variable	0.079	N/A	N/A	N/A	-	414 750	-	175 000	175 000
Zululand District Municipality-ABSA		90	Investment tracke	Yes	Variable	0.0853	N/A	N/A	N/A	175 000	191 925	-	25 000	200 000
Zululand District Municipality-ABSA		90	Investment tracke	Yes	Variable	0.079	N/A	N/A	N/A	200 000	177 750	-	25 000	225 000
Zululand District Municipality-ABSA			Investment tracke	Yes	Variable	0.079	N/A	N/A	N/A	225 000	-	25 000	-	200 000
Zululand District Municipality-ABSA		90	Investment tracke	Yes	Variable	0.079	N/A	N/A	N/A	200 000	281 058	-	39 530	239 530
Zululand District Municipality-Nedbank		60	CIB Investment	Yes	Variable	0.083	N/A	N/A	N/A	239 530	124 500	-	25 000	264 530
Zululand District Municipality-Nedbank		32	CIB Investment	Yes	Variable	0.0823	N/A	N/A	N/A	264 530	65 840	-	25 000	289 530
Zululand District Municipality-Std Bank		62	Investment	Yes	Variable	0.08075	N/A	N/A	N/A	289 530	125 163	-	25 000	314 530
Zululand District Municipality-Std Bank		63	Investment	Yes	Variable	0.08075	N/A	N/A	N/A	289 530	228 926	-	45 000	334 530
Zululand District Municipality-ABSA		6	Call account	Yes	Variable	0.079	N/A	N/A	N/A	334 530	-	30 000	-	304 530
Zululand District Municipality-Nedbank		39	CIB Investment	Yes	Variable	0.0823	N/A	N/A	N/A	304 530	-	25 000	-	279 530
Zululand District Municipality-ABSA		44	Investment tracke	Yes	Variable	0.08075	N/A	N/A	N/A	279 530	-	50 000	-	229 530
Zululand District Municipality-ABSA		41	Call account	Yes	Variable	0.079	N/A	N/A	N/A	229 530	-	60 000	-	169 530
Zululand District Municipality-ABSA		48	Call account	Yes	Variable	0.079	N/A	N/A	N/A	169 530	-	35 000	-	134 530
Zululand District Municipality-ABSA		47	Investment tracke	Yes	Variable	0.079	N/A	N/A	N/A	134 530	-	39 530	-	95 000
Zululand District Municipality-Std Bank		76	Investment	Yes	Variable	0.08075	N/A	N/A	N/A	95 000	-	45 000	-	50 000
Zululand District Municipality-Nedbank		39	CIB Investment	Yes	Variable	0.0823	N/A	N/A	N/A	50 000	-	25 000	-	25 000
Municipality sub-total										229 530	-	-	-	25 000
Entities														
														-
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTERES	2									229 530	-	-	-	25 000

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	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:	1,2	535 457	598 895	598 895	70	594 818	548 987	45 831	8.3%	598 895
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		524 645	586 391	586 391	-	585 622	537 525	48 097	8.9%	586 391
Expanded Public Works Programme Integrated Grant		9 612	8 517	8 517	-	8 517	7 807	710	9.1%	8 517
Local Government Financial Management Grant		1 200	1 200	1 200	70	679	1 100	(421)	-38.3%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	2 787	2 787	-	-	2 555	(2 555)	-100.0%	2 787
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		2 522	2 411	2 611	17	1 080	2 370	(1 290)	-54.4%	2 611
Capacity Building and Other Grants		2 522	2 411	2 611	17	1 080	2 370	(1 290)	-54.4%	2 611
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	44 184	152	39 542	35 347	4 195	11.9%	44 184
Electricity Distribution Industry Holdings		-	-	1 080	152	152	864	(712)	-82.4%	1 080
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
National Skills Fund		-	-	43 104	-	39 390	34 483	4 907	14.2%	43 104
Unspecified		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	537 979	601 306	645 690	239	635 440	586 704	48 735	8.3%	645 690
Capital Transfers and Grants										
National Government:		603 289	372 306	607 306	156 775	452 355	529 280	(76 926)	-14.5%	607 306
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		269 111	259 530	259 530	43 489	202 842	237 903	(35 061)	-14.7%	259 530
Regional Bulk Infrastructure Grant		222 531	15 247	250 247	89 994	165 411	201 976	(36 566)	-18.1%	250 247
Rural Road Asset Management Systems Grant		1 647	2 529	2 529	569	586	2 318	(1 732)	-74.7%	2 529
Water Services Infrastructure Grant		110 000	95 000	95 000	22 722	83 516	87 083	(3 567)	-4.1%	95 000
Provincial Government:		32 266	-	4 642	1 336	3 144	3 713	(570)	-15.3%	4 642
Infrastructure Grant		32 266	-	4 642	1 336	3 144	3 713	(570)	-15.3%	4 642
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	635 555	372 306	611 948	158 111	455 499	532 994	(77 495)	-14.5%	611 948
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 173 534	973 612	1 257 638	158 350	1 090 938	1 119 698	(28 760)	-2.6%	1 257 638

Grants are received as per transfer schedule and have been received as such with the exception of MSIG which has not been received. Grants are recognized as revenue as when the condition is met.

Grant Expenditure

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		765 037	551 382	583 955	70 146	600 690	531 646	69 044	13.0%	583 955
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		674 775	541 665	566 273	66 364	575 392	517 419	57 973	11.2%	566 273
Expanded Public Works Programme Integrated Grant		24 299	8 517	8 541	1 333	20 523	7 826	12 697	162.2%	8 541
Local Government Financial Management Grant		1 200	1 200	1 200	53	613	1 100	(487)	-44.3%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		41 379	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		1 022	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		1 433	-	25	-	15	22	(7)	-33.0%	25
Water Services Infrastructure Grant		20 929	-	7 917	2 397	4 146	5 278	(1 132)	-21.4%	7 917
Provincial Government:		1 866	2 381	2 581	-	1 080	2 362	(1 283)	-54.3%	2 581
Capacity Building and Other Grants		1 866	2 381	2 581	-	1 080	2 362	(1 283)	-54.3%	2 581
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	44 184	-	39 542	35 347	4 195	11.9%	44 184
Electricity Distribution Industry Holdings		-	-	1 080	-	152	864	(712)	-82.4%	1 080
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
National Skills Fund		-	-	43 104	-	39 390	34 483	4 907	14.2%	43 104
Total operating expenditure of Transfers and Grants:		766 903	553 763	630 720	70 146	641 311	569 355	71 956	12.6%	630 720
Capital expenditure of Transfers and Grants										
National Government:		464 144	323 744	520 150	125 792	383 434	454 982	(71 548)	-15.7%	520 150
Municipal Infrastructure Grant		194 381	225 678	225 678	38 047	177 707	206 872	(29 165)	-14.1%	225 678
Regional Bulk Infrastructure Grant		194 437	13 258	217 606	69 764	136 222	175 670	(39 448)	-22.5%	217 606
Rural Road Asset Management Systems Grant		-	2 199	2 174	495	495	1 994	(1 499)	-75.2%	2 174
Water Services Infrastructure Grant		75 326	82 609	74 692	17 486	69 010	70 447	(1 436)	-2.0%	74 692
Provincial Government:		7 451	26	4 066	1 179	2 797	3 377	(580)	-17.2%	4 066
Infrastructure Grant		7 451	26	4 066	1 179	2 797	3 377	(580)	-17.2%	4 066
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		471 595	323 770	524 217	126 971	386 231	458 359	(72 128)	-15.7%	524 217
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 238 498	877 534	1 154 937	197 117	1 027 542	1 027 714	(172)	0.0%	1 154 937

EPWP has been exhausted.

MIG, WSIG and RRAMG are experiencing major variances against year-to-date budget.

RBIG Allocation was increased during the adjustment budget process.

Roll-overs Expenditure

The Municipality has one rolled over grant:

- KwaMajomela manufacturing grant

ROLLED OVER GRANTS FROM 2021/2022	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Kwamajomela Manuafacturing Centre Grant	1 641 817	1 641 817	1 641 817
Total Operating Grant Expenditure	1 641 817	1 641 817	1 641 817

The municipality has only KwaMajomela Manufacturing Centre Grant approved to be rolled over so far and expenditure amount above is inclusive of VAT as per **MFMA circular no. 58**.

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

Description	Ref	Budget Year 2022/23				
		Approved Rollover 2021/22	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Provincial Government:		1 642	-	1 406	(236)	-14.4%
Other Departments		1 642	-	1 406	(236)	-14.4%
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		1 642	-	1 406	(236)	-14.4%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		1 642	-	1 406	(236)	-14.4%

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	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		514	661	661	43	469	606	(138)	-23%	661
Medical Aid Contributions		44	-	-	5	48	-	48	#DIV/0!	-
Motr Vehicle Allowance		1 727	1 805	1 805	163	1 737	1 654	82	5%	1 805
Cellphone Allowance		649	653	653	58	629	598	31	5%	653
Housing Allowances		-	-	180	15	345	144	201	140%	180
Other benefits and allowances		5 682	5 652	5 722	487	5 320	5 237	83	2%	5 722
Sub Total - Councillors		8 616	8 771	9 021	770	8 548	8 240	308	4%	9 021
% increase	4		1.8%	4.7%						4.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 002	6 555	6 555	489	4 906	6 009	(1 103)	-18%	6 555
Pension and UIF Contributions		11	55	55	1	11	50	(39)	-78%	55
Medical Aid Contributions		48	57	57	-	1	53	(52)	-99%	57
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	403	-	403	#DIV/0!	-
Motr Vehicle Allowance		1 210	1 592	1 592	129	1 289	1 460	(171)	-12%	1 592
Cellphone Allowance		191	210	210	20	198	192	6	3%	210
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		203	225	225	23	271	207	64	31%	225
Payments in lieu of leave		354	-	-	-	185	-	185	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7 019	8 695	8 695	662	7 263	7 970	(707)	-9%	8 695
% increase	4		23.9%	23.9%						23.9%
Other Municipal Staff										
Basic Salaries and Wages		171 941	185 935	186 435	16 091	170 258	170 841	(583)	0%	186 435
Pension and UIF Contributions		22 997	25 886	25 886	2 104	22 770	23 729	(960)	-4%	25 886
Medical Aid Contributions		13 624	13 597	13 597	1 319	13 681	12 464	1 217	10%	13 597
Overtime		7 099	4 619	6 119	623	5 943	5 434	509	9%	6 119
Performance Bonus		11 678	12 786	12 786	634	10 602	11 721	(1 119)	-10%	12 786
Motr Vehicle Allowance		8 704	9 561	9 567	913	9 636	8 767	868	10%	9 567
Cellphone Allowance		663	670	670	66	712	614	98	16%	670
Housing Allowances		1 379	1 379	1 379	135	1 567	1 264	303	24%	1 379
Other benefits and allowances		8 505	524	524	363	3 345	481	2 864	596%	524
Payments in lieu of leave		3 223	-	-	130	1 853	-	1 853	#DIV/0!	-
Long service awards		2 506	-	1 500	86	1 900	1 200	700	58%	1 500
Post-retirement benefit obligations	2	3 775	4 500	3 000	-	-	2 925	(2 925)	-100%	3 000
Sub Total - Other Municipal Staff		256 095	259 457	261 464	22 464	242 266	239 440	2 826	1%	261 464
% increase	4		1.3%	2.1%						2.1%
Total Parent Municipality		271 731	276 923	279 179	23 896	258 076	255 651	2 426	1%	279 179

The municipality has no active entity

2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Service charges – Water revenue	9%	This is the amounts billed on customers for water used, the year-to-date actual is R37.07 million which is 91% of the approved adjusted budget. The R37.07 million year to date actual is below the eleven months baseline projection or year-to-date budget of R40.6 million. A variance of R3.6 million or 9% is observed.	
	Service charges – Sanitation revenue	1%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R13.5 million which is 99% of the approved adjusted budget. The R13.5 million year to date actual is below the eleven months baseline projection or year-to-date budget of R13.7 million. A variance of R147 thousand	
	Rent of facilities	1%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R191 thousand which is 92% of the approved adjusted budget. The R191 thousand year to date actual is above the eleven months baseline projection or year-to-date budget of R189 thousand. A variance of R3 thousand	
	Interest on investment	32%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R4 million which is 136% of the approved adjusted budget. The R4 million year to date actual is above the eleven months baseline projection or year-to-date budget of R3.1 million. A variance of R994 thousand	Reasons for variances can be attributed to interest rate change and the availability of cash to be invested.
	Interest earned - outstanding debtors	32%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R224 thousand which is 112% of the approved adjusted budget. The R224 thousand year to date actual is above the eleven months baseline projection or year-to-date budget of R170 thousand. A variance of R54 thousand or 32% is observed. Reasons for variances can be attributed to businesses non adherence to payment terms	The municipality must implement stringent measures to ensure businesses pay on time.
	Fines, penalties, and forfeits	88%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is R120 thousand which is 207% of the approved adjusted budget. The R120 thousand year to date actual is above the eleven months baseline projection or year-to-date budget of R64 thousand. A variance of R56 thousand or 88% is observed. Reasons for variances can be attributed to a negative indication that more consumers are illegally connected or a negative indication that some illegally connected consumers are not yet discovered.	Municipality must keep up the disconnection of illegal connections.
	Licences and Permits	2%	Licences and permits year-to-date actual is R59 thousand which is 82% of the approved adjusted budget. The R59 thousand year to date actual is above the eleven months baseline projection or year-to-date budget of R58 thousand. A variance of R1 thousand or 2% is observed.	
	Transfers and subsidies	8%	Transfers and subsidies year to date actual is R635.4 million which is 98% of the approved budget. The R635.2 million year to date actual is above the eleven months baseline projection or year-to-date budget of R586.7 million. A variance of R48.7 million or 8% is observed. All grants are received as per transfer schedule with the exception of Municipal systems improvement grant. Reasons for variances can be attributed to nature of transfers and subsidies which depend on the transfer schedule and cannot be benchmarked against the year-to-date budget.	Grants are not received monthly but in tranches as per approved transfer schedule.
	Other revenue	47%	Other revenue includes amounts for tender fees, skills development levy refund and any other revenue the Municipality may be entitled to receive such as sale of consumables. The year-to-date actual is R1.8 million which is 126% of the approved adjusted budget. The R1.8 million year to date actual is above the eleven months baseline projection or year-to-date budget of R1.2 million. A variance of R607 thousand or 47% is observed.	Reasons for variances can be attributed to high quantity of sale of tender documents.

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	Expenditure By Type			
	Employee Related Costs	1%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R250.7 million which is 93% of the approved adjusted budget. The R250.7 million year to date actual is above the eleven months baseline projection or year-to-date budget of R247.4 million. A variance of R3.2 million or 1% is observed.	
	Remuneration of Councillors	4%	Remuneration of Councillors are amounts paid for councillors allowances, service-related benefits and contributions. The year-to-date actual is R8.5 million which is 95% of the approved adjusted budget. The R8.5 million year to date actual is above the eleven months baseline projection or year-to-date budget of R8.2 million. A variance of R308 thousand or 4% is observed.	
	Debt impairment		Debt impairment is the amount for provision for non-collection as per council policy. Provision for non-collection assessment and calculation is done at year end. National treasuries recommend that the assessment and calculations be done monthly.	Municipality calculate debt impairment once at year end.
	Depreciation	20%	This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R88 million which is 110% of the approved adjusted budget. The R88 million year to date actual is above the eleven months baseline projection or year-to-date budget of R73.3 million. A variance of R14.7 million or 20% is observed. Reasons for variances can be attributed to depreciation being under budgeted.	
	Finance charges	125%	Finance charges are amounts for interest paid on overdue accounts. The year-to-date actual is R173 thousand which is 197% of the approved adjusted budget. The R173 thousand year to date actual is above the eleven months baseline projection or year-to-date budget of R77 thousand. A variance of R99 thousand or 125% is observed.	
	Bulk purchases – electricity		The Municipality does not incur bulk purchases electricity since the Municipality does not sell electricity. The purchase of electricity is under section other expenditure below.	
	Inventory Consumed	4%	Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is R26.7 million which is 89% of the approved adjusted budget. The R26.7 million year to date actual is below the eleven months baseline projection or year-to-date budget of R27.7 million. A variance of R990 thousand or 4% is observed.	
	Contracted services	32%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R206.7 million which is 115% of the approved adjusted budget. The R206.7 million year to date actual is above the eleven months baseline projection or year-to-date budget of R157.1 million. A variance of R49.6 million or 32% is observed	Reasons for variances can be attributed to under budgeting of contracted services and SLA commitments not reconciling with what is available on the budget
	Transfers and subsidies paid.	17%	Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives. The year-to-date actual is R3.5 million which is 74% of the approved adjusted budget. The R3.5 million year to date actual is a little below the eleven months baseline projection or year-to-date budget of R4.2 million. A variance of R734 thousand or 17% is observed.	Reasons for variances can be attributed to the nature of this expenditure item, this expenditure item is incurred as and when needed and cannot be benchmarked on a straight-line method.
	Other expenditure	32%	Other expenditure is all other expenditure not classified above. The year-to-date actual is R138 million which is 120% of the approved adjusted budget. The R138 million year to date actual is above the eleven months baseline projection or year-to-date budget of R104.6million. A variance of R33.4 million or 32% is observed.	It is imperative that the municipality monitor closely this expenditure item and implement strategies to reduce costs. Other expenditure includes expenses such as ESKOM, fuel, municipal services, Subsistence and travelling, audit fees, etc.

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	Capital Expenditure			
	Governance and administration	85%	Governance and administration year-to-date actual is R496 thousand which is 15% of the adjusted budget. The R496 thousand year to date actual is below the eleven months baseline projection or year-to-date budget of R3.4 million. A variance of R2.9 million or 85% is observed.	
	Community and public safety	6%	Community and public safety year-to-date actual is R1.2 million which is 94% of the adjusted budget. The R1.2 million year to date actual is above the eleven months baseline projection or year-to-date budget of R1.1 million. A variance of R71 thousand or 6% is observed.	
	Economic and environmental services	18%	Economic and environmental services year-to-date actual is R5.8 million which is 75% of the adjusted budget. The R5.8 million year to date actual is below the eleven months baseline projection or year-to-date budget of R7.1 million. A variance of R1.2 million or 18% is observed.	
	Trading services		Trading services year-to-date actual is R384.6 million which is 74% of the adjusted budget. The R384.6 million year to date actual is below the ten months baseline projection or year-to-date budget of R455.7 million. A variance of R71.1 million or 16% is observed.	
	Other		Other year-to-date actual is R0 which is 0% of the adjusted budget. The R0 year to date actual is below the ten months baseline projection or year-to-date budget of R40 thousand. A variance of R40 thousand or 100% is observed.	

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 active entities.

2.9 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

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

Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	40 404	27 680	27 680	5 503	5 503	27 680	22 178	80.1%	2%
August	40 404	27 680	27 680	14 273	19 776	55 360	35 585	64.3%	6%
September	40 404	27 680	27 683	32 995	52 771	83 044	30 273	36.5%	16%
October	40 404	27 680	27 910	27 335	80 106	110 954	30 847	27.8%	24%
November	40 404	27 680	27 984	18 645	98 752	138 938	40 186	28.9%	30%
December	40 404	27 680	28 079	46 356	145 107	167 017	21 909	13.1%	44%
January	40 404	27 680	28 081	7 250	152 357	195 098	42 741	21.9%	46%
February	40 404	27 680	69 339	13 944	166 301	264 437	98 136	37.1%	50%
March	40 404	27 680	69 429	27 728	194 029	333 866	139 837	41.9%	58%
April	40 404	27 680	66 800	70 518	264 547	400 666	136 119	34.0%	0
May	40 404	27 680	66 800	127 629	392 177	467 466	75 289	16.1%	0
June	40 404	27 680	66 800	-	-	534 266	-	-	-
Total Capital expenditure	484 853	332 162	534 266	392 177					

The actual capital expenditure is less than year-to-date budget.

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	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		464 144	327 657	526 672	126 892	388 440	460 656	72 215	15.7%	526 672
Roads Infrastructure		-	6 112	6 087	495	4 132	5 581	1 448	26.0%	6 087
Roads		-	6 112	6 087	495	4 132	5 581	1 448	26.0%	6 087
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		464 144	321 545	495 072	126 035	362 942	431 307	68 365	15.9%	495 072
Dams and Weirs										
Boreholes		8 702	-	62 032	8 184	38 860	52 724	13 864	26.3%	62 032
Reservoirs		-	-	13 304	-	8 662	14 628	5 966	40.8%	13 304
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		74 910	-	61 653	20 737	54 861	48 559	(6 301)	-13.0%	61 653
Bulk Mains		220 648	321 545	318 234	92 462	228 084	271 141	43 057	15.9%	318 234
Distribution		159 884	-	39 848	4 653	32 476	44 201	11 725	26.5%	39 848
Distribution Points		-	-	-	-	-	54	54	100.0%	-
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	25 513	362	21 366	23 768	2 402	10.1%	25 513
Pump Station										
Reticulation		-	-	25 513	362	21 366	23 768	2 402	10.1%	25 513
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										

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Community Assets		6 965	–	1 773	378	1 726	1 528	(198)	-13.0%	1 773
Community Facilities		6 965	–	1 773	378	1 726	1 528	(198)	-13.0%	1 773
Halls										
Centres		6 965	–	1 773	378	1 726	1 528	(198)	-13.0%	1 773
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Purts										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		6 594	–	–	–	–	–	–		–
Monuments										
Historic Buildings										
Works of Art		6 594	–	–	–	–	–	–		–
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property										
Unimproved Property										
Other assets		–	391	191	–	–	184	184	100.0%	191
Operational Buildings		–	391	191	–	–	184	184	100.0%	191
Municipal Offices		–	391	191	–	–	184	184	100.0%	191
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–		–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets										
Intangible Assets		–	–	30	–	–	20	20	100.0%	30
Servitudes										
Licences and Rights		–	–	30	–	–	20	20	100.0%	30
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		–	–	30	–	–	20	20	100.0%	30
Load Settlement Software Applications										
Unspecified										
Computer Equipment		6 572	2 609	2 609	–	26	2 391	2 365	98.9%	2 609
Computer Equipment		6 572	2 609	2 609	–	26	2 391	2 365	98.9%	2 609
Furniture and Office Equipment		92	1 043	1 483	360	761	1 278	517	40.4%	1 483
Furniture and Office Equipment		92	1 043	1 483	360	761	1 278	517	40.4%	1 483
Machinery and Equipment		485	461	1 508	–	1 223	1 410	187	13.2%	1 508
Machinery and Equipment		485	461	1 508	–	1 223	1 410	187	13.2%	1 508
Transport Assets		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Capital Expenditure on new assets	1	484 853	332 162	534 266	127 629	392 177	467 466	75 289	16.1%	534 266

2.10 OTHER SUPPORTING DOCUMENTS

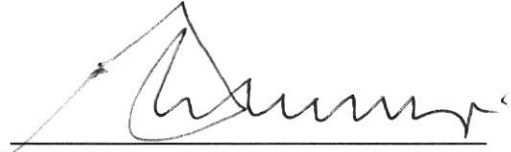
No other financial information outside of information contained in Schedule C is available

2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES

The Municipality does not have any entities.

2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

I, **R.N. Hlongwa**, 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.



R.N. Hlongwa
Municipal Manager
Zululand District Municipality (DC26)

Date: 2023/06/14