



INTERNAL MEMO

DATE : 13 FEBRUARY 2024
TO : THE HONOURABLE MAYOR
FROM : MUNICIPAL MANAGER
RE : MONTHLY BUDGET STATEMENT

Kindly find the attached monthly budget statement for your Review, in compliance with the S71 (1) of the Municipal Finance Management Act. The budget statement is for the period ending **31 January 2024**.

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully

N.S. MSIBI
Chief Financial Officer

R.N HLONGWA
Municipal Manager

"Service Delivery through Integrity"

ZULULAND DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 JANUARY 2024

MFMA S71 REPORT

2023/2024 FINANCIAL YEAR

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GLOSSARY

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

Allocations– money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

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

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 – IN-YEAR REPORT

1.1. MAYORS REPORT

To be attached

1.2. COUNCIL RESOLUTION

The Monthly budget statement 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	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Revenue By Source (Excluding Capital Transfers)	718 247 500	608 724 788	450 447 064	158 277 724	35%	85%
Total Operating Expenditure	722 102 135	517 769 166	456 183 100	61 586 066	14%	72%
Surplus/(Deficit)	-3 854 635	90 955 622	-5 736 036	96 691 658		

GRANTS RECIEPTS AND EXPENDITURE AS AT 31 JANUARY 2024	APPROVED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & APPROVED BUDGET	% SPENT
Municipal Infrastructure Grant (MIG)	271 683 000.00	224 000 000.00	137 558 361.82	134 124 638.18	51
Regional Bulk Infrastructure (RBIG)	430 905 000.00	320 800 000.00	262 659 527.89	168 245 472.11	61
Water services infrastructure Grant (WSIG)	100 000 000.00	80 000 000.00	72 140 900.25	27 859 099.75	72
Rural Roads Asset Managemnt Systems Grant	2 539 000.00	1 777 000.00	1 113 187.70	1 425 812.30	44
Aviation Strategy	2 000 000.00	2 000 000.00		2 000 000.00	-
Indonsa Grant	1 911 000.00	955 500.00	203 000.00	1 708 000.00	11
FMG	1 200 000.00	1 200 000.00	613 524.23	586 475.77	51
EPWP	7 077 000.00	4 954 000.00	7 077 000.00	-	100
NSF	-	77 642 405.73	77 541 950.00	100 455.73	100
LGSETA Waste Water Employyes		114 000.00		-	-
LGSETA MFMP		210 000.00	210 000.00	-	100
LGSETA-Fire and Rescue- Non Employees		642 614.00		-	-
LGSETA Waste Water-Non Employees		55 000.00	55 000.00	-	100
LGSETA-Fire and Rescue-Employees		110 000.00	110 000.00	-	100
AMAFA		180 000.00	198 000.00	-	110

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 January 2024** is **R608.7 million** which is **85%** of the approved operating revenue budget. The **R608.7 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R450.4 million**, a variance of **R158.2 million** or **35%** is observed.

Service Charges

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from exchange revenue is only **R43.2 million** which is **6%** of the total generated revenue.

The Municipality has budgeted to collect **R51.6 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 **R16.4 million** to date. This is **32%** of budgeted collection and **38%** of year-to-date billing.

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

Reasons for variances can be attributed to Transfers and subsidies which are moving at a pace faster than year to date budget because they cannot be bench marked because they are received as per transfer schedule.

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

Operating Expenditure Performance

Total Operating Expenditure as at **31 January 2024** is **R517.7 million** which is **72%** of the approved operating expenditure budget. The **R517.7 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R456.1 million**, a variance of **R61.5 million** or **14%** is observed.

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

Reasons for variances can be attributed to contracted services, employee related costs and operational costs which is moving at a faster pace than year -to -date budget; debt impairment which has no movement yet; depreciation and inventory consumed which are moving at a slower pace than year -to- date budget; transfers and subsidies is seasonal cannot benchmarked with year-to-date budget.

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	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Capital Expenditure	790 424 351	423 243 919	461 645 641	-38 401 722	-8%	54%
Total Capital Financing	790 424 351	423 243 919	461 645 641	-38 401 722	-8%	54%

Total Capital Expenditure as at **31 January 2024** is **R423.2 million** which is **54%** of the approved capital budget. The **R423.2 million** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R461.6 million**, a variance of **R38.4 million** or **8%** 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 Grants expenditure

Reasons for variances can be attributed to capital grants not being spent at similar pace as year-to-date budget. **MIG** is at **51%**, **RBIG** is at **63%**, **WSIG** is at **72%** **RRAMG** is at **44%**, **Art Centre Subsidies** is at **0%**.

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	YTD ACTUAL	%
Total current assets	480 491 843	328 910 676	68
Total non current assets	6 247 524 827	5 381 388 054	86
Total current liabilities	352 992 453	367 430 525	104
Total non current liabilities	128 340 000	144 688 738	113
TOTAL COMMUNITY WEALTH/ EQUITY	5 445 411 852	5 202 160 397	95.5%

The current assets year to date actual is **R328.9 million** which is **68%** of the approved budget. **Non - Current assets** year to date actual is **R5.3 billion** which is **86%** of the approved budget. **Current Liabilities** year to date actual is **R367.4 million** which is **104%** of the approved budget. **Non - Current Liabilities** year to date is **R144.6 million**, which is **113%** of the approved budget. **Accumulated surplus** year to date actual is **R5.2 billion** which is **95.5%** of the approved budget.

Current assets amount to **R328.9 million**, included in current assets is **cash investment of R220.5 million**.

Current liabilities amount to **R367.4 million**, this includes unspent conditional grants amounting to **R148.9 million**.

The Current ratio is 0.89:1 [**R328.9 million/R367.4 million**], which is below the current ratio norm of **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) - M07 January										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water		39 170	51 532	51 532	8 735	34 260	30 060	4 200	14%	51 532
Service charges - Waste Water Management		14 831	16 406	16 406	2 509	9 023	9 570	(547)	-6%	16 406
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 426	1 001	1 001	148	670	584	86	15%	1 001
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	521	56	458	304	154	51%	521
Interest from Current and Non Current Assets		7 433	3 000	3 000	1 311	5 468	1 750	3 718	212%	3 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	500	71	267	292	(24)	-8%	500
Licence and permits		88	60	60	6	57	35	22	64%	60
Operational Revenue		563	369	369	253	329	215	114	53%	369
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		910	1 000	1 000	3	204	583	(379)	-65%	1 000
Licence and permits								-		
Transfers and subsidies - Operational		658 830	643 859	722 833	30 973	557 734	407 054	150 680	37%	722 833
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 894	-	-	-	-	-	-		-
Other Gains		4 385	-	-	253	253	-	253	#DIV/0!	-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		730 785	718 248	797 222	44 320	608 725	450 447	158 278	35%	797 222

The year-to-date actual indicates operating revenue of **R608.7 million** for **seven months**, The **R608.7 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R450.4 million**, a variance of **R158.2 million** or **35%** is observed. The total revenue to-date represents **85%** of the operating revenue budget. Included in operating revenue is the 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:

Exchange Revenue

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R34.2 million** which is **66%** of the approved budget. the **R34.2 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R30.06 million**. A variance of **R4.2 million** or less than **14%** is observed.

The municipality need to keep up billing and install meters where and when needed. The municipality also need to adjust this line item in the adjustment budget

Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R9.02 million** which is **55%** of the approved budget. The **R9.02 million** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R9.5 million**. A variance of **R547 thousand** or **6%** is observed.

Reasons for variances can be attributed to businesses slow adherence to payment terms. The municipality need to restrict non-paying consumers from services and disconnect all illegal connections.

Sale of goods and rendering of service

This is the amount on sale of goods and rendering of services, the year-to-date actual is **R670 thousands** which is **67%** of the approved budget. the **R670 thousands** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R584 thousand**. A variance of **R86 thousand** or **15%** is observed.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is **R458 thousand** which is **88%** of the approved budget. The **R458 thousand** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R304 thousand**. A variance of **R154 thousand** or **51%** is observed.

Reasons for variances can be attributed to businesses' slow adherence to payment terms. The municipality must implement stringent measures to ensure businesses pay on time.

Interest from Current and Non-Current Assets

Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R5.4 million** which is **182%** of the approved budget. The **R5.4 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R1.7 million**. A variance of **R3.7 million** or **212%** is observed.

Reasons for variances can be attributed to the availability of cash to be invested to date. The municipality need to adjust this line item in the adjustment budget.

Rental from Fixed Assets

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R267 thousand** which is **53%** of the approved budget. the **R267 thousand** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R292 thousand**. A variance of **R24 thousand** or less than **8%** is observed.

Reasons for variances can be attributed to the fact that the municipality has limited space to rent. The municipality need to adjust this line item in the adjustment budget.

Licences and Permits

Licences and permits year-to-date actual is **R57 thousand** which is **96%** of the approved budget. the **R57 thousand** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R35 thousand**. A variance of **R22 thousand** or **64%** is observed.

Reasons for variances can be attributed to the retailers not adhering to health inspections regulations. The municipality need to adjust this line item in the adjustment budget.

Operational revenue

Operational revenue year-to-date actual is **R329 thousand** which is **89%** of the approved budget. the **R329 thousand** year to date actual is **below seven months** baseline projection or year-to-date budget of **R215 thousand**. A variance of **R114 thousand** or **53%** is observed.

The municipality need to adjust this line item in the adjustment budget.

Non-Exchange Revenue

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R204 thousand** which is **20%** of the approved budget. the **R204 thousand** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R583 thousand**. A variance of **R379 thousand** or **65%** is observed.

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

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2023; 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 **R557.7 million** which is **87%** of the approved budget. The **R557.7 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R407.05 million**. A variance of **R150.6 million** or **37%** is observed.

Reasons for variances can be attributed to the 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.

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2022/23	Budget Year 2023/24							
		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		286 176	290 728	290 728	25 185	174 998	169 593	5 405	3%	290 728
Remuneration of councillors		9 276	9 486	9 486	819	5 784	5 534	251	5%	9 486
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		51 978	42 130	43 715	476	4 361	25 848	(21 487)		43 715
Debt impairment		6 428	10 000	10 000	-	-	5 833	(5 833)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	8 514	41 694	52 500	(10 806)	-21%	90 000
Interest		553	1 000	1 000	-	208	583	(375)	-64%	1 000
Contracted services		364 771	128 719	214 477	26 997	175 831	110 921	64 910	59%	214 477
Transfers and subsidies		4 683	6 000	3 709	525	2 698	2 023	674	33%	3 709
Irrecoverable debts written off		2 192	-	-	-	28	-	28		-
Operational costs		163 288	144 039	137 745	14 878	112 166	83 348	28 819	35%	137 745
Losses on Disposal of Assets		679	-	-	-	-	-	-		-
Other Losses		309	-	-	-	-	-	-		-
Total Expenditure		990 582	722 102	800 860	77 393	517 769	456 183	61 586	14%	800 860

The year-to-date actual indicate spending of **R517.7 million** for **seven months**, which is **72%** of the approved operating expenditure budget. The **R517.7 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R456.1 million**, a variance of **R61.5 million** or **14%** is observed.

Employee Related Costs

Employee-related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is **R174.9 million** which is **60%** of the approved budget.

The **R174.9 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R174.9 million**. A variance of **R5.4 million** or **3%** is observed.

Variance is less than 5%

The municipality will make sure that the salary bill is kept within the limits of the monthly projections.

Remuneration of Councillors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits, and contributions. The year-to-date actual is **R5.7 million** which is **61%** of the approved budget. The **R5.7 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R5.5 million**. A variance of **R251 thousand** or **5%** is observed.

Variance is less than 5%

The municipality will make sure that the salary bill is kept within the limits of the monthly projections.

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 **R4.3 million** which is **10%** of the approved budget. the **R4.3 million** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R25.8 million**. A variance of **R21.4 million** or **83%** is observed.

Reasons for variances can be attributed to the store requisition books being in the process of capturing. The municipality need fast pace the capturing of requisition books to reflect correct amount of expenditure.

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.

Depreciation

This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is **R41.6 million** which is **46%** of the approved budget. The **R41.6 million** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R52.5 million**. A variance of **R10.8 million** or **21%** is observed.

The municipality need to budget using depreciation method stipulated in the policy.

Finance charges

Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is **R208 thousand** which is **21%** of the approved budget. The **R208 thousand** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R583 thousand**. A variance of **R375 thousand** or **64%** is observed.

Reasons for variances can be attributed to the early payment of the account during this period. Municipality need to keep up early payments to minimise this expenditure.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R175.8 million** which is **137%** of the approved budget. The **R175.8 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R110.9 million**. A variance of **R64.9 million** or **59%** is observed.

Reasons for variances can be attributed to unexpected or beyond control events which leads to contracted services. The municipality must review SLAs and try to minimise costs as low as possible in this line-item.

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 **R2.6 million** which is **45%** of the approved budget. The **R2.6 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R2.02 million**. A variance of **R674 thousand** or **33%** is observed.

Reasons for variances can be attributed to the fact that this line item is for seasonal expenditure. The municipality need to monitor this line item and adjust if need be.

Irrecoverable debt written off

Irrecoverable debt written off year-to-date actual is **R28 thousand** which is **0%** of the approved budget. the **R28 thousand** year to date actual cannot be benchmarked against year-to-date budget because it has no budget. A variance of **R28 thousand** or **0%** is observed.

Operational costs

Operational costs are all other expenditure not classified above. The year-to-date actual is **R112.1 million** which is **78%** of the approved budget. The **R112.1 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R83.3 million**. A variance of **R28.8 million** or **35%** is observed.

Reasons for variances can be attributed to the increase in the costs of running an organisation such as, Eskom, Wet fuel, hire charges and Management fees. The expenditure being monitored by the municipality to keep it within the budget.

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 000.00	613 524.23	700 000	-86 476	-12%	51%
National Skills Fund	77 642 405.73	77 541 950.00	45 291 403	32 250 547	71%	100%
EPWP Incentive	7 077 000.00	7 077 000.00	4 128 250	2 948 750	71%	100%
Art centre Subsidies (Indonsa Grant)	1 385 000.00	203 000.00	807 917	-604 917	-75%	15%
Aviation Strategy	2 000 000.00	-	1 166 667	-1 166 667	-100%	0%
LGWS SETA Grant- MFMP	210 000.00	210 000.00	122 500	87 500	71%	100%
LGWS SETA Grant-Watse Water employees	114 000.00	-	66 500	-	-	-
LGWS SETA Grant-Watse Water non-employees	55 000.00	55 000.00	32 083	22 917	71%	100%
LGWS SETA Grant-Fire & Rescue employees	110 000.00	110 000.00	64 167	45 833	71%	100%
LGWS SETA Grant-Fire & Rescue non employee	642 614.00	-	374 858	-374 858	-100%	0%
Amafa Kazulu Grant	200 000.00	198 000.00	100 000	98 000	98%	99%
Total Operating Grant Expenditure	90 636 019.73	86 008 474.23	52 854 344.84	-	-	0%

FMG **51%**, NSF **100%**, EPWP Incentive **100%**, Art center subsidies (Indonsa Grant) **15%**, Aviation Strategy **0%**, LGWS SETA: MFMP **100%**, LGWS SETA: Wastewater- Non employee **100%**, LGWS SETA: Fire and rescue Employee **100%**, LGWS SETA: Fire and rescue non-employee **0%** and Amafa **99%**.

Operating grant receipts to date are presented on section 1.7 in year budget tables, MBRR Table C7 Monthly Budget Statement Cash Flow Statement MBRR Table C7 - Monthly Budget Statement Cash Flow Statement.

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	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Capital Expenditure	790 424 351	423 243 919	461 645 641	-38 401 722	-8%	54%
Total Capital Financing	790 424 351	423 243 919	461 645 641	-38 401 722	-8%	54%

The capital expenditure amounts to **R423.2**, which is **54%** of the capital approved budget, after a period of **seven months**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	970	-	-	431	(431)	-100%	970
Vote 03 - Finance		-	250	250	-	-	146	(146)	-100%	250
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	250	1 220	-	-	577	(577)	-100%	1 220
Single Year expenditure appropriation	2									
Vote 01 - Council		173	-	170	-	7	59	(52)	-88%	170
Vote 02 - Corporate Services		833	2 250	2 320	-	661	1 387	(726)	-52%	2 320
Vote 03 - Finance		2 064	400	400	-	-	233	(233)	-100%	400
Vote 04 - Community Development		2 878	457	457	-	-	267	(267)	-100%	457
Vote 05 - Planning & Wsa		491 521	700 110	700 110	10 678	422 575	408 398	14 178	3%	700 110
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		474	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	50 725	(50 725)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	497 942	790 174	790 414	10 678	423 244	461 069	(37 825)	-8%	790 414
Total Capital Expenditure		497 942	790 424	791 634	10 678	423 244	461 646	(38 402)	-8%	791 634
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 140	-	669	1 825	(1 157)	-63%	3 140
Executive and council		173	-	170	-	7	59	(52)	-88%	170
Finance and administration		2 888	2 900	2 970	-	661	1 766	(1 105)	-63%	2 970
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 152	457	457	-	-	267	(267)	-100%	457
Community and social services		1 152	457	457	-	-	267	(267)	-100%	457
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 726	2 208	2 208	-	968	1 288	(320)	-25%	2 208
Planning and development		1 726	2 208	2 208	-	968	1 288	(320)	-25%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		491 995	784 859	784 859	10 678	421 607	457 835	(36 227)	-8%	784 859
Energy sources		-	-	-	-	-	-	-	-	-
Water management		491 995	784 859	784 859	10 678	421 607	457 835	(36 227)	-8%	784 859
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		9	-	970	-	-	431	(431)	-100%	970
Total Capital Expenditure - Functional Clas	3	497 942	790 424	791 634	10 678	423 244	461 646	(38 402)	-8%	791 634
Funded by:										
National Government		490 152	700 110	700 110	10 678	422 575	408 398	14 178	3%	700 110
Provincial Government		2 797	457	1 427	-	-	698	(698)	-100%	1 427
District Municipality (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		492 948	700 568	701 538	10 678	422 575	409 096	13 480	3%	701 538
Borrowing	6	191	86 957	86 957	-	-	50 725	(50 725)	-100%	86 957
Internally generated funds		4 803	2 900	3 140	-	669	1 825	(1 157)	-63%	3 140
Total Capital Funding		497 942	790 424	791 634	10 678	423 244	461 646	(38 402)	-8%	791 634

Governance and administration

Governance and administration year-to-date actual are **R669 thousand** which is **37%** of the approved budget. the **R669 thousand** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R1.8 million**. A variance of **R1.1 million** or **63%** is observed.

Community and public safety

Community and public safety year-to-date actual are **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R267 thousand**. A variance of **R267 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R968 thousand** which is **75%** of the approved budget. the **R968 thousand** year to date actual is above the **seven months** baseline projection or year-to-date budget of **R1.2 million**. A variance of **R136 thousand** or **12%** is observed.

Trading services

Trading services year-to-date actual is **R421.6 million** which is **54%** of the approved budget. the **R421.6 million** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R457.8 million**. A variance of **R36.2 million** or **8%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	236 246 089	120 221 255	137 810 219	-17 588 963.51	-13%	51%
Regional Bulk Infrastructure (RBIG)	374 700 000	238 224 546	218 575 000	19 649 545.89	9%	64%
Water services infrastructure Grant (WSIG)	86 956 523	63 161 629	50 724 638	12 436 990.18	25%	73%
Rural Roads Asset Managemnt Systems Grant	2 207 826	967 989	1 287 899	-319 909.20	-25%	45%
Borrowings (Backup Generator)	86 956 522	-	50 724 638	-50 724 637.83	-100%	0%
Art centre Subsisies (Indonsa Grant)	457 391	-	266 811	-266 811.42	-100%	0%
Other Assets	2 970 000	668 501	1 732 500	-1 063 999.42	-61%	7%
Total Operating Expenditure	790 494 351	423 243 919	461 121 705	-37 877 785	-8%	79%

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	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	271 683 000	137 558 362	158 481 750	-20 923 388	-13%	51%
Regional Bulk Infrastructure (RBIG)	430 905 000	272 448 688	251 361 250	21 087 438	8%	63%
Water services infrastructure Grant (WSIG)	100 000 000	72 140 900	58 333 333	13 807 567	24%	72%
Rural Roads Asset Managemnt Systems Grant	2 539 000	1 113 188	1 481 083	-367 896	-25%	44%
Indonsa Grant	526 000	-	306 833	-306 833	-100%	0%
Total Capital Grant Expenditure	805 653 000	483 261 138	469 964 250	13 296 888	3%	60%

Overall capital grant expenditure inclusive of VAT is sitting at **60%** of the approved capital budget, **MIG** is sitting at **51%**, **RBIG** at **63%**, **WSIG** at **72%**, **RAMS** at **44%** and **Indonsa Subsidy** at **0%**.

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 **2023/2024** 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.

DC26 Zululand - Table C1 Monthly Budget Statement Summary - M07 January

Description	2022/23	Budget Year 2023/24							
	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	54 001	67 938	67 938	11 245	43 284	39 630	3 653	9%	67 938
Investment revenue	7 433	-	-	-	-	-	-		-
Transfers and subsidies - Operational	7 433	3 000	3 000	1 311	5 468	1 750	3 718	212%	3 000
Other own revenue	661 917	647 310	726 284	31 765	559 973	409 067	150 906	37%	-
Total Revenue (excluding capital transfers and contributions)	730 785	718 248	797 222	44 320	608 725	450 447	158 278	35%	797 222
Employee costs	286 176	290 728	290 728	25 185	174 998	169 593	5 405		290 728
Remuneration of Councillors	9 276	9 486	9 486	819	5 784	5 534	251		9 486
Depreciation and amortisation	100 249	90 000	90 000	8 514	41 694	52 500	(10 806)		90 000
Interest	553	1 000	1 000	-	208	583	(375)		1 000
Inventory consumed and bulk purchases	51 978	42 130	43 715	476	4 361	25 848	(21 487)		43 715
Transfers and subsidies	4 683	6 000	3 709	525	2 698	2 023	674	33%	3 709
Other expenditure	537 668	282 758	362 222	41 875	288 025	200 102	87 923	44%	362 222
Total Expenditure	990 582	722 102	800 860	77 393	517 769	456 183	61 586	14%	800 860
Surplus/(Deficit)	(259 797)	(3 855)	(3 639)	(33 073)	90 956	(5 736)	96 692	-1686%	(3 639)
Transfers and subsidies - capital (monetary)	610 502	805 127	805 127	127 878	483 261	469 657	13 604	3%	805 127
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	350 705	801 272	801 488	94 805	574 217	463 921	110 295	24%	801 488
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	350 705	801 272	801 488	94 805	574 217	463 921	110 295	24%	801 488
Capital expenditure & funds sources									
Capital expenditure	497 942	790 424	791 634	10 678	423 244	461 646	(38 402)	-8%	791 634
Capital transfers recognised	492 948	700 568	701 538	10 678	422 575	409 096	13 480	3%	701 538
Borrowing	191	86 957	86 957	-	-	50 725	(50 725)	-100%	86 957
Internally generated funds	4 803	2 900	3 140	-	669	1 825	(1 157)	-63%	3 140
Total sources of capital funds	497 942	790 424	791 634	10 678	423 244	461 646	(38 402)	-8%	791 634
Financial position									
Total current assets	166 344	480 492	480 492		328 911				480 492
Total non current assets	4 999 838	6 247 525	6 248 735		5 381 388				6 248 735
Total current liabilities	500 466	352 992	352 992		367 431				352 992
Total non current liabilities	44 689	128 340	128 340		144 689				128 340
Community wealth/Equity	4 707 986	5 445 412	5 445 412		5 202 160				5 445 412
Cash flows									
Net cash from (used) operating	1 830 973	993 132	993 132	12 067	1 585 035	579 327	#####	-174%	993 132
Net cash from (used) investing	(496 168)	(789 967)	(789 967)	(10 678)	(423 244)	(460 814)	(37 570)	8%	(789 967)
Net cash from (used) financing	(1 091)	90 000	90 000	0	99 835	52 500	(47 335)	-90%	90 000
Cash/cash equivalents at the month/year end	1 354 182	466 282	466 282	-	1 289 053	344 130	(944 923)	-275%	320 591
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	13 706	5 670	5 246	4 116	3 450	3 624	19 052	171 560	226 424
Creditors Age Analysis									
Total Creditors	2 063	-	-	-	-	-	-	-	2 063

MBRR Table C1 – Monthly Budget Statement Summary

Table C1 is a summary of all budgeted financial statements such as: financial performance, financial position, cash flow, debtors age analysis and creditors age analysis.

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		665 320	637 831	716 605	32 690	559 231	403 437	155 794	39%	716 605
Executive and council	8	-	-	-	-	-	-	-	-	-
Finance and administration	665 312	637 831	716 605	32 690	559 231	403 437	155 794	39%	716 605	
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety		2 285	2 482	2 682	209	474	1 548	(1 073)	-69%	2 682
Community and social services	2 209	1 922	2 122	203	417	1 221	(804)	-66%	2 122	
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	76	560	560	6	57	327	(269)	-82%	560	
Economic and environmental services		4 171	2 539	2 539	118	1 231	1 481	(250)	-17%	2 539
Planning and development	4 171	2 539	2 539	118	1 231	1 481	(250)	-17%	2 539	
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services		668 995	878 523	878 523	139 182	531 018	512 472	18 546	4%	878 523
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	654 093	862 087	862 087	136 669	521 818	502 884	18 934	4%	862 087	
Waste water management	14 903	16 436	16 436	2 513	9 199	9 588	(388)	-4%	16 436	
Waste management	-	-	-	-	-	-	-	-	-	-
Other	4	516	2 000	2 000	-	32	1 167	(1 135)	-97%	2 000
Total Revenue - Functional	2	1 341 287	1 523 375	1 602 349	172 198	1 091 986	920 104	171 881	19%	1 602 349
Expenditure - Functional										
Governance and administration		329 433	256 489	323 551	24 100	243 075	181 114	61 961	34%	323 551
Executive and council	63 257	45 360	42 985	6 790	39 809	25 929	13 880	54%	42 985	
Finance and administration	266 177	176 201	245 633	12 911	174 861	134 805	40 056	30%	245 633	
Internal audit	-	34 928	34 933	4 399	28 405	20 380	8 025	39%	34 933	
Community and public safety		27 553	28 878	28 634	1 936	15 215	16 785	(1 570)	-9%	28 634
Community and social services	14 564	8 257	8 555	561	4 521	4 956	(435)	-9%	8 555	
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	5 887	5 887	595	4 250	3 434	816	24%	5 887	
Housing	-	-	-	-	-	-	-	-	-	-
Health	12 989	14 734	14 192	781	6 444	8 395	(1 951)	-23%	14 192	
Economic and environmental services		22 711	28 742	29 712	1 719	15 252	17 265	(2 013)	-12%	29 712
Planning and development	22 711	28 742	29 712	1 719	15 252	17 265	(2 013)	-12%	29 712	
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services		601 261	394 049	406 869	48 850	238 249	233 597	4 653	2%	406 869
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	602 876	386 071	398 891	48 087	233 241	228 943	4 298	2%	398 891	
Waste water management	(1 616)	7 978	7 978	763	5 008	4 654	354	8%	7 978	
Waste management	-	-	-	-	-	-	-	-	-	-
Other		9 624	13 944	12 094	788	5 978	7 423	(1 444)	-19%	12 094
Total Expenditure - Functional	3	990 582	722 102	800 860	77 393	517 769	456 183	61 586	14%	800 860
Surplus/ (Deficit) for the year		350 705	801 272	801 488	94 805	574 217	463 921	110 295	24%	801 488

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) - M07 January

Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		8	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		61 142	2 350	81 124	30 828	78 341	32 740	45 601	139.3%	81 124
Vote 03 - Finance		604 660	637 481	637 481	1 862	480 922	371 864	109 058	29.3%	637 481
Vote 04 - Community Development		3 953	2 482	2 682	209	474	1 548	(1 073)	-69.4%	2 682
Vote 05 - Planning & Wsa		617 377	812 204	812 204	127 996	488 333	473 786	14 547	3.1%	812 204
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		39 245	52 422	52 422	8 791	34 716	30 579	4 137	13.5%	52 422
Vote 09 - Waste Water		14 903	16 436	16 436	2 513	9 199	9 588	(388)	-4.0%	16 436
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 341 287	1 523 375	1 602 349	172 198	1 091 986	920 104	171 881	18.7%	1 602 349
Expenditure by Vote	1									
Vote 01 - Council		63 257	53 791	51 826	7 331	44 902	30 920	13 982	45.2%	51 826
Vote 02 - Corporate Services		188 332	149 411	215 520	11 191	164 631	118 169	46 462	39.3%	215 520
Vote 03 - Finance		71 138	61 343	60 385	4 193	31 307	35 392	(4 085)	-11.5%	60 385
Vote 04 - Community Development		55 021	50 380	53 389	5 069	32 877	30 486	2 391	7.8%	53 389
Vote 05 - Planning & Wsa		61 591	21 391	21 143	1 593	12 166	12 445	(279)	-2.2%	21 143
Vote 06 - Technical Services		9 306	10 202	10 396	439	1 487	6 076	(4 589)	-75.5%	10 396
Vote 07 - Water Purification		52 109	43 820	43 840	4 293	29 283	25 565	3 718	14.5%	43 840
Vote 08 - Water Distribution		491 444	323 787	336 383	42 521	196 108	192 476	3 632	1.9%	336 383
Vote 09 - Waste Water		(1 616)	7 978	7 978	763	5 008	4 654	354	7.6%	7 978
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	990 582	722 102	800 860	77 393	517 769	456 183	61 586	13.5%	800 860
Surplus/ (Deficit) for the year	2	350 705	801 272	801 488	94 805	574 217	463 921	110 295	23.8%	801 488

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) - M07 January

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water		39 170	51 532	51 532	8 735	34 260	30 060	4 200	14%	51 532
Service charges - Waste Water Management		14 831	16 406	16 406	2 509	9 023	9 570	(547)	-6%	16 406
Service charges - Waste management										
Sale of Goods and Rendering of Services		1 426	1 001	1 001	148	670	584	86	15%	1 001
Agency services										
Interest										
Interest earned from Receivables		75	521	521	56	458	304	154	51%	521
Interest from Current and Non Current Assets		7 433	3 000	3 000	1 311	5 468	1 750			3 000
Dividends										
Rent on Land										
Rental from Fixed Assets		181	500	500	71	267	292	(24)	-8%	500
Licence and permits		88	60	60	6	57	35	22	64%	60
Operational Revenue		563	369	369	253	329	215	114	53%	369
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits		910	1 000	1 000	3	204	583	(379)		1 000
Licence and permits										
Transfers and subsidies - Operational		658 830	643 859	722 833	30 973	557 734	407 054	150 680		722 833
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets		2 894								
Other Gains		4 385			253	253		253		
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		730 785	718 248	797 222	44 320	608 725	450 447	158 278	35%	797 222
Expenditure By Type										
Employee related costs		286 176	290 728	290 728	25 185	174 998	169 593	5 405	3%	290 728
Remuneration of councillors		9 276	9 486	9 486	819	5 784	5 534	251	5%	9 486
Bulk purchases - electricity										
Inventory consumed		51 978	42 130	43 715	476	4 361	25 848	(21 487)		43 715
Debt impairment		6 428	10 000	10 000			5 833	(5 833)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	8 514	41 694	52 500	(10 806)	-21%	90 000
Interest		553	1 000	1 000		208	583	(375)	-64%	1 000
Contracted services		364 771	128 719	214 477	26 997	175 831	110 921	64 910	59%	214 477
Transfers and subsidies		4 683	6 000	3 709	525	2 698	2 023	674	33%	3 709
Irrecoverable debts written off		2 192				28		28		
Operational costs		163 288	144 039	137 745	14 878	112 166	83 348	28 819	35%	137 745
Losses on Disposal of Assets		679								
Other Losses		309								
Total Expenditure		990 582	722 102	800 860	77 393	517 769	456 183	61 586	14%	800 860
Surplus/(Deficit)		(259 797)	(3 855)	(3 639)	(33 073)	90 956	(5 736)	96 692	(0)	(3 639)
Transfers and subsidies - capital (monetary allocations)		610 502	805 127	805 127	127 878	483 261	469 657	13 604	0	805 127
Transfers and subsidies - capital (in-kind)										
Surplus/(Deficit) after capital transfers & contributions		350 705	801 272	801 488	94 805	574 217	463 921			801 488
Income Tax										
Surplus/(Deficit) after income tax		350 705	801 272	801 488	94 805	574 217	463 921			801 488
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		350 705	801 272	801 488	94 805	574 217	463 921			801 488
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		350 705	801 272	801 488	94 805	574 217	463 921			801 488

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) - M07

Vote Description	Ref	2022/23	Budget Year 2023/24							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	970	-	-	431	(431)	-100%	970
Vote 03 - Finance		-	250	250	-	-	146	(146)	-100%	250
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	250	1 220	-	-	577	(577)	-100%	1 220
Single Year expenditure appropriation	2									
Vote 01 - Council		173	-	170	-	7	59	(52)	-88%	170
Vote 02 - Corporate Services		833	2 250	2 320	-	661	1 387	(726)	-52%	2 320
Vote 03 - Finance		2 064	400	400	-	-	233	(233)	-100%	400
Vote 04 - Community Development		2 878	457	457	-	-	267	(267)	-100%	457
Vote 05 - Planning & Wsa		491 521	700 110	700 110	10 678	422 575	408 398	14 178	3%	700 110
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		474	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	50 725	(50 725)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	497 942	790 174	790 414	10 678	423 244	461 069	(37 825)	-8%	790 414
Total Capital Expenditure		497 942	790 424	791 634	10 678	423 244	461 646	(38 402)	-8%	791 634
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 140	-	669	1 825	(1 157)	-63%	3 140
Executive and council		173	-	170	-	7	59	(52)	-88%	170
Finance and administration		2 888	2 900	2 970	-	661	1 766	(1 105)	-63%	2 970
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 152	457	457	-	-	267	(267)	-100%	457
Community and social services		1 152	457	457	-	-	267	(267)	-100%	457
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 726	2 208	2 208	-	968	1 288	(320)	-25%	2 208
Planning and development		1 726	2 208	2 208	-	968	1 288	(320)	-25%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		491 995	784 859	784 859	10 678	421 607	457 835	(36 227)	-8%	784 859
Energy sources		-	-	-	-	-	-	-	-	-
Water management		491 995	784 859	784 859	10 678	421 607	457 835	(36 227)	-8%	784 859
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		9	-	970	-	-	431	(431)	-100%	970
Total Capital Expenditure - Functional Clas	3	497 942	790 424	791 634	10 678	423 244	461 646	(38 402)	-8%	791 634
Funded by:										
National Government		490 152	700 110	700 110	10 678	422 575	408 398	14 178	3%	700 110
Provincial Government		2 797	457	1 427	-	-	698	(698)	-100%	1 427
District Municipality (monetary allocations) (Nat / Prov)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		492 948	700 568	701 538	10 678	422 575	409 096	13 480	3%	701 538
Borrowing	6	191	86 957	86 957	-	-	50 725	(50 725)	-100%	86 957
Internally generated funds		4 803	2 900	3 140	-	669	1 825	(1 157)	-63%	3 140
Total Capital Funding		497 942	790 424	791 634	10 678	423 244	461 646	(38 402)	-8%	791 634

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 - M07 January

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		27 427	345 288	345 288	191 236	345 288
Trade and other receivables from exchange transactions		29 625	59 575	59 575	55 349	59 575
Receivables from non-exchange transactions		168	-	-	6 978	-
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 824	2 556	2 556	6 660	2 556
VAT		80 813	50 650	50 650	39 355	50 650
Other current assets		25 486	22 422	22 422	29 331	22 422
Total current assets		166 344	480 492	480 492	328 911	480 492
Non current assets						
Investments						
Investment property						
Property, plant and equipment		4 991 970	6 247 523	6 248 733	5 373 532	6 248 733
Biological assets						
Living and non-living resources						
Heritage assets		7 817	-	-	7 817	-
Intangible assets		52	1	1	39	1
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		4 999 838	6 247 525	6 248 735	5 381 388	6 248 735
TOTAL ASSETS		5 166 182	6 728 017	6 729 227	5 710 299	6 729 227
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		1 484	-	-	1 311	-
Consumer deposits		3 620	3 633	3 633	3 628	3 633
Trade and other payables from exchange transactions		487 727	338 908	338 908	203 066	338 908
Trade and other payables from non-exchange transactions		1 560	-	-	148 958	-
Provision		1 654	1 973	1 973	1 654	1 973
VAT		3 921	8 073	8 073	8 313	8 073
Other current liabilities		500	405	405	500	405
Total current liabilities		500 466	352 992	352 992	367 431	352 992
Non current liabilities						
Financial liabilities		1 202	90 000	90 000	101 202	90 000
Provision		43 487	38 340	38 340	43 487	38 340
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		44 689	128 340	128 340	144 689	128 340
TOTAL LIABILITIES		545 155	481 332	481 332	512 119	481 332
NET ASSETS	2	4 621 027	6 246 684	6 247 894	5 198 179	6 247 894
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		4 707 986	5 445 412	5 445 412	5 202 160	5 445 412
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	4 707 986	5 445 412	5 445 412	5 202 160	5 445 412

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 and cash equivalents

Cash and cash equivalents balance as at 31 January 2024 indicate a balance of **R191.2 million**.

Overdraft	R29.3 million
Cash float	R8 hundred
Call Investments Deposits	R220.5 million.

Trade and other receivables from exchange transactions

Trade and other receivables from exchange transactions include debtors from water, sanitation services, rental of facilities, the balance for the reporting period is **R55.2 million**. Debtors age analysis as per section 2.2 debtors' analysis is **R226.2 million**. The consumer debtors' amount to **R219.3 million** and other receivables from exchange amount to **R1.8 million** which sums up to **R222.9** and the balance of **R5.01 million** is for shared services casted in Other Debtors.

Gross Consumer debtors	R222.9 million
Less Impairment	(R167.8 million)
Net Consumer Debtors	R53.5 million

Classification of Consumer Debtors per Service type

Water Debtors	R33.6 million
Sanitation Debtors	R19.7 million
Property rental	R121.3 thousand
Other Consumer debtors	R6.4 thousand
Other receivables from exchange	R1.8 million
Total	R55.2 million

➤ **Water Debtors**

Net Water debtors, after considering provision for bad debts, amount to **R33.6 million**

Water debtors are amounts owed by consumers for water services billed.

Gross Water Debtors	R174.9 million
Less Impairment	(141.2 million)
Net Water Debtors	R33.6 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R19.7 million**

Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R46.3 million
Less Impairment	(R26.5 million)
Net Sanitation Debtors	R19.7 million

➤ **Property Rental**

Property rental debtors' amount to **R127.7 thousand**, these are sundry debtors.

Gross Other Debtors	R148.4 thousand
Less Impairment	(R27.07 thousand)
Net Other Debtors	R127.7 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R6.4 thousand**, these are sundry debtors.

Gross Other Debtors	R21.6 thousand
Less Impairment	(R15.1 thousand)
Net Other Debtors	R6.4 thousand

➤ **Other receivables from exchange**

These are debtors accumulated from Eskom accounts with credit balances amounts to **R93.1 thousand**

Other receivables from exchange	R2.8 million
Less Impairment	(R1.06 million)
Net other receivables from exchange	R1.8 million

Classification of Consumer Debtors per Customer group

Households	R183.08 million
Commercial/Businesses (excl prepaid exp R1.8 mil)	R15.4 million
Organs of State (excl shared services of R5.4 mill)	R27.8 million
Total	R226.2 million

Only households and businesses are impaired as per council policy. The breakdown is as per below:

Gross Households debtors	R183.08 million
Gross Business	R15.4 million
Less Impairment	(R168.9 million)
Net Household and businesses debtors	R29.5 million

Receivables from non-exchange transactions

UIFW to be recovered amounting to **R6.9 million** resulted from a claim of standing time due to consultant negligence.

Inventory

The current level of inventory is **R6.6 million**. Inventories include water stock and consumable stores.

VAT Receivable

VAT Receivable amount to **R39.3 million**, this is the amount raised when input VAT is recognized less output VAT collected as per VAT reconciliation.

Other current assets

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R29.3 million**.

Deposits Made	R18.2 million
Refunds & under/over banking	R11.03 million
Overpayments/Accrued Income	R36.9 thousand
Total	R29.3 million

➤ Deposits Made

Deposits made amount to **R18.2 million**, this amount include Eskom deposits, Federal Air Deposits and Stowell Deposits:

Eskom Deposits	R18 million
Stowell Deposits	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.

➤ Refunds & under/over banking

Refunds & under/over banking amount to **R11.03 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	R5.06 million
Under/over banking	R5.9 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.

➤ Accrued Income – Reversal

is the amount of **R36.9 thousand** to be received from the actioner of assets disposed by the Municipality.

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 **R5.3 billion**

Opening balance	R5 billion
Additions	R423.2 million
Depreciation	(R41.6 million)
Closing Balance	R5.3 billion

Heritage assets

Heritage assets are assets that help the municipality to attract tourists because they entail history of the district and its people **R7.8 million.**

Intangible

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R39 thousand.**

Opening balance	R41 thousand
Additions	(R0)
Depreciation	(R1 thousand)
Closing Balance	R39 thousand

CURRENT LIABILITIES

Financial liabilities

This is the current portion of the finance lease agreement the Municipality entered into to procure laptops. The current balance owed amount to **R1.3 million.**

Opening balance	R1.3 million
Payment	(R0 thousand)
Closing Balance	R1.3 million

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 from exchange transactions

Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R203.06 million**.

Trade Creditors	R21.4 million
Retention	R72.9 million
Session	R354.1 thousand
Department of Water & Sanitation	R62.6 million
Leave accrued	R21.7 million
Bonus	R5.7 million
Employee related cost	R1.7 million
Advance Payments	R2.7 million
Salary Suspense Accounts	R1.08 thousand
Other Suspense account	R436.65 hundred
Water tankers	R10.5 million
Zanamanzi	R3.3 million
Operating Lease Liability	R542.5 thousand
Other creditors	R 8.3 thousand
Closing Balance	R203.06 million

Trade and other payables from non-exchange transactions

This is the amount of unspent conditional grants which will be recognized when the conditions are met. Unspent conditional grants amount to **R148.9 million**.

VAT Payables

VAT payable amount to **R8.3 million**, this is the amount paid when output VAT is recognized less input VAT paid as per VAT reconciliation.

Current Provision

Current provisions amount to **R1.6 million**, this provision is for post-retirement benefit (Medical aid) and long service awards that is paid in the current financial year:

Long service awards	R1.6 million
---------------------	--------------

Other current liabilities

Other current liabilities amount to **R500 thousand**, this is the amount for medical benefit awarded to the people who have retired from the service of the municipality:

Post Retirement benefit (Medical aid)	R 500 thousand
---------------------------------------	----------------

NON-CURRENT LIABILITIES

Non-current financial liabilities

This is the long-term portion of the finance lease agreement the Municipality entered into to procure laptops amounting to **R1.2 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.

Loan

This is the long term portion of liability that the municipality acquired to backup generators for water treatment works. This liability amounts to **R100 million**.

Non-current Provisions

Non-current Provisions amounts to **R43.4 million**, this provision is for post-retirement benefit (Medical aid) and Long Service award:

Post Retirement benefit (Medical aid)	R30.4 million
Long Service award	R13.06 million

Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R5.2 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	Ref	Budget Year 2023/24								
		2022/23 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		26 949	51 642	51 642	2 477	16 450	30 124	(13 674)	-45%	51 642
Other revenue		1 393 314	162 144	162 144	94 522	1 338 440	94 584	#####	1315%	162 144
Transfers and Subsidies - Operational		661 838	643 859	643 859	547	561 817	375 584	186 232	50%	643 859
Transfers and Subsidies - Capital		610 306	805 127	805 127	-	626 577	469 657	156 920	33%	805 127
Interest		6 722	3 000	3 000	311	4 468	1 750	2 718	155%	3 000
Dividends								-		
Payments										
Suppliers and employees		(868 156)	(672 640)	(672 640)	(85 791)	(962 717)	(392 374)	570 344	-145%	(672 640)
Interest								-		
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 830 973	993 132	993 132	12 067	1 585 035	579 327	#####	-174%	993 132
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		(496 168)	(789 967)	(789 967)	(10 678)	(423 244)	(460 814)	(37 570)	8%	(789 967)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(496 168)	(789 967)	(789 967)	(10 678)	(423 244)	(460 814)	(37 570)	8%	(789 967)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	100 000	100 000	-	100 000	58 333	41 667	71%	100 000
Increase (decrease) in consumer deposits		(1)	-	-	0	8	-	8	#DIV/0!	-
Payments										
Repayment of borrowing		(1 090)	(10 000)	(10 000)	-	(173)	(5 833)	(5 660)	97%	(10 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 091)	90 000	90 000	0	99 835	52 500	(47 335)	-90%	90 000
NET INCREASE/ (DECREASE) IN CASH HELD		1 333 714	293 165	293 165	1 389	1 261 627	171 013			293 165
Cash/cash equivalents at beginning:		20 468	173 117	173 117	(76 448)	27 427	173 117			27 427
Cash/cash equivalents at month/year end:		1 354 182	466 282	466 282		1 289 053	344 130			320 591

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 **R51.6 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 **R16.4 million** to date. This is **32%** of budgeted collection and **38%** 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.

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 year to date are **R561.8 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far but does not include National Skills Fund under Transfers and subsidies – Operational:

Equitable share	R473.7 million
Indonsa Grant	R955 thousand
Aviation Strategy	R2 million
FMG	R1.2 million
EPWP	R4.9 million
NSF	R77.6 million
LG SETA	R1.1 million
Amafa Research	R180 thousand
TOTAL	R561.8 million

Transfers and subsidies – Capital

Transfers and subsidies - Capital is 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 **R626.5 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 224 million
Water Services Infrastructure Grant	R 80 million
Régional Bulk Infrastructure Grant	R 320.8 million
Rural Road Asset Management Subsidy	R 1.7 million
TOTAL	R626.5 million

Interest

Interest on investment budget is 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 **R5.4 million**. Interest on investment revenue on table C4 is **R4.4 million** which does not reconcile the one in the cash flow. The municipality will rectify the system errors.

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 **R423.2 million**, the capital expenditure 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.

Borrowing Long Term

Borrowing long term year-to-date is **R100 million**, this loan made by the municipality to fund the procurement of backup generators

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 **R191.2 million** in the financial position but in the cash flow it is **R1.2 billion**.

Municipality is in a process of developing an action plan to address these system inefficiencies.

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTORS ANALYSIS

Debtors age analysis as of 31 January 2024

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2023/24								Total	Total over 90 days	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				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	11 008	4 351	4 289	3 380	2 797	2 924	14 014	131 302	174 065	154 418	-	141 272
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	27
Receivables from Exchange Transactions - Waste Water Management	1500	2 621	1 017	911	690	609	577	3 469	36 336	46 231	41 682	-	26 562
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	56	289	34	34	33	-	119	383	948	569	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	21	13	13	11	11	123	1 449	3 539	5 180	5 133	-	15
Total By Income Source	2000	13 706	5 670	5 246	4 116	3 450	3 624	19 052	171 560	226 424	201 802	-	167 876
2022/23 - totals only		6438100	4023668	4899949	3676694	3633397	2917251	18371051	151334496	195 295	179 933	0	138614150 417
Debtors Age Analysis By Customer Group													
Organs of State	2200	4 859	1 915	1 544	700	470	597	3 869	13 936	27 889	19 571	-	-
Commercial	2300	2 120	595	438	445	316	240	1 351	9 945	15 450	12 297	-	-
Households	2400	6 728	3 160	3 264	2 971	2 665	2 787	13 832	147 679	183 086	169 933	-	167 876
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	13 706	5 670	5 246	4 116	3 450	3 624	19 052	171 560	226 424	201 802	-	167 876

Total debtors' amount to **R226.4 million**, which is an increase of **R5.1 million** from the closing balance of **R221.3 million** in the previous month. The debtors over 90 days amount to **R201.8 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 January 2024

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description R thousands	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	2 063	-	-	-	-	-	-	-	-	2 063	6
Auditor General	0800										-	
Other	0900										-	
Total By Customer Type	1000	2 063	-	-	-	-	-	-	-	-	2 063	6

2.3 INVESTMENT PORTFOLIO

Investments as at 31 January 2024

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	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
Municipality														
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	-	-		64 000	64 000
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	64 000	524		40 000	104 000
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	104 000	-		150 800	254 800
ABSA CALL ACCOUNT		0.76666667	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	17 August 2023	254 800	-	(30 000)		224 800
ABSA CALL ACCOUNT		1.2	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 August 2023	224 800	-	(20 000)		204 800
ABSA CALL ACCOUNT		1.4	CALL ACCOUNT	YES	VARIABLE	0.089	-	-	08 September 2023	204 800	-	(30 000)		174 800
ABSA CALL ACCOUNT		1.36666667	CALL ACCOUNT	YES	VARIABLE	0.089	-	-	14 September 2023	174 800	-	(25 000)		149 800
ABSA CALL ACCOUNT		1.56666667	CALL ACCOUNT	YES	VARIABLE	0.089	-	-	20 September 2023	149 800	-	(50 000)		99 800
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	26 September 2023	99 800	2 151	-	86 000	185 800
ABSA SHORT TERM		2	SHORT TERM	YES	VARIABLE	0.089	-	N/A	03 October 2023	185 800	-	(50 000)		135 800
ABSA SHORT TERM		2.06666667	SHORT TERM	YES	VARIABLE	0.089	-	N/A	05 October 2023	135 800	-	(75 000)		60 800
ABSA SHORT TERM		3.06666667	SHORT TERM	YES	VARIABLE	0.089	-	N/A	19 October 2023	60 800	-	(10 000)		50 800
ABSA SHORT TERM		2.53333333	SHORT TERM	YES	VARIABLE	0.089	-	N/A	19 October 2023	50 800	-	(36 800)		14 000
STANDARD BANK		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	05 December 2023	14 000	-		40 000	54 000
STANDARD BANK		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	06 December 2023	54 000	-	(25 000)		29 000
STANDARD BANK		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	29 000	-		40 000	69 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	06 December 2023	69 000	-		75 000	144 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	144 000	-		75 000	219 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	219 000	-		25 000	244 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.944	-	N/A	07 December 2023	244 000	-		100 000	344 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	18 December 2023	344 000	-	(40 000)		304 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	22 December 2023	304 000	-	(30 000)		274 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	14 January 2024	274 000	-	(30 000)		244 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	23 January 2024	244 000	-	(20 000)		224 000
ABSA CALL ACCOUNT		0	SHORT TERM	YES	VARIABLE	0.089	-	N/A	23 January 2024	224 000	(3 430)			220 570
Municipality sub-total										-	(755)	(471 800)	695 800	220 570
Entities														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									-		(471 800)	695 800	220 570

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		596 108	639 948	639 948	194	479 302	373 303	105 999	28.4%	639 948
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		586 391	631 671	631 671	-	473 753	368 475	105 278	28.6%	631 671
Expanded Public Works Programme Integrated Grant		8 517	7 077	7 077	-	4 954	4 128	826	20.0%	7 077
Local Government Financial Management Grant		1 200	1 200	1 200	194	595	700	(105)	-15.0%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		2 631	3 911	4 111	203	416	2 381	(1 966)	-82.5%	4 111
Capacity Building and Other Grants		2 631	3 911	4 111	203	416	2 381	(1 966)	-82.5%	4 111
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		60 091	-	78 774	30 576	78 017	31 369	46 647	148.7%	78 774
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		478	-	1 132	475	475	288	186	64.7%	1 132
National Skills Fund		59 613	-	77 642	30 102	77 542	31 081	46 461	149.5%	77 642
Unspecified		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	658 830	643 859	722 833	30 973	557 734	407 054	150 680	37.0%	722 833
Capital Transfers and Grants										
National Government:		607 306	805 127	805 127	127 878	483 261	469 657	13 604	2.9%	805 127
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		259 530	271 683	271 683	43 640	137 558	158 482	(20 923)	-13.2%	271 683
Regional Bulk Infrastructure Grant		250 247	430 905	430 905	68 724	272 449	251 361	21 087	8.4%	430 905
Rural Road Asset Management Systems Grant		2 529	2 539	2 539	-	1 113	1 481	(368)	-24.8%	2 539
Water Services Infrastructure Grant		95 000	100 000	100 000	15 514	72 141	58 333	13 808	23.7%	100 000
Provincial Government:		3 196	-	-	-	-	-	-	-	-
Infrastructure Grant		3 196	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	610 502	805 127	805 127	127 878	483 261	469 657	13 604	2.9%	805 127
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 269 332	1 448 986	1 527 960	158 851	1 040 995	876 711	164 284	18.7%	1 527 960

Grants are received as per transfer schedule and have been received. Grants are recognized as revenue as when the condition is met as per GRAP 23.

Grant Expenditure

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

Description	Ref	2022/23	Budget Year 2023/24							
		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:		825 595	627 267	628 721	69 259	398 755	366 532	32 223	8.8%	628 721
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		774 422	618 990	620 444	67 912	389 874	361 704	28 170	7.8%	620 444
Expanded Public Works Programme Integrated Grant		8 532	7 077	7 077	1 179	8 286	4 128	4 158	100.7%	7 077
Local Government Financial Management Grant		1 200	1 200	1 200	168	595	700	(105)	-15.0%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		33 001	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		2 199	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		6 240	-	-	-	-	-	-	-	-
Provincial Government:		2 689	3 385	1 915	7	447	1 381	(934)	-67.6%	1 915
Capacity Building and Other Grants		2 689	3 385	1 915	7	447	1 381	(934)	-67.6%	1 915
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		59 798	-	78 774	265	78 182	34 924	43 257	123.9%	78 774
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		478	-	1 132	265	640	301	338	112.3%	1 132
National Skills Fund		59 320	-	77 642	-	77 542	34 623	42 919	124.0%	77 642
Total operating expenditure of Transfers and Grants:		888 081	630 652	709 411	69 530	477 384	402 837	74 546	18.5%	709 411
Capital expenditure of Transfers and Grants										
National Government:		490 152	700 110	700 110	10 678	422 575	408 398	14 178	3.5%	700 110
Municipal Infrastructure Grant		194 387	236 246	236 246	464	120 221	137 810	(17 589)	-12.8%	236 246
Regional Bulk Infrastructure Grant		218 770	374 700	374 700	8 541	238 225	218 575	19 650	9.0%	374 700
Rural Road Asset Management Systems Grant		-	2 208	2 208	-	968	1 288	(320)	-24.8%	2 208
Water Services Infrastructure Grant		76 994	86 957	86 957	1 672	63 162	50 725	12 437	24.5%	86 957
Provincial Government:		2 797	457	1 427	-	-	698	(698)	-100.0%	1 427
Capacity Building and Other Grants		-	-	970	-	-	431	(431)	-100.0%	970
Infrastructure Grant		2 797	457	457	-	-	267	(267)	-100.0%	457
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		492 948	700 568	701 538	10 678	422 575	409 096	13 480	3.3%	701 538
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 381 030	1 331 220	1 410 948	80 208	899 959	811 933	88 026	10.8%	1 410 948

Grants Roll over

The municipality has closing balance on National Skills Fund, LGSETA Fire and Rescue, Art Council SA: Help Desk, Aviation Strategy, Amafa Research and COGTA Boreholes that need to be approved by the council and the funder to be rolled over and expenditure amount will be inclusive of VAT as per **MFMA circular no. 58**.

DC26 Zululand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M07 January						
Description	Ref	Budget Year 2023/24				
		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance
R thousands						%
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		80	-	80	(0)	0.0%
NATIONAL SKILLS FUND		80	-	80	(0)	0.0%
Provincial Government:		34	-	34	-	0.0%
ART COUNCIL SA		34	-	34	-	0.0%
TSUCM_COGTA BOREHOLES		1 446	-	-	1 446	100.0%
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total operating expenditure of Approved Roll-overs		1 560	-	114	1 446	92.7%
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Provincial Government:		-	-	-	-	
Other Departments		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		1 560	-	114	1 446	92.7%

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		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)										
Basic Salaries and Wages		-	-	-	28	226	-	226	#DIV/0!	-
Pension and UIF Contributions		509	512	512	44	295	299	(4)	-1%	512
Medical Aid Contributions		54	55	55	3	24	32	(8)	-25%	55
Motor Vehicle Allowance		1 889	1 962	1 962	173	1 254	1 144	109	10%	1 962
Cellphone Allowance		681	694	694	63	465	405	60	15%	694
Housing Allowances		360	180	180	15	105	105	-	-	180
Other benefits and allowances		5 782	6 084	6 084	492	3 416	3 549	(133)	-4%	6 084
Sub Total - Councillors		9 276	9 486	9 486	819	5 784	5 534	251	5%	9 486
% increase	4		2.3%	2.3%						2.3%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	6 237	6 191	6 191	595	4 625	3 611	1 013	28%	6 191
Pension and UIF Contributions		176	62	62	29	207	36	171	474%	62
Medical Aid Contributions		59	3	3	10	65	2	64	3888%	3
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		650	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 640	1 542	1 542	147	1 151	900	252	28%	1 542
Cellphone Allowance		257	238	238	23	181	139	42	30%	238
Housing Allowances		13	-	-	1	7	-	7	#DIV/0!	-
Other benefits and allowances		309	195	195	18	205	114	92	80%	195
Payments in lieu of leave		374	-	-	-	95	-	95	#DIV/0!	-
Long service awards		132	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		97	-	-	1	16	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		9 945	8 230	8 230	825	6 554	4 801	1 753	37%	8 230
% increase	4		-17.2%	-17.2%						-17.2%
Other Municipal Staff										
Basic Salaries and Wages		184 973	206 063	206 063	16 694	116 387	120 204	(3 817)	-3%	206 063
Pension and UIF Contributions		24 702	27 991	27 991	2 180	15 420	16 329	(908)	-6%	27 991
Medical Aid Contributions		14 860	15 496	15 496	1 440	9 501	9 040	462	5%	15 496
Overtime		6 703	5 448	5 448	937	4 315	3 178	1 137	36%	5 448
Performance Bonus		12 696	13 983	13 983	892	8 147	8 157	(10)	0%	13 983
Motor Vehicle Allowance		10 357	10 682	10 682	936	6 557	6 231	325	5%	10 682
Cellphone Allowance		740	828	828	65	457	483	(26)	-5%	828
Housing Allowances		1 669	1 724	1 724	141	981	1 006	(25)	-3%	1 724
Other benefits and allowances		4 065	282	282	382	2 355	164	2 191	1332%	282
Payments in lieu of leave		5 523	-	-	504	2 722	-	2 722	#DIV/0!	-
Long service awards		3 358	-	-	154	1 270	-	1 270	#DIV/0!	-
Post-retirement benefit obligations	2	5 393	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1 191	-	-	35	333	-	333	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		276 230	282 498	282 498	24 360	168 444	164 791	3 653	2%	282 498
% increase	4		2.3%	2.3%						2.3%
Total Parent Municipality		295 452	300 214	300 214	26 004	180 782	175 126	5 656	3%	300 214

The municipality has no active entity.

2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M07 January

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
	Service charges – Water revenue	14%	This is the amounts billed on customers for water used, the year-to-date actual is R34.2 million which is 66% of the approved budget the R34.2 million year to date actual is above the seven months baseline projection or year-to-date budget of R30.06 million. A variance of R4.2 million or less than 14% is observed.	The municipality need to keep up billing and install meters where and when needed. The municipality also need to adjust this line item in the adjustment budget
	Service charges – Sanitation revenue	6%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R9.02 million which is 55% of the approved budget. The R9.02 million year to date actual is below the seven months baseline projection or year-to-date budget of R9.5 million. A variance of R547 thousand or 6% is observed Reasons for variances can be attributed to businesses slow adherence to payment terms.	The municipality need to restrict non-paying consumers from services and disconnect all illegal connections.
	Sale of goods and rendering of service	15%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R670 thousands which is 67% of the approved budget the R670 thousands year to date actual is above the seven months baseline projection or year-to-date budget of R584 thousand. A variance of R86 thousand or 15% is observed	
	Interest earned - outstanding debtors	51%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is R458 thousand which is 88% of the approved budget. The R458 thousand year to date actual is above the seven months baseline projection or year-to-date budget of R304 thousand. A variance of R154 thousand or 51% is observed. Reasons for variances can be attributed to businesses slow adherence to payment terms.	The municipality must implement stringent measures to ensure businesses pay on time.
	Interest from Current and Non-Current Assets	212%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R5.4 million which is 182% of the approved budget. The R5.4 million year to date actual is above the seven months baseline projection or year-to-date budget of R1.7 million. A variance of R3.7 million or 212% is observed. Reasons for variances can be attributed to the availability of cash to be invested to date	The municipality need to adjust this line item in the adjustment budget
	Rental from Fixed Assets	8%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R267 thousand which is 53% of the approved budget. the R267 thousand year to date actual is below the seven months baseline projection or year-to-date budget of R292 thousand. A variance of R24 thousand or less than 8% is observed Reasons for variances can be attributed to the fact that the municipality has limited space to rent	The municipality need to adjust this line item in the adjustment budget.
	Licences and Permits	64%	Licences and permits year-to-date actual is R57 thousand which is 96% of the approved budget. the R57 thousand year to date actual is above the seven months baseline projection or year-to-date budget of R35 thousand. A variance of R22 thousand or 64% is observed Reasons for variances can be attributed to the retailers not adhering to health inspections regulations.	The municipality need to adjust this line item in the adjustment budget.
	Operational revenue	53%	Operational revenue year-to-date actual is R329 thousand which is 89% of the approved budget. the R329 thousand year to date actual is below seven months baseline projection or year-to-date budget of R215 thousand. A variance of R114 thousand or 53% is observed.	The municipality need to adjust this line item in the adjustment budget.
	Fines, penalties, and forfeits	65%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is R204 thousand which is 20% of the approved budget. the R204 thousand year to date actual is below the seven months baseline projection or year-to-date budget of R583 thousand. A variance of R379 thousand or 65% is observed. Reasons for variances can be attributed to a negative indication that some illegally connected consumers are not yet discovered.	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	37%	Transfers and subsidies year to date actual is R557.7 million which is 87% of the approved budget. The R557.7 million year to date actual is above the seven months baseline projection or year-to-date budget of R407.05 million. A variance of R150.6 million or 37% is observed	Reasons for variances can be attributed to the 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.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M07 January

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
2	Expenditure By Type			
	Employee Related Costs	3%	Employee-related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R174.9 million which is 60% of the approved budget. The R174.9 million year to date actual is above the seven months baseline projection or year-to-date budget of R174.9 million. A variance of R5.4 million or 3% is observed.	The municipality will make sure that the salary bill is kept within the limits of the monthly projections.
	Remuneration of Councillors	5%	Remuneration of Councillors are amounts paid for councillors allowances, service-related benefits, and contributions. The year-to-date actual is R5.7 million which is 61% of the approved budget. The R5.7 million year to date actual is above the seven months baseline projection or year-to-date budget of R5.5 million. A variance of R251 thousand or 5% is observed.	The municipality will make sure that the salary bill is kept within the limits of the monthly projections.
	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	83%	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 R4.3 million which is 10% of the approved budget, the R4.3 million year to date actual is below the seven months baseline projection or year-to-date budget of R25.8 million. A variance of R21.4 million or 83% is observed. Reasons for variances can be attributed to the store requisition books being in the process of capturing.	The municipality need fast pace the capturing of requisition books to reflect correct amount of expenditure
	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	
	Depreciation	21%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R41.6 million which is 46% of the approved budget. The R41.6 million year to date actual is below the seven months baseline projection or year-to-date budget of R52.5 million. A variance of R10.8 million or 21% is observed.	The municipality need to budget using depreciation method stipulated in the policy.
	Finance charges	64%	Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is R208 thousand which is 21% of the approved budget. The R208 thousand year to date actual is below the seven months baseline projection or year-to-date budget of R583 thousand. A variance of R375 thousand or 64% is observed Reasons for variances can be attributed to the early payment of the account during this period.	Municipality need to keep up early payments to minimise this expenditure.
	Contracted services	59%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R175.8 million which is 137% of the approved budget. The R175.8 million year to date actual is above the seven months baseline projection or year-to-date budget of R110.9 million. A variance of R64.9 million or 59% is observed Reasons for variances can be attributed to unexpected or beyond control events which leads to contracted services	The municipality must review SLAs and try to minimise costs as low as possible in this line-item.
	Transfers and subsidies paid.	33%	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 R2.6 million which is 45% of the approved budget. The R2.6 million year to date actual is above the seven months baseline projection or year-to-date budget of R2.02 million. A variance of R674 thousand or 33% is observed. Reasons for variances can be attributed to the fact that this line item is for seasonal expenditure.	The municipality need to monitor this line item and adjust if need be.
	Irrecoverable debt written off		Irrecoverable debt written off year-to-date actual is R28 thousand which is 0% of the approved budget. The R28 thousand year to date actual cannot be benchmarked against year-to-date budget because it has no budget. A variance of R28 thousand or 0% is observed.	
	Operational costs	35%	Operational costs are all other expenditure not classified above. The year-to-date actual is R112.1 million which is 78% of the approved budget. The R112.1 million year to date actual is above the seven months baseline projection or year-to-date budget of R83.3 million. A variance of R28.8 million or 35% is observed. Reasons for variances can be attributed to the increase in the costs of running an organisation such as, Eskom, Wet fuel, hire charges and Management fees.	The expenditure being is monitored by the municipality to keep it within the budget.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M07 January

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	Capital Expenditure			
	Governance and administration	63%	Governance and administration year-to-date actual are R669 thousand which is 37% of the approved budget. The R669 thousand year to date actual is below the seven months baseline projection or year-to-date budget of R1.8 million. A variance of R1.1 million or 63% is observed.	
	Community and public safety	100%	Community and public safety year-to-date actual are R0 which is 0% of the approved budget. The R0 year to date actual is below the six months baseline projection or year-to-date budget of R267 thousand. A variance of R267 thousand or 100% is observed.	
	Economic and environmental services	12%	Economic and environmental services year-to-date actual is R968 thousand which is 75% of the approved budget. The R968 thousand year to date actual is above the seven months baseline projection or year-to-date budget of R1.2 million. A variance of R136 thousand or 12% is observed.	
	Trading services	8%	Trading services year-to-date actual is R421.6 million which is 54% of the approved budget. The R421.6 million year to date actual is below the seven months baseline projection or year-to-date budget of R457.8 million. A variance of R36.2 million or 8% is observed.	

2.7 ACTUAL AND REVISED TARGETS FOR CASH RECEIPTS

DC26 Zululand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M07 January

Description	Ref	Budget Year 2023/24											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget
Cash Receipts By Source													
Property rates													-
Service charges - Electricity revenue													-
Service charges - Water revenue		928	1 881	2 063	3 448	317	1 813	1 886	3 214	3 214	3 214	3 214	13 379
Service charges - Waste Water Management		381	742	614	1 016	228	544	591	1 089	1 089	1 089	1 089	4 598
Service charges - Waste Mangement													-
Rental of facilities and equipment		45	49	45	36	-	36	71	90	90	90	90	436
Interest earned - external investments		-	574	301	2 843	172	268	311	250	250	250	250	(2 468)
Interest earned - outstanding debtors													-
Dividends received													-
Fines, penalties and forfeits		20	64	79	21	4	13	3	83	83	83	83	463
Licences and permits		5	11	8	9	14	4	6	5	5	5	5	(17)
Agency services													-
Transfers and Subsidies - Operational		266 152	2 969	48 282	165	3 395	240 307	547	53 655	53 655	53 655	53 655	(132 577)
Other revenue		131 675	231 394	200 542	189 135	18 728	471 984	94 441	13 334	13 334	13 334	13 334	(1 231 225)
Cash Receipts by Source		399 159	237 061	251 588	193 794	22 685	714 664	97 474	71 381	71 381	71 381	71 381	(1 345 380)
Other Cash Flows by Source													
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		104 000	150 800	86 000	41 777	170 000	74 000	-	67 094	67 094	67 094	67 094	(89 826)
Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private													
Enterprises, Public Corporatons, Higher Educ Institutions)													
Proceeds on Disposal of Fixed and Intangible Assets													-
Short term loans													-
Borrowing long term/refinancing		-	-	-	-	-	100 000	-	8 333	8 333	8 333	8 333	(33 333)
Increase (decrease) in consumer deposits		(0)	7	1	1	(1)	0	0	-	-	-	-	(8)
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments													-
Total Cash Receipts by Source		503 159	387 868	337 589	235 572	192 684	888 664	97 475	146 808	146 808	146 808	146 808	(1 468 547)
Cash Payments by Type													
Employee related costs		26 127	26 418	26 816	26 778	26 586	18 434	36 638	24 344	24 344	24 344	24 344	6 958
Remuneration of councillors		-	-	-	-	-	-	-	790	790	790	790	6 324
Interest													-
Bulk purchases - Electricity		12 282	4 787	13 201	5 143	16 800	3 774	7 765	-	-	-	-	(63 752)
Acquisitions - water & other inventory		7 556	-	-	-	191	-	-	4 037	4 037	4 037	4 037	24 553
Contracted services		131	(6 308)	(49 127)	(113 256)	(89 149)	(70 637)	(10 628)	12 336	12 336	12 336	12 336	437 658
Transfers and subsidies - other municipalities													-
Transfers and subsidies - other		-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		239 289	84 467	106 769	152 667	160 442	227 375	51 662	14 462	14 462	14 462	14 462	(906 975)
Cash Payments by Type		285 385	109 364	97 659	71 332	114 870	178 946	85 436	55 970	55 970	55 970	55 970	(495 234)
Other Cash Flows/Payments by Type													
Capital assets		-	57 911	49 277	113 514	90 763	101 101	10 678	65 831	65 831	65 831	65 831	103 401
Repayment of borrowing		-	-	-	-	173	-	-	833	833	833	833	6 494
Other Cash Flows/Payments		-	2 690	8 299	1 429	615	6 337	354	83	83	83	83	(19 057)
Total Cash Payments by Type		285 385	169 965	155 234	186 275	206 421	286 385	96 468	122 717	122 717	122 717	122 717	(404 396)
NET INCREASE/(DECREASE) IN CASH HELD		217 774	217 903	182 355	49 297	(13 738)	602 280	1 006	24 091	24 091	24 091	24 091	(1 064 151)
Cash/cash equivalents at the month/year beginning:		27 427	245 201	463 103	645 458	694 755	681 017	1 283 297	1 284 304	1 308 395	1 332 485	1 356 576	1 380 667
Cash/cash equivalents at the month/year end:		245 201	463 103	645 458	694 755	681 017	1 283 297	1 284 304	1 308 395	1 332 485	1 356 576	1 380 667	316 516

2.8 MUNICIPAL ENTITY FINANCIAL OPERATING EXPENDITURE PERFORMANCE BUDGET

The municipality does not have an entity.

2.9 MUNICIPAL ENTITY FINANCIAL CAPITAL EXPENDITURE PERFORMANCE

The municipality does not have an entity.

2.10 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

Month	2022/23	Budget Year 2023/24							
	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	5 503	65 875	65 875	–	–	65 875	65 875	100.0%	0%
August	14 273	65 890	65 890	57 911	57 911	131 765	73 853	56.0%	7%
September	32 995	65 890	65 890	49 277	49 277	197 655	148 378	75.1%	6%
October	27 335	65 998	65 998	113 514	113 514	263 652	150 138	56.9%	14%
November	18 645	65 998	65 998	90 763	90 763	329 650	238 887	72.5%	11%
December	46 356	65 998	65 998	101 101	101 101	395 648	294 547	74.4%	13%
January	7 250	65 998	65 998	10 678	10 678	461 646	450 968	97.7%	1%
February	13 944	65 998	65 998	–	–	527 643	527 643	100.0%	0%
March	27 728	65 998	65 998	–	–	593 641	593 641	100.0%	0%
April	70 518	65 998	65 998	–	–	659 639	659 639	100.0%	–
May	127 629	65 998	65 998	–	–	725 637	725 637	100.0%	–
June	105 765	65 998	65 998	–	–	791 634	791 634	100.0%	–
Total Capital expenditure	497 942	791 634	791 634	423 244					

2.11 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 - M07 January

Description	Ref	Budget Year 2023/24								
		2022/23 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		491 521	700 110	700 910	10 678	422 575	408 753	(13 822)	-3.4%	700 910
Roads Infrastructure		-	2 208	2 208	-	968	1 288	320	24.8%	2 208
Roads		-	2 208	2 208	-	968	1 288	320	24.8%	2 208
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		491 521	693 120	692 468	10 678	421 607	403 964	(17 643)	-4.4%	692 468
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		68 814	79 130	72 907	-	23 172	42 765	19 593	45.8%	72 907
Reservoirs		11 062	15 086	10 178	-	6 342	6 123	(219)	-3.6%	10 178
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		63 564	66 957	79 913	-	63 048	46 125	(16 923)	-36.7%	79 913
Bulk Mains		311 748	508 469	497 710	10 214	309 267	290 738	(18 529)	-6.4%	497 710
Distribution		36 333	23 478	31 760	464	19 778	18 213	(1 565)	-8.6%	31 760
Distribution Points		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	4 783	6 235	-	-	3 501	3 501	100.0%	6 235
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	4 783	5 435	-	-	3 146	3 146	100.0%	5 435
Toilet Facilities		-	-	800	-	-	356	356	100.0%	800
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		1 726	-	-	-	-	-	-	-	-
Community Facilities		1 726	-	-	-	-	-	-	-	-
Centres		1 726	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		51	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		51	-	-	-	-	-	-	-	-
Computer Software and Applications		51	-	-	-	-	-	-	-	-
Computer Equipment		2 158	2 350	2 385	-	245	1 419	1 173	82.7%	2 385
Computer Equipment		2 158	2 350	2 385	-	245	1 419	1 173	82.7%	2 385
Furniture and Office Equipment		1 085	550	690	-	189	387	198	51.3%	690
Furniture and Office Equipment		1 085	550	690	-	189	387	198	51.3%	690
Machinery and Equipment		1 210	87 414	87 414	-	-	50 991	50 991	100.0%	87 414
Machinery and Equipment		1 210	87 414	87 414	-	-	50 991	50 991	100.0%	87 414
Transport Assets		-	-	235	-	235	95	(139)	-146.0%	235
Transport Assets		-	-	235	-	235	95	(139)	-146.0%	235
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	497 751	790 424	791 634	10 678	423 244	461 646	38 402	8.3%	791 634

2.12 EXPENDITURE ON REPAIRS AND MAINTAINANCEBY ASSET CLASS

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 January

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		131 760	70 000	69 500	20 490	45 681	40 667	(5 015)	-12.3%	69 500
Roads Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		131 760	70 000	69 500	20 490	45 681	40 667	(5 015)	-12.3%	69 500
<i>Bulk Mains</i>		45 692	20 000	19 500	1 997	12 515	11 500	(1 015)	-8.8%	19 500
<i>Distribution</i>		-	-	-	-	-	-	-	-	-
<i>Distribution Points</i>		86 067	50 000	50 000	18 492	33 167	29 167	(4 000)	-13.7%	50 000
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<i>Data Centres</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	-	1 030	-	-	458	458	100.0%	1 030
Community Facilities		-	-	1 030	-	-	458	458	100.0%	1 030
<i>Airports</i>		-	-	1 030	-	-	458	458	100.0%	1 030
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Other assets		1 420	3 200	1 805	99	522	1 402	880	62.8%	1 805
Operational Buildings		1 420	3 200	1 805	99	522	1 402	880	62.8%	1 805
<i>Municipal Offices</i>		1 420	3 200	1 805	99	522	1 402	880	62.8%	1 805
Housing		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		20	-	-	-	-	-	-	-	-
Computer Equipment		20	-	-	-	-	-	-	-	-
Furniture and Office Equipment		40	200	16	-	-	86	86	100.0%	16
Furniture and Office Equipment		40	200	16	-	-	86	86	100.0%	16
Machinery and Equipment		29	-	50	-	-	25	25	100.0%	50
Machinery and Equipment		29	-	50	-	-	25	25	100.0%	50
Transport Assets		4 728	1 500	2 000	224	1 973	1 018	(955)	-93.9%	2 000
Transport Assets		4 728	1 500	2 000	224	1 973	1 018	(955)	-93.9%	2 000
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	137 997	74 900	74 401	20 812	48 177	43 655	(4 522)	-10.4%	74 401

2.13 DEPRECIATION BY ASSET CLASS

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M07 January

Description	Ref	2022/23				Budget Year 2023/24				YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget					
R thousands	1											
Depreciation by Asset Class/Sub-class												
Infrastructure		88 946	80 877	80 877	7 621	39 397	47 178	7 781	16.5%	80 877		
Roads Infrastructure		587	718	718	-	-	419	419	100.0%	718		
Roads		587	718	718	-	-	419	419	100.0%	718		
Storm water Infrastructure		-	-	-	-	-	-	-	-	-		
Attenuation		-	-	-	-	-	-	-	-	-		
Electrical Infrastructure		28	36	36	-	-	21	21	100.0%	36		
LV Networks		28	36	36	-	-	21	21	100.0%	36		
Capital Spares		-	-	-	-	-	-	-	-	-		
Water Supply Infrastructure		86 306	77 892	77 892	7 402	38 699	45 437	6 738	14.8%	77 892		
Dams and Weirs		2 197	2 285	2 285	186	374	1 333	959	71.9%	2 285		
Boreholes		1 572	471	471	133	835	274	(560)	-204.1%	471		
Reservoirs		7 184	7 026	7 026	618	2 891	4 099	1 208	29.5%	7 026		
Pump Stations		5 203	4 451	4 451	441	2 161	2 597	435	16.8%	4 451		
Water Treatment Works		7 060	6 502	6 502	646	2 082	3 793	1 711	45.1%	6 502		
Bulk Mains		39 339	34 795	34 795	3 384	20 891	20 297	(594)	-2.9%	34 795		
Distribution		23 677	22 280	22 280	1 988	9 434	12 997	3 562	27.4%	22 280		
PRV Stations		74	81	81	7	31	47	16	33.6%	81		
Sanitation Infrastructure		2 026	2 231	2 231	220	698	1 302	604	46.4%	2 231		
Pump Station		(174)	193	193	13	83	112	29	26.2%	193		
Reticulation		1 686	1 717	1 717	140	286	1 001	715	71.4%	1 717		
Waste Water Treatment Works		514	322	322	66	329	188	(141)	-75.1%	322		
Outfall Sewers		-	-	-	-	-	-	-	-	-		
Toilet Facilities		-	-	-	-	-	-	-	-	-		
Capital Spares		-	-	-	-	-	-	-	-	-		
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-		
Capital Spares		-	-	-	-	-	-	-	-	-		
Rail Infrastructure		-	-	-	-	-	-	-	-	-		
Capital Spares		-	-	-	-	-	-	-	-	-		
Coastal Infrastructure		-	-	-	-	-	-	-	-	-		
Capital Spares		-	-	-	-	-	-	-	-	-		
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-		
Capital Spares		-	-	-	-	-	-	-	-	-		
Community Assets		30	852	852	102	671	497	(175)	-35.1%	852		
Community Facilities		(105)	622	622	91	593	363	(230)	-63.5%	622		
Markets		143	-	-	29	200	-	(200)	#DIV/0!	-		
Airports		(248)	622	622	62	392	363	(30)	-8.2%	622		
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-		
Capital Spares		-	-	-	-	-	-	-	-	-		
Sport and Recreation Facilities		135	230	230	11	79	134	56	41.4%	230		
Indoor Facilities		-	-	-	-	-	-	-	-	-		
Outdoor Facilities		135	230	230	11	79	134	56	41.4%	230		
Capital Spares		-	-	-	-	-	-	-	-	-		
Heritage assets		-	-	-	-	-	-	-	-	-		
Other Heritage		-	-	-	-	-	-	-	-	-		
Investment properties		-	-	-	-	-	-	-	-	-		
Revenue Generating		-	-	-	-	-	-	-	-	-		
Unimproved Property		-	-	-	-	-	-	-	-	-		
Non-revenue Generating		-	-	-	-	-	-	-	-	-		
Unimproved Property		-	-	-	-	-	-	-	-	-		
Other assets		2 904	1 366	1 366	108	222	797	575	72.2%	1 366		
Operational Buildings		2 904	1 366	1 366	108	222	797	575	72.2%	1 366		
Municipal Offices		2 904	1 312	1 312	108	222	765	544	71.0%	1 312		
Stores		-	53	53	-	-	31	31	100.0%	53		
Housing		-	-	-	-	-	-	-	-	-		
Capital Spares		-	-	-	-	-	-	-	-	-		
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-		
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-		
Intangible Assets		18	-	-	2	13	-	(13)	#DIV/0!	-		
Servitudes		-	-	-	-	-	-	-	-	-		
Licences and Rights		18	-	-	2	13	-	(13)	#DIV/0!	-		
Computer Software and Applications		18	-	-	2	13	-	(13)	#DIV/0!	-		
Computer Equipment		2 770	992	992	232	464	579	114	19.8%	992		
Computer Equipment		2 770	992	992	232	464	579	114	19.8%	992		
Furniture and Office Equipment		505	555	555	45	90	324	234	72.2%	555		
Furniture and Office Equipment		505	555	555	45	90	324	234	72.2%	555		
Machinery and Equipment		717	368	368	78	187	214	28	12.9%	368		
Machinery and Equipment		717	368	368	78	187	214	28	12.9%	368		
Transport Assets		4 359	4 991	4 991	325	651	2 911	2 261	77.7%	4 991		
Transport Assets		4 359	4 991	4 991	325	651	2 911	2 261	77.7%	4 991		
Land		-	-	-	-	-	-	-	-	-		
Land		-	-	-	-	-	-	-	-	-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-		
Living resources		-	-	-	-	-	-	-	-	-		
Mature		-	-	-	-	-	-	-	-	-		
Policing and Protection		-	-	-	-	-	-	-	-	-		
Zoological plants and animals		-	-	-	-	-	-	-	-	-		
Immature		-	-	-	-	-	-	-	-	-		
Policing and Protection		-	-	-	-	-	-	-	-	-		
Zoological plants and animals		-	-	-	-	-	-	-	-	-		
Total Depreciation	1	100 249	90 000	90 000	8 514	41 694	52 500	10 806	20.6%	90 000		

2.14 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 : 2024 / 02 / 14