



INTERNAL MEMO

DATE : **14 JANUARY 2024**
TO : **THE HONOURABLE MAYOR**
FROM : **MUNICIPAL MANAGER**
RE : **QUARTELY BUDGET STATEMENT**

Kindly find the attached quarterly budget statement for your Review, in compliance with the S52d of the Municipal Finance Management Act. The budget statement is for the period ending **31 December 2023**.

The office of the mayor is kindly requested to assist with Mayor's Report based the assessment of the attached Quarterly 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 S52d report to council it must be accompanied by Mayor's report in a format set out in schedule C.

In terms of S52 of the Municipal Finance Management Act

The mayor of a municipality—

(a) must provide general political guidance over the fiscal and financial affairs of the municipality; (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities; (c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget; (d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and (e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

Yours Faithfully

N.S. MSIBI
Chief Financial Officer

R.N HLONGWA
Municipal Manager

ZULULAND DISTRICT MUNICIPALITY



QUARTERLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 DECEMBER 2023

MFMA S52d 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 – QUARTERLY REPORT

1.1. MAYORS REPORT

To be attached

1.2. COUNCIL RESOLUTION

The Quarterly 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 EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	718 247 500	564 404 541	381 092 205	183 312 336	48%	79%
Total Operating Expenditure	722 102 135	440 375 955	387 247 004	53 128 951	14%	61%
Surplus/(Deficit)	-3 854 635	124 028 586	-6 154 800	130 183 385		

GRANTS RECIEPTS AND EXPENDITURE AS AT 31 DECEMBER 2023	APPROVED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & APPROVED BUDGET	% SPENT
Municipal Infrastructure Grant (MIG)	271 683 000.00	224 000 000.00	136 950 970.83	134 732 029.17	50
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	70 217 690.33	29 782 309.67	70
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	426 829.74	773 170.26	36
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	- 210 000.00	100
LGSETA-Fire and Rescue- Non Employees		95 500.00		-	-
LGSETA Waste Water-Non Employees		55 000.00	55 000.00	- 55 000.00	100
LGSETA-Fire and Rescue-Employees		110 000.00	110 000.00	- 110 000.00	100
AMAFA		180 000.00	198 000.00	- 198 000.00	110

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 December 2023** is **R564.4 million** which is **79%** of the approved operating revenue budget. The **R564.4 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R381.09 million**, a variance of **R183.3 million** or **48%** is observed.

Operating Revenue as per 1st Quarter is **R333.1 million** which is above year to date budget of **R188.2 million** which is due the first trench of grants being received from July to September not monthly but as per transfer schedule. This means that **46%** of the operating revenue budgeted was generated in the 1st quarter

Operating Revenue as per 2nd Quarter is **R564.4 million** which is above year to date budget of **R381.09 million** which is due to the second trench of grants being received from October to December, not monthly but as per transfer schedule. This means that **32%** of the operating revenue budgeted was generated in the 2nd quarter

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 **R32.03 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 **R13.9 million** to date. This is **27%** of budgeted collection and **41%** 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 December 2023** is **R440.3 million** which is **61%** of the approved operating expenditure budget. The **R440.3 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R387.2 million**, a variance of **R53.1 million** or **14%** is observed.

Operating expenditure as per 1st Quarter is **R203.03 million** which is above year to date budget of **R189.3 million** which is due the first trench of grants being received from July to September not monthly but as per transfer schedule. This means that **28%** of the operating expenditure budgeted was incurred in the **1st quarter**.

Operating expenditure as per **2nd Quarter** is **R440.3 million** which is above year to date budget of **R387.2 million** which is due to the second trench of grants being received from October to December, not monthly but as per transfer schedule. This means that **33%** of the operating expenditure budgeted was incurred in the **2nd quarter**. Expenditure was incurred more in the **2nd Quarter** than the **1st quarter**.

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 EXPENDITURE %
Total Capital Expenditure	790 494 351	412 565 984	395 647 866	16 918 118	4%	52%
Total Capital Financing	790 494 351	412 565 984	395 647 866	16 918 118	4%	52%

Total Capital Expenditure as at **31 December 2024** is **R412.5 million** which is **52%** of the approved capital budget. The **R412.5 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R395.6 million**, a variance of **R16.9 million** or **4%** 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 **50%**, **RBIG** is at **61%**, **WSIG** is at **71%** **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	400 637 031	83%
Total non current assets	6 247 524 827	5 379 223 832	86%
Total current liabilities	352 992 453	531 797 562	151%
Total non current liabilities	128 340 000	144 688 738	113%
TOTAL COMMUNITY WEALTH/ EQUITY	5 445 411 852	5 105 761 191	93.8%

The current assets year to date actual is **R400.6 million** which is **83%** 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 **R531.9 million** which is **151%** 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 **R5.1 billion** which is **93.8%** of the approved budget.

Current assets amount to **R400.6 million**, included in current assets is **cash investment of R274 million**.

Current liabilities amount to **R531.9 million**, this includes unspent conditional grants amounting to **R307.2 million**.

The Current ratio is 0.75:1 [**R400.6 million/R531.9 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) - M06 December

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	5 017	25 525	25 766	(241)	-1%	51 532
Service charges - Waste Water Management		14 831	16 406	16 406	1 288	6 514	8 203	(1 689)	-21%	16 406
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 426	1 001	1 001	-	522	500	22	4%	1 001
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	521	53	401	260	141	54%	521
Interest from Current and Non Current Assets		7 433	3 000	3 000	268	4 157	1 500			3 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	500	36	196	250	(54)	-22%	500
Licence and permits		88	60	60	4	51	30	21	71%	60
Operational Revenue		563	369	369	(0)	76	184	(108)	-59%	369
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		910	1 000	1 000	13	200	500	(300)		1 000
Licence and permits								-		
Transfers and subsidies - Operational		658 830	643 859	692 422	210 557	526 761	343 898	182 863		692 422
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 894	-	-	-	-	-	-		-
Other Gains		4 385	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		730 785	718 248	766 810	217 235	564 405	381 092	183 312	48%	766 810

The year-to-date actual indicates operating revenue of **R564.4 million** for **six months**, The **R564.4 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R381.09 million**, a variance of **R183.3 million** or **48%** is observed. The total revenue to-date represents **48%** of the operating revenue budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

The sources of funding are important to ensure that the expenditure is 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 **R25.5 million** which is **50%** of the approved budget. the **R25.5 million** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R25.7 million**. A variance of **R241 thousand** or less than **1%** is observed.

Variance is less than 5%.

The municipality need to keep up billing and install meters where and when needed.

Operating Revenue as per 1st Quarter is **R15.04 million** and operating Revenue as per 2nd Quarter is **R25.5 million**. Revenue was generated more in the **2nd Quarter** than the **1st quarter**.

Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R6.5 million** which is **40%** of the approved budget. The **R6.5 million** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R8.2 million**. A variance of **R1.6 million** or **21%** 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.

Operating Revenue year to date actual as per 1st Quarter is **R3.8 million** and operating Revenue year to date as per 2nd Quarter is **R6.5 million**. Revenue was generated more in the **1st Quarter** than the **2nd quarter**.

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 **R522 thousands** which is **52%** of the approved budget. the **R522 thousands** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R500 thousand**. A variance of **R22 thousand** or **4%** is observed.

Operating Revenue year to date actual as per 1st Quarter is **R179 thousand** and operating Revenue year to date as per 2nd Quarter is **R522 thousand**. Revenue was generated more in the **2nd Quarter** than the **1st quarter**.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is **R401 thousand** which is **77%** of the approved budget. The **R401 thousand** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R260 thousand**. A variance of **R141 thousand** or **54%** 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.

Operating Revenue year to date actual as per 1st Quarter is **R44 thousand** and operating Revenue year to date as per 2nd Quarter is **R401 thousand**. Expenditure was incurred more in the **2nd Quarter** than the **1st quarter**.

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 **R4.1 million** which is **139%** of the approved budget. The **R4.1 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R1.5 million**. A variance of **R2.6 million** or **177%** 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.

Operating Revenue year to date actual as per 1st Quarter is **R875 thousand** and operating Revenue year to date as per 2nd Quarter is **R4.1 million**. Revenue was generated more in the **2nd Quarter** than the **1st quarter**.

Rental from Fixed Assets

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R196 thousand** which is **39%** of the approved budget. the **R196 thousand** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R250 thousand**. A variance of **R54 thousand** or less than **22%** 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.

Operating Revenue year to date actual as per 1st Quarter is **R124 thousand** and operating Revenue year to date as per 2nd Quarter is **R196 thousand**. Revenue was generated more in the **1st Quarter** than the **2nd quarter**.

Licences and Permits

Licences and permits year-to-date actual is **R51 thousand** which is **85%** of the approved budget. the **R51 thousand** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R30 thousand**. A variance of **R21 thousand** or **71%** 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.

Operating Revenue year to date actual as per 1st Quarter is **R25 thousand** and operating Revenue year to date as per 2nd Quarter is **R51 thousand**. Revenue was generated more in the **2nd Quarter** than the **1st quarter**.

Operational revenue

Operational revenue year-to-date actual is **R76 thousand** which is **21%** of the approved budget. the **R76 thousand** year to date actual is **below six months** baseline projection or year-to-date budget of **R184 thousand**. A variance of **R108 thousand** or **59%** is observed.

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

Operating Revenue year to date actual as per 1st Quarter is **R22 thousand** and operating Revenue year to date as per 2nd Quarter is **R76 thousand**. Expenditure was incurred more in the **2nd quarter** than the **1st quarter**.

Non-Exchange Revenue

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R200 thousand** which is **20%** of the approved budget. the **R200 thousand** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R500 thousand**. A variance of **R300 thousand** or **60%** 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.

Operating Revenue year to date actual as per 1st Quarter is **R163 thousand** and operating Revenue year to date as per 2nd Quarter is **R200 thousand**. Revenue was generated more in the **1st Quarter** than the **2nd quarter**.

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 **R526.7 million** which is **82%** of the approved budget. The **R526.7 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R343.8 million**. A variance of **R182.8 million** or **53%** 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.

Operating Revenue year to date actual as per 1st Quarter is **R526.7 million** and operating Revenue year to date as per 2nd Quarter is **R343.8 million**. Revenue was generated more in the **2nd Quarter** than the **1st quarter**.

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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	25 867	149 814	145 365	4 448	3%	290 728
Remuneration of councillors		9 276	9 486	9 486	1 183	4 965	4 743	222	5%	9 486
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		51 978	42 130	43 952	867	3 885	22 275	(18 390)	-83%	43 952
Debt impairment		6 428	10 000	10 000	-	-	5 000	(5 000)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	33 181	33 181	45 000	(11 820)	-26%	90 000
Interest		553	1 000	1 000	-	208	500	(292)	-58%	1 000
Contracted services		364 771	128 719	213 915	55 848	148 834	90 209	58 625	65%	213 915
Transfers and subsidies		4 683	6 000	4 180	165	2 173	1 686	487	29%	4 180
Irrecoverable debts written off		2 192	-	-	-	28	-	28		-
Operational costs		163 288	144 039	136 935	18 106	97 288	72 468	24 820	34%	136 935
Losses on Disposal of Assets		679	-	-	-	-	-	-		-
Other Losses		309	-	-	-	-	-	-		-
Total Expenditure		990 582	722 102	800 195	135 217	440 376	387 247	53 129	14%	800 195

The year-to-date actual indicate spending of **R440.3 million** for **six months**, which is **61%** of the approved operating expenditure budget. The **R440.3 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R387.2 million**, a variance of **R53.1 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 **R149.8 million** which is **52%** of the approved budget. The **R149.8 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R145.3 million**. A variance of **R4.4 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.

Operating Expenditure year to date actual as per 1st Quarter is **R74.9 million** and operating Revenue year to date as per 2nd Quarter is **R149.8 million**. Expenditure was incurred equally in the **2nd Quarter** and the **1st quarter**.

Remuneration of Councillors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits, and contributions. The year-to-date actual is **R4.9 million** which is **52%** of the approved budget. The **R4.9 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R4.5 million**. A variance of **R222 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.

Operating Expenditure year to date actual as per 1st Quarter is **R2.2 million** and operating Revenue year to date as per 2nd Quarter is **R4.9 million**. Expenditure was incurred more in the **2nd Quarter** than in the **1st quarter**.

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 **R3.8 million** which is **9%** of the approved budget. the **R3.8 million** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R22.2 million**. A variance of **R18.3 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.

Operating Expenditure year to date actual as per 1st Quarter is **R277 thousand** and operating Revenue year to date as per 2nd Quarter is **R3.8 million**. Expenditure was incurred more in the **2nd Quarter** and the **1st quarter**.

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 **R33.1 million** which is **37%** of the approved budget. The **R33.1 million** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R45 million**. A variance of **R11.8 million** or **26%** is observed.

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

Operating Expenditure year to date actual as per 1st Quarter is **R20 million** and operating Revenue year to date as per 2nd Quarter is **R33.1 million**. Expenditure was incurred equally in the **1st Quarter** and the **2nd quarter**.

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 **six months** baseline projection or year-to-date budget of **R500 thousand**. A variance of **R292 thousand** or **58%** 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.

Operating Expenditure year to date actual as per 1st Quarter is **R156 thousand** and operating Revenue year to date as per 2nd Quarter is **R208 thousand**. Expenditure was incurred equally in the **1st Quarter** and the **2nd quarter**.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R148.8 million** which is **116%** of the approved budget. The **R148.8 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R90.2 million**. A variance of **R58.6 million** or **65%** 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 cost.

Operating Expenditure year to date actual as per 1st Quarter is **R65.7 million** and operating Revenue year to date as per 2nd Quarter is **R148.8 million**. Expenditure was incurred more in the **2nd Quarter** and the **1st quarter**.

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 **R2.1 million** which is **36%** of the approved budget. The **R2.1 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R1.6 million**. A variance of **R487 thousand** or **29%** 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.

Operating Expenditure year to date actual as per 1st Quarter is **R49 thousand** and operating Revenue year to date as per 2nd Quarter is **R2.1 million**. Expenditure was incurred more in the **2nd Quarter** and the **1st quarter**.

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 **R97.2 million** which is **68%** of the approved budget. The **R97.2 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R72.4 million**. A variance of **R24.8 million** or **34%** 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.

Operating Expenditure year to date actual as per 1st Quarter is **R39.5 million** and operating Revenue year to date as per 2nd Quarter is **R97.2 million**. Expenditure was incurred more in the **2nd Quarter** and the **1st quarter**.

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	426 829.74	600 000	-173 170	-29%	36%
National Skills Fund	77 642 405.73	77 541 950.00	38 821 203	38 720 747	100%	100%
EPWP Incentive	7 077 000.00	7 077 000.00	3 538 500	3 538 500	100%	100%
Art centre Subsidies (Indonsa Grant)	1 385 000.00	203 000.00	692 500	-489 500	-71%	15%
Aviation Strategy	2 000 000.00	-	1 000 000	-1 000 000	-100%	0%
LGWS SETA Grant- MFMP	210 000.00	210 000.00	105 000	105 000	100%	100%
LGWS SETA Grant-Watse Water non-employees	110 000.00	110 000.00	55 000	55 000	100%	100%
LGWS SETA Grant-Fire & Rescue employees	55 000.00	55 000.00	27 500	27 500	100%	100%
LGWS SETA Grant-Fire & Rescue non employee	95 500.00	-	47 750	-47 750	-100%	0%
Amafa Kazulu Grant	200 000.00	198 000.00	100 000	98 000	98%	99%
Total Operating Grant Expenditure	89 974 905.73	85 821 779.74	44 987 452.87	-	-	0%

FMG **36%**, 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 EXPENDITURE %
Total Capital Expenditure	790 494 351	412 565 984	395 647 866	16 918 118	4%	52%
Total Capital Financing	790 494 351	412 565 984	395 647 866	16 918 118	4%	52%

The capital expenditure amounts to **R412.5**, which is **52%** of the capital approved budget, after a period of **six months**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

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	-	-	323	(323)	-100%	970
Vote 03 - Finance		-	250	250	-	-	125	(125)	-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	-	-	448	(448)	-100%	1 220
Single Year expenditure appropriation	2									
Vote 01 - Council		173	-	10	-	7	37	(30)	-80%	10
Vote 02 - Corporate Services		833	2 250	2 480	29	661	1 200	(539)	-45%	2 480
Vote 03 - Finance		2 064	400	400	-	-	200	(200)	-100%	400
Vote 04 - Community Development		2 878	457	457	-	-	229	(229)	-100%	457
Vote 05 - Planning & Wsa		491 521	700 110	700 110	101 072	411 897	350 055	61 842	18%	700 110
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		474	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	43 478	(43 478)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	497 942	790 174	790 414	101 101	412 566	395 200	17 366	4%	790 414
Total Capital Expenditure		497 942	790 424	791 634	101 101	412 566	395 648	16 918	4%	791 634
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 140	29	669	1 562	(894)	-57%	3 140
Executive and council		173	-	10	-	7	37	(30)	-80%	10
Finance and administration		2 888	2 900	3 130	29	661	1 525	(864)	-57%	3 130
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 152	457	457	-	-	229	(229)	-100%	457
Community and social services		1 152	457	457	-	-	229	(229)	-100%	457
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 726	2 208	2 208	-	968	1 104	(136)	-12%	2 208
Planning and development		1 726	2 208	2 208	-	968	1 104	(136)	-12%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		491 995	784 859	784 859	101 072	410 929	392 430	18 500	5%	784 859
Energy sources		-	-	-	-	-	-	-	-	-
Water management		491 995	784 859	784 859	101 072	410 929	392 430	18 500	5%	784 859
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		9	-	970	-	-	323	(323)	-100%	970
Total Capital Expenditure - Functional Classification	3	497 942	790 424	791 634	101 101	412 566	395 648	16 918	4%	791 634
Funded by:										
National Government		490 152	700 110	700 110	101 072	411 897	350 055	61 842	18%	700 110
Provincial Government		2 797	457	1 427	-	-	552	(552)	-100%	1 427
District Municipality (Nat / Prov Departm Agencies, Households, Non-profit)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		492 948	700 568	701 538	101 072	411 897	350 607	61 290	17%	701 538
Borrowing	6	191	86 957	86 957	-	-	43 478	(43 478)	-100%	86 957
Internally generated funds		4 803	2 900	3 140	29	669	1 562	(894)	-57%	3 140
Total Capital Funding		497 942	790 424	791 634	101 101	412 566	395 648	16 918	4%	791 634

Governance and administration

Governance and administration year-to-date actual are **R669 thousand** which is **23%** of the approved budget. the **R669 thousand** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R1.5 million**. A variance of **R894 thousand** or **57%** 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 **R229 thousand**. A variance of **R229 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R968 thousand** which is **44%** of the approved budget. the **R968 thousand** year to date actual is above the **six months** baseline projection or year-to-date budget of **R1.1 million**. A variance of **R136 thousand** or **12%** is observed.

Trading services

Trading services year-to-date actual is **R410.9 million** which is **52%** of the approved budget. the **R410.9 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R327.02 million**. A variance of **R18.5 million** or **5%** 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	119 756 895	118 123 045	1 633 850.50	1%	51%
Regional Bulk Infrastructure (RBIG)	374 700 000	229 683 327	187 350 000	42 333 327.21	23%	105%
Water services infrastructure Grant (WSIG)	86 956 523	61 489 272	43 478 262	18 011 010.65	41%	79%
Rural Roads Asset Managemnt Systems Grant	2 207 826	967 989	1 103 913	-135 923.70	-12%	45%
Borrowings (Backup Generator)	86 956 522	-	43 478 261	-43 478 261.00	-100%	0%
Art centre Subsiesies (Indonsa Grant)	457 391	-	228 696	-228 695.50	-100%	0%
Other Assets	2 970 000	668 501	1 485 000	-816 499.42	-55%	7%
Total Operating Expenditure	790 494 351	412 565 984	395 247 176	17 318 809	4%	77%

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	136 950 971	135 841 500	1 109 471	1%	50%
Regional Bulk Infrastructure (RBIG)	430 905 000	262 659 528	215 452 500	47 207 028	22%	61%
Water services infrastructure Grant (WSIG)	100 000 000	70 217 690	50 000 000	20 217 690	40%	70%
Rural Roads Asset Managemnt Systems Grant	2 539 000	1 113 188	1 269 500	-156 312	-12%	44%
Indonsa Grant	526 000	-	263 000	-263 000	-100%	0%
Total Capital Grant Expenditure	805 653 000	470 941 377	402 826 500	68 114 877	17%	58%

Overall capital grant expenditure inclusive of VAT is sitting at **58%** of the approved capital budget, **MIG** is sitting at **50%**, **RBIG** at **61%**, **WSIG** at **70%**, **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 quarterly 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 - M06 December

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	6 305	32 039	33 969	(1 930)	-6%	67 938
Investment revenue	7 433	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	7 433	3 000	3 000	268	4 157	1 500	2 657	177%	3 000
Other own revenue	661 917	647 310	695 872	210 662	528 208	345 623	182 585	53%	–
Total Revenue (excluding capital transfers and contributions)	730 785	718 248	766 810	217 235	564 405	381 092	183 312	48%	766 810
Employee costs	286 176	290 728	290 728	25 867	149 814	145 365	4 448	–	290 728
Remuneration of Councillors	9 276	9 486	9 486	1 183	4 965	4 743	222	–	9 486
Depreciation and amortisation	100 249	90 000	90 000	33 181	33 181	45 000	(11 820)	–	90 000
Interest	553	1 000	1 000	–	208	500	(292)	–	1 000
Inventory consumed and bulk purchases	51 978	42 130	43 947	867	3 885	22 275	(18 390)	–	43 947
Transfers and subsidies	4 683	6 000	4 180	165	2 173	1 686	487	29%	4 180
Other expenditure	537 668	282 758	360 854	73 954	246 150	167 678	78 472	47%	360 854
Total Expenditure	990 582	722 102	800 195	135 217	440 376	387 247	53 129	14%	800 195
Surplus/(Deficit)	(259 797)	(3 855)	(33 385)	82 019	124 029	(6 155)	130 183	-2115%	(33 385)
Transfers and subsidies - capital (monetary)	610 502	805 127	805 127	–	355 383	402 563	###	-12%	805 127
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	350 705	801 272	771 742	82 019	479 412	396 409	83 003	21%	771 742
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	350 705	801 272	771 742	82 019	479 412	396 409	83 003	21%	771 742
Capital expenditure & funds sources									
Capital expenditure	497 942	790 424	791 634	101 101	412 566	395 648	16 918	4%	791 634
Capital transfers recognised	492 948	700 568	701 538	101 072	411 897	350 607	61 290	17%	701 538
Borrowing	191	86 957	86 957	–	–	43 478	(43 478)	-100%	86 957
Internally generated funds	4 803	2 900	3 140	29	669	1 562	(894)	-57%	3 140
Total sources of capital funds	497 942	790 424	791 634	101 101	412 566	395 648	16 918	4%	791 634
Financial position									
Total current assets	166 344	480 492	480 492	–	400 637	–	–	–	480 492
Total non current assets	4 999 838	6 247 525	6 248 735	–	5 379 224	–	–	–	6 248 735
Total current liabilities	500 466	352 992	352 992	–	531 798	–	–	–	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	–	5 105 761	–	–	–	5 445 412
Cash flows									
Net cash from (used) operating	1 830 973	993 132	993 132	603 684	1 572 969	496 566	#####	-217%	993 132
Net cash from (used) investing	(496 168)	(789 967)	(789 967)	(101 101)	(412 566)	(394 983)	17 583	-4%	(789 967)
Net cash from (used) financing	(1 091)	90 000	90 000	100 000	99 835	45 000	(54 835)	-122%	90 000
Cash/cash equivalents at the month/year end	1 354 182	466 282	466 282	–	1 287 664	319 699	(967 965)	-303%	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	12 931	5 476	4 421	3 537	3 700	3 952	17 572	169 787	221 377
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

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) - M06 December

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	686 193	210 863	526 541	340 804	185 738	54%	686 193
Executive and council	8	-	-	-	-	-	-	-	-	-
Finance and administration	665 312	637 831	686 193	210 863	526 541	340 804	185 738	54%	686 193	
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety		2 285	2 482	2 682	4	265	1 321	(1 056)	-80%	2 682
Community and social services	2 209	1 922	2 122	-	214	1 041	(827)	-79%	2 122	
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	76	560	560	4	51	280	(229)	-82%	560	
Economic and environmental services		4 171	2 539	2 539	-	1 113	1 269	(156)	-12%	2 539
Planning and development	4 171	2 539	2 539	-	1 113	1 269	(156)	-12%	2 539	
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services		668 995	878 523	878 523	6 368	391 836	439 261	(47 425)	-11%	878 523
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	654 093	862 087	862 087	5 070	385 149	431 043	(45 894)	-11%	862 087	
Waste water management	14 903	16 436	16 436	1 298	6 687	8 218	(1 531)	-19%	16 436	
Waste management	-	-	-	-	-	-	-	-	-	-
Other	4	516	2 000	2 000	-	32	1 000	(968)	-97%	2 000
Total Revenue - Functional	2	1 341 287	1 523 375	1 571 937	217 235	919 788	783 656	136 132	17%	1 571 937
Expenditure - Functional										
Governance and administration		329 433	256 489	322 014	58 165	218 975	152 626	66 348	43%	322 014
Executive and council	63 257	45 360	44 198	4 642	33 019	22 518	10 501	47%	44 198	
Finance and administration	266 177	176 201	242 877	49 341	161 950	112 640	49 310	44%	242 877	
Internal audit	-	34 928	34 938	4 182	24 006	17 469	6 536	37%	34 938	
Community and public safety		27 553	28 878	28 634	2 453	13 279	14 415	(1 136)	-8%	28 634
Community and social services	14 564	8 257	8 555	1 061	3 960	4 236	(275)	-7%	8 555	
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	5 887	5 887	550	3 656	2 944	712	24%	5 887	
Housing	-	-	-	-	-	-	-	-	-	-
Health	12 989	14 734	14 192	841	5 663	7 235	(1 572)	-22%	14 192	
Economic and environmental services		22 711	28 742	30 134	2 463	13 533	14 775	(1 242)	-8%	30 134
Planning and development	22 711	28 742	30 134	2 463	13 533	14 775	(1 242)	-8%	30 134	
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services		601 261	394 049	407 169	71 247	189 400	198 942	(9 543)	-5%	407 169
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	602 876	386 071	399 191	70 361	185 155	194 953	(9 799)	-5%	399 191	
Waste water management	(1 616)	7 978	7 978	886	4 245	3 989	256	6%	7 978	
Waste management	-	-	-	-	-	-	-	-	-	-
Other		9 624	13 944	12 244	889	5 190	6 488	(1 298)	-20%	12 244
Total Expenditure - Functional	3	990 582	722 102	800 195	135 217	440 376	387 247	53 129	14%	800 195
Surplus/ (Deficit) for the year		350 705	801 272	771 742	82 019	479 412	396 409	83 003	21%	771 742

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) - M06 December

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	50 713	-	47 513	23 064	24 450	106.0%	50 713
Vote 03 - Finance		604 660	637 481	637 481	210 863	479 060	318 740	160 320	50.3%	637 481
Vote 04 - Community Development		3 953	2 482	2 682	4	265	1 321	(1 056)	-79.9%	2 682
Vote 05 - Planning & Wsa		617 377	812 204	812 204	-	360 337	406 102	(45 765)	-11.3%	812 204
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		39 245	52 422	52 422	5 070	25 925	26 211	(286)	-1.1%	52 422
Vote 09 - Waste Water		14 903	16 436	16 436	1 298	6 687	8 218	(1 531)	-18.6%	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	1 571 937	217 235	919 788	783 656	136 132	17.4%	1 571 937
Expenditure by Vote	1									
Vote 01 - Council		63 257	53 791	52 639	5 954	37 571	26 739	10 832	40.5%	52 639
Vote 02 - Corporate Services		188 332	149 411	213 592	46 305	153 440	98 698	54 741	55.5%	213 592
Vote 03 - Finance		71 138	61 343	60 685	5 002	27 114	30 393	(3 279)	-10.8%	60 685
Vote 04 - Community Development		55 021	50 380	52 972	5 976	27 808	25 906	1 903	7.3%	52 972
Vote 05 - Planning & Wsa		61 591	21 391	21 411	1 592	10 573	10 706	(133)	-1.2%	21 411
Vote 06 - Technical Services		9 306	10 202	10 416	437	1 048	5 212	(4 164)	-79.9%	10 416
Vote 07 - Water Purification		52 109	43 820	43 820	4 927	24 990	21 910	3 080	14.1%	43 820
Vote 08 - Water Distribution		491 444	323 787	336 683	64 138	153 587	163 695	(10 108)	-6.2%	336 683
Vote 09 - Waste Water		(1 616)	7 978	7 978	886	4 245	3 989	256	6.4%	7 978
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	990 582	722 102	800 195	135 217	440 376	387 247	53 129	13.7%	800 195
Surplus/ (Deficit) for the year	2	350 705	801 272	771 742	82 019	479 412	396 409	83 003	20.9%	771 742

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) - M06 December

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	5 017	25 525	25 766	(241)	-1%	51 532
Service charges - Waste Water Management		14 831	16 406	16 406	1 288	6 514	8 203	(1 689)	-21%	16 406
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 426	1 001	1 001	-	522	500	22	4%	1 001
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	521	53	401	260	141	54%	521
Interest from Current and Non Current Assets		7 433	3 000	3 000	268	4 157	1 500			3 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	500	36	196	250	(54)	-22%	500
Licence and permits		88	60	60	4	51	30	21	71%	60
Operational Revenue		563	369	369	(0)	76	184	(108)	-59%	369
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		910	1 000	1 000	13	200	500	(300)		1 000
Licence and permits								-		
Transfers and subsidies - Operational		658 830	643 859	692 422	210 557	526 761	343 898	182 863		692 422
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 894	-	-	-	-	-	-		-
Other Gains		4 385	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		730 785	718 248	766 810	217 235	564 405	381 092	183 312	48%	766 810
Expenditure By Type										
Employee related costs		286 176	290 728	290 728	25 867	149 814	145 365	4 448	3%	290 728
Remuneration of councillors		9 276	9 486	9 486	1 183	4 965	4 743	222	5%	9 486
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		51 978	42 130	43 947	867	3 885	22 275	(18 390)		43 947
Debt impairment		6 428	10 000	10 000	-	-	5 000	(5 000)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	33 181	33 181	45 000	(11 820)	-26%	90 000
Interest		553	1 000	1 000	-	208	500	(292)	-58%	1 000
Contracted services		364 771	128 719	213 920	55 848	148 834	90 209	58 625	65%	213 920
Transfers and subsidies		4 683	6 000	4 180	165	2 173	1 686	487	29%	4 180
Irrecoverable debts written off		2 192	-	-	-	28	-	28		-
Operational costs		163 288	144 039	136 935	18 106	97 288	72 468	24 820	34%	136 935
Losses on Disposal of Assets		679	-	-	-	-	-	-		-
Other Losses		309	-	-	-	-	-	-		-
Total Expenditure		990 582	722 102	800 195	135 217	440 376	387 247	53 129	14%	800 195
Surplus/(Deficit)		(259 797)	(3 855)	(33 385)	82 019	124 029	(6 155)	130 183	(0)	(33 385)
Transfers and subsidies - capital (monetary allocations)		610 502	805 127	805 127	-	355 383	402 563	(47 180)	(0)	805 127
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		350 705	801 272	771 742	82 019	479 412	396 409			771 742
Income Tax										
Surplus/(Deficit) after income tax		350 705	801 272	771 742	82 019	479 412	396 409			771 742
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		350 705	801 272	771 742	82 019	479 412	396 409			771 742
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		350 705	801 272	771 742	82 019	479 412	396 409			771 742

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) - M06 December

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	-	-	323	(323)	-100%	970
Vote 03 - Finance		-	250	250	-	-	125	(125)	-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	-	-	448	(448)	-100%	1 220
Single Year expenditure appropriation	2									
Vote 01 - Council		173	-	10	-	7	37	(30)	-80%	10
Vote 02 - Corporate Services		833	2 250	2 480	29	661	1 200	(539)	-45%	2 480
Vote 03 - Finance		2 064	400	400	-	-	200	(200)	-100%	400
Vote 04 - Community Development		2 878	457	457	-	-	229	(229)	-100%	457
Vote 05 - Planning & Wsa		491 521	700 110	700 110	101 072	411 897	350 055	61 842	18%	700 110
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		474	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	43 478	(43 478)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	497 942	790 174	790 414	101 101	412 566	395 200	17 366	4%	790 414
Total Capital Expenditure		497 942	790 424	791 634	101 101	412 566	395 648	16 918	4%	791 634
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 140	29	669	1 562	(894)	-57%	3 140
Executive and council		173	-	10	-	7	37	(30)	-80%	10
Finance and administration		2 888	2 900	3 130	29	661	1 525	(864)	-57%	3 130
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 152	457	457	-	-	229	(229)	-100%	457
Community and social services		1 152	457	457	-	-	229	(229)	-100%	457
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 726	2 208	2 208	-	968	1 104	(136)	-12%	2 208
Planning and development		1 726	2 208	2 208	-	968	1 104	(136)	-12%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		491 995	784 859	784 859	101 072	410 929	392 430	18 500	5%	784 859
Energy sources		-	-	-	-	-	-	-	-	-
Water management		491 995	784 859	784 859	101 072	410 929	392 430	18 500	5%	784 859
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		9	-	970	-	-	323	(323)	-100%	970
Total Capital Expenditure - Functional Classification	3	497 942	790 424	791 634	101 101	412 566	395 648	16 918	4%	791 634
Funded by:										
National Government		490 152	700 110	700 110	101 072	411 897	350 055	61 842	18%	700 110
Provincial Government		2 797	457	1 427	-	-	552	(552)	-100%	1 427
District Municipality		-	-	-	-	-	-	-	-	-
(Nat / Prov Departm Agencies, Households, Non-profit)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		492 948	700 568	701 538	101 072	411 897	350 607	61 290	17%	701 538
Borrowing	6	191	86 957	86 957	-	-	43 478	(43 478)	-100%	86 957
Internally generated funds		4 803	2 900	3 140	29	669	1 562	(894)	-57%	3 140
Total Capital Funding		497 942	790 424	791 634	101 101	412 566	395 648	16 918	4%	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 - M06 December

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	267 685	345 288
Trade and other receivables from exchange transactions		29 625	59 575	59 575	45 476	59 575
Receivables from non-exchange transactions		168	-	-	6 978	-
Current portion of non-current receivables		-	-	-	-	-
Inventory		2 824	2 556	2 556	4 608	2 556
VAT		80 813	50 650	50 650	52 500	50 650
Other current assets		25 486	22 422	22 422	23 389	22 422
Total current assets		166 344	480 492	480 492	400 637	480 492
Non current assets						
Investments						
Investment property						
Property, plant and equipment		4 991 970	6 247 523	6 248 733	5 371 366	6 248 733
Biological assets						
Living and non-living resources						
Heritage assets		7 817	-	-	7 817	-
Intangible assets		52	1	1	41	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	5 379 224	6 248 735
TOTAL ASSETS		5 166 182	6 728 017	6 729 227	5 779 861	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	210 826	338 908
Trade and other payables from non-exchange transactions		1 560			307 262	
Provision		1 654	1 973	1 973	1 654	1 973
VAT		3 921	8 073	8 073	6 616	8 073
Other current liabilities		500	405	405	500	405
Total current liabilities		500 466	352 992	352 992	531 798	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	676 486	481 332
NET ASSETS	2	4 621 027	6 246 684	6 247 894	5 103 375	6 247 894
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		4 707 986	5 445 412	5 445 412	5 105 761	5 445 412
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	4 707 986	5 445 412	5 445 412	5 105 761	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 December 2023 indicate a balance of **R267.6 million**.

Overdraft	R6.3 million
Cash float	R8 hundred
Call Investments Deposits	R274 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 **R45.4 million**. Debtors age analysis as per section 2.2 debtors' analysis is **R221.3 million**. The consumer debtors' amount to **R214.4 million** and other receivables from exchange amount to **R1.8 million** which sums up to **R216.2** and the balance of **R5.1 million** is for shared services casted in Other Debtors.

Gross Consumer debtors	R214.4 million
Less Impairment	(R168.9 million)
Net Consumer Debtors	R45.4 million

Classification of Consumer Debtors per Service type

Water Debtors	R27.5 million
Sanitation Debtors	R17.8 million
Other Consumer debtors	R99.7 thousand
Other receivables from exchange	R1.8 million
Total	R45.4 million

➤ **Water Debtors**

Net Water debtors, after considering provision for bad debts, amount to **R27.5 million**

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

Gross Water Debtors	R169.8 million
Less Impairment	(141.2 million)
Net Water Debtors	R27.5 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R17.8 million**

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

Gross Sanitation Debtors	R44.4 million
Less Impairment	(R26.5 million)
Net Sanitation Debtors	R17.8 million

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R99.7 thousand**, these are sundry debtors.

Gross Other Debtors	R126.7 thousand
Less Impairment	(R42.2 thousand)
Net Other Debtors	R99.7 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	R180.3 million
Commercial/Businesses (excl prepaid exp R1.8 mil)	R14.8 million
Organs of State (excl shared services of R5.4 mill)	R26.1 million
Total	R212.5 million

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

Gross Households debtors	R180.3 million
Gross Business	R14.8 million
Less Impairment	(R168.9 million)
Net Household and businesses debtors	R26.2 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 **R4.6 million**. Inventories include water stock and consumable stores.

VAT Receivable

VAT Receivable amount to **R52.5 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 **R23.4 million**.

Deposits Made	R18.2 million
Refunds & under/over banking	R 5.1 million
Overpayments/Accrued Income	R36.9 thousand
Total	R23.4 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 **R5.1 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	R5.01 million
Under/over banking	R69.8 thousand

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	R412.5 million
Depreciation	(R33.1 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 **R51 thousand.**

Opening balance	R41 thousand
Additions	(R0)
Depreciation	(R0)
Closing Balance	R41 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 **R217.5 million**.

Trade Creditors	R18.6 million
Retention	R72.6 million
Department of Water & Sanitation	R62.6 million
Leave accrued	R21.7 million
Bonus	R5.7 million
Employee related cost	R2.3 million
Advance Payments	R2.5 million
Salary Suspense Accounts	R9.5 million
Other Suspense account	R407.2 thousand
Water tankers	R10.5 million
Zanamanzi	R3.3 million
Operating Lease Liability	R542.5 thousand
Closing Balance	R217.5 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 **R307.2 million**.

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
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VAT Payables

VAT payable amount to **R6.6 million**, this is the amount paid when output VAT is recognized less input VAT paid as per VAT reconciliation.

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
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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 **R5.1 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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	2 357	13 973	25 821	(11 848)	-46%	51 642
Other revenue		1 393 314	162 144	162 144	472 036	1 243 919	81 072	#####	1434%	162 144
Transfers and Subsidies - Operational		661 838	643 859	643 859	240 307	561 269	321 930	239 340	74%	643 859
Transfers and Subsidies - Capital		610 306	805 127	805 127	74 000	626 577	402 563	224 014	56%	805 127
Interest		6 722	3 000	3 000	268	4 157	1 500	2 657	177%	3 000
Dividends								-		
Payments										
Suppliers and employees		(868 156)	(672 640)	(672 640)	(185 284)	(876 927)	(336 320)	540 607	-161%	(672 640)
Interest								-		
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 830 973	993 132	993 132	603 684	1 572 969	496 566	#####	-217%	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)	(101 101)	(412 566)	(394 983)	17 583	-4%	(789 967)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(496 168)	(789 967)	(789 967)	(101 101)	(412 566)	(394 983)	17 583	-4%	(789 967)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	100 000	100 000	100 000	100 000	50 000	50 000	100%	100 000
Increase (decrease) in consumer deposits		(1)	-	-	0	8	-	8	#DIV/0!	-
Payments										
Repayment of borrowing		(1 090)	(10 000)	(10 000)	-	(173)	(5 000)	(4 827)	97%	(10 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 091)	90 000	90 000	100 000	99 835	45 000	(54 835)	-122%	90 000
NET INCREASE/ (DECREASE) IN CASH HELD		1 333 714	293 165	293 165	602 584	1 260 238	146 582			293 165
Cash/cash equivalents at beginning:		20 468	173 117	173 117	207 815	27 427	173 117			27 427
Cash/cash equivalents at month/year end:		1 354 182	466 282	466 282		1 287 664	319 699			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 **R13.9 million** to date. This is **27%** of budgeted collection and **41%** 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 **R561.2 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	R584.5 thousand
Amafa Research	R180 thousand
TOTAL	R561.2 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 **R4.1 million**. Interest on investment revenue on table C4 is **R4.1 million** which reconcile the one in the cash flow.

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 **R412.5 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.

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 **R267.6 million** in the financial position but in the cash flow it is **R27.4 million**.

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 December 2023

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

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	10 155	4 459	3 623	2 864	2 986	2 619	13 294	129 873	169 874	151 637	-	141 314
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	2 464	970	742	629	592	611	3 413	36 011	45 431	41 255	-	26 562
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	289	34	34	33	-	8	129	364	893	535	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	23	13	22	11	123	714	735	3 539	5 180	5 122	-	-
Total By Income Source	2000	12 931	5 476	4 421	3 537	3 700	3 952	17 572	169 787	221 377	198 549	-	167 876
2022/23 - totals only		5 104 682	5 776 596	4 217 068	3 953 594	3 389 302	3 198 631	2 284 967	1 445 398 96	193 030	177 931	0	1 386 141 50 1/4
Debtors Age Analysis By Customer Group													
Organs of State	2200	4 663	1 584	883	484	611	1 145	3 076	13 717	26 163	19 033	-	-
Commercial	2300	1 806	542	487	337	257	235	1 439	9 756	14 859	12 023	-	-
Households	2400	6 462	3 349	3 051	2 717	2 832	2 572	13 057	146 314	180 355	167 492	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-

Total debtors' amount to **R221.3 million**, which is an increase of **R3 million** from the closing balance of **R218.3 million** in the previous month. The debtors over 90 days amount to **R198.5 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 December 2023

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	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										-	12 889
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700										-	12 889
Auditor General	0800										-	
Other	0900										-	
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-	25 779

2.3 INVESTMENT PORTFOLIO

Investments as at 31 December 2023

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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
Municipality sub-total										-	2 675	(421 800)	695 800	274 000
Entities														
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									-		(421 800)	695 800	274 000

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

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										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		596 108	639 948	639 948	210 557	479 108	319 974	159 134	49.7%	639 948
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		586 391	631 671	631 671	210 557	473 753	315 836	157 918	50.0%	631 671
Expanded Public Works Programme Integrated Grant		8 517	7 077	7 077	-	4 954	3 539	1 416	40.0%	7 077
Local Government Financial Management Grant		1 200	1 200	1 200	-	401	600	(199)	-33.2%	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	-	213	2 035	(1 823)	-89.5%	4 111
Capacity Building and Other Grants		2 631	3 911	4 111	-	213	2 035	(1 823)	-89.5%	4 111
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		60 091	-	48 363	-	47 440	21 889	25 552	116.7%	48 363
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		478	-	471	-	-	119	(119)	-100.0%	471
National Skills Fund		59 613	-	47 892	-	47 440	21 769	25 671	117.9%	47 892
Unspecified		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	658 830	643 859	692 422	210 557	526 761	343 898	182 863	53.2%	692 422
Capital Transfers and Grants										
National Government:		607 306	805 127	805 127	-	355 383	402 563	(47 180)	-11.7%	805 127
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		259 530	271 683	271 683	-	93 918	135 842	(41 923)	-30.9%	271 683
Regional Bulk Infrastructure Grant		250 247	430 905	430 905	-	203 725	215 453	(11 727)	-5.4%	430 905
Rural Road Asset Management Systems Grant		2 529	2 539	2 539	-	1 113	1 269	(156)	-12.3%	2 539
Water Services Infrastructure Grant		95 000	100 000	100 000	-	56 627	50 000	6 627	13.3%	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	-	355 383	402 563	(47 180)	-11.7%	805 127
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 269 332	1 448 986	1 497 549	210 557	882 144	746 462	135 682	18.2%	1 497 549

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 - M06 December

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	628 717	72 218	329 497	314 094	15 403	4.9%	628 717
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		774 422	618 990	620 440	70 997	321 962	309 955	12 007	3.9%	620 440
Expanded Public Works Programme Integrated Grant		8 532	7 077	7 077	1 204	7 107	3 539	3 569	100.9%	7 077
Local Government Financial Management Grant		1 200	1 200	1 200	18	427	600	(173)	-28.9%	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	210	440	1 274	(834)	-65.4%	1 915
Capacity Building and Other Grants		2 689	3 385	1 915	210	440	1 274	(834)	-65.4%	1 915
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		59 798	-	78 113	30 267	77 917	26 154	51 763	197.9%	78 113
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		478	-	471	165	375	135	240	177.5%	471
National Skills Fund		59 320	-	77 642	30 102	77 542	26 019	51 523	198.0%	77 642
Total operating expenditure of Transfers and Grants:		888 081	630 652	708 745	102 695	407 854	341 522	66 332	19.4%	708 745
Capital expenditure of Transfers and Grants										
National Government:		490 152	700 110	700 110	101 072	411 897	350 055	61 842	17.7%	700 110
Municipal Infrastructure Grant		194 387	236 246	236 246	37 674	119 757	118 123	1 634	1.4%	236 246
Regional Bulk Infrastructure Grant		218 770	374 700	374 700	51 517	229 683	187 350	42 333	22.6%	374 700
Rural Road Asset Management Systems Grant		-	2 208	2 208	-	968	1 104	(136)	-12.3%	2 208
Water Services Infrastructure Grant		76 994	86 957	86 957	11 881	61 489	43 478	18 011	41.4%	86 957
Provincial Government:		2 797	457	1 427	-	-	552	(552)	-100.0%	1 427
Capacity Building and Other Grants		-	-	970	-	-	323	(323)	-100.0%	970
Infrastructure Grant		2 797	457	457	-	-	229	(229)	-100.0%	457
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		492 948	700 568	701 538	101 072	411 897	350 607	61 290	17.5%	701 538

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 - M06 December						
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	80	(0)	0.0%
NATIONAL SKILLS FUND		80	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	80	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	80	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 - M06 December

Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	-	197	197	-	197	#DIV/0!	-
Pension and UIF Contributions		509	512	512	44	251	256	(5)	-2%	512
Medical Aid Contributions		54	55	55	3	21	27	(7)	-25%	55
Motor Vehicle Allowance		1 889	1 962	1 962	263	1 081	981	100	10%	1 962
Cellphone Allowance		681	694	694	113	402	347	55	16%	694
Housing Allowances		360	180	180	15	90	90	-	-	180
Other benefits and allowances		5 782	6 084	6 084	548	2 924	3 042	(118)	-4%	6 084
Sub Total - Councillors		9 276	9 486	9 486	1 183	4 965	4 743	222	5%	9 486
% increase	4		2.3%	2.3%						2.3%
Senior Managers of the Municipality										
Basic Salaries and Wages		6 237	6 191	6 191	673	4 029	3 095	934	30%	6 191
Pension and UIF Contributions		176	62	62	30	178	31	147	474%	62
Medical Aid Contributions		59	3	3	10	55	1	54	3824%	3
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		650	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 640	1 542	1 542	166	1 004	771	233	30%	1 542
Cellphone Allowance		257	238	238	26	158	119	39	33%	238
Housing Allowances		13	-	-	1	6	-	6	#DIV/0!	-
Other benefits and allowances		309	195	195	21	188	98	90	92%	195
Payments in lieu of leave		374	-	-	-	95	-	95	#DIV/0!	-
Long service awards		132	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		97	-	-	-	16	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		9 945	8 230	8 230	928	5 729	4 115	1 614	39%	8 230
% increase	4		-17.2%	-17.2%						-17.2%
Other Municipal Staff										
Basic Salaries and Wages		184 973	206 063	206 063	17 263	99 693	103 032	(3 339)	-3%	206 063
Pension and UIF Contributions		24 702	27 991	27 991	2 222	13 241	13 996	(755)	-5%	27 991
Medical Aid Contributions		14 860	15 496	15 496	1 367	8 061	7 748	313	4%	15 496
Overtime		6 703	5 448	5 448	592	3 378	2 724	654	24%	5 448
Performance Bonus		12 696	13 983	13 983	1 277	7 254	6 992	263	4%	13 983
Motor Vehicle Allowance		10 357	10 682	10 682	1 046	5 621	5 341	280	5%	10 682
Cellphone Allowance		740	828	828	71	392	414	(22)	-5%	828
Housing Allowances		1 669	1 724	1 724	149	839	862	(23)	-3%	1 724
Other benefits and allowances		4 065	282	282	375	1 973	141	1 832	1300%	282
Payments in lieu of leave		5 523	-	-	269	2 218	-	2 218	#DIV/0!	-
Long service awards		3 358	-	-	249	1 116	-	1 116	#DIV/0!	-
Post-retirement benefit obligations		5 393	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1 191	-	-	58	298	-	298	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		276 230	282 498	282 498	24 940	144 085	141 250	2 835	2%	282 498
% increase	4		2.3%	2.3%						2.3%
Total Parent Municipality		295 452	300 214	300 214	27 051	154 779	150 108	4 671	3%	300 214

The municipality has no active entity.

2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	Revenue			
	Service charges – Water revenue	1%	This is the amounts billed on customers for water used, the year-to-date actual is R25.5 million which is 50% of the approved budget the R25.5 million year to date actual is below the six months baseline projection or year-to-date budget of R25.7 million. A variance of R241 thousand or less than 1% is observed.	The municipality need to keep up billing and install meters where and when needed.
	Service charges – Sanitation revenue	21%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R6.5 million which is 40% of the approved budget. The R6.5 million year to date actual is below the six months baseline projection or year-to-date budget of R8.2 million. A variance of R1.6 million or 21% 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	4%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R522 thousands which is 52% of the approved budget the R522 thousands year to date actual is above the six months baseline projection or year-to-date budget of R500 thousand. A variance of R22 thousand or 4% is observed.	
	Interest earned - outstanding debtors	54%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears, the year-to-date actual is R401 thousand which is 77% of the approved budget. The R401 thousand year to date actual is above the six months baseline projection or year-to-date budget of R260 thousand. A variance of R141 thousand or 54% 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	177%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R4.1 million which is 139% of the approved budget. The R4.1 million year to date actual is above the six months baseline projection or year-to-date budget of R1.5 million. A variance of R2.6 million or 177% 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	22%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R196 thousand which is 39% of the approved budget the R196 thousand year to date actual is below the six months baseline projection or year-to-date budget of R250 thousand. A variance of R54 thousand or less than 22% 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	71%	Licences and permits year-to-date actual is R51 thousand which is 85% of the approved budget, the R51 thousand year to date actual is above the six months baseline projection or year-to-date budget of R30 thousand. A variance of R21 thousand or 71% 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	59%	Operational revenue year-to-date actual is R76 thousand which is 21% of the approved budget, the R76 thousand year to date actual is below six months baseline projection or year-to-date budget of R184 thousand. A variance of R108 thousand or 59% is observed.	The municipality need to adjust this line item in the adjustment budget
	Fines, penalties, and forfeits	60%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is R200 thousand which is 20% of the approved budget, the R200 thousand year to date actual is below the six months baseline projection or year-to-date budget of R500 thousand. A variance of R300 thousand or 60% 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	53%	Transfers and subsidies year to date actual is R526.7 million which is 82% of the approved budget. The R526.7 million year to date actual is above the six months baseline projection or year-to-date budget of R343.8 million. A variance of R182.8 million or 53% 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 tranches as per approved transfer schedule.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M06 December

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 R149.8 million which is 52% of the approved budget. The R149.8 million year to date actual is above the six months baseline projection or year-to-date budget of R145.3 million. A variance of R4.4 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 R4.9 million which is 52% of the approved budget. The R4.9 million year to date actual is above the six months baseline projection or year-to-date budget of R4.5 million. A variance of R222 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 R3.8 million which is 9% of the approved budget the R3.8 million year to date actual is below the six months baseline projection or year-to-date budget of R22.2 million. A variance of R18.3 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	26%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R33.1 million which is 37% of the approved budget. The R33.1 million year to date actual is below the six months baseline projection or year-to-date budget of R45 million. A variance of R11.8 million or 26% 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 six months baseline projection or year-to-date budget of R500 thousand. A variance of R292 thousand or 58% 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	65%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R148.8 million which is 116% of the approved budget. The R148.8 million year to date actual is above the six months baseline projection or year-to-date budget of R90.2 million. A variance of R58.6 million or 65% 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 cost
	Transfers and subsidies paid.	29%	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 R2.1 million which is 36% of the approved budget. The R2.1 million year to date actual is above the six months baseline projection or year-to-date budget of R1.6 million. A variance of R487 thousand or 29% 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	34%	Operational costs are all other expenditure not classified above. The year-to-date actual is R97.2 million which is 68% of the approved budget. The R97.2 million year to date actual is above the six months baseline projection or year-to-date budget of R72.4 million. A variance of R24.8 million or 34% 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 - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	Capital Expenditure			
	Governance and administration	57%	Governance and administration year-to-date actual are R669 thousand which is 23% of the approved budget. The R669 thousand year to date actual is below the six months baseline projection or year-to-date budget of R1.5 million. A variance of R894 thousand or 57% 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 R229 thousand. A variance of R229 thousand or 100% is observed.	
	Economic and environmental services	12%	Economic and environmental services year-to-date actual is R968 thousand which is 44% of the approved budget. The R968 thousand year to date actual is above the six months baseline projection or year-to-date budget of R1.1 million. A variance of R136 thousand or 12% is observed.	
	Trading services	5%	Trading services year-to-date actual is R410.9 million which is 52% of the approved budget. The R410.9 million year to date actual is above the six months baseline projection or year-to-date budget of R327.02 million. A variance of R18.5 million or 5% 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 - M06 December

Description	Ref	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	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	3 214	3 214	3 214	3 214	3 214	12 051	38 572	43 529	48 873
Service charges - Waste Water Management		381	742	614	1 016	228	544	1 089	1 089	1 089	1 089	1 089	4 100	13 069	14 685	16 426
Service charges - Waste Management													-			
Rental of facilities and equipment		45	49	45	36	-	36	90	90	90	90	90	418	1 075	1 127	1 181
Interest earned - external investments		-	574	301	2 843	172	268	250	250	250	250	250	(2 407)	3 000	3 144	3 295
Interest earned - outstanding debtors													-			
Dividends received													-			
Fines, penalties and forfeits		20	64	79	21	4	13	83	83	83	83	83	383	1 000	1 048	1 098
Licences and permits		5	11	8	9	14	4	5	5	5	5	5	(16)	60	63	66
Agency services													-			
Transfers and Subsidies - Operational		266 152	2 969	48 282	165	3 395	240 307	53 655	53 655	53 655	53 655	53 655	(185 685)	643 859	679 032	720 445
Other revenue		131 675	231 394	200 542	189 135	18 728	471 984	13 334	13 334	13 334	13 334	13 334	(1 150 119)	160 009	115 496	124 647
Cash Receipts by Source		399 159	237 061	251 588	193 794	22 685	714 664	71 381	71 381	71 381	71 381	71 381	(1 319 286)	856 570	853 854	911 555
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	67 094	###	805 127	552 968	611 515
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, 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	8 333	(41 667)	100 000	-	-
Increase (decrease) in consumer deposits		(0)	7	1	1	(1)	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	146 808	146 808	146 808	146 808	146 808	(1 517 880)	1 761 697	1 406 822	1 523 070
Cash Payments by Type																
Employee related costs		26 127	26 418	26 816	26 778	26 586	18 434	24 344	24 344	24 344	24 344	24 344	19 251	292 133	298 671	312 940
Remuneration of councillors		-	-	-	-	-	790	790	790	790	790	790	5 533	9 486	9 941	10 418
Interest													-			
Bulk purchases - Electricity		12 282	4 787	13 201	5 143	16 800	3 774	-	-	-	-	-	(55 987)	-	-	-
Acquisitions - water & other inventory		7 556	-	-	-	191	-	4 037	4 037	4 037	4 037	4 037	20 515	48 450	50 736	53 133
Contracted services		131	(6 308)	(49 127)	(113 256)	(89 149)	(70 637)	12 336	12 336	12 336	12 336	12 336	414 695	148 027	152 625	159 854
Transfers and subsidies - other municipalities													-			
Transfers and subsidies - other													-			
Other expenditure		239 289	84 467	106 769	152 667	160 442	227 375	14 462	14 462	14 462	14 462	14 462	(869 775)	173 544	187 490	196 589
Cash Payments by Type		285 385	109 364	97 659	71 332	114 870	178 946	55 970	55 970	55 970	55 970	55 970	(465 767)	671 640	699 464	732 935
Other Cash Flows/Payments by Type																
Capital assets		-	57 911	49 277	113 514	90 763	101 101	65 831	65 831	65 831	65 831	65 831	48 248	789 967	480 842	531 752
Repayment of borrowing		-	-	-	-	173	-	833	833	833	833	833	5 660	10 000	10 000	10 000
Other Cash Flows/Payments		-	2 690	8 299	1 429	615	6 337	83	83	83	83	83	(18 786)	1 000	1 000	1 000
Total Cash Payments by Type		285 385	169 965	155 234	186 275	206 421	286 385	122 717	122 717	122 717	122 717	122 717	(430 645)	1 472 607	1 191 306	1 275 687
NET INCREASE/(DECREASE) IN CASH HELD		217 774	217 903	182 355	49 297	(13 738)	602 280	24 091	24 091	24 091	24 091	24 091	(1 087 235)	289 090	215 516	247 384
Cash/cash equivalents at the month/year beginning:		27 427	245 201	463 103	645 458	694 755	681 017	1 283 297	1 307 388	1 331 479	1 355 570	1 379 661	1 403 751	27 427	316 516	532 032
Cash/cash equivalents at the month/year end:		245 201	463 103	645 458	694 755	681 017	1 283 297	1 307 388	1 331 479	1 355 570	1 379 661	1 403 751	316 516	316 516	532 032	779 416

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 - M06 December

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	–	–	461 646	461 646	100.0%	0%
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	412 566					

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 - M06 December

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									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		491 521	700 110	700 910	101 072	411 897	350 322	(61 576)	-17.6%	700 910
Roads Infrastructure		-	2 208	2 208	-	968	1 104	136	12.3%	2 208
Roads		-	2 208	2 208	-	968	1 104	136	12.3%	2 208
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		491 521	693 120	692 468	101 072	410 929	346 264	(64 666)	-18.7%	692 468
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		68 814	79 130	72 907	5 312	23 172	36 736	13 564	36.9%	72 907
Reservoirs		11 062	15 086	10 178	5 938	6 342	5 312	(1 030)	-19.4%	10 178
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		63 564	66 957	79 913	21 199	63 048	39 368	(23 681)	-60.2%	79 913
Bulk Mains		311 748	508 469	497 710	66 658	299 053	249 344	(49 709)	-19.9%	497 710
Distribution		36 333	23 478	31 760	1 964	19 314	15 504	(3 810)	-24.6%	31 760
Distribution Points		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	4 783	6 235	-	-	2 954	2 954	100.0%	6 235
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	4 783	5 435	-	-	2 688	2 688	100.0%	5 435
Toilet Facilities		-	-	800	-	-	267	267	100.0%	800
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
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	2 350	-	245	1 225	980	80.0%	2 350
Computer Equipment		2 158	2 350	2 350	-	245	1 225	980	80.0%	2 350
Furniture and Office Equipment		1 085	550	690	29	189	326	138	42.2%	690
Furniture and Office Equipment		1 085	550	690	29	189	326	138	42.2%	690
Machinery and Equipment		1 210	87 414	87 414	-	-	43 707	43 707	100.0%	87 414
Machinery and Equipment		1 210	87 414	87 414	-	-	43 707	43 707	100.0%	87 414
Transport Assets		-	-	270	-	235	68	(167)	-247.7%	270
Transport Assets		-	-	270	-	235	68	(167)	-247.7%	270
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	101 101	412 566	395 648	(16 918)	-4.3%	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 - M06 December

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	69 800	9 385	25 192	34 900	9 708	27.8%	69 800
Roads Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
<i>Power Plants</i>		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		131 760	70 000	69 800	9 385	25 192	34 900	9 708	27.8%	69 800
<i>Bulk Mains</i>		45 692	20 000	19 800	2 764	10 517	9 900	(617)	-6.2%	19 800
<i>Distribution Points</i>		86 067	50 000	50 000	6 621	14 674	25 000	10 326	41.3%	50 000
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	-	1 030	-	-	343	343	100.0%	1 030
Community Facilities		-	-	1 030	-	-	343	343	100.0%	1 030
<i>Airports</i>		-	-	1 030	-	-	343	343	100.0%	1 030
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</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	2 155	16	423	1 321	898	68.0%	2 155
Operational Buildings		1 420	3 200	2 155	16	423	1 321	898	68.0%	2 155
<i>Municipal Offices</i>		1 420	3 200	2 155	16	423	1 321	898	68.0%	2 155
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	200	-	-	100	100	100.0%	200
Furniture and Office Equipment		40	200	200	-	-	100	100	100.0%	200
Machinery and Equipment		29	-	50	-	-	20	20	100.0%	50
Machinery and Equipment		29	-	50	-	-	20	20	100.0%	50
Transport Assets		4 728	1 500	2 000	155	1 750	821	(928)	-113.0%	2 000
Transport Assets		4 728	1 500	2 000	155	1 750	821	(928)	-113.0%	2 000
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	137 997	74 900	75 235	9 556	27 364	37 506	10 141	27.0%	75 235

2.13 DEPRECIATION BY ASSET CLASS

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

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									
Depreciation by Asset Class/Sub-class										
Infrastructure		88 946	80 877	80 877	31 776	31 776	40 439	8 663	21.4%	80 877
Roads Infrastructure		587	718	718	-	-	359	359	100.0%	718
Roads		587	718	718	-	-	359	359	100.0%	718
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		28	36	36	-	-	18	18	100.0%	36
LV Networks		28	36	36	-	-	18	18	100.0%	36
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		86 306	77 892	77 892	31 297	31 297	38 946	7 648	19.6%	77 892
Dams and Weirs		2 197	2 285	2 285	188	188	1 143	955	83.5%	2 285
Boreholes		1 572	471	471	702	702	235	(467)	-198.3%	471
Reservoirs		7 184	7 026	7 026	2 273	2 273	3 513	1 240	35.3%	7 026
Pump Stations		5 203	4 451	4 451	1 721	1 721	2 226	505	22.7%	4 451
Water Treatment Works		7 060	6 502	6 502	1 436	1 436	3 251	1 815	55.8%	6 502
Bulk Mains		39 339	34 795	34 795	17 507	17 507	17 398	(109)	-0.6%	34 795
Distribution		23 677	22 280	22 280	7 446	7 446	11 140	3 694	33.2%	22 280
PRV Stations		74	81	81	25	25	41	16	39.0%	81
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		2 026	2 231	2 231	478	478	1 116	637	57.1%	2 231
Pump Station		(174)	193	193	70	70	96	27	27.8%	193
Reticulation		1 686	1 717	1 717	146	146	858	713	83.0%	1 717
Waste Water Treatment Works		514	322	322	263	263	161	(102)	-63.4%	322
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Community Assets		30	852	852	569	569	426	(143)	-33.7%	852
Community Facilities		(105)	622	622	502	502	311	(191)	-61.5%	622
Markets		143	-	-	172	172	-	(172)	#DIV/0!	-
Airports		(248)	622	622	330	330	311	(19)	-6.2%	622
Sport and Recreation Facilities		135	230	230	67	67	115	48	41.4%	230
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		135	230	230	67	67	115	48	41.4%	230
Heritage assets		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		2 904	1 366	1 366	113	113	683	569	83.4%	1 366
Operational Buildings		2 904	1 366	1 366	113	113	683	569	83.4%	1 366
Municipal Offices		2 904	1 312	1 312	113	113	656	543	82.7%	1 312
Stores		-	53	53	-	-	27	27	100.0%	53
Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		18	-	-	11	11	-	(11)	#DIV/0!	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		18	-	-	11	11	-	(11)	#DIV/0!	-
Computer Software and Applications		18	-	-	11	11	-	(11)	#DIV/0!	-
Computer Equipment		2 770	992	992	232	232	496	264	53.2%	992
Computer Equipment		2 770	992	992	232	232	496	264	53.2%	992
Furniture and Office Equipment		505	555	555	45	45	278	233	83.8%	555
Furniture and Office Equipment		505	555	555	45	45	278	233	83.8%	555
Machinery and Equipment		717	368	368	109	109	184	75	40.7%	368
Machinery and Equipment		717	368	368	109	109	184	75	40.7%	368
Transport Assets		4 359	4 991	4 991	325	325	2 496	2 170	87.0%	4 991
Transport Assets		4 359	4 991	4 991	325	325	2 496	2 170	87.0%	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	33 181	33 181	45 000	11 820	26.3%	90 000

2.14 MUNICIPAL MANAGERS QUALITY CERTIFICATION

I, **R.N. Hlongwa**, Municipal Manager of Zululand District Municipality, hereby certify that the Quarterly 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 : 2024/01/15