



INTERNAL MEMO

DATE : 13 SEPTEMBER 2021
TO : THE HONOURABLE MAYOR
FROM : MUNICIPAL MANAGER
RE : MONTHLY BUDGET STATEMENT

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

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully

A handwritten signature in black ink, appearing to read 'R.N. Hlongwa', written over a horizontal line.

R.N. HLONGWA
Chief Financial Officer

A handwritten signature in black ink, appearing to read 'P.M. Manqele', written over a horizontal line.

P.M. MANQELE
Municipal Manager

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GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

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

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 – IN-YEAR REPORT

1.1 MAYORS REPORT

To be attached

1.2 COUNCIL RESOLUTION

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

1.3 EXECUTIVE SUMMARY

BUDGET PERFORMANCE ANALYSIS

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

Summary Statement of Financial Performance

	APPROVED BUDGET	YTD ACTUAL
Total Revenue By Source (Excluding Capital Transfers)	602 842 000	235 407 454
Total Operating Expenditure	596 622 999	107 174 991
Surplus/(Deficit)	6 219 001	128 232 463

Operating revenue Performance

Total operating revenue generated by the Municipality as at **31 August 2021** is **R235.4 million** which is **39%** of the approved total operating revenue, this amount should comprise of equitable share and other operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Operating revenue is explained by source in Section 1.4 Operating Revenue Performance.

The Municipality is largely dependent on government grants for its operations, service charges revenue recognized is only **R8.2 million**, which is **1.4%** of the total generated operating revenue.

Operating Expenditure Performance

Total Operating Expenditure as at **31 August 2021** is **R107 million** which is **18%** of the approved operating expenditure budget. Operating expenditure is explained by source in Section 1.5 Operating Expenditure Performance.

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	YTD ACTUAL
Total Capital Expenditure	580 277 001	103 006 559
Total Capital Financing	580 277 001	103 006 559

Total Capital Expenditure as at **31 August 2021** is **R103 million** which is **18%** of the approved capital budget. Capital expenditure is explained by source in Section 1.6 Capital Expenditure and Funding.

Major Variances between actuals and year to date budget

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

On Revenue there seem to be major variances between year-to-date budget and year to date actual, these variances are on interest on investments, Service charges, Fines, penalties and forfeits, and transfers and subsidies, this is due to equitable share not being recognized as at month end and that some revenue streams will tap in the upcoming months in the financial year.

Major variances on expenditure are on other materials, transfers and subsidies, debt impairment and depreciation. These expenditure items will pick up as the financial year progresses.

The Financial Performance indicate a surplus of **R128.2 million**, this means the Municipality was able to generate enough revenue to cover all expenses for the period being reported.

1.4 OPERATING REVENUE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates										
Service charges - electricity revenue										
Service charges - water revenue		44 957	43 000	43 000	3 647	6 220	7 167	(946)	-13%	43 000
Service charges - sanitation revenue		11 117	11 000	11 000	997	2 020	1 833	187	10%	11 000
Service charges - refuse revenue										
Rental of facilities and equipment		179	210	210	15	31	35	(4)	-13%	210
Interest earned - external investments		3 226	6 000	6 000	655	655	1 000	(345)	-35%	6 000
Interest earned - outstanding debtors		29	85	85	5	10	14	(5)	-33%	85
Dividends received										
Fines, penalties and forfeits		7 543	638	638	1	1	106	(105)	-99%	638
Licences and permits		10	10	10	-	-	2	(2)	-100%	10
Agency services										
Transfers and subsidies		577 833	541 399	541 399	226 423	226 423	90 233	136 190	151%	541 399
Other revenue		662	500	500	(4 359)	48	83	(35)	-42%	500
Gains		20 175	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		665 731	602 842	602 842	227 384	235 407	100 474	134 934	134%	602 842

The year-to-date actual indicates operating revenue of **R235 million** for **two month**. The total revenue to-date represents **39%** of the operating revenue budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

Service charges – Water revenue

This is amounts billed on customers for water used, the year-to-date actual is **R6.2 million**, which is below year-to-date budget of **R7.1 million**. A variance of **R946 thousand** or **13%** is observed.

Service charges – Sanitation revenue

This is amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R2 million** which is above year to date budget of **R1.8 million**. A variance of **R187 thousand** or **10%** is observed.

Rent of facilities

Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is **R31 thousand** which is below year-to-date budget of **R35 thousand**. A variance of **R4 thousand** or **13%** is observed.

Interest on investment

Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is **R655 thousand**, which is below year-to-date budget of **R1 million**. A variance of **R345 thousand** or **35%** is observed.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R5 thousand**, which is below year-to-date budget of **R7 thousand**. variance of **R2 thousand** or **34%** is observed.

Fines, penalties and forfeits

Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is **R1 thousand**, the year-to-date budget is **R106 thousand**. A variance of **R105 thousand** or **99%** is observed.

Licences and permits

This amount is for health certificates issued, the year-to-date actual is **R2 thousand**, the year-to-date budget is **R2 thousand**. A variance of **R2 thousand** or **100%** is observed.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2021; 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 **R226.4 million**, which is above year-to-date budget of **R90.2 million**. A variance of **R136.1 million** thousand or **151%** is observed.

Other revenue

Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is **R88 thousand**, which is above year-to-date budget of **R42 thousand**.

1.5 OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2020/21	Budget Year 2021/22							
		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		241 953	255 269	255 269	20 537	40 563	42 545	(1 982)	-5%	255 269
Remuneration of councillors		8 489	8 537	8 537	717	1 434	1 423	11	1%	8 537
Debt impairment		13 689	9 000	9 000	-	-	1 500	(1 500)	-100%	9 000
Depreciation & asset impairment		84 156	71 620	71 620	19 044	19 044	11 937	7 107	60%	71 620
Finance charges										
Bulk purchases - electricity		26 310	-	-	-	-	-	-		-
Inventory consumed		10 268	24 194	24 194	438	459	4 032	(3 574)	-89%	24 194
Contracted services		289 995	139 336	141 166	14 696	26 673	23 466	3 207	14%	141 166
Transfers and subsidies		12 891	11 950	10 665	510	3 873	1 879	1 993	106%	10 665
Other expenditure		113 465	76 716	76 171	7 290	15 130	12 656	2 474	20%	76 171
Losses		2 416	-	-	-	-	-	-		-
Total Expenditure		803 631	596 623	596 623	63 232	107 175	99 438	7 737	8%	596 623

The year-to-date actual indicates spending of **R107.1 million** for **two months**. The total expenditure to date represents **18%** of the approved operational budget.

Employee Related Costs

Employee related costs year to date actual is **R40.5 million**, the year-to-date budget is **R42 million**, an unfavorable variance of **R1.9million** or **5%** is observed.

Remuneration of Councillors

Remuneration of Councillors year to date actual is **R1.4 million**, the year-to-date budget is **R1.4 million**, a variance of **R11 000** or **1%** is observed.

Debt impairment

This is the amount of debts written off as per council policy.

Depreciation

This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is **R17.6 million**. The year-to-date budget is **R11.9 million**. A variance of **R7.1 million** or **60%** is observed.

Bulk purchases - electricity

The Municipality does not incur bulk purchases electricity since the Municipality does not sell electricity.

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12, year to date actual is **R459 thousand**, the year-to-date budget is **R4 million**, a variance of **R 3.5 million** or **89%** is observed

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R26.6 million** and the year-to-date budget of **R23.4 million**, a variance of **R3.2 million** or **14%** is observed.

Transfers and subsidies paid

Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support businesses. The year-to-date actual is **R3.8 million**, the year-to-date budget is **R1.8 million**, a variance of **R1.9 million** or **106%** is observed.

Other expenditure

Other expenditure year to date actual is **R15.1 million**, the year-to-date budget is **R12.6 million**, a variance of **R2.4 million** or **20%** is observed.

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL
Finance Management	1 200 000	265 266
EPWP Incentive	9 612 000	3 971 126
Art centre Subsisies (Indonsa Grant)	1 911 000	613 927
Municipal Systems Improvement Grant	4 031 000	120 474
Total Operating Grant Expenditure	16 754 000	4 970 793

Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		44 957	43 000	43 000	3 647	6 220	7 167	(946)	-13%	43 000
Service charges - sanitation revenue		11 117	11 000	11 000	997	2 020	1 833	187	10%	11 000
Service charges - refuse revenue								-		
Rental of facilities and equipment		179	210	210	15	31	35	(4)	-13%	210
Interest earned - external investments		3 226	6 000	6 000	655	655	1 000	(345)	-35%	6 000
Interest earned - outstanding debtors		29	85	85	5	10	14	(5)	-33%	85
Dividends received								-		
Fines, penalties and forfeits		7 543	638	638	1	1	106	(105)	-99%	638
Licences and permits		10	10	10	-	-	2	(2)	-100%	10
Agency services								-		
Transfers and subsidies		577 833	541 399	541 399	226 423	226 423	90 233	136 190	151%	541 399
Other revenue		662	500	500	(4 359)	48	83	(35)	-42%	500
Gains		20 175	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		665 731	602 842	602 842	227 384	235 407	100 474	134 934	134%	602 842
Expenditure By Type										
Employee related costs		241 953	255 269	255 269	20 537	40 563	42 545	(1 982)	-5%	255 269
Remuneration of councillors		8 489	8 537	8 537	717	1 434	1 423	11	1%	8 537
Debt impairment		13 689	9 000	9 000	-	-	1 500	(1 500)	-100%	9 000
Depreciation & asset impairment		84 156	71 620	71 620	19 044	19 044	11 937	7 107	60%	71 620
Finance charges								-		
Bulk purchases - electricity		26 310	-	-	-	-	-	-		-
Inventory consumed		10 268	24 194	24 194	438	459	4 032	(3 574)	-89%	24 194
Contracted services		289 995	139 336	141 166	14 696	26 673	23 466	3 207	14%	141 166
Transfers and subsidies		12 891	11 950	10 665	510	3 873	1 879	1 993	106%	10 665
Other expenditure		113 465	76 716	76 171	7 290	15 130	12 656	2 474	20%	76 171
Losses		2 416	-	-	-	-	-	-		-
Total Expenditure		803 631	596 623	596 623	63 232	107 175	99 438	7 737	8%	596 623
Surplus/(Deficit)		(137 901)	6 219	6 219	164 153	128 232	1 036	127 196	0	6 219
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		446 737	574 058	574 058	86 828	86 828	95 676	(8 848)	(0)	574 058
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		308 836	580 277	580 277	250 981	215 061	96 712			580 277
Taxation								-		
Surplus/(Deficit) after taxation		308 836	580 277	580 277	250 981	215 061	96 712			580 277
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		308 836	580 277	580 277	250 981	215 061	96 712			580 277
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		308 836	580 277	580 277	250 981	215 061	96 712			580 277

1.6 CAPITAL EXPENDITURE AND FUNDING

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

- Government Grants
- Internally Generated Funds

The summary report indicates the following: -

	APPROVED BUDGET	YTD ACTUAL
Total Capital Expenditure	580 277 001	103 006 559
Total Capital Financing	580 277 001	103 006 559

The capital expenditure amounts to **R103 million** which is **18%** of the capital budget, after a period of **two months**.

CAPITAL EXPENDITURE BY SOURCE	APPROVED BUDGET	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	239 111 000	60 472 040
Regional Bulk Infrastructure (RBIG)	222 531 000	24 946 064
Water services infrastructure Grant (WSIG)	110 000 000	15 297 322
Rural Roads Asset Management Systems Grant	2 416 000	
Indonsa Grant	834 000	860 703
Other Assets	5 385 000	
Total Operating Expenditure	580 277 000	101 576 128

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
Municipal Infrastructure Grant (MIG)	239 111 000	69 221 498
Regional Bulk Infrastructure (RBIG)	222 531 000	28 326 410
Water services infrastructure Grant (WSIG)	110 000 000	17 391 156
Rural Roads Asset Management Systems Grant	2 416 000	-
Total Capital Grant Expenditure	574 058 000	114 939 063

Overall capital grant expenditure is sitting at **20%** of the approved capital budget, **MIG** is sitting at **29%**, **RBIG** at **13%**, **WSIG** at **16%** and **RAMS** at **0%**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2020/21		Budget Year 2021/22						
		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		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 01 - Council		-	3 500	3 500	1 400	1 400	583	816	140%	3 500
Vote 02 - Corporate Services		3 216	-	-	-	-	-	-	-	-
Vote 03 - Finance		1 402	385	385	31	31	64	(33)	-52%	385
Vote 04 - Community Development		3 869	834	2 272	861	861	405	456	113%	2 272
Vote 05 - Planning & Wsa		333 171	574 058	499 181	52 679	100 715	88 869	11 846	13%	499 181
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	1 500	1 500	-	-	250	(250)	-100%	1 500
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838
Total Capital Expenditure		341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838
Capital Expenditure - Functional Classification										
Governance and administration		4 482	3 885	3 885	1 430	1 430	648	783	121%	3 885
Executive and council		-	3 500	3 500	1 400	1 400	583	816	140%	3 500
Finance and administration		4 482	385	385	31	31	64	(33)	-52%	385
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		547	834	725	-	-	129	(129)	-100%	725
Community and social services		547	834	725	-	-	129	(129)	-100%	725
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		3 322	2 416	3 648	861	861	649	211	33%	3 648
Planning and development		3 322	2 416	3 648	861	861	649	211	33%	3 648
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		333 171	573 142	498 580	52 679	100 715	88 745	11 970	13%	498 580
Energy sources		-	-	-	-	-	-	-	-	-
Water management		333 171	573 142	498 580	52 679	100 715	88 745	11 970	13%	498 580
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		135	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838
Funded by:										
National Government		333 171	574 058	499 181	52 679	100 715	88 869	11 846	13%	499 181
Provincial Government		3 869	834	2 272	861	861	405	456	113%	2 272
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		337 040	574 892	501 453	53 540	101 576	89 274	12 302	14%	501 453
Borrowing	6									
Internally generated funds		4 617	5 385	5 385	1 430	1 430	898	533	59%	5 385
Total Capital Funding		341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838

1.7 IN-YEAR BUDGET TABLES

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

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

Table C1 – Monthly Budget Statement Summary

DC26 Zululand - Table C1 Monthly Budget Statement Summary - M02 August

Description	2020/21	Budget Year 2021/22							
	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	56 074	54 000	54 000	4 645	8 240	9 000	(760)	-8%	54 000
Investment revenue	3 226	6 000	6 000	655	655	1 000	(345)	-35%	6 000
Transfers and subsidies	577 833	541 399	541 399	226 423	226 423	90 233	136 190	151%	541 399
Other own revenue	28 599	1 443	1 443	(4 338)	89	240	(151)	-63%	1 443
Total Revenue (excluding capital transfers and contributions)	665 731	602 842	602 842	227 384	235 407	100 474	134 934	134%	602 842
Employee costs	241 953	255 269	255 269	20 537	40 563	42 545	(1 982)	-5%	255 269
Remuneration of Councillors	8 489	8 537	8 537	717	1 434	1 423	11	1%	8 537
Depreciation & asset impairment	84 156	71 620	71 620	19 044	19 044	11 937	7 107	60%	71 620
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	36 578	24 194	24 194	438	459	4 032	(3 574)	-89%	24 194
Transfers and subsidies	12 891	11 950	10 665	510	3 873	1 879	1 993	106%	10 665
Other expenditure	419 565	225 053	226 338	21 986	41 803	37 622	4 181	11%	226 338
Total Expenditure	803 631	596 623	596 623	63 232	107 175	99 438	7 737	8%	596 623
Surplus/(Deficit)	(137 901)	6 219	6 219	164 153	128 232	1 036	127 196	12277%	6 219
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	446 737	574 058	574 058	86 828	86 828	95 676	(8 848)	-9%	574 058
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	308 836	580 277	580 277	250 981	215 061	96 712	118 348	122%	580 277
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	308 836	580 277	580 277	250 981	215 061	96 712	118 348	122%	580 277
Capital expenditure & funds sources									
Capital expenditure	341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838
Capital transfers recognised	337 040	574 892	501 453	53 540	101 576	89 274	12 302	14%	501 453
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 617	5 385	5 385	1 430	1 430	898	533	59%	5 385
Total sources of capital funds	341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838
Financial position									
Total current assets	1 352 697	213 923	289 141		276 876				289 141
Total non current assets	4 189 098	5 150 898	5 077 459		4 273 060				5 077 459
Total current liabilities	307 104	185 415	185 415		279 306				185 415
Total non current liabilities	33 042	47 047	47 047		33 042				47 047
Community wealth/Equity	3 743 267	4 552 082	4 552 082		4 237 597				4 552 082
Cash flows									
Net cash from (used) operating	802 022	639 282	639 282	125 775	289 408	106 547	(182 861)	-172%	639 282
Net cash from (used) investing	(395 419)	(580 277)	(580 277)	(54 971)	(103 007)	(96 713)	6 294	-7%	(580 277)
Net cash from (used) financing	(21)	13	-	(8)	(3 626)	(603)	3 023	-501%	(3 620)
Cash/cash equivalents at the month/year end	418 872	134 221	134 208	-	202 834	9 231	(193 603)	-2097%	55 385
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	19 005	2 943	3 216	3 234	2 878	2 799	19 708	99 612	153 397
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		597 246	536 634	536 634	214 914	219 336	89 439	129 897	145%	536 634
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		597 246	536 634	536 634	214 914	219 336	89 439	129 897	145%	536 634
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 921	2 511	2 511	-	-	418	(418)	-100%	2 511
Community and social services		1 911	1 911	1 911	-	-	319	(319)	-100%	1 911
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		10	600	600	-	-	100	(100)	-100%	600
<i>Economic and environmental services</i>		6 204	2 416	2 416	8 811	8 811	403	8 408	2088%	2 416
Planning and development		6 204	2 416	2 416	8 811	8 811	403	8 408	2088%	2 416
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		505 908	635 339	635 339	90 488	94 089	105 890	(11 801)	-11%	635 339
Energy sources		-	-	-	-	-	-	-	-	-
Water management		494 780	624 339	624 339	89 491	92 068	104 056	(11 988)	-12%	624 339
Waste water management		11 128	11 000	11 000	997	2 020	1 833	187	10%	11 000
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	1 189	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 112 468	1 176 900	1 176 900	314 213	322 236	196 150	126 086	64%	1 176 900
Expenditure - Functional										
<i>Governance and administration</i>		223 531	180 684	180 684	13 749	34 118	30 114	4 004	13%	180 684
Executive and council		48 383	43 476	42 876	3 263	8 585	7 146	1 439	20%	42 876
Finance and administration		175 148	137 208	137 808	10 486	25 533	22 968	2 565	11%	137 808
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		18 419	24 007	24 007	1 462	2 643	4 001	(1 358)	-34%	24 007
Community and social services		7 084	12 000	12 000	550	875	2 000	(1 125)	-56%	12 000
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		11 336	12 007	12 007	913	1 768	2 001	(233)	-12%	12 007
<i>Economic and environmental services</i>		19 889	28 693	28 693	1 791	4 111	4 782	(671)	-14%	28 693
Planning and development		19 889	28 693	28 693	1 791	4 111	4 782	(671)	-14%	28 693
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		533 275	355 280	355 280	45 547	65 030	59 213	5 817	10%	355 280
Energy sources		-	-	-	-	-	-	-	-	-
Water management		529 559	350 523	350 523	45 221	64 394	58 421	5 974	10%	350 523
Waste water management		3 716	4 757	4 757	325	636	793	(157)	-20%	4 757
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		8 517	7 958	7 958	683	1 273	1 326	(53)	-4%	7 958
Total Expenditure - Functional	3	803 631	596 623	596 623	63 232	107 175	99 438	7 737	8%	596 623
Surplus (Deficit) for the year		308 836	580 277	580 277	250 981	215 061	96 712	118 348	122%	580 277

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) - M02 August

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		605	-	-	-	-	-	-	-	-
Vote 03 - Finance		596 641	536 634	536 634	214 914	219 336	89 439	129 897	145.2%	536 634
Vote 04 - Community Development		6 931	2 511	2 511	8 811	8 811	418	8 392	2005.3%	2 511
Vote 05 - Planning & Wsa		452 177	583 670	583 670	85 838	85 838	97 278	(11 440)	-11.8%	583 670
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		44 986	43 085	43 085	3 652	6 230	7 181	(951)	-13.2%	43 085
Vote 09 - Waste Water		11 128	11 000	11 000	997	2 020	1 833	187	10.2%	11 000
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 112 468	1 176 900	1 176 900	314 213	322 236	196 150	126 086	64.3%	1 176 900
Expenditure by Vote	1									
Vote 01 - Council		48 383	43 476	42 876	3 263	8 585	7 146	1 439	20.1%	42 876
Vote 02 - Corporate Services		99 839	81 077	81 077	7 852	16 323	13 513	2 810	20.8%	81 077
Vote 03 - Finance		74 207	59 575	60 175	2 778	9 262	10 029	(767)	-7.6%	60 175
Vote 04 - Community Development		38 011	42 485	42 485	2 849	6 368	7 081	(713)	-10.1%	42 485
Vote 05 - Planning & Wsa		66 164	23 884	23 884	1 059	1 836	3 981	(2 145)	-53.9%	23 884
Vote 06 - Technical Services		7 640	2 549	2 549	812	1 001	425	576	135.5%	2 549
Vote 07 - Water Purification		55 905	36 662	36 662	4 545	9 052	6 110	2 941	48.1%	36 662
Vote 08 - Water Distribution		409 768	302 157	302 157	39 748	54 112	50 360	3 752	7.5%	302 157
Vote 09 - Waste Water		3 716	4 757	4 757	325	636	793	(157)	-19.8%	4 757
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	803 631	596 623	596 623	63 232	107 175	99 438	7 737	7.8%	596 623
Surplus/ (Deficit) for the year	2	308 836	580 277	580 277	250 981	215 061	96 712	118 348	122.4%	580 277

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) - M02 August

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		44 957	43 000	43 000	3 647	6 220	7 167	(946)	-13%	43 000
Service charges - sanitation revenue		11 117	11 000	11 000	997	2 020	1 833	187	10%	11 000
Service charges - refuse revenue								-		
Rental of facilities and equipment		179	210	210	15	31	35	(4)	-13%	210
Interest earned - external investments		3 226	6 000	6 000	655	655	1 000	(345)	-35%	6 000
Interest earned - outstanding debtors		29	85	85	5	10	14	(5)	-33%	85
Dividends received								-		
Fines, penalties and forfeits		7 543	638	638	1	1	106	(105)	-99%	638
Licences and permits		10	10	10	-	-	2	(2)	-100%	10
Agency services								-		
Transfers and subsidies		577 833	541 399	541 399	226 423	226 423	90 233	136 190	151%	541 399
Other revenue		662	500	500	(4 359)	48	83	(35)	-42%	500
Gains		20 175	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		665 731	602 842	602 842	227 384	235 407	100 474	134 934	134%	602 842
Expenditure By Type										
Employee related costs		241 953	255 269	255 269	20 537	40 563	42 545	(1 982)	-5%	255 269
Remuneration of councillors		8 489	8 537	8 537	717	1 434	1 423	11	1%	8 537
Debt impairment		13 689	9 000	9 000	-	-	1 500	(1 500)	-100%	9 000
Depreciation & asset impairment		84 156	71 620	71 620	19 044	19 044	11 937	7 107	60%	71 620
Finance charges								-		
Bulk purchases - electricity		26 310	-	-	-	-	-	-		-
Inventory consumed		10 268	24 194	24 194	438	459	4 032	(3 574)	-89%	24 194
Contracted services		289 995	139 336	141 166	14 696	26 673	23 466	3 207	14%	141 166
Transfers and subsidies		12 891	11 950	10 665	510	3 873	1 879	1 993	106%	10 665
Other expenditure		113 465	76 716	76 171	7 290	15 130	12 656	2 474	20%	76 171
Losses		2 416	-	-	-	-	-	-		-
Total Expenditure		803 631	596 623	596 623	63 232	107 175	99 438	7 737	8%	596 623
Surplus/(Deficit)		(137 901)	6 219	6 219	164 153	128 232	1 036	127 196	0	6 219
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		446 737	574 058	574 058	86 828	86 828	95 676	(8 848)	(0)	574 058
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		308 836	580 277	580 277	250 981	215 061	96 712			580 277
Taxation								-		
Surplus/(Deficit) after taxation		308 836	580 277	580 277	250 981	215 061	96 712			580 277
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		308 836	580 277	580 277	250 981	215 061	96 712			580 277
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		308 836	580 277	580 277	250 981	215 061	96 712			580 277

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) - M02 August

Vote Description	Ref	2020/21		Budget Year 2021/22						
		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		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 01 - Council		-	3 500	3 500	1 400	1 400	583	816	140%	3 500
Vote 02 - Corporate Services		3 216	-	-	-	-	-	-	-	-
Vote 03 - Finance		1 402	385	385	31	31	64	(33)	-52%	385
Vote 04 - Community Development		3 869	834	2 272	861	861	405	456	113%	2 272
Vote 05 - Planning & Wsa		333 171	574 058	499 181	52 679	100 715	88 869	11 846	13%	499 181
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	1 500	1 500	-	-	250	(250)	-100%	1 500
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838
Total Capital Expenditure		341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838
Capital Expenditure - Functional Classification										
Governance and administration		4 482	3 885	3 885	1 430	1 430	648	783	121%	3 885
Executive and council		-	3 500	3 500	1 400	1 400	583	816	140%	3 500
Finance and administration		4 482	385	385	31	31	64	(33)	-52%	385
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		547	834	725	-	-	129	(129)	-100%	725
Community and social services		547	834	725	-	-	129	(129)	-100%	725
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		3 322	2 416	3 648	861	861	649	211	33%	3 648
Planning and development		3 322	2 416	3 648	861	861	649	211	33%	3 648
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		333 171	573 142	498 580	52 679	100 715	88 745	11 970	13%	498 580
Energy sources		-	-	-	-	-	-	-	-	-
Water management		333 171	573 142	498 580	52 679	100 715	88 745	11 970	13%	498 580
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		135	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838
Funded by:										
National Government		333 171	574 058	499 181	52 679	100 715	88 869	11 846	13%	499 181
Provincial Government		3 869	834	2 272	861	861	405	456	113%	2 272
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		337 040	574 892	501 453	53 540	101 576	89 274	12 302	14%	501 453
Borrowing	6									
Internally generated funds		4 617	5 385	5 385	1 430	1 430	898	533	59%	5 385
Total Capital Funding		341 658	580 277	506 838	54 971	103 007	90 171	12 835	14%	506 838

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 - M02 August

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 732 440	134 211	134 211	317 917	134 211
Call investment deposits		(470 000)	–	–	(150 000)	–
Consumer debtors		37 956	37 620	37 620	38 615	37 620
Other debtors		48 161	37 768	112 986	65 725	112 986
Current portion of long-term receivables		–	–	–	–	–
Inventory		4 140	4 324	4 324	4 619	4 324
Total current assets		1 352 697	213 923	289 141	276 876	289 141
Non current assets						
Long-term receivables		–	–	–	–	–
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		4 189 066	5 147 398	5 073 959	4 271 630	5 073 959
Biological						
Intangible		32	–	–	31	–
Other non-current assets		–	3 500	3 500	1 400	3 500
Total non current assets		4 189 098	5 150 898	5 077 459	4 273 060	5 077 459
TOTAL ASSETS		5 541 795	5 364 821	5 366 600	4 549 937	5 366 600
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		3 633	3 620	3 620	3 626	3 620
Trade and other payables		300 697	180 518	180 518	273 063	180 518
Provisions		2 774	1 278	1 278	2 617	1 278
Total current liabilities		307 104	185 415	185 415	279 306	185 415
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		33 042	47 047	47 047	33 042	47 047
Total non current liabilities		33 042	47 047	47 047	33 042	47 047
TOTAL LIABILITIES		340 146	232 462	232 462	312 349	232 462
NET ASSETS	2	5 201 649	5 132 359	5 134 138	4 237 588	5 134 138
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		3 743 267	4 552 082	4 552 082	4 237 597	4 552 082
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	3 743 267	4 552 082	4 552 082	4 237 597	4 552 082

MBRR Table C6 - Monthly Budget Statement Financial Position

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

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

CURRENT ASSETS

Cash

Cashbook balance as at **31 August 2021 R 167.9 million.**

Call Investments Deposits

The municipality does not have any investments.

Consumer debtors

Consumer debtors include debtors from water and sanitation services, the balance for the reporting period is **R 42.4 million.**

Water Debtors	R31.9 million
Sanitation Debtors	R6.2 million
Department of Water and Sanitation	R2.7 million
Other Consumer debtors	R1.6 million
Total	R42.4 million

Water Debtors

Net Water debtors after considering provision for bad debts amount to **R31.9 million.** Water debtors are amounts owed by consumers for water services billed.

Sanitation Debtors

Net Sanitation debtors after considering provision for bad debts amount to **R6.2 million.** Sanitation debtors are amounts owed by consumers for sewer services billed.

Department of Water and Sanitation

Department of Water and sanitation debtor amounts to **R2.7 million**. This amount was raised when DWS grants were transferred to Zululand when grant condition is met, (when suppliers had submitted invoices to Zululand and Zululand had submitted invoices to DWS). The municipality have made the provision to impair this debt.

Other Consumer debtors

Other consumer debtors' amount to **R6.2 million**, these are sundry debtors and portion of billing from Municipalities that we provide shared services support.

Other debtors

Eskom Deposits	R14.7 million
Federal Air Deposits	R689 thousand
VAT Receivable	R17.8million

Total **R33.1 million**

Eskom Deposits

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

Federal Air Deposits

Federal Air Deposits amount to **R689 000**, this is the amount paid as a security deposit when Federal Air was first contracted.

VAT Receivable

VAT Receivable amount to **R17.8 million**, this is the amount raised when input VAT is recognized less output VAT collected.

Inventory

The current level of inventory is **R4.6 million**. Inventory is currently not populating correctly.

Non-Current Assets

Long term receivables

The long-term receivables budgeted amount consists of Eskom Federal air account Deposits of **R15.4 million** by the end of the financial year. As the Municipalities infrastructure program continues, new connections are made and municipality pays security deposits to Eskom, the actual balance of Eskom deposits is mapped under other debtors.

Property plant and equipment

Property plant and equipment includes capital acquisition from table C5, and the carrying amount of all asset owned by the municipality, Capital acquisition as per table C5 is **R103 million**, which are additions to property plant and equipment.

Intangible

The budget of intangible assets is for the acquisition software’s, current balance of intangible assets is **R31 999**.

CURRENT AND NON-CURRENT LIABILITIES

Consumer deposits

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

Trade and other payables

Trade and other payables are amounts owed by the municipality to service providers. Trade and other payables are **R273 million**.

Current Provisions

Current provisions amount to **R2.6 million**, this provision is for Post-Retirement benefit (Medical aid) and Long service awards that is paid in the current financial year.

Post Retirement benefit (Medical aid)	R 262 153
Long service awards	R2 367 739

Non-current Provisions

Non-current Provisions amounts to **R32.9 million**, this provision is for Post-Retirement benefit (Medical aid), Long Service award, leave provision and bonus provision.

Post Retirement benefit (Medical aid) R22.2 million
 Long Service award R10.7 million

Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R 4.8 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates										
Service charges		37 536	32 800	32 800	4 520	8 449	5 467	2 983	55%	32 800
Other revenue		1 051 926	1 358	1 358	262 078	462 451	226	462 225	204223%	1 358
Transfers and Subsidies - Operational		575 689	541 399	541 399	4 559	223 161	90 233	132 927	147%	541 399
Transfers and Subsidies - Capital		446 416	574 058	574 058	70 000	218 691	95 676	123 015	129%	574 058
Interest		1 571	6 000	6 000	655	655	1 000	(345)	-35%	6 000
Dividends										
Payments										
Suppliers and employees		(1 311 116)	(516 333)	(516 333)	(216 036)	(623 999)	(86 056)	537 943	-625%	(516 333)
Finance charges										
Transfers and Grants										
NET CASH FROM/(USED) OPERATING ACTIVITIES		802 022	639 282	639 282	125 775	289 408	106 547	(182 861)	-172%	639 282
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		(395 419)	(580 277)	(580 277)	(54 971)	(103 007)	(96 713)	6 294	-7%	(580 277)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(395 419)	(580 277)	(580 277)	(54 971)	(103 007)	(96 713)	6 294	-7%	(580 277)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		(21)	13	-	(8)	(3 626)	(603)	(3 023)	501%	(3 620)
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		(21)	13	-	(8)	(3 626)	(603)	3 023	-501%	(3 620)
NET INCREASE/ (DECREASE) IN CASH HELD		406 582	59 018	59 005	70 796	182 775	9 231			55 385
Cash/cash equivalents at beginning:		12 290	75 203	75 203	-	20 058				
Cash/cash equivalents at month/year end:		418 872	134 221	134 208		202 834	9 231			55 385

MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

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

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R57 million** on service charges, the estimated collection amount is based on the 50% collection rate. The collection rate is also based on previous years actual collection. The Municipality has collected **R8.4 million** to date, which is **15%** of the budgeted collection.

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

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

Other Revenue

Other revenue includes receipts from tender fees, hall hiring, fines and forfeits, and office space rental receipts. The population of other revenue is higher than expected and not credible, the Municipality is a continuous engagement with the system vendor to resolve population of this line item. Other revenue on table C4 is **R8 000**.

Transfers and subsidies – Operational

Transfers and subsidies - Operational are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Operating grants have been received as scheduled. Transfers and subsidies operational are to date are **R223.1.6 million**.

Equitable share	R218.6 million
Finance Management Grant	R1.2 million
Expanded public works program	R2.4 million
Indonsa Grant	R 955.5

Transfers and subsidies – Capital

Transfers and subsidies - Capital are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **R218.6 million**.

Municipal Infrastructure Grant	R112 million
Regional Bulk Infrastructure Grant	R70 million
Water services Infrastructure grant	R35 million
Rural Road asset Management grant	R1.6 million

Interest

Interest on investment is budgeted at **R 6 million**, this estimate is based on previous year interest income, the interest includes interest on investments made and interest on bank balance. Year to date Interest on table C4 is **R655 000**

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R103 million**, the capital expenditure is excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 addresses the VAT issue.

Cash and cash equivalents at the end

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

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTORS ANALYSIS

Debtors age analysis as at 31 August 2021

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2021/22									Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			Total over 90 days
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	17 270	2 291	2 551	2 640	2 352	2 300	16 904	73 698	120 007	97 895		
Trade and Other Receivables from Exchange Transactions - Electricity	1300												
Receivables from Non-exchange Transactions - Property Rates	1400												
Receivables from Exchange Transactions - Waste Water Management	1500	1 654	645	657	584	506	496	2 796	25 735	33 072	30 117		
Receivables from Exchange Transactions - Waste Management	1600												
Receivables from Exchange Transactions - Property Rental Debtors	1700												
Interest on Arrear Debtor Accounts	1810	32	3	4	4	3	3	7	175	232	193		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820												
Other	1900	49	5	5	6	16	-	0	4	85	26		
Total By Income Source	2000	19 005	2 943	3 216	3 234	2 878	2 799	19 708	99 612	153 397	128 231	-	-
2020/21 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	7 333	663	579	608	156	547	1 322	2 033	13 241	4 666		
Commercial	2300	1 521	436	611	348	414	341	2 772	8 931	15 374	12 805		
Households	2400	10 151	1 844	2 026	2 278	2 308	1 912	15 615	88 648	124 781	110 760		
Other	2500												
Total By Customer Group	2600	19 005	2 943	3 216	3 234	2 878	2 799	19 708	99 612	153 397	128 231	-	-

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 31 August 2021

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100											
Bulk Water	0200											
PAYE deductions	0300											
VAT (output less input)	0400											
Pensions / Retirement deductions	0500											
Loan repayments	0600											
Trade Creditors	0700	3 835		-								3 835
Auditor General	0800											
Other	0900											
Total By Customer Type	1000	3 835	-	-	-	-	-	-	-	-	-	3 835

The municipalities creditors balance will be finalized when financial statements are completed.

2.3 INVESTMENT PORTFOLIO

Investments as at 31 August 2021

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance		
		Yrs/Months														
R thousands																
Municipality																
Municipality sub-total																
Entities																
Zululand District Municipality - Nedbank		N/A	call account	Yes	Fixed	0.0436	N/A	N/A	N/A	150 000	(150 000)			-		
Zululand District Municipality - Standard Bank		N/A		Yes	Fixed	0.0428	N/A	N/A	N/A	50 000				50 000		
Zululand District Municipality - Nedbank		N/A	call account	Yes	Fixed		N/A	N/A	N/A	100 000				100 000		
Entities sub-total																
										300 000		-	-	150 000		
TOTAL INVESTMENTS AND INTEREST	2											300 000		-	-	150 000

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		574 733	539 488	539 488	218 602	218 602	89 915	128 687	143.1%	539 488
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		564 272	524 645	524 645	218 602	218 602	87 441	131 161	150.0%	524 645
Expanded Public Works Programme Integrated Grant		9 261	9 612	9 612	-	-	1 602	(1 602)	-100.0%	9 612
Local Government Financial Management Grant		1 200	1 200	1 200	-	-	200	(200)	-100.0%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	4 031	4 031	-	-	672	(672)	-100.0%	4 031
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		3 100	1 911	1 911	7 821	7 821	319	7 503	2355.6%	1 911
Art Centres Subsidies		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		3 100	1 911	1 911	7 821	7 821	319	7 503	2355.6%	1 911
Development Planning and Shared Services		-	-	-	-	-	-	-	-	-
Environmental Grant	4	-	-	-	-	-	-	-	-	-
Tourism Events		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	577 833	541 399	541 399	226 423	226 423	90 233	136 190	150.9%	541 399
Capital Transfers and Grants										
National Government:		442 916	574 058	574 058	85 838	85 838	95 676	(9 838)	-10.3%	574 058
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		221 235	239 111	239 111	69 201	69 201	39 852	29 349	73.6%	239 111
Regional Bulk Infrastructure Grant		113 798	222 531	222 531	-	-	37 089	(37 089)	-100.0%	222 531
Rural Road Asset Management Systems Grant		2 383	2 416	2 416	-	-	403	(403)	-100.0%	2 416
Water Services Infrastructure Grant		105 500	110 000	110 000	16 638	16 638	18 333	(1 696)	-9.2%	110 000
Provincial Government:		3 821	-	-	990	990	-	990	-	-
Infrastructure Grant		3 821	-	-	990	990	-	990	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	446 737	574 058	574 058	86 828	86 828	95 676	(8 848)	-9.2%	574 058
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 024 570	1 115 457	1 115 457	313 251	313 251	185 909	127 342	68.5%	1 115 457

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

Grant Expenditure

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2020/21	Budget Year 2021/22							
		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:		721 692	514 926	514 926	45 599	89 534	85 821	3 712	4.3%	514 926
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		652 890	500 083	500 083	43 214	85 319	83 348	1 971	2.4%	500 083
Expanded Public Works Programme Integrated Grant		11 272	9 612	9 612	2 034	3 829	1 602	2 227	139.0%	9 612
Local Government Financial Management Grant		1 290	1 200	1 200	231	265	200	65	32.6%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		51 660	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	4 031	4 031	120	120	672	(551)	-82.1%	4 031
Rural Road Asset Management Systems Grant		2 072	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		2 507	-	-	-	-	-	-	-	-
Provincial Government:		1 615	1 077	1 077	9	18	180	(162)	-90.2%	1 077
Art Centres Subsidies		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		1 615	1 077	1 077	9	18	180	(162)	-90.2%	1 077
Development Planning and Shared Services		-	-	-	-	-	-	-	-	-
Environmental Grant		-	-	-	-	-	-	-	-	-
Tourism Events		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>KwazuluNatal Provincial Planning and Development Commission</i>		108	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		723 306	516 003	516 003	45 608	89 551	86 001	3 550	4.1%	516 003
Capital expenditure of Transfers and Grants										
National Government:		333 171	574 058	499 181	52 679	100 715	88 869	11 846	13.3%	499 181
Local Government Financial Management Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		142 240	239 111	207 923	26 406	60 472	37 017	23 456	63.4%	207 923
Regional Bulk Infrastructure Grant		99 680	222 531	193 505	18 690	24 946	34 450	(9 504)	-27.6%	193 505
Rural Road Asset Management Systems Grant		-	2 416	2 101	-	-	374	(374)	-100.0%	2 101
Water Services Infrastructure Grant		91 251	110 000	95 652	7 583	15 297	17 029	(1 732)	-10.2%	95 652
Provincial Government:		3 869	834	2 272	861	861	405	456	112.7%	2 272
Infrastructure Grant		3 869	834	2 272	861	861	405	456	112.7%	2 272
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		337 040	574 892	501 453	53 540	101 576	89 274	12 302	13.8%	501 453
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 060 346	1 090 895	1 017 457	99 148	191 127	175 275	15 853	9.0%	1 017 457

Most conditional grant expenditure is above year to date.

Roll-overs Expenditure

The Municipality has three rolled over grants

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

ROLLED OVER GRANTS	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Tourism Grant (Roll over From 2019/2020)		269 354	-
Spatial Development Framework (Roll over From 2019/2020)		241 770	-
Kwamajomela Manufacturing Grant (Roll over From 2019/2020)		1 779 320	989 807
Total Operating Grant Expenditure	-	2 290 444	989 807

DC26 Zululand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M02 August

Description	Ref	Budget Year 2021/22				
		Approved Rollover 2020/21	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
Provincial Government:		511	-	-	269	52.7%
Tourism Grant		269			269	100.0%
Spatial Development Framework		242				
District Municipality:			-	-	-	
Other grant providers:		-	-	-	-	
Total operating expenditure of Approved Roll-overs		511	-	-	269	52.7%
<u>Capital expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
Provincial Government:		1 779	-	990	790	44.4%
Kwamajomela		1 779		990	790	44.4%
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		1 779	-	990	790	44.4%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		2 290	-	990	1 059	46.2%

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		483	416	416	39	78	69	8	12%	416
Medical Aid Contributions		75	206	206	6	11	34	(23)	-67%	206
Motor Vehicle Allowance		1 932	1 867	1 867	164	328	311	17	5%	1 867
Cellphone Allowance		688	694	694	58	116	116	-	-	694
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		5 311	5 355	5 355	451	902	892	9	1%	5 355
Sub Total - Councillors		8 489	8 537	8 537	717	1 434	1 423	11	1%	8 537
% increase	4		0.6%	0.6%						0.6%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	6 136	6 570	6 570	440	879	1 095	(216)	-20%	6 570
Pension and UIF Contributions		9	66	66	1	2	11	(9)	-85%	66
Medical Aid Contributions		97	57	57	5	9	10	(0)	-1%	57
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 551	1 592	1 592	111	223	265	(43)	-16%	1 592
Cellphone Allowance		144	71	71	13	26	12	15	122%	71
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		249	215	215	18	36	36	(0)	0%	215
Payments in lieu of leave		324	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8 511	8 571	8 571	588	1 175	1 429	(253)	-18%	8 571
% increase	4		0.7%	0.7%						0.7%
Other Municipal Staff										
Basic Salaries and Wages		151 163	175 275	175 275	13 740	27 222	29 213	(1 991)	-7%	175 275
Pension and UIF Contributions		19 592	22 634	22 634	1 748	3 471	3 772	(301)	-8%	22 634
Medical Aid Contributions		12 590	13 569	13 569	1 051	2 129	2 262	(133)	-6%	13 569
Overtime		54	1 130	1 130	-	-	188	(188)	-100%	1 130
Performance Bonus		10 711	11 670	11 670	1 100	1 829	1 945	(116)	-6%	11 670
Motor Vehicle Allowance		6 999	7 578	7 578	644	1 270	1 263	6	1%	7 578
Cellphone Allowance		533	706	706	56	105	118	(13)	-11%	706
Housing Allowances		1 219	1 256	1 256	103	205	209	(4)	-2%	1 256
Other benefits and allowances		17 525	11 781	11 781	1 402	3 041	1 964	1 078	55%	11 781
Payments in lieu of leave		4 630	-	-	17	17	-	17	#DIV/0!	-
Long service awards		2 246	-	-	89	100	-	100	#DIV/0!	-
Post-retirement benefit obligations	2	6 182	1 100	1 100	-	-	183	(183)	-100%	1 100
Sub Total - Other Municipal Staff		233 443	246 698	246 698	19 949	39 388	41 117	(1 729)	-4%	246 698
% increase	4		5.7%	5.7%						5.7%
Total Parent Municipality		250 442	263 807	263 807	21 254	41 997	43 968	(1 971)	-4%	263 807
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities	2	-	-	-	-	-	-	-	-	-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-

Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-		-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-		-
TOTAL SALARY, ALLOWANCES & BENEFITS		250 442	263 807	263 807	21 254	41 997	43 968	(1 971)	-4%	263 807
% increase	4		5.3%	5.3%						5.3%
TOTAL MANAGERS AND STAFF		241 953	255 269	255 269	20 537	40 563	42 545	(1 982)	-5%	255 269

2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M02 August

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source			
	Service charges - water revenue	13%	This is amounts billed on customers for water used, the year-to-date actual is R6.2 million, which is below year-to-date budget of R7.1 million. A variance of R946 thousand or 13% is observed.	
	Service charges - sanitation revenue Service charges - refuse revenue	10%	This is amounts billed on customers that are connected to the sewer system, the year-to-date actual is R2 million which is above year to date budget of R1.8 million. A variance of R187 thousand or 10% is observed.	
	Rental of facilities and equipment	-13%	Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is R31 thousand which is below year-to-date budget of R35 thousand. A variance of R4 thousand or 13% is observed.	
	Interest earned - external investments	-35%	Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is R655 thousand, which is below year-to-date budget of R1 million. A variance of R345 thousand or 35% is observed.	
	Interest earned - external investments Dividends received	65%	Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is R655 thousand, which is below year-to-date budget of R1 million. A variance of R345 thousand or 35% is observed.	
	Fines, penalties and forfeits	-99%	Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is R1 thousand, the year-to-date budget is R106 thousand. A variance of R105 thousand or 99% is observed.	
	Licences and permits Agency services	-100%	This amount is for health certificates issued, the year-to-date actual is R2 thousand, the year-to-date budget is R2 thousand. A variance of R2 thousand or 100% is observed.	
	Transfers and subsidies	151%	Transfers and subsidies year to date actual is R226.4 million, which is above year-to-date budget of R90.2 million. A variance of R136.1 million thousand or 151% is observed.	
	Other revenue	-42%	Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is R88 thousand, which is above year-to-date budget of R42 thousand.	
2	Expenditure By Type			
	Employee related costs	-5%	Employee related costs year to date actual is R40.5 million, the year-to-date budget is R42 million, an unfavorable variance of R1.9million or 5% is observed.	
	Remuneration of councillors Debt impairment	1% -100%	Remuneration of Councillors year to date actual is R1.4 million, the year-to-date budget is R1.4 million, a variance of R11 000 or 1% is observed.	
	Depreciation & asset impairment	60%	This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R17.6 million. The year-to-date budget is R11.9 million. A variance of R7.1 million or 60% is observed.	
	Finance charges Bulk purchases Other materials	-89%	Municipality does not sell electricity.	
	Contracted services	14%	professional fees, and Contractors. The year-to-date actual is R26.6 million and the year-to-date budget of R23.4 million, a variance of R3.2 million or 14% is observed.	
	Transfers and subsidies	106%	Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support businesses. The year-to-date actual is R3.8 million, the year-to-date budget is R1.8 million, a variance of R1.9 million or 106% is observed.	
	Other expenditure Losses	20%	Other expenditure year to date actual is R15.1 million, the year-to-date budget is R12.6 million, a variance of R2.4 million or 20% is observed.	
3	Capital Expenditure			
	Vote 01 - Council	140%		
	Vote 02 - Corporate Services			
	Vote 03 - Finance	-52%		
	Vote 04 - Community Development	113%		
	Vote 05 - Planning & Wsa	13%		
	Vote 06 - Technical Services			
	Vote 07 - Water Purification			
	Vote 08 - Water Distribution	-100%		
	Vote 09 - Waste Water			
4	Financial Position			
	Client elected not to populate this sheet			
5	Cash Flow			
	Client elected not to populate this sheet			
6	Measureable performance			
	Client elected not to populate this sheet			
7	Municipal Entities			
	Client elected not to populate this sheet			

2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

2.9 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	75	48 356	48 505	48 036	48 036	48 505	469	1.0%	8%
August	46 591	48 356	41 667	54 971	103 007	90 171	(12 835)	-14.2%	18%
September	67 762	48 356	41 667	-		131 838	-		
October	42 474	48 356	41 667	-		173 505	-		
November	47 428	48 356	41 667	-		215 172	-		
December	46 939	48 356	41 667	-		256 838	-		
January	2 271	48 356	41 667	-		298 505	-		
February	32 701	48 356	41 667	-		340 172	-		
March	24 983	48 356	41 667	-		381 838	-		
April	39 946	48 356	41 667	-		423 505	-		
May	20 366	48 356	41 667	-		465 172	-		
June	(30 093)	48 356	41 667	-		506 838	-		
Total Capital expenditure	341 444	580 277	506 838	103 007					

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

Summary of Capital Expenditure by asset class and sub-class



INTERNAL MEMO

DATE : 13 SEPTEMBER 2021
TO : THE HONOURABLE MAYOR
FROM : MUNICIPAL MANAGER
RE : MONTHLY BUDGET STATEMENT

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

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully

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

R.N. HLONGWA
Chief Financial Officer

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

P.M. MANQELE
Municipal Manager

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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

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M02 August

Description	Ref	2020/21		Budget Year 2021/22						Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		333 171	574 058	499 181	52 679	100 715	88 869	(11 846)	-13.3%	499 181
Roads Infrastructure		-	2 416	2 101	-	-	374	374	100.0%	2 101
Roads		-	2 416	2 101	-	-	374	374	100.0%	2 101
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-		-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		333 171	534 655	464 917	47 334	89 753	82 769	(6 984)	-8.4%	464 917
Dams and Weirs										
Boreholes		2 246	-	-	-	-	-	-		-
Reservoirs		-	-	-	-	-	-	-		-
Pump Stations		-	-	-	-	-	-	-		-
Water Treatment Works		84 365	239 571	65 716	17 587	23 969	11 699	(12 269)	-104.9%	65 716
Bulk Mains		149 318	146 848	270 301	13 581	23 161	48 122	24 961	51.9%	270 301
Distribution		97 242	148 235	128 900	16 166	42 623	22 948	(19 675)	-85.7%	128 900
Distribution Points										
PRV Stations										
Capital Spares		-	-	-	-	-	-	-		-
Sanitation Infrastructure		-	36 987	32 163	5 345	10 963	5 726	(5 237)	-91.5%	32 163
Pump Station										
Reticulation		-	36 987	32 163	5 345	10 963	5 726	(5 237)	-91.5%	32 163
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-		-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-		-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-		-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		3 322	-	1 547	861	861	275	(585)	-212.5%	1 547
Community Facilities		3 322	-	1 547	861	861	275	(585)	-212.5%	1 547
Halls										
Centres		3 322	-	1 547	861	861	275	(585)	-212.5%	1 547
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										

Heritage assets		-	3 500	3 500	1 400	1 400	583	(816)	-139.9%	3 500
Monuments								-		
Historic Buildings								-		
Works of Art		-	3 500	3 500	1 400	1 400	583	(816)	-139.9%	3 500
Conservation Areas								-		
Other Heritage								-		
Investment properties		-	-	-	-	-	-	-		-
Revenue Generating		-	-	-	-	-	-	-		-
Improved Property								-		
Unimproved Property								-		
Non-revenue Generating		-	-	-	-	-	-	-		-
Improved Property								-		
Unimproved Property								-		
Other assets		-	-	-	-	-	-	-		-
Operational Buildings		-	-	-	-	-	-	-		-
Municipal Offices								-		
Pay/Enquiry Points								-		
Building Plan Offices								-		
Workshops								-		
Yards								-		
Stores								-		
Laboratories								-		
Training Centres								-		
Manufacturing Plant								-		
Depots								-		
Capital Spares								-		
Housing		-	-	-	-	-	-	-		-
Staff Housing								-		
Social Housing								-		
Capital Spares								-		
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Biological or Cultivated Assets								-		
Intangible Assets		-	-	-	-	-	-	-		-
Servitudes								-		
Licences and Rights		-	-	-	-	-	-	-		-
Water Rights								-		
Effluent Licenses								-		
Solid Waste Licenses								-		
Computer Software and Applications		-	-	-	-	-	-	-		-
Load Settlement Software Applications								-		
Unspecified								-		
Computer Equipment		1 402	135	135	31	31	23	(8)	-36.9%	135
Computer Equipment		1 402	135	135	31	31	23	(8)	-36.9%	135
Furniture and Office Equipment		257	250	250	-	-	42	42	100.0%	250
Furniture and Office Equipment		257	250	250	-	-	42	42	100.0%	250
Machinery and Equipment		662	2 334	2 225	-	-	379	379	100.0%	2 225
Machinery and Equipment		662	2 334	2 225	-	-	379	379	100.0%	2 225
Transport Assets		2 844	-	-	-	-	-	-		-
Transport Assets		2 844	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Total Capital Expenditure on new assets	1	341 658	580 277	506 838	54 971	103 007	90 171	(12 835)	-14.2%	506 838

2.10 OTHER SUPPORTING DOCUMENTS

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

2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES

The Municipality does not have any entities.

2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

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



P.M. Manqele

Municipal Manager

Zululand District Municipality (DC26)

Date: 13-09-2021