

# ZULULAND DISTRICT MUNICIPALITY



## MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

**31 JULY 2023**

**MFMA S71 REPORT**

**2023/2024 FINANCIAL YEAR**

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## GLOSSARY

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

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

**AFS** – Annual Financial Statements.

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

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

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

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

**CFO** – Chief Financial Officer

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

**DWAF** – Department of Water Affairs

**EPWP** – Expanded Public Works Program

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

**FMG** – Financial Management Grant

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

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

**MSCOA** – Municipal Standard Chart of Accounts

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

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

**LED** – Local Economic Development

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

**MIG** – Municipal Infrastructure Grant

**MSIG** – Municipal Systems Improvement Grant

**WSIG** – Water services Infrastructure Grant

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

**MWIG** – Municipal Water Infrastructure Grant

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

**R & M** – Repairs and Maintenance

**SCM** - Supply Chain Management

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

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

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

**Virement** – transfer of budget

**ZDM** – Zululand District Municipality

## PART 1 – IN-YEAR REPORT

### 1.1. MAYORS REPORT

To be attached

### 1.2. COUNCIL RESOLUTION

The Monthly budget statement review be noted.

### 1.3. EXECUTIVE SUMMARY

#### BUDGET PERFORMANCE ANALYSIS

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

#### Summary Statement of Financial Performance

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	718 247 500	271 182 165	59 853 941	211 328 224	353%	38%
Total Operating Expenditure	722 102 135	34 328 380	60 169 618	74 736 405	124%	5%
Surplus/(Deficit)	-3 854 635	236 853 786	-315 677	136 591 819		

#### Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 July 2023** is **R271.1 million** which is **38%** of the approved operating revenue budget. The **R271.1 million** year to date actual is **above** the **one month** baseline projection or year-to-date budget of **R59.8 million**, a variance of **R211.3 million** or **353%** is observed.

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from exchange revenue is only **R7.9 million** which is **11%** of the total generated exchange revenue.

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

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

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

**Operating Expenditure Performance**

Total Operating Expenditure as at **31 July 2023** is **R34.3 million** which is **5%** of the approved operating expenditure budget. The **R34.3 million** year to date actual is **below** the **one** month baseline projection or year-to-date budget of **R60.1 million**, a variance of **R74.7 million** or **43%** is observed.

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

Reasons for variances can be attributed to inventory consumed which is moving at a slower pace than year to date budget; debt impairment which has no movement yet; depreciation, contracted services and other expenditure which are moving at a pace slower than year to date budget; transfers and subsidies is occasional.

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	790 424 351	-	65 868 710	65 868 710	100%	0%
Total Capital Financing	790 424 351	-	65 868 710	65 868 710	100%	0%

Total Capital Expenditure as at **31 July 2023** is **R0** which is **0%** of the approved capital budget. The **R0** year to date actual is **below** the **one** month baseline projection or year-to-date budget of **R65.8 million**, a variance of **R65.8 million** or **100%** of the received grants is observed.

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

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

Reasons for variances can be attributed to capital grants not being spent at similar pace as year to date budget. **MIG** is at **0%**, **RBIG** is at **0%**, **WSIG** is at **0%** **RRAMG** is at **0%**.

## Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	YTD ACTUAL	%
Total current assets	480 491 843	287 155 660	60
Total non current assets	6 247 524 827	5 004 189 400	80
Total current liabilities	352 992 453	305 284 969	86
Total non current liabilities	128 340 000	41 919 738	33
<b>TOTAL COMMUNITY WEALTH/ EQUITY</b>	<b>5 445 411 852</b>	<b>4 944 529 060</b>	<b>90.8%</b>

**The current assets** year to date actual is **R287.1 million** which is **60%** of the approved budget. **Non - Current assets** year to date actual is **R5 billion** which is **80%** of the approved budget. **Current Liabilities** year to date actual is **R305.2 million** which is **86%** of the approved budget. **Non - Current Liabilities** year to date is **R41.9 million** which is **33%** of the approved budget. **Accumulated surplus** year to date actual is **R4.9 billion** which is **90.8%** of the approved budget.

Current assets amount to **R287.1 million**, included in current assets is Cash of **R141.2 million**.

Current liabilities amount to **R305.2 million**, this includes unspent conditional grants amounting to **R106.6 million**.

The Current ratio is 0.94:1 [**287.1 million/305.2 million**], the current ratio norm is **2:1**

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

## 1.4. OPERATING REVENUE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
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										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity								-		
Service charges - Water		39 170	51 532	51 532	6 713	6 713	4 294	2 419	56%	51 532
Service charges - Waste Water Management		14 831	16 406	16 406	1 168	1 168	1 367	(200)	-15%	16 406
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 399	1 001	1 001	45	45	83	(38)	-46%	1 001
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	521	0	0	43	(43)	-100%	521
Interest from Current and Non Current Assets		6 958	3 000	3 000	-	-	250			3 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	500	35	35	42	(7)	-17%	500
Licence and permits		88	60	60	5	5	5	0	2%	60
Operational Revenue		563	369	369	1	1	31	(30)	-96%	369
<b>Non-Exchange Revenue</b>										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		177	1 000	1 000	20	20	83	(64)		1 000
Licence and permits								-		
Transfers and subsidies - Operational		658 227	643 859	643 859	263 196	263 196	53 655	209 541		643 859
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 775	-	-	-	-	-	-		-
Other Gains		174	-	-	-	-	-	-		-
Discontinued Operations								-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>724 618</b>	<b>718 248</b>	<b>718 248</b>	<b>271 182</b>	<b>271 182</b>	<b>59 854</b>	<b>211 328</b>	<b>353%</b>	<b>718 248</b>

The year-to-date actual indicates operating revenue of **R271.1 million** for **one month**, The **R271.1 million** year to date actual is **above** the **one month** baseline projection or year-to-date budget of **R59.8 million**, a variance of **R211.3 million** or **353%** is observed. The total revenue to-date represents **38%** 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:

### Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R6.7 million** which is **13%** of the approved budget. the **R6.7 million** year to date actual is **above** the **one month** baseline projection or year-to-date budget of **R4.2 million**. A variance of **R2.4 million** or **56%** is observed.



## **Service charges – Sanitation revenue**

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R1.1 million** which is **7%** of the approved budget. the **R1.1 million** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R1.3 million**. A variance of **R200 thousand** or **15%** is observed.

## **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 **R45 thousands** which is **5%** of the approved budget. the **R45 thousands** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R83 thousand**. A variance of **R38 thousand** or **46%** is observed.

## **Rent of facilities**

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R35 thousand** which is **7%** of the approved budget. the **R35 thousand** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R42 thousand**. A variance of **R7 thousand** or **17%** is observed.

## **Interest on investment**

Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R0** which is **0%** of the approved budget. The **R0** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R250 thousand**. A variance of **R0** or **100%** is observed.

Reasons for variances can be attributed fact that there was no cash available to be invested.

## **Interest earned - outstanding debtors**

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is **R20** which is **0%** of the approved budget. The **R20** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R43 thousand**. A variance of **R43 thousand** or **100%** is observed.

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

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

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R20 thousand** which is **2%** of the approved budget. the **R20 thousand** year to date actual is **below** the **one** month baseline projection or year-to-date budget of **R83 thousand**. A variance of **R64 thousand** or **74%** is observed.

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

## **Licences and Permits**

Licences and permits year-to-date actual is **R5.1 thousand** which is **8%** of the approved budget. the **R5.1 thousand** year to date actual is **above one month** baseline projection or year-to-date budget of **R5 thousand**. A variance of less than **R1 hundred** or **2%** is observed.

## **Operational revenue**

Operational revenue year-to-date actual is **R1 thousand** which is less than **1%** of the approved budget. the **R1 thousand** year to date actual is **below to one month** baseline projection or year-to-date budget of **R31 thousand**. A variance of **R30** or **96%** is observed.

## **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 **R263.1 million** which is **41%** of the approved budget. The **R263.1 million** year to date actual is **above** the **one month** baseline projection or year-to-date budget of **R53.6 million**. A variance of **R209.5 million** or **391%** is observed.

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

## 1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

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									%	
<b>Expenditure By Type</b>										
Employee related costs		278 184	290 728	290 728	24 770	24 770	24 228	543	2%	290 728
Remuneration of councillors		9 276	9 486	9 486	728	728	791	(62)	-8%	9 486
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		49 277	42 130	45 225	91	91	3 769	(3 678)		45 225
Debt impairment		(4 705)	10 000	10 000	-	-	833	(833)	-100%	10 000
Depreciation and amortisation		99 523	90 000	90 000	-	-	7 500	(7 500)	-100%	90 000
Interest		457	1 000	1 000	-	-	83	(83)	-100%	1 000
Contracted services		313 026	128 719	125 047	3 826	3 826	10 421	(6 594)	-63%	125 047
Transfers and subsidies		4 683	6 000	2 528	-	-	211	(211)	-100%	2 528
Irrecoverable debts written off		2 156	-	-	28	28	-	28		-
Operational costs		168 067	144 039	148 019	4 885	4 885	12 335	(7 450)	-60%	148 019
Losses on Disposal of Assets		548	-	-	-	-	-	-		-
Other Losses		309	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>920 801</b>	<b>722 102</b>	<b>722 032</b>	<b>34 328</b>	<b>34 328</b>	<b>60 170</b>	<b>(25 841)</b>	<b>-43%</b>	<b>722 032</b>

The year-to-date actual indicates spending of **R34.3 million** for **one month**, which is **5%** of the approved operating expenditure budget. The **R34.3 million** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R60.1 million**, a variance of **R25.8 million** or **43%** 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 **R24.7 million** which is **9%** of the approved budget. the **R24.7 million** year to date actual is **above** the **one month** baseline projection or year-to-date budget of **R24.2 million**. A variance of **543 thousand** or **2%** is observed.

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

### Remuneration of Councillors

Remuneration of Councillors are amounts paid for councillors allowances, service-related benefits and contributions. The year-to-date actual is **R728 thousand** which is **8%** of the approved budget. the **R728 thousand** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R791 thousand**. A variance of **R254 thousand** or **3%** is observed.

This is the good indication that the municipality is trying to spend within the budget.

## 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 **R0** which is **0%** of the approved budget. The **R0** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R7.5 million**. A variance of **R7.5 million** or **100%** is observed.

## Finance charges

Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R83 thousand**. A variance of **R83 thousand** or **100%** is observed.

## Bulk purchases – electricity

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

## Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is **R91 thousand** which is less than **1%** of the approved budget. the **R91 thousand** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R3.7 million**. A variance of **R3.6 million** or **98%** is observed.

## Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R3.8 million** which is **3%** of the approved budget. the **R3.8 million** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R10.4 million**. A variance of **R6.5 million** or **63%** is observed.

The municipality has tried to minimise the cost of contracted service

## **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 is **above** the **one-month** baseline projection or year-to-date budget of **R0**. A variance of **R28 thousand** or **0%** is observed.

## **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 **R0** which is **0%** of the approved budget. The **R0 million** year to date actual is a little **below** the **one-month** baseline projection or year-to-date budget of **R211 thousand**. A variance of **R211 thousand** or **100%** is observed.

## **Operational costs**

Operational costs are all other expenditure not classified above. The year-to-date actual is **R4.8 million** which is **3%** of the approved budget. the **R4.8 million** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R12.3 million**. A variance of **R7.4 million** or **37%** is observed.

The expenditure is monitored by the municipality and the expenditure is kept within the budget.

## Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 000	26 453	100 000	-73 547	-74%	2%
EPWP Incentive	7 077 000	1 143 047	589 750	553 297	94%	16%
Art centre Subsisies (Indonsa Grant)	1 911 000	-	159 250	-159 250	-100%	0%
Aviation Strategy	2 000 000	-	166 667	-166 667	-100%	0%
<b>Total Operating Grant Expenditure</b>	<b>12 188 000</b>	<b>1 169 500</b>	<b>1 015 667</b>	<b>153 833</b>	<b>-2</b>	<b>10%</b>

FMG **2%**, EPWP Incentive **13%**, Art center subsidies (Indonsa Grant) **0%** and Aviation Strategy **0%**.

# Summary of Revenue and Operational Expenditure Performance

## DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity							-			
Service charges - Water		39 170	51 532	51 532	6 713	6 713	4 294	2 419	56%	51 532
Service charges - Waste Water Management		14 831	16 406	16 406	1 168	1 168	1 367	(200)	-15%	16 406
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 399	1 001	1 001	45	45	83	(38)	-46%	1 001
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	521	0	0	43	(43)	-100%	521
Interest from Current and Non Current Assets		6 958	3 000	3 000	-	-	250			3 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	500	35	35	42	(7)	-17%	500
Licence and permits		88	60	60	5	5	5	0	2%	60
Operational Revenue		563	369	369	1	1	31	(30)	-96%	369
<b>Non-Exchange Revenue</b>										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		177	1 000	1 000	20	20	83	(64)		1 000
Licence and permits								-		
Transfers and subsidies - Operational		658 227	643 859	643 859	263 196	263 196	53 655	209 541		643 859
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 775	-	-	-	-	-	-		-
Other Gains		174	-	-	-	-	-	-		-
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>724 618</b>	<b>718 248</b>	<b>718 248</b>	<b>271 182</b>	<b>271 182</b>	<b>59 854</b>	<b>211 328</b>	<b>353%</b>	<b>718 248</b>
<b>Expenditure By Type</b>										
Employee related costs		278 184	290 728	290 728	24 770	24 770	24 228	543	2%	290 728
Remuneration of councillors		9 276	9 486	9 486	728	728	791	(62)	-8%	9 486
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		49 277	42 130	45 225	91	91	3 769	(3 678)		45 225
Debt impairment		(4 705)	10 000	10 000	-	-	833	(833)	-100%	10 000
Depreciation and amortisation		99 523	90 000	90 000	-	-	7 500	(7 500)	-100%	90 000
Interest		457	1 000	1 000	-	-	83	(83)	-100%	1 000
Contracted services		313 026	128 719	125 047	3 826	3 826	10 421	(6 594)	-63%	125 047
Transfers and subsidies		4 683	6 000	2 528	-	-	211	(211)	-100%	2 528
Irrecoverable debts written off		2 156	-	-	28	28	-	28		-
Operational costs		168 067	144 039	148 019	4 885	4 885	12 335	(7 450)	-60%	148 019
Losses on Disposal of Assets		548	-	-	-	-	-	-		-
Other Losses		309	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>920 801</b>	<b>722 102</b>	<b>722 032</b>	<b>34 328</b>	<b>34 328</b>	<b>60 170</b>	<b>(25 841)</b>	<b>-43%</b>	<b>722 032</b>
<b>Surplus/(Deficit)</b>		<b>(196 183)</b>	<b>(3 855)</b>	<b>(3 785)</b>	<b>236 854</b>	<b>236 854</b>	<b>(316)</b>	<b>237 169</b>	<b>(1)</b>	<b>(3 785)</b>
Transfers and subsidies - capital (monetary allocations)		610 502	805 127	805 127	-	-	67 094	(67 094)	(0)	805 127
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>			<b>801 342</b>
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>			<b>801 342</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>			<b>801 342</b>
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
<b>Surplus/ (Deficit) for the year</b>		<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>			<b>801 342</b>

## 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	-	65 874 543	65 874 543	100%	0%
Total Capital Financing	790 494 351	-	65 874 543	65 874 543	100%	0%

The capital expenditure amounts to **R0** which is **0%** of the capital approved budget, after a period of **one month**.



# Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote 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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Council		173	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		848	2 250	2 320	-	-	193	(193)	-100%	2 320
Vote 03 - Finance		1 993	650	650	-	-	54	(54)	-100%	650
Vote 04 - Community Development		2 929	457	457	-	-	38	(38)	-100%	457
Vote 05 - Planning & Wsa		495 867	700 110	700 110	-	-	58 343	(58 343)	-100%	700 110
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		488	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	7 246	(7 246)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - ,		-	-	-	-	-	-	-	-	-
Vote 13 - ,		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	502 297	790 424	790 494	-	-	65 875	(65 875)	-100%	790 494
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - ,		-	-	-	-	-	-	-	-	-
Vote 13 - ,		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		502 297	790 424	790 494	-	-	65 875	(65 875)	-100%	790 494
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		3 005	2 900	2 970	-	-	248	(248)	-100%	2 970
Executive and council		173	-	-	-	-	-	-	-	-
Finance and administration		2 833	2 900	2 970	-	-	248	(248)	-100%	2 970
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1 203	457	457	-	-	38	(38)	-100%	457
Community and social services		1 203	457	457	-	-	38	(38)	-100%	457
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		5 367	2 208	2 208	-	-	184	(184)	-100%	2 208
Planning and development		5 367	2 208	2 208	-	-	184	(184)	-100%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		492 713	784 859	784 859	-	-	65 405	(65 405)	-100%	784 859
Energy sources		-	-	-	-	-	-	-	-	-
Water management		492 713	784 859	784 859	-	-	65 405	(65 405)	-100%	784 859
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		9	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	502 297	790 424	790 494	-	-	65 875	(65 875)	-100%	790 494
<b>Funded by:</b>										
National Government		490 860	700 110	700 110	-	-	58 343	(58 343)	-100%	700 110
Provincial Government		2 797	457	457	-	-	38	(38)	-100%	457
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns,		-	-	-	-	-	-	-	-	-
Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		493 657	700 568	700 568	-	-	58 381	(58 381)	-100%	700 568
<b>Borrowing</b>	6	191	86 957	86 957	-	-	7 246	(7 246)	-100%	86 957
<b>Internally generated funds</b>		8 450	2 900	2 970	-	-	248	(248)	-100%	2 970
<b>Total Capital Funding</b>		502 297	790 424	790 494	-	-	65 875	(65 875)	-100%	790 494

## Governance and administration

Governance and administration year-to-date actual is **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R248 thousand**. A variance of **R248 thousand** or **100%** is observed.

## Community and public safety

Community and public safety year-to-date actual is **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R38 thousand**. A variance of **R38 thousand** or **100%** is observed.

## Economic and environmental services

Economic and environmental services year-to-date actual is **R0 million** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R138 thousand**. A variance of **R138 Thousand** or **100%** is observed.

## Trading services

Trading services year-to-date actual is **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R65.4 million**. A variance of **R65.4 million** or **100%** 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	-	19 687 174	-19 687 174.08	-100%	0%
Regional Bulk Infrastructure (RBIG)	374 700 000	-	31 225 000	-31 225 000.00	-100%	0%
Water services infrastructure Grant (WSIG)	86 956 523	-	7 246 377	-7 246 376.92	-100%	0%
Rural Roads Asset Managemnt Systems Grant	2 207 826	-	183 986	-183 985.50	-100%	0%
Borrowings (Backup Generator)	86 956 522	-	7 246 377	-7 246 376.83	-100%	0%
Art centre Subsisies (Indonsa Grant)	457 391	-	38 116	-38 115.92	-100%	0%
Other Assets	2 970 000	-	247 500	-247 500.00	-100%	0%
<b>Total Operating Expenditure</b>	<b>790 494 351</b>	<b>-</b>	<b>65 874 529</b>	<b>-65 874 529</b>	<b>-100%</b>	<b>0%</b>

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

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

CAPITAL 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	-	19 687 174	-19 687 174.08	-100%	0%
Regional Bulk Infrastructure (RBIG)	374 700 000	-	31 225 000	-31 225 000.00	-100%	0%
Water services infrastructure Grant (WSIG)	86 956 523	-	7 246 377	-7 246 376.92	-100%	0%
Rural Roads Asset Managemnt Systems Grant	2 207 826	-	183 986	-183 985.50	-100%	0%
Borrowings (Backup Generator)	86 956 522	-	7 246 377	-7 246 376.83	-100%	0%
Art centre Subsisies (Indonsa Grant)	457 391	-	38 116	-38 115.92	-100%	0%
Other Assets	2 970 000	-	247 500	-247 500.00	-100%	0%
<b>Total Operating Expenditure</b>	<b>790 494 351</b>	<b>-</b>	<b>65 874 529</b>	<b>-65 874 529</b>	<b>-100%</b>	<b>0%</b>

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

## 1.7. IN-YEAR BUDGET TABLES

The following part of in-year reporting presented below focuses on monthly budget statement tables as required in terms of regulation 28 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's **2023/2024** budget, actual financial performance, actual capital expenditure, actual financial position, and actual cashflow as implemented by the accounting officer in terms of S62 of the MFMA.

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

# MBRR Table C1 – Monthly Budget Statement Summary

## DC26 Zululand - Table C1 Monthly Budget Statement Summary - M01 July

Description	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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	54 001	67 938	67 938	7 881	7 881	5 661	2 219	39%	67 938
Investment revenue	6 958	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	6 958	3 000	3 000	-	-	250	(250)	-100%	3 000
Other own revenue	656 701	647 310	647 310	263 301	263 301	53 942	209 359	388%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>724 618</b>	<b>718 248</b>	<b>718 248</b>	<b>271 182</b>	<b>271 182</b>	<b>59 854</b>	<b>211 328</b>	<b>353%</b>	<b>718 248</b>
Employee costs	278 184	290 728	290 728	24 770	24 770	24 228	543		290 728
Remuneration of Councillors	9 276	9 486	9 486	728	728	791	(62)		9 486
Depreciation and amortisation	99 523	90 000	90 000	-	-	7 500	(7 500)		90 000
Interest	457	1 000	1 000	-	-	83	(83)		1 000
Inventory consumed and bulk purchases	49 277	42 130	45 225	91	91	3 769	(3 678)		45 225
Transfers and subsidies	4 683	6 000	2 528	-	-	211	(211)	-100%	2 528
Other expenditure	479 401	282 758	283 066	8 739	8 739	23 589	(14 849)	-63%	283 066
<b>Total Expenditure</b>	<b>920 801</b>	<b>722 102</b>	<b>722 032</b>	<b>34 328</b>	<b>34 328</b>	<b>60 170</b>	<b>(25 841)</b>	<b>-43%</b>	<b>722 032</b>
<b>Surplus/(Deficit)</b>	<b>(196 183)</b>	<b>(3 855)</b>	<b>(3 785)</b>	<b>236 854</b>	<b>236 854</b>	<b>(316)</b>	<b>237 169</b>	<b>-75131%</b>	<b>(3 785)</b>
Transfers and subsidies - capital (monetary)	610 502	805 127	805 127	-	-	67 094	###	-100%	805 127
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	.....		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>	<b>170 076</b>	<b>255%</b>	<b>801 342</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>	<b>170 076</b>	<b>255%</b>	<b>801 342</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>502 297</b>	<b>790 424</b>	<b>790 494</b>	<b>-</b>	<b>-</b>	<b>65 875</b>	<b>(65 875)</b>	<b>-100%</b>	<b>790 494</b>
Capital transfers recognised	493 657	700 568	700 568	-	-	58 381	(58 381)	-100%	700 568
Borrowing	191	86 957	86 957	-	-	7 246	(7 246)	-100%	86 957
Internally generated funds	8 450	2 900	2 970	-	-	248	(248)	-100%	2 970
<b>Total sources of capital funds</b>	<b>502 297</b>	<b>790 424</b>	<b>790 494</b>	<b>-</b>	<b>-</b>	<b>65 875</b>	<b>(65 875)</b>	<b>-100%</b>	<b>790 494</b>
<b>Financial position</b>									
Total current assets	189 897	480 492	480 492		287 156				480 492
Total non current assets	5 002 035	6 247 525	6 247 595		5 004 189				6 247 595
Total current liabilities	458 338	352 992	352 992		305 285				352 992
Total non current liabilities	41 920	128 340	128 340		41 920				128 340
Community wealth/Equity	4 715 024	5 445 412	5 445 412		4 944 529				5 445 412
<b>Cash flows</b>									
Net cash from (used) operating	1 338 660	993 132	993 132	217 819	217 714	82 761	(134 953)	-163%	993 132
Net cash from (used) investing	(535 254)	(789 967)	(789 967)	-	-	(65 831)	(65 831)	100%	(789 967)
Net cash from (used) financing	(1 163)	90 000	90 000	-	-	7 500	7 500	100%	90 000
<b>Cash/cash equivalents at the month/year end</b>	<b>822 712</b>	<b>466 282</b>	<b>466 282</b>	<b>-</b>	<b>245 141</b>	<b>197 547</b>	<b>(47 593)</b>	<b>-24%</b>	<b>320 591</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	8 713	5 411	3 418	3 467	3 378	4 004	18 314	161 420	208 124
<b>Creditors Age Analysis</b>									
Total Creditors	632	-	-	-	-	-	-	-	632

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		659 756	637 831	637 831	263 288	263 288	53 153	210 136	395%	637 831
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		659 756	637 831	637 831	263 288	263 288	53 153	210 136	395%	637 831
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		2 085	2 482	2 482	5	5	207	(202)	-98%	2 482
Community and social services		2 009	1 922	1 922	-	-	160	(160)	-100%	1 922
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		76	560	560	5	5	47	(42)	-89%	560
<b>Economic and environmental services</b>		4 171	2 539	2 539	-	-	212	(212)	-100%	2 539
Planning and development		4 171	2 539	2 539	-	-	212	(212)	-100%	2 539
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		668 995	878 523	878 523	7 888	7 888	73 210	(65 322)	-89%	878 523
Energy sources		-	-	-	-	-	-	-	-	-
Water management		654 093	862 087	862 087	6 713	6 713	71 841	(65 127)	-91%	862 087
Waste water management		14 903	16 436	16 436	1 175	1 175	1 370	(195)	-14%	16 436
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>	4	113	2 000	2 000	1	1	167	(166)	-100%	2 000
<b>Total Revenue - Functional</b>	2	1 335 120	1 523 375	1 523 375	271 182	271 182	126 948	144 234	114%	1 523 375
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		323 858	256 489	256 254	17 015	17 015	21 355	(4 339)	-20%	256 254
Executive and council		63 902	45 360	45 415	6 325	6 325	3 785	2 541	67%	45 415
Finance and administration		259 956	176 201	175 901	7 312	7 312	14 659	(7 347)	-50%	175 901
Internal audit		-	34 928	34 938	3 378	3 378	2 912	467	16%	34 938
<b>Community and public safety</b>		26 987	28 878	28 893	2 032	2 032	2 408	(376)	-16%	28 893
Community and social services		14 256	8 257	8 267	469	469	689	(220)	-32%	8 267
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	5 887	5 887	567	567	491	76	16%	5 887
Housing		-	-	-	-	-	-	-	-	-
Health		12 731	14 734	14 739	996	996	1 228	(233)	-19%	14 739
<b>Economic and environmental services</b>		22 420	28 742	28 762	1 715	1 715	2 397	(682)	-28%	28 762
Planning and development		22 420	28 742	28 762	1 715	1 715	2 397	(682)	-28%	28 762
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		538 412	394 049	394 169	12 826	12 826	32 848	(20 021)	-61%	394 169
Energy sources		-	-	-	-	-	-	-	-	-
Water management		532 312	386 071	386 191	12 194	12 194	32 183	(19 988)	-62%	386 191
Waste water management		6 100	7 978	7 978	632	632	665	(33)	-5%	7 978
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		9 125	13 944	13 954	741	741	1 163	(422)	-36%	13 954
<b>Total Expenditure - Functional</b>	3	920 801	722 102	722 032	34 328	34 328	60 170	(25 841)	-43%	722 032
<b>Surplus/ (Deficit) for the year</b>		414 319	801 272	801 342	236 854	236 854	66 778	170 076	255%	801 342

**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) - M01 July**

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		60 739	2 350	2 350	1	1	196	(195)	-99.7%	2 350
Vote 03 - Finance		599 130	637 481	637 481	263 288	263 288	53 123	210 165	395.6%	637 481
Vote 04 - Community Development		3 727	2 482	2 482	5	5	207	(202)	-97.5%	2 482
Vote 05 - Planning & Wsa		617 377	812 204	812 204	-	-	67 684	(67 684)	-100.0%	812 204
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		39 244	52 422	52 422	6 713	6 713	4 368	2 345	53.7%	52 422
Vote 09 - Waste Water		14 903	16 436	16 436	1 175	1 175	1 370	(195)	-14.2%	16 436
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1 335 120</b>	<b>1 523 375</b>	<b>1 523 375</b>	<b>271 182</b>	<b>271 182</b>	<b>126 948</b>	<b>144 234</b>	<b>113.6%</b>	<b>1 523 375</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Council		63 902	53 791	53 861	6 726	6 726	4 488	2 238	49.9%	53 861
Vote 02 - Corporate Services		186 088	149 411	149 449	7 930	7 930	12 454	(4 524)	-36.3%	149 449
Vote 03 - Finance		66 878	61 343	60 985	2 586	2 586	5 082	(2 496)	-49.1%	60 985
Vote 04 - Community Development		54 115	50 380	50 430	3 374	3 374	4 203	(829)	-19.7%	50 430
Vote 05 - Planning & Wsa		61 208	21 391	21 411	1 913	1 913	1 784	129	7.2%	21 411
Vote 06 - Technical Services		8 841	10 202	10 432	114	114	869	(756)	-86.9%	10 432
Vote 07 - Water Purification		51 735	43 820	43 820	4 039	4 039	3 652	388	10.6%	43 820
Vote 08 - Water Distribution		421 935	323 787	323 667	7 015	7 015	26 972	(19 957)	-74.0%	323 667
Vote 09 - Waste Water		6 100	7 978	7 978	632	632	665	(33)	-5.0%	7 978
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>920 801</b>	<b>722 102</b>	<b>722 032</b>	<b>34 328</b>	<b>34 328</b>	<b>60 170</b>	<b>(25 841)</b>	<b>-42.9%</b>	<b>722 032</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>	<b>170 076</b>	<b>254.7%</b>	<b>801 342</b>

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

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

**DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July**

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity							-			
Service charges - Water		39 170	51 532	51 532	6 713	6 713	4 294	2 419	56%	51 532
Service charges - Waste Water Management		14 831	16 406	16 406	1 168	1 168	1 367	(200)	-15%	16 406
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 399	1 001	1 001	45	45	83	(38)	-46%	1 001
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	521	0	0	43	(43)	-100%	521
Interest from Current and Non Current Assets		6 958	3 000	3 000	-	-	250			3 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	500	35	35	42	(7)	-17%	500
Licence and permits		88	60	60	5	5	5	0	2%	60
Operational Revenue		563	369	369	1	1	31	(30)	-96%	369
<b>Non-Exchange Revenue</b>										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		177	1 000	1 000	20	20	83	(64)		1 000
Licence and permits								-		
Transfers and subsidies - Operational		658 227	643 859	643 859	263 196	263 196	53 655	209 541		643 859
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 775	-	-	-	-	-	-		-
Other Gains		174	-	-	-	-	-	-		-
Discontinued Operations								-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>724 618</b>	<b>718 248</b>	<b>718 248</b>	<b>271 182</b>	<b>271 182</b>	<b>59 854</b>	<b>211 328</b>	<b>353%</b>	<b>718 248</b>
<b>Expenditure By Type</b>										
Employee related costs		278 184	290 728	290 728	24 770	24 770	24 228	543	2%	290 728
Remuneration of councillors		9 276	9 486	9 486	728	728	791	(62)	-8%	9 486
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		49 277	42 130	45 225	91	91	3 769	(3 678)		45 225
Debt impairment		(4 705)	10 000	10 000	-	-	833	(833)	-100%	10 000
Depreciation and amortisation		99 523	90 000	90 000	-	-	7 500	(7 500)	-100%	90 000
Interest		457	1 000	1 000	-	-	83	(83)	-100%	1 000
Contracted services		313 026	128 719	125 047	3 826	3 826	10 421	(6 594)	-63%	125 047
Transfers and subsidies		4 683	6 000	2 528	-	-	211	(211)	-100%	2 528
Irrecoverable debts written off		2 156	-	-	28	28	-	28		-
Operational costs		168 067	144 039	148 019	4 885	4 885	12 335	(7 450)	-60%	148 019
Losses on Disposal of Assets		548	-	-	-	-	-	-		-
Other Losses		309	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>920 801</b>	<b>722 102</b>	<b>722 032</b>	<b>34 328</b>	<b>34 328</b>	<b>60 170</b>	<b>(25 841)</b>	<b>-43%</b>	<b>722 032</b>
<b>Surplus/(Deficit)</b>		<b>(196 183)</b>	<b>(3 855)</b>	<b>(3 785)</b>	<b>236 854</b>	<b>236 854</b>	<b>(316)</b>	<b>237 169</b>	<b>(1)</b>	<b>(3 785)</b>
Transfers and subsidies - capital (monetary allocations)		610 502	805 127	805 127	-	-	67 094	(67 094)	(0)	805 127
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>			<b>801 342</b>
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>			<b>801 342</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>			<b>801 342</b>
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
<b>Surplus/ (Deficit) for the year</b>		<b>414 319</b>	<b>801 272</b>	<b>801 342</b>	<b>236 854</b>	<b>236 854</b>	<b>66 778</b>			<b>801 342</b>

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

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

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July										
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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Council		173	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		848	2 250	2 320	-	-	193	(193)	-100%	2 320
Vote 03 - Finance		1 993	650	650	-	-	54	(54)	-100%	650
Vote 04 - Community Development		2 929	457	457	-	-	38	(38)	-100%	457
Vote 05 - Planning & Wsa		495 867	700 110	700 110	-	-	58 343	(58 343)	-100%	700 110
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		488	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	7 246	(7 246)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>502 297</b>	<b>790 424</b>	<b>790 494</b>	-	-	<b>65 875</b>	<b>(65 875)</b>	<b>-100%</b>	<b>790 494</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		<b>502 297</b>	<b>790 424</b>	<b>790 494</b>	-	-	<b>65 875</b>	<b>(65 875)</b>	<b>-100%</b>	<b>790 494</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>3 005</b>	<b>2 900</b>	<b>2 970</b>	-	-	<b>248</b>	<b>(248)</b>	<b>-100%</b>	<b>2 970</b>
Executive and council		173	-	-	-	-	-	-	-	-
Finance and administration		2 833	2 900	2 970	-	-	248	(248)	-100%	2 970
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1 203</b>	<b>457</b>	<b>457</b>	-	-	<b>38</b>	<b>(38)</b>	<b>-100%</b>	<b>457</b>
Community and social services		1 203	457	457	-	-	38	(38)	-100%	457
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>5 367</b>	<b>2 208</b>	<b>2 208</b>	-	-	<b>184</b>	<b>(184)</b>	<b>-100%</b>	<b>2 208</b>
Planning and development		5 367	2 208	2 208	-	-	184	(184)	-100%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>492 713</b>	<b>784 859</b>	<b>784 859</b>	-	-	<b>65 405</b>	<b>(65 405)</b>	<b>-100%</b>	<b>784 859</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		492 713	784 859	784 859	-	-	65 405	(65 405)	-100%	784 859
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Class</b>	3	<b>502 297</b>	<b>790 424</b>	<b>790 494</b>	-	-	<b>65 875</b>	<b>(65 875)</b>	<b>-100%</b>	<b>790 494</b>
<b>Funded by:</b>										
National Government		490 860	700 110	700 110	-	-	58 343	(58 343)	-100%	700 110
Provincial Government		2 797	457	457	-	-	38	(38)	-100%	457
District Municipality allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>493 657</b>	<b>700 568</b>	<b>700 568</b>	-	-	<b>58 381</b>	<b>(58 381)</b>	<b>-100%</b>	<b>700 568</b>
<b>Borrowing</b>	6	<b>191</b>	<b>86 957</b>	<b>86 957</b>	-	-	<b>7 246</b>	<b>(7 246)</b>	<b>-100%</b>	<b>86 957</b>
<b>Internally generated funds</b>		<b>8 450</b>	<b>2 900</b>	<b>2 970</b>	-	-	<b>248</b>	<b>(248)</b>	<b>-100%</b>	<b>2 970</b>
<b>Total Capital Funding</b>		<b>502 297</b>	<b>790 424</b>	<b>790 494</b>	-	-	<b>65 875</b>	<b>(65 875)</b>	<b>-100%</b>	<b>790 494</b>

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

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



**DC26 Zululand - Table C6 Monthly Budget Statement - Financial Position - M01 July**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		27 427	345 288	345 288	141 271	345 288
Trade and other receivables from exchange transactions		57 646	59 575	59 575	64 531	59 575
Receivables from non-exchange transactions		52	–	–	6 998	–
Current portion of non-current receivables		–	–	–	–	–
Inventory		5 102	2 556	2 556	3 064	2 556
VAT		74 954	50 650	50 650	46 806	50 650
Other current assets		24 716	22 422	22 422	24 485	22 422
<b>Total current assets</b>		<b>189 897</b>	<b>480 492</b>	<b>480 492</b>	<b>287 156</b>	<b>480 492</b>
<b>Non current assets</b>						
Investments						
Investment property						
Property, plant and equipment		4 994 231	6 247 523	6 247 593	4 996 373	6 247 593
Biological assets						
Living and non-living resources						
Heritage assets		7 807	–	–	7 807	–
Intangible assets		(3)	1	1	10	1
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>5 002 035</b>	<b>6 247 525</b>	<b>6 247 595</b>	<b>5 004 189</b>	<b>6 247 595</b>
<b>TOTAL ASSETS</b>		<b>5 191 931</b>	<b>6 728 017</b>	<b>6 728 087</b>	<b>5 291 345</b>	<b>6 728 087</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		1 855	–	–	1 855	–
Consumer deposits		3 623	3 633	3 633	3 622	3 633
Trade and other payables from exchange transactions		437 601	338 908	338 908	175 939	338 908
Trade and other payables from non-exchange transactions		2 143	–	–	109 565	–
Provision		1 973	1 973	1 973	1 973	1 973
VAT		10 739	8 073	8 073	11 925	8 073
Other current liabilities		405	405	405	405	405
<b>Total current liabilities</b>		<b>458 338</b>	<b>352 992</b>	<b>352 992</b>	<b>305 285</b>	<b>352 992</b>
<b>Non current liabilities</b>						
Financial liabilities		1 202	90 000	90 000	1 202	90 000
Provision		40 718	38 340	38 340	40 718	38 340
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
<b>Total non current liabilities</b>		<b>41 920</b>	<b>128 340</b>	<b>128 340</b>	<b>41 920</b>	<b>128 340</b>
<b>TOTAL LIABILITIES</b>		<b>500 258</b>	<b>481 332</b>	<b>481 332</b>	<b>347 205</b>	<b>481 332</b>
<b>NET ASSETS</b>	2	<b>4 691 673</b>	<b>6 246 684</b>	<b>6 246 754</b>	<b>4 944 140</b>	<b>6 246 754</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		4 715 024	5 445 412	5 445 412	4 944 529	5 445 412
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>4 715 024</b>	<b>5 445 412</b>	<b>5 445 412</b>	<b>4 944 529</b>	<b>5 445 412</b>

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

Table A6 is consistent with international standards of good financial management practice and improves the understanding ability of 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 July 2023 indicate bank balance of **R37.2 million**

### **Call Investments Deposits**

Call investments as at 31 July 2023 is **R104 million**.

### **Consumer debtors**

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R63.9 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R208.1 million**. Consumer debtors' amount to **R202.5 million** and the balance of **R5.6 million** is for shared services cast in Other Debtors.

Gross Consumer debtors	R202.5 million
Less Impairment	(R138.6 million)
<b>Net Consumer Debtors</b>	<b>R63.9million</b>

### **Classification of Consumer Debtors per Service type**

Water Debtors	R53 million
Sanitation Debtors	R10.8 million
Property Rentals Debtors	R29.5 thousand
Other Consumer debtors	R106.7 thousand
<b>Total</b>	<b>R59.2 million</b>

#### ➤ **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R53 million**. Water debtors are amounts owed by consumers for water services billed.

Gross Water Debtors	R158.9 million
Less Impairment	(105.8 million)
<b>Net Water Debtors</b>	<b>R53 million</b>

#### ➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R10.8 million**. Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R43.5 million
Less Impairment	(R32.7 million)
<b>Net Sanitation Debtors</b>	<b>R10.8 million</b>

➤ **Property Rentals Debtors**

These are debtors accumulated from property rentals amounts to **R29.5 thousand**

Property Rental	R29.5 thousand
Less Impairment	(R0 thousand)
Net Property rental	R29.5 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R106.7 thousand**, these are sundry debtors.

Gross Other Debtors	R118.7 thousand
Less Impairment	(R11.9)
<b>Net Other Debtors</b>	<b>R106.7 thousand</b>

**Classification of Consumer Debtors per Customer group**

Households	R169.9 million
Commercial/Businesses	R 14.7 million
Organs of State (excl shared services of R5.6 mill)	R 17.9 million
<b>Total</b>	<b>R202.5 million</b>

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

Gross Households debtors	R169.9 million
Less Impairment	(R138.6 million)
<b>Net Household debtors</b>	<b>R31.3 million</b>

**Other debtors**

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R78.8 million**.

VAT Receivable	R46.8 million
Deposits Made	R16.7 million
Refunds & under/over banking	R7.7 million
Overpayments/Accrued Income/UIFW Expenditure	R6.9 million
Prepaid Expenses	R564 thousand
Insurance claims	R15.1 thousand
Salary advance	R9.3 thousand
<b>Total</b>	<b>R78.8 million</b>

➤ **VAT Receivable**

VAT Receivable amount to **R46.8 million**, this is the amount raised when input VAT is recognized less output VAT collected as per VAT reconciliation.

➤ **Deposits Made**

Deposits made amount to **R583 thousand**, this amount include Eskom deposits, Federal Air Deposits and Stowell Deposits.

Eskom Deposits	R16.3 million
Andrew Miller & Assos. Deposits	R200 thousand
Stowel Deposits	R200 thousand
Property 165 President Str.	R 2 thousand

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

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

➤ **Refunds & under/over banking**

Refunds & under/over banking amount to **R7.7 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	R5.6 million
Under/over banking	R2.1 million

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

**Overpayments** include an amount of R4.7 million which has been provided for impairment because they are likely to be irrecoverable. The balance for overpayments of R906.9 thousand is for Enduneni Constructors (R783 thousand), human resources (R116.8 thousand), Water purification – Ulundi (R4.7 thousand) and Lindani Catering (R1.9 thousand).

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

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

- **Prepaid Expense**  
Prepaid Expense amounts to **R564 thousand**. Prepaid expense is made up of prepaid electricity.
  
- **Insurance Claims**  
Insurance Claims amounts to **R15.1 thousand**. This amount consists of an outstanding claim.
  
- **Salary advance**  
Salary advances amounts to **R9.3 thousand**. This amount consists of advanced employee costs.

**Inventory**

The current level of inventory is **R3 million**. Inventories include water stock and consumable stores.

**NON-CURRENT ASSETS**

**Long term receivables**

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

**Property plant and equipment**

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment include current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R4.9 million**.

<b>Opening balance</b>	<b>R4.9 billion</b>
Additions	R0
Depreciation	(R0)
<b>Closing Balance</b>	<b>R4.9 billion</b>

**Intangible**

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R9.8 thousand**

Opening balance	<b>R9.8 thousand</b>
Additions	R 0
Depreciation	(R0)
Closing Balance	<b>R9.8 thousand</b>

### **Other non-current assets**

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

## **CURRENT LIABILITIES**

### **Borrowings**

This is the current portion of the finance lease agreement the Municipality entered into to procure laptops. The current balance owed amount to **R1.8 million**.

Opening balance	<b>R1.8 million</b>
Payment	(R0)
Closing Balance	<b>R1.8 million</b>

### **Consumer deposits**

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

### **Trade and other payables**

Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R297.4 million**.

Trade Creditors	R1.6 million
Unspent Conditional Grants	R109.5 million
Retention	R60.1 million
Department of Water & Sanitation	R18.2 million
Output VAT	R11.9 million
Leave accrued	R22.4 million
Bonus	R5.8 million
Employee related cost	R189 thousand
Advance Payments	R3.3 million
Salary Suspense Accounts	R64.1 thousand
Other Suspense account	R7.9 thousand

Water tankers	R11.8 million
Other trade creditors	R8.6 million
Zanamanzi	R1.2 million
Fleet Suspense	R265 thousand
<b>Closing Balance</b>	<b>R297.4 million</b>

### **Current Provision**

Current provisions amount to **R2.3 million**, this provision is for post-retirement benefit (Medical aid) and long service awards that is paid in the current financial year.

Post Retirement benefit (Medical aid)	R 405 thousand
Long service awards	R1.9 million

### **NON-CURRENT LIABILITIES**

#### **Borrowings**

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

#### **Non-current Provisions**

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

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

#### **Accumulated surplus**

Accumulated surplus is the net worth of the Municipality, sitting at **R4.9 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates										
Service charges		26 949	51 642	51 642	1 308	1 308	4 303	(2 995)	-70%	51 642
Other revenue		1 387 268	162 144	162 144	131 744	131 744	13 512	118 232	875%	162 144
Transfers and Subsidies - Operational		661 699	643 859	643 859	266 152	266 152	53 655	212 497	396%	643 859
Transfers and Subsidies - Capital		610 306	805 127	805 127	104 000	104 000	67 094	36 906	55%	805 127
Interest		1 404	3 000	3 000	-	-	250	(250)	-100%	3 000
Dividends										
<b>Payments</b>										
Suppliers and employees		(1 348 966)	(672 640)	(672 640)	(285 385)	(285 490)	(56 053)	229 436	-409%	(672 640)
Interest										
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1 338 660</b>	<b>993 132</b>	<b>993 132</b>	<b>217 819</b>	<b>217 714</b>	<b>82 761</b>	<b>(134 953)</b>	<b>-163%</b>	<b>993 132</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(535 254)	(789 967)	(789 967)	-	-	(65 831)	(65 831)	100%	(789 967)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(535 254)</b>	<b>(789 967)</b>	<b>(789 967)</b>	<b>-</b>	<b>-</b>	<b>(65 831)</b>	<b>(65 831)</b>	<b>100%</b>	<b>(789 967)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing		-	100 000	100 000	-	-	8 333	(8 333)	-100%	100 000
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		(1 163)	(10 000)	(10 000)	-	-	(833)	(833)	100%	(10 000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1 163)</b>	<b>90 000</b>	<b>90 000</b>	<b>-</b>	<b>-</b>	<b>7 500</b>	<b>7 500</b>	<b>100%</b>	<b>90 000</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>802 243</b>	<b>293 165</b>	<b>293 165</b>	<b>217 819</b>	<b>217 714</b>	<b>24 430</b>			<b>293 165</b>
Cash/cash equivalents at beginning:		20 468	173 117	173 117	113 845	27 427	173 117			27 427
Cash/cash equivalents at month/year end:		822 712	466 282	466 282		245 141	197 547			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 **R1.3 million** to date. This is **3%** of budgeted collection and **17%** 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 are to date are **R266. million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far under Transfers and subsidies – Operational.

Equitable share	R263.1 million
Indonsa Grant	R955 thousand
Aviation Strategy	R2 million
<b>TOTAL</b>	<b>R266 million</b>

## 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 **R104 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 64 million
Water Services Infrastructure Grant	R 40 million
<b>TOTAL</b>	<b>R104 million</b>

## 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 **R0**. Interest on investment revenue on table C4 is **R0**.

## 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 **R0**, the capital expenditure is excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed. the Municipality is in a process of developing an action plan to address these inefficiencies.

### Cash and cash equivalents at the end

Cash and cash equivalents are the cash available at the end of the reporting period after all expenses have been paid. Cash and cash equivalents to date is **R141.2 million** in the financial position but in the cash flow it is **R245.1 million**.

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

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1. DEBTORS ANALYSIS

#### Debtors age analysis as of 31 July 2023

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	7 415	3 711	2 520	2 556	2 463	3 031	14 149	122 588	158 434	144 787	-	105 893
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	1 180	973	761	770	728	737	3 510	34 839	43 497	40 583	-	32 710
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	0	14	31	26	26	23	101	310	530	486	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	118	713	106	115	161	213	554	3 682	5 663	4 726	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>8 713</b>	<b>5 411</b>	<b>3 418</b>	<b>3 467</b>	<b>3 378</b>	<b>4 004</b>	<b>18 314</b>	<b>161 420</b>	<b>208 124</b>	<b>190 582</b>	<b>-</b>	<b>138 602</b>
<b>2022/23 - totals only</b>		<b>5418217</b>	<b>5089188</b>	<b>4204934</b>	<b>3720698</b>	<b>3639566</b>	<b>3558697</b>	<b>21228280</b>	<b>132049360</b>	<b>178 909</b>	<b>164 197</b>	<b>0</b>	<b>115598498</b>
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	2 201	2 034	808	932	781	941	3 710	12 168	23 574	18 532	-	-
Commercial	2300	1 245	574	524	381	409	449	1 909	9 217	14 708	12 365	-	-
Households	2400	5 277	2 812	2 098	2 164	2 196	2 619	12 698	140 043	169 907	159 720	-	138 614
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>8 723</b>	<b>5 420</b>	<b>3 430</b>	<b>3 477</b>	<b>3 385</b>	<b>4 009</b>	<b>18 317</b>	<b>161 429</b>	<b>208 189</b>	<b>190 616</b>	<b>-</b>	<b>138 614</b>

Total debtors' amount to **R208.1 million**, which is an decrease of **R6.9 million** from the closing balance of **R201.2 million** in previous month. The debtors over 90 days amount to **R190.5 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 July 2023

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2023/24									Total	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			
<b>R thousands</b>												
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	632	-	-	-	-	-	-	-	-	632	-
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700										-	17 653
Auditor General	0800										-	
Other	0900										-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>632</b>	<b>17 653</b>

## 2.3 INVESTMENT PORTFOLIO

### Investments as at 31 July 2023

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

Investments by maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>R thousands</b>		Yrs/Months												
<b>Municipality</b>														
Zululand District Municipality-ABSA		0	Call Account	Yes	Variable	0.089	N/A	N/A	N/A	-	-	-	64 000	64 000
Zululand District Municipality-ABSA		0	Call Account	Yes	Variable	0.0505	N/A	N/A	N/A	64 000			40 000	104 000
														-
<b>Municipality sub-total</b>										-			104 000	104 000
<b>Entities</b>														-
														-
<b>Entities sub-total</b>										-			-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>									-			104 000	104 000

## 2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

### Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

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										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		596 108	639 948	639 948	263 196	263 196	53 329	209 867	393.5%	639 948
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		586 391	631 671	631 671	263 196	263 196	52 639	210 557	400.0%	631 671
Expanded Public Works Programme Integrated Grant		8 517	7 077	7 077	-	-	590	(590)	-100.0%	7 077
Local Government Financial Management Grant		1 200	1 200	1 200	-	-	100	(100)	-100.0%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		2 028	3 911	3 911	-	-	326	(326)	-100.0%	3 911
Capacity Building and Other Grants		2 028	3 911	3 911	-	-	326	(326)	-100.0%	3 911
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		60 091	-	-	-	-	-	-	-	-
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		478	-	-	-	-	-	-	-	-
National Skills Fund		59 613	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	658 227	643 859	643 859	263 196	263 196	53 655	209 541	390.5%	643 859
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		607 306	805 127	805 127	-	-	67 094	(67 094)	-100.0%	805 127
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		259 530	271 683	271 683	-	-	22 640	(22 640)	-100.0%	271 683
Regional Bulk Infrastructure Grant		250 247	430 905	430 905	-	-	35 909	(35 909)	-100.0%	430 905
Rural Road Asset Management Systems Grant		2 529	2 539	2 539	-	-	212	(212)	-100.0%	2 539
Water Services Infrastructure Grant		95 000	100 000	100 000	-	-	8 333	(8 333)	-100.0%	100 000
<b>Provincial Government:</b>		3 196	-	-	-	-	-	-	-	-
Infrastructure Grant		3 196	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	610 502	805 127	805 127	-	-	67 094	(67 094)	-100.0%	805 127
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	1 268 729	1 448 986	1 448 986	263 196	263 196	120 749	142 447	118.0%	1 448 986

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

# Grant Expenditure

## DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

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
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		766 640	627 267	627 197	34 328	34 328	52 267	(17 938)	-34.3%	627 197
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		715 486	618 990	618 920	33 159	33 159	51 577	(18 418)	-35.7%	618 920
Expanded Public Works Programme Integrated Grant		8 517	7 077	7 077	1 143	1 143	590	553	93.8%	7 077
Local Government Financial Management Grant		1 200	1 200	1 200	26	26	100	(74)	-73.5%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		33 001	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		2 195	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		6 240	-	-	-	-	-	-	-	-
Provincial Government:		2 086	3 385	3 385	-	-	282	(282)	-100.0%	3 385
Capacity Building and Other Grants		2 086	3 385	3 385	-	-	282	(282)	-100.0%	3 385
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		59 798	-	-	-	-	-	-	-	-
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		478	-	-	-	-	-	-	-	-
National Skills Fund		59 320	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>828 524</b>	<b>630 652</b>	<b>630 582</b>	<b>34 328</b>	<b>34 328</b>	<b>52 549</b>	<b>(18 220)</b>	<b>-34.7%</b>	<b>630 582</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		490 860	700 110	700 110	-	-	58 343	(58 343)	-100.0%	700 110
Municipal Infrastructure Grant		194 387	236 246	236 246	-	-	19 687	(19 687)	-100.0%	236 246
Regional Bulk Infrastructure Grant		219 475	374 700	374 700	-	-	31 225	(31 225)	-100.0%	374 700
Rural Road Asset Management Systems Grant		4	2 208	2 208	-	-	184	(184)	-100.0%	2 208
Water Services Infrastructure Grant		76 994	86 957	86 957	-	-	7 246	(7 246)	-100.0%	86 957
Provincial Government:		2 797	457	457	-	-	38	(38)	-100.0%	457
Infrastructure Grant		2 797	457	457	-	-	38	(38)	-100.0%	457
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>493 657</b>	<b>700 568</b>	<b>700 568</b>	<b>-</b>	<b>-</b>	<b>58 381</b>	<b>(58 381)</b>	<b>-100.0%</b>	<b>700 568</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>1 322 181</b>	<b>1 331 220</b>	<b>1 331 150</b>	<b>34 328</b>	<b>34 328</b>	<b>110 929</b>	<b>(76 601)</b>	<b>-69.1%</b>	<b>1 331 150</b>

## Roll-overs Expenditure

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 - M01 July

Description	Ref	Budget Year 2023/24				
		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<b>EXPENDITURE</b>						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
<b>Total operating expenditure of Approved Roll-overs</b>		-	-	-	-	
<u>Capital expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
Provincial Government:		1 642	-	-	1 642	100.0%
Other Departments		1 642	-	-	(1 642)	-100.0%
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
<b>Total capital expenditure of Approved Roll-overs</b>		1 642	-	-	1 642	100.0%
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		1 642	-	-	1 642	100.0%

## 2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		509	512	512	37	37	43	(5)	-13%	512
Medical Aid Contributions		54	55	55	3	3	5	(1)	-25%	55
Motor Vehicle Allowance		1 889	1 962	1 962	158	158	163	(5)	-3%	1 962
Cellphone Allowance		681	694	694	58	58	58	-	-	694
Housing Allowances		360	180	180	15	15	15	-	-	180
Other benefits and allowances		5 782	6 084	6 084	457	457	507	(50)	-10%	6 084
<b>Sub Total - Councillors</b>		<b>9 276</b>	<b>9 486</b>	<b>9 486</b>	<b>728</b>	<b>728</b>	<b>791</b>	<b>(62)</b>	<b>-8%</b>	<b>9 486</b>
<b>% increase</b>	4		<b>2.3%</b>	<b>2.3%</b>						<b>2.3%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		5 352	6 191	6 191	645	645	516	129	25%	6 191
Pension and UIF Contributions		12	62	62	30	30	5	24	474%	62
Medical Aid Contributions		1	3	3	6	6	0	5	2271%	3
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		403	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 410	1 542	1 542	143	143	129	14	11%	1 542
Cellphone Allowance		218	238	238	22	22	20	3	13%	238
Housing Allowances		-	-	-	1	1	-	1	#DIV/0!	-
Other benefits and allowances		294	195	195	23	23	16	7	42%	195
Payments in lieu of leave		185	-	-	-	-	-	-	-	-
Long service awards		23	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		81	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7 977</b>	<b>8 230</b>	<b>8 230</b>	<b>869</b>	<b>869</b>	<b>686</b>	<b>183</b>	<b>27%</b>	<b>8 230</b>
<b>% increase</b>	4		<b>3.2%</b>	<b>3.2%</b>						<b>3.2%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		185 707	206 063	206 063	16 176	16 176	17 172	(996)	-6%	206 063
Pension and UIF Contributions		24 866	27 991	27 991	2 192	2 192	2 333	(141)	-6%	27 991
Medical Aid Contributions		14 950	15 496	15 496	1 339	1 339	1 291	48	4%	15 496
Overtime		6 445	5 448	5 448	592	592	454	138	30%	5 448
Performance Bonus		12 907	13 983	13 983	1 035	1 035	1 165	(130)	-11%	13 983
Motor Vehicle Allowance		10 583	10 682	10 682	915	915	890	25	3%	10 682
Cellphone Allowance		779	828	828	72	72	69	3	4%	828
Housing Allowances		1 701	1 724	1 724	136	136	144	(7)	-5%	1 724
Other benefits and allowances		3 762	282	282	338	338	23	314	1337%	282
Payments in lieu of leave		5 415	-	-	757	757	-	757	#DIV/0!	-
Long service awards		1 977	-	-	281	281	-	281	#DIV/0!	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1 116	-	-	67	67	-	67	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>270 207</b>	<b>282 498</b>	<b>282 498</b>	<b>23 901</b>	<b>23 901</b>	<b>23 542</b>	<b>359</b>	<b>2%</b>	<b>282 498</b>
<b>% increase</b>	4		<b>4.5%</b>	<b>4.5%</b>						<b>4.5%</b>
<b>Total Parent Municipality</b>		<b>287 460</b>	<b>300 214</b>	<b>300 214</b>	<b>25 498</b>	<b>25 498</b>	<b>25 018</b>	<b>480</b>	<b>2%</b>	<b>300 214</b>

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 - M01 July

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	<b>Revenue</b>			
	Service charges – Water revenue	56%	This is the amounts billed on customers for water used, the year-to-date actual is R6.7 million which is 13% of the approved budget. the R6.7 million year to date actual is above the one month baseline projection or year-to-date budget of R4.2 million	
	Service charges – Sanitation revenue	15%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R1.1 million which is 7% of the approved budget. the R1.1 million year to date actual is below the one month baseline projection or year-to-date budget of R1.3 million	
	Sale of goods and rendering of service	46%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R45 thousands which is 5% of the approved budget. the R45 thousands year to date actual is below the one month baseline projection or year-to-date budget of R83 thousand	
	Rent of facilities	17%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R35 thousand which is 7% of the approved budget. the R35 thousand year to date actual is below the one-month baseline projection or year-to-date budget of R42 thousand.	
	Interest on investment	100%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R0 which is 0% of the approved budget. The R0 year to date actual is below the one month baseline projection or year-to-date budget of R250 thousand.	
	Interest earned - outstanding debtors	100%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears, the year-to-date actual is R20 which is 0% of the approved budget. The R20 year to date actual is below the one-month baseline projection or year-to-date budget of R43 thousand.	
	Fines, penalties, and forfeits	74%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is R20 thousand which is 2% of the approved budget. the R20 thousand year to date actual is below the one month baseline projection or year-to-date budget of R83 thousand.	
	Licences and Permits	2%	Licences and permits year-to-date actual is R5.1 thousand which is 8% of the approved budget. the R5.1 thousand year to date actual is above one month baseline projection or year-to-date budget of R5 thousand.	
	Operational revenue	96%	Operational revenue year-to-date actual is R1 thousand which is less than 1% of the approved budget. the R1 thousand year to date actual is below to one month baseline projection or year-to-date budget of R31 thousand.	
	Transfers and subsidies	391%	Transfers and subsidies year to date actual is R263.1 million which is 41% of the approved budget. The R263.1 million year to date actual is above the one month baseline projection or year-to-date budget of R53.6 million.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M01 July

Ref	Description	Variance		
			Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
2	<b>Expenditure By Type</b>			
	Employee Related Costs	2%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R24.7 million which is 9% of the approved budget. The R24.7 million year to date actual is above the one month baseline projection or year-to-date budget of R24.2 million.	
	Remuneration of Councillors	3%	Remuneration of Councillors are amounts paid for councillors allowances, service-related benefits and contributions. The year-to-date actual is R728 thousand which is 8% of the approved budget. The R728 thousand year to date actual is below the one month baseline projection or year-to-date budget of R791 thousand.	
	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	100%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R0 which is 0% of the approved budget. The R0 year to date actual is below the one-month baseline projection or year-to-date budget of R7.5 million.	
	Finance charges	100%	Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is R0 which is 0% of the approved budget. The R0 year to date actual is below the one-month baseline projection or year-to-date budget of R83 thousand.	
	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	98%	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 R91 thousand which is less than 1% of the approved budget. The R91 thousand year to date actual is below the one-month baseline projection or year-to-date budget of R3.7 million.	
	Contracted services	63%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R3.8 million which is 3% of the approved budget. The R3.8 million year to date actual is below the one-month baseline projection or year-to-date budget of R10.4 million.	
	Irrecoverable debt written off	0%	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 is above the one-month baseline projection or year-to-date budget of R0.	
	Transfers and subsidies paid.	100%	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 R0 which is 0% of the approved budget. The R0 million year to date actual is a little below the one-month baseline projection or year-to-date budget of R211 thousand.	
	Operational costs	37%	Operational costs are all other expenditure not classified above. The year-to-date actual is R4.8 million which is 3% of the approved budget. The R4.8 million year to date actual is below the one-month baseline projection or year-to-date budget of R12.3 million.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M01 July

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
3	<b>Capital Expenditure</b>			
	Governance and administration	100%	Governance and administration year-to-date actual is R0 which is 0% of the approved budget, the R0 year to date actual is below the one-month baseline projection or year-to-date budget of R248 thousand.	
	Community and public safety	100%	Community and public safety year-to-date actual is R0 which is 0% of the approved budget, the R0 year to date actual is below the one-month baseline projection or year-to-date budget of R38 thousand.	
	Economic and environmental services	100%	Economic and environmental services year-to-date actual is R0 million which is 0% of the approved budget, the R0 year to date actual is below the one-month baseline projection or year-to-date budget of R138 thousand.	
	Trading services	100%	Trading services year-to-date actual is R0 which is 0% of the approved budget, the R0 year to date actual is below the one-month baseline projection or year-to-date budget of R65.4 million.	
4	<b>Financial Position</b>			
5	<b>Cash Flow</b>			
6	<b>Measureable performance</b>			
7	<b>Municipal Entities</b>			

**2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE**

The Municipality does not have any entities.

**2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE**

The Municipality does not have any active entities.

## 2.9 CAPITAL PROGRAMME PERFORMANCE

### Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M01 July

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
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	5 503	65 875	65 875	–	–	65 875	65 875	100.0%	0%
August	14 273	65 875	65 875	–	–	131 749	131 749	100.0%	0%
September	32 995	65 875	65 875	–	–	197 624	197 624	100.0%	0%
October	27 335	65 875	65 875	–	–	263 498	263 498	100.0%	0%
November	18 645	65 875	65 875	–	–	329 373	329 373	100.0%	0%
December	46 356	65 875	65 875	–	–	395 247	395 247	100.0%	0%
January	7 250	65 875	65 875	–	–	461 122	461 122	100.0%	0%
February	13 944	65 875	65 875	–	–	526 996	526 996	100.0%	0%
March	27 728	65 875	65 875	–	–	592 871	592 871	100.0%	0%
April	70 518	65 875	65 875	–	–	658 745	658 745	100.0%	–
May	127 629	65 875	65 875	–	–	724 620	724 620	100.0%	–
June	143 077	65 874	65 874	–	–	790 494	790 494	100.0%	–
<b>Total Capital expenditure</b>	<b>535 254</b>	<b>790 494</b>	<b>790 494</b>	<b>–</b>					

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

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

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M01 July

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
<b>R thousands</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		495 867	700 110	700 110	-	-	58 343	58 343	100.0%	700 110
Roads Infrastructure		3 641	2 208	2 208	-	-	184	184	100.0%	2 208
Roads		3 641	2 208	2 208	-	-	184	184	100.0%	2 208
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		492 225	693 120	693 120	-	-	57 760	57 760	100.0%	693 120
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		68 814	79 130	79 130	-	-	6 594	6 594	100.0%	79 130
Reservoirs		11 062	15 086	15 086	-	-	1 257	1 257	100.0%	15 086
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		63 564	66 957	66 957	-	-	5 580	5 580	100.0%	66 957
Bulk Mains		312 452	508 469	508 469	-	-	42 372	42 372	100.0%	508 469
Distribution		36 333	23 478	23 478	-	-	1 957	1 957	100.0%	23 478
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	4 783	4 783	-	-	399	399	100.0%	4 783
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	4 783	4 783	-	-	399	399	100.0%	4 783
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		1 726	-	-	-	-	-	-	-	-
Community Facilities		1 726	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		1 726	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		2 184	2 350	2 420	-	-	202	202	100.0%	2 420
Computer Equipment		2 184	2 350	2 420	-	-	202	202	100.0%	2 420
<b>Furniture and Office Equipment</b>		1 098	550	550	-	-	46	46	100.0%	550
Furniture and Office Equipment		1 098	550	550	-	-	46	46	100.0%	550
<b>Machinery and Equipment</b>		1 231	87 414	87 414	-	-	7 284	7 284	100.0%	87 414
Machinery and Equipment		1 231	87 414	87 414	-	-	7 284	7 284	100.0%	87 414
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Imature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	502 107	790 424	790 494	-	-	65 875	65 875	100.0%	790 494

## **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 doesn't have any entities.

## 2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

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



Date: 2023/08/15

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