



INTERNAL MEMO

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

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

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully

N.S. MSIBI
Chief Financial Officer

R.N HLONGWA
Municipal Manager

"Service Delivery through Integrity"

ZULULAND DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 MAY 2024

MFMA S71 REPORT

2023/2024 FINANCIAL YEAR

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GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

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

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 – IN-YEAR REPORT

1.1. MAYORS REPORT

To be attached

1.2. COUNCIL RESOLUTION

The Monthly budget statement review be noted.

1.3. EXECUTIVE SUMMARY

BUDGET PERFORMANCE ANALYSIS

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

Summary Statement of Financial Performance

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Revenue By Source (Excluding Capital Transfers)	718 247 500	823 201 090.00	821 861 244	748 650 118	73 211 125	10%	100
Total Operating Expenditure	722 102 135	825 470 960.00	821 533 919	751 548 632	69 985 287	9%	100
Surplus/(Deficit)	-3 854 635	-2 269 870.00	327 324	-2 898 514	3 225 838		

GRANTS RECIEPTS AND EXPENDITURE AS AT 31 MAY 2024	APPROVED BUDGET	ADJUSTED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	271 683 000.00	253 512 000.00	256 512 000.00	231 030 663.69	22 481 336.31	91
Regional Bulk Infrastructure (RBIG)	430 905 000.00	413 905 000.00	413 905 000.00	342 281 938.01	71 623 061.99	83
Water services infrastructure Grant (WSIG)	100 000 000.00	95 000 000.00	95 000 000.00	93 317 665.44	1 682 334.56	98
Rural Roads Asset Managemnt Systems Grant	2 539 000.00	2 539 000.00	2 969 000.00	2 136 311.42	402 688.58	84
Aviation Strategy	2 000 000.00	2 000 000.00	2 000 000.00		2 000 000.00	-
Indonsa Grant	1 911 000.00	1 911 000.00	1 911 000.00	210 352.00	1 700 648.00	11
FMG	1 200 000.00	1 200 000.00	1 200 000.00	666 630.59	533 369.41	56
EPWP	7 077 000.00	6 682 000.00	7 077 000.00	6 682 000.00	-	100
NSF	-	98 280 452.48	98 280 452.48	98 280 452.48	-	100
LGSETA Waste Water Employyes		169 000.00	169 000.00	169 000.00	-	100
LGSETA MFMP		210 000.00	210 000.00	210 000.00	-	100
LGSETA-Fire and Rescue- Non Employees		1 314 814.26	1 314 814.26	752 614.26	562 200.00	57
AMAFA		200 000.00	200 000.00	198 000.00	2 000.00	99
	817 315 000.00	876 923 266.74	880 748 266.74	775 935 627.89	100 987 638.85	88

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 May 2024** is **R821.8 million** which is **100%** of the approved adjusted operating revenue budget. The **R821.8 million** year to date actual is above baseline projection or year-to-date budget of **R748.6 million**, a variance of **R73.2 million** or **10%** is observed.

Service Charges

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from exchange revenue is only **R67.7 million** which is **8%** of the total generated revenue.

The Municipality has adjusted budget of collection to **R52.9 million** on service charges, the estimated collection amount is based on the 60% 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 **R28.2 million** to date. This is **53%** of budgeted collection and **42%** of year-to-date billing.

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

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

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

Operating Expenditure Performance

Total Operating Expenditure as at **31 May 2024** is **R821.5 million** which is **100%** of the approved adjusted operating expenditure budget. The **R821.5 million** year to date actual is **above** the baseline projection or year-to-date budget of **R751.5 million**, a variance of **R69.9 million** or **9%** is observed.

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

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

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

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Capital Expenditure	790 424 351	758 221 436.00	587 399 499	698 805 129	-111 405 630	-16%	77
Total Capital Financing	790 424 351	758 221 436.00	587 399 499	698 805 129	-111 405 630	-16%	77

Total Capital Expenditure as at **31 May 2024** is **R587.3 million** which is **77%** of the approved adjusted capital budget. The **R587.3 million** year to date actual is **below** the **eleven months** baseline projection or year-to-date budget of **R698.8 million**, a variance of **R111.4 million** or **16%** is observed.

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

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

Reasons for variances can be attributed to capital grants not being spent at similar pace as year-to-date budget. **MIG** is at **91%**, **RBIG** is at **83%**, **WSIG** is at **98%** **RRAMG** is at **84%**, **Art Centre Subsidies** is at **0%** and **Aviation strategy** is at **0%**.

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD ACTUAL EXPENDITURE %
Total current assets	480 491 843	355 948 589.00	287 854 938	81
Total non current assets	6 247 524 827	5 667 722 201.00	5 491 808 786	97
Total current liabilities	352 992 453	499 035 002.00	347 188 043	70
Total non current liabilities	128 340 000	132 310 738.00	144 688 738	109
TOTAL COMMUNITY WEALTH/ EQUITY	5 445 411 852	4 627 968 434.00	5 294 236 365	114

The current assets year to date actual is **R287.8 million** which is **81%** of the approved adjusted budget. **Non - Current assets** year to date actual is **R5.49 billion** which is **97%** of the approved adjusted budget. **Current Liabilities** year to date actual is **R347.1 million** which is **70%** of the approved adjusted budget. **Non - Current Liabilities** year to date is **R144.6 million**, which is **109%** of the approved adjusted budget. **Accumulated surplus** year to date actual is **R5.29 billion** which is **114%** of the approved budget.

Current assets amount to **R287.8 million**, included in the current assets is **cash investment of R108 million**.

Current liabilities amount to **R347.1 million**, this includes **unspent conditional grants** amounting to **R106.9 million**.

The Current ratio is 0.83:1 [**R287.8 million/R347.1 million**], which is the Minimum current ratio norm of **1:1**

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

1.4. OPERATING REVENUE PERFORMANCE

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

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water		39 170	51 532	53 518	4 471	53 222	48 826	4 395	9%	53 518
Service charges - Waste Water Management		14 831	16 406	15 597	1 354	14 504	14 391	113	1%	15 597
Service charges - Waste management										
Sale of Goods and Rendering of Services		1 426	1 001	755	0	733	721	12	2%	755
Agency services										
Interest										
Interest earned from Receivables		75	521	784	61	692	688	3	0%	784
Interest from Current and Non Current Assets		7 433	3 000	7 500	110	11 252	6 350	4 902	77%	7 500
Dividends										
Rent on Land										
Rental from Fixed Assets		181	500	458	42	512	425	87	20%	458
Licence and permits		88	60	103	4	99	90	10	11%	103
Operational Revenue		563	369	442	2	593	397	196	49%	442
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits		910	1 000	853	278	669	799	(130)	-16%	853
Licence and permits										
Transfers and subsidies - Operational		658 830	643 859	743 190		738 936	675 963	62 973	9%	743 190
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets		2 894			650	650		650	#DIV/0!	
Other Gains		4 385				0		0	#DIV/0!	
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		730 785	718 248	823 201	6 972	821 861	748 650	73 211	10%	823 201

The year-to-date actual indicates operating revenue of **R821.8 million** for **eleven months**, The **R821.8 million** year to date actual is **above** the Baseline projection or year-to-date budget of **R748. million**, a variance of **R73.2 million** or **10%** is observed. The total revenue to-date represents **100%** of the adjusted operating revenue budget. Included in operating revenue is the amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

Exchange Revenue

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R53.2 million** which is **99%** of the approved adjusted budget. the **R53.2 million** year to date actual is **above** baseline projection or year-to-date budget of **R48.8 million**. A variance of **R4.3 million** or **9%** is observed.

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

Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R14.5 million** which is **93%** of the approved adjusted budget. The **R14.5 million** year to date actual is **above** the baseline projection or year-to-date budget of **R14.3 million**. A variance of **R113 thousand** or **1%** 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 **R733 thousands** which is **97%** of the approved adjusted budget. the **R733 thousands** year to date actual is **above** the baseline projection or year-to-date budget of **R721 thousand**. A variance of **R12 thousand** or **2%** is observed. There has been an improvement in sale of tender documents.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is **R692 thousand** which is **88%** of the approved adjusted budget. The **R692 thousand** year to date actual is **above** the baseline projection or year-to-date budget of **R688 thousand**. A variance of **R3 thousand** or **0%** is observed.

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

Interest from Current and Non-Current Assets

Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R11.2 million** which is **150%** of the approved adjusted budget. The **R11.2 million** year to date actual is **above** the baseline projection or year-to-date budget of **R6.3 million**. A variance of **R4.9 million** or **77%** is observed.

Reasons for variances can be attributed to the availability of cash to be invested to date.

Rental from Fixed Assets

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R511 thousand** which is **112%** of the approved adjusted budget. the **R511 thousand** year to date actual is **above** the baseline projection or year-to-date budget of **R425 thousand**. A variance of **R87 thousand** or less than **20%** is observed.

Licences and Permits

Licences and permits year-to-date actual is **R99 thousand** which is **96%** of the approved adjusted budget. the **R99 thousand** year to date actual is **above** the baseline projection or year-to-date budget of **R90 thousand**. A variance of **R10 thousand** or **11%** is observed.

Reasons for variances can be attributed to the increase in number of licence renewal.

Operational revenue

Operational revenue year-to-date actual is **R593 thousand** which is **134%** of the approved budget. the **R593 thousand** year to date actual is **Above** baseline projection or year-to-date budget of **R397 thousand**. A variance of **R196 thousand** or **49%** is observed.

The municipality received insurance refund and skills levy refund.

Non-Exchange Revenue

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R669 thousand** which is **78%** of the approved adjusted budget. the **R669 thousand** year to date actual is **below** the baseline projection or year-to-date budget of **R799 thousand**. A variance of **R130 thousand** or **16%** is observed.

Reasons for variances can be attributed to a positive indication that some customers are not illegally connecting or there are some illegal connections not yet discovered.

The municipality must keep up the disconnection of illegal connections.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2023; and provincial gazette, Transfers and subsidies is revenue recognized as operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Transfers and subsidies (Grants) are recognised/recorded as revenue when condition has been met, except for equitable share which is not a conditional grant.

Transfers and subsidies year to date actual is **R738.9 million** which is **99%** of the approved adjusted budget. The **R738.9 million** year to date actual is **above** the baseline projection or year-to-date budget of **R675.9 million**. A variance of **R62.9 million** or **9%** 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) - M11 May

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		286 332	290 728	293 616	24 098	274 181	268 813	5 368	2%	293 616
Remuneration of councillors		9 276	9 486	9 784	742	8 905	8 934	(29)	0%	9 784
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		51 978	42 130	45 818	1 596	20 523	41 458	(20 935)	-50%	45 818
Debt impairment		6 428	10 000	10 000	-	-	9 167	(9 167)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	8 678	94 940	82 500	12 439	15%	90 000
Interest		553	1 000	1 000	-	455	917	(462)	-50%	1 000
Contracted services		362 582	128 719	234 418	14 877	250 952	210 060	40 892	19%	234 418
Transfers and subsidies		4 683	6 000	4 528	562	3 260	3 830	(570)	-15%	4 528
Irrecoverable debts written off		2 192	-	-	-	28	-	28	#DIV/0!	-
Operational costs		173 927	144 039	136 307	13 098	167 801	125 870	41 931	33%	136 307
Losses on Disposal of Assets		679	-	-	-	489	-	489	#DIV/0!	-
Other Losses		309	-	-	-	-	-	-		-
Total Expenditure		999 187	722 102	825 471	63 652	821 534	751 549	69 985	9%	825 471

The year-to-date actual indicate spending of **R821.5 million** for **eleven months**, which is **100%** of the approved adjusted operating expenditure budget. The **R821.5 million** year to date actual is **above** the baseline projection or year-to-date budget of **R751.5 million**, a variance of **R69.9 million** or **9%** 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 **R274.1 million** which is **93%** of the approved adjusted budget. The **R274.1 million** year to date actual is **above** the baseline projection or year-to-date budget of **R268.8 million**. A variance of **R5.3 million** or **2%** is observed.

Variance is less than 5%. The municipality will make sure that the salary bill is kept within the limits of the monthly projections.

Remuneration of Councillors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits, and contributions. The year-to-date actual is **R8.9 million** which is **91%** of the approved adjusted budget. The **R8.9 million** year to date actual is **above** the baseline projection or year-to-date budget of **R8.9 million**. A variance of **R29 thousand** or **0%** is observed.

Variance is 0%. The municipality will make sure that the salary bill is kept within the limits of the monthly projections.

Bulk purchases – electricity

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

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is **R20.5 million** which is **45%** of the approved budget. the **R20.5 million** year to date actual is **below** baseline projection or year-to-date budget of **R41.4 million**. A variance of **R20.9 million** or **50%** is observed.

The municipality has started paying for bulk water service providers

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 **R94.9 million** which is **105%** of the approved adjusted budget. The **R94.9 million** year to date actual is **above** the baseline projection or year-to-date budget of **R82.5 million**. A variance of **R12.4 million** or **15%** is observed.

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

Finance charges

Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is **R455 thousand** which is **46%** of the approved adjusted budget. The **R455 thousand** year to date actual is **below** the baseline projection or year-to-date budget of **R917 thousand**. A variance of **R462 thousand** or **50%** is observed.

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

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R250.9 million** which is **107%** of the approved adjusted budget. The **R250.9 million** year to date actual is above the baseline projection or year-to-date budget of **R210.06 million**. A variance of **R40.8 million** or **19%** is observed.

Reasons for variances can be attributed to current commitments beyond contracted services budget. The municipality must review SLAs and try to minimise costs as low as possible in this line-item.

Transfers and subsidies paid.

Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives. The year-to-date actual is **R3.2 million** which is **72%** of the approved budget. The **R3.2 million** year to date actual is **above** the Baseline projection or year-to-date budget of **R3.8 million**. A variance of **R570 thousand** or **15%** is observed.

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

Irrecoverable debt written off

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

Operational costs

Operational costs are all other expenditure not classified above. The year-to-date actual is **R167.8 million** which is **123%** of the approved budget. The **R167.8 million** year to date actual is **below** the baseline projection or year-to-date budget of **R125.8 million**. A variance of **R39.2 million** or **33%** is observed.

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

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 000	1 200 000	666 631	1 100 000	-433 369	-39%	56
National Skills Fund	77 642 406	98 380 908.21	98 725 075	90 182 499	8 542 576	9%	100
EPWP Incentive	7 077 000	6 682 000.00	6 682 000	6 125 167	556 833	9%	100
Art centre Subsidies (Indonsa Grant)	1 385 000	1 385 000	210 352	1 269 583	-1 059 231	-83%	15
Aviation Strategy	2 000 000	2 000 000.00	-	1 833 333	-1 833 333	-100%	-
LGWS SETA Grant: MFMP	210 000	210 000	210 000	192 500	17 500	9%	100
LGWS SETA Grant: Wastewater employees	169 000	169 000	169 000	154 917	14 083	9%	100
LGWS SETA Grant: Fire and Rescue Non-Emplo	752 614	752 614.26	752 614	689 896	62 718	9%	100
Amafa Kazulu Grant	200 000	200 000.00	198 000	183 333	14 667	8%	99
Total Operating Grant Expenditure	90 636 020	110 979 522.47	107 613 672	101 731 229	5 882 443	6%	97

FMG 56%, NSF 100%, EPWP Incentive 100%, Art center subsidies (Indonsa Grant) 15%, Aviation Strategy 0%, LGWS SETA: MFMP 100%, LGWS SETA: Wastewater- Non employee 100%, LGWS SETA: Fire and rescue Employee 100%, LGWS SETA: Fire and rescue non-employee 100% and Amafa 99%.

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

1.6. CAPITAL EXPENDITURE AND FUNDING

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

The summary report indicates the following: -

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Capital Expenditure	790 424 351	758 221 436.00	587 399 499	698 805 129	-111 405 630	-16%	77
Total Capital Financing	790 424 351	758 221 436.00	587 399 499	698 805 129	-111 405 630	-16%	77

The capital expenditure amounts to **R587.3 million**, which is **77%** of the capital approved budget, after a period of **eleven months**.

Capital budget summary

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

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	843	-	-	761	(761)	-100%	843
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		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	843	-	-	761	(761)	-100%	843
Single Year expenditure appropriation	2									
Vote 01 - Council		173	-	180	-	167	156	11	7%	180
Vote 02 - Corporate Services		833	2 250	2 320	650	1 878	2 133	(255)	-12%	2 320
Vote 03 - Finance		2 064	650	650	-	-	596	(596)	-100%	650
Vote 04 - Community Development		2 878	457	795	-	-	588	(588)	-100%	795
Vote 05 - Planning & Wsa		491 521	700 110	666 436	590	585 354	614 829	(29 475)	-5%	666 436
Vote 06 - Technical Services		-	-	40	-	-	32	(32)	-100%	40
Vote 07 - Water Purification		474	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	79 710	(79 710)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	#REF!
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	497 942	790 424	757 378	1 240	587 399	698 044	(110 645)	-16%	#REF!
Total Capital Expenditure		497 942	790 424	758 221	1 240	587 399	698 805	(111 406)	-16%	#REF!
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 150	650	2 046	2 885	(840)	-29%	3 150
Executive and council		173	-	180	-	167	156	11	7%	180
Finance and administration		2 888	2 900	2 970	650	1 878	2 729	(851)	-31%	2 970
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 152	457	795	-	-	588	(588)	-100%	795
Community and social services		1 152	457	795	-	-	588	(588)	-100%	795
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 726	2 208	2 208	-	1 858	2 024	(166)	-8%	2 208
Planning and development		1 726	2 208	2 208	-	1 858	2 024	(166)	-8%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		491 995	784 859	751 225	590	583 496	692 547	(109 051)	-16%	751 225
Energy sources		-	-	-	-	-	-	-	-	-
Water management		491 995	784 859	751 225	590	583 496	692 547	(109 051)	-16%	751 225
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		9	-	843	-	-	761	(761)	-100%	843
Total Capital Expenditure - Functional Classification	3	497 942	790 424	758 221	1 240	587 399	698 805	(111 406)	-16%	758 221
Funded by:										
National Government		490 152	700 110	665 179	590	585 354	613 823	(28 469)	-5%	665 179
Provincial Government		2 797	457	2 896	-	-	2 355	(2 355)	-100%	2 896
District Municipality transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		492 948	700 568	668 075	590	585 354	616 178	(30 824)	-5%	668 075
Borrowing	6	191	86 957	86 957	-	-	79 710	(79 710)	-100%	86 957
Internally generated funds		4 803	2 900	3 190	650	2 046	2 917	(872)	-30%	3 190
Total Capital Funding		497 942	790 424	758 221	1 240	587 399	698 805	(111 406)	-16%	758 221

Governance and administration

Governance and administration year-to-date actual are **R2.04 million** which is **65%** of the approved adjusted budget. the **R2.04 million** year to date actual is **below** the baseline projection or year-to-date budget of **R2.8 million**. A variance of **R840 thousand** or **29%** is observed.

Community and public safety

Community and public safety year-to-date actual are **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the baseline projection or year-to-date budget of **R588 thousand**. A variance of **R588 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R1.8 million** which is **84%** of the approved adjusted budget. the **R1.8 million** year to date actual is **below** the baseline projection or year-to-date budget of **R2.02 million**. A variance of **R166 thousand** or **8%** is observed.

Trading services

Trading services year-to-date actual is **R583.4 million** which is **78%** of the approved adjusted budget. the **R583.4 million** year to date actual is **below** the baseline projection or year-to-date budget of **R692.5 million**. A variance of **R109.05 million** or **16%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	236 246 089	220 445 216.96	202 230 104	183 704 347	18 525 756.91	10%	91
Regional Bulk Infrastructure (RBIG)	374 700 000	359 917 391.30	299 612 737	299 931 159	-318 422.25	0%	83
Water services infrastructure Grant (WSIG)	86 956 523	82 608 695.65	81 653 484	68 840 580	12 812 904.09	19%	98
Rural Roads Asset Managemnt Systems Grant	2 207 826	2 207 826	1 857 662	1 839 855	17 807.10	1%	84
Borrowings (Backup Generator)	86 956 522	86 956 522	-	72 463 768	-72 463 768.33	-100%	-
Art centre Subsisies (Indonsa Grant)	457 391	457 391	-	381 159	-381 159.17	-100%	-
Aviation Strategy		843 478.00	-	702 898	-702 898.33	-100%	-
Other Assets	2 900 000	3 150 000.00	1 395 511	2 625 000	-1 229 488.64	-47%	44
Total Operating Expenditure	790 424 351	756 586 520.91	586 749 499	630 488 767	-43 739 269	-7%	78

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	271 683 000	253 512 000	231 030 664	232 386 000	-1 355 336	-1%	91
Regional Bulk Infrastructure (RBIG)	430 905 000	413 905 000	342 281 938	379 412 917	-37 130 979	-10%	83
Water services infrastructure Grant (WSIG)	100 000 000	95 000 000	93 317 665	87 083 333	6 234 332	7%	98
Rural Roads Asset Managemnt Systems Grant	2 539 000	2 539 000	2 136 311	2 327 417	-191 105	-8%	84
Aviation Strategy		970 000	-	889 166	-889 166	-100%	-
Indonsa Grant	526 000	526 000	-	482 167	-482 167	-100%	-
Total Capital Grant Expenditure	805 653 000	766 451 999.70	668 766 579	702 581 000	-33 814 421	-5%	87

Overall capital grant expenditure inclusive of VAT is sitting at **87%** of the approved capital budget, **MIG** is sitting at **91%**, **RBIG** at **83%**, **WSIG** at **98%**, **RAMS** at **84%**, **Aviation strategy** at **0%** and **Indonsa Subsidy** at **0%**.

1.7. IN-YEAR BUDGET TABLES

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

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

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

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
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-		-
Service charges	54 001	67 938	69 115	5 825	67 726	63 218	4 508	7%	69 115
Investment revenue	7 433	3 000	7 500	110	11 252	6 350	4 902	77%	7 500
Transfers and subsidies - Operational	658 830	643 859	743 190	-	738 936	675 963	62 973		743 190
Other own revenue	10 521	3 451	3 396	1 037	3 948	3 119	828	27%	-
Total Revenue (excluding capital transfers and contributions)	730 785	718 248	823 201	6 972	821 861	748 650	73 211	10%	823 201
Employee costs	286 332	290 728	293 616	24 098	274 181	268 813	5 368		293 616
Remuneration of Councillors	9 276	9 486	9 784	742	8 905	8 934	(29)		9 784
Depreciation and amortisation	100 249	90 000	90 000	8 678	94 940	82 500	12 439		90 000
Interest	553	1 000	1 000	-	455	917	(462)		1 000
Inventory consumed and bulk purchases	51 978	42 130	45 818	1 596	20 523	41 458	(20 935)		45 818
Transfers and subsidies	4 683	6 000	4 528	562	3 260	3 830	(570)	-15%	4 528
Other expenditure	546 117	282 758	380 726	27 976	419 270	345 097	74 173	21%	380 726
Total Expenditure	999 187	722 102	825 471	63 652	821 534	751 549	69 985	9%	825 471
Surplus/(Deficit)	(268 402)	(3 855)	(2 270)	(56 680)	327	(2 899)	3 226	-111%	(2 270)
Transfers and subsidies - capital (monetary allocations)	610 502	805 127	766 402	-	668 096	707 053	###	-6%	766 402
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	342 100	801 272	764 132	(56 680)	668 424	704 154	(35 731)	-5%	764 132
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	342 100	801 272	764 132	(56 680)	668 424	704 154	(35 731)	-5%	764 132
Capital expenditure & funds sources									
Capital expenditure	497 942	790 424	758 221	1 240	587 399	698 805	(111 406)	-16%	#REF!
Capital transfers recognised	492 948	700 568	668 075	590	585 354	616 178	(30 824)	-5%	668 075
Borrowing	191	86 957	86 957	-	-	79 710	(79 710)	-100%	86 957
Internally generated funds	4 803	2 900	3 190	650	2 046	2 917	(872)	-30%	3 190
Total sources of capital funds	497 942	790 424	758 221	1 240	587 399	698 805	(111 406)	-16%	758 221
Financial position									
Total current assets	167 801	480 492	355 949		287 855				355 949
Total non current assets	4 999 838	6 247 525	5 668 060		5 491 809				5 668 060
Total current liabilities	510 529	352 992	499 035		347 188				499 035
Total non current liabilities	44 689	128 340	132 311		144 689				132 311
Community wealth/Equity	4 620 378	5 445 412	4 627 968		5 294 236				4 627 968
Cash flows									
Net cash from (used) operating	1 830 973	993 132	953 739	51 697	2 231 245	874 261	#####	-155%	953 739
Net cash from (used) investing	(496 168)	(789 967)	(757 386)	(590)	(586 749)	(694 271)	(107 521)	15%	(757 386)
Net cash from (used) financing	(1 091)	90 000	90 000	138	98 892	82 500	(16 392)	-20%	90 000
Cash/cash equivalents at the month/year end	1 354 182	466 282	313 779	-	1 770 814	289 916	#####	-511%	313 779
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	14 251	5 483	5 541	4 895	4 476	4 702	20 597	177 269	237 214
Creditors Age Analysis									
Total Creditors	1 398	-	7	-	-	-	-	-	1 405

MBRR Table C1 – Monthly Budget Statement Summary

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

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		665 320	637 831	741 310	1 072	745 710	673 735	71 974	11%	741 310
Executive and council	8	-	-	-	-	-	-	-	-	-
Finance and administration	665 312	637 831	741 310	1 072	745 710	673 735	71 974	11%	741 310	
Internal audit	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 285	2 482	2 750	4	543	2 510	(1 967)	-78%	2 750
Community and social services	2 209	1 922	2 147	-	444	1 962	(1 518)	-77%	2 147	
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	76	560	603	4	99	548	(448)	-82%	603	
<i>Economic and environmental services</i>		4 171	2 539	2 741	-	2 254	2 489	(235)	-9%	2 741
Planning and development	4 171	2 539	2 741	-	2 254	2 489	(235)	-9%	2 741	
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		668 995	878 523	840 747	5 894	741 407	775 092	(33 685)	-4%	840 747
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	654 093	862 087	824 845	4 532	726 549	760 453	(33 903)	-4%	824 845	
Waste water management	14 903	16 436	15 902	1 363	14 857	14 639	218	1%	15 902	
Waste management	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	4	516	2 000	2 055	1	44	1 877	(1 833)	-98%	2 055
Total Revenue - Functional	2	1 341 287	1 523 375	1 589 603	6 972	1 489 958	1 455 703	34 255	2%	1 589 603
Expenditure - Functional										
<i>Governance and administration</i>		328 968	256 489	350 059	23 568	365 349	316 184	49 165	16%	350 059
Executive and council	63 257	45 360	46 433	3 066	56 683	42 388	14 295	34%	46 433	
Finance and administration	265 711	176 201	268 437	15 164	260 643	241 582	19 061	8%	268 437	
Internal audit	-	34 928	35 188	5 338	48 023	32 214	15 809	49%	35 188	
<i>Community and public safety</i>		27 553	28 878	27 365	1 336	22 472	25 268	(2 796)	-11%	27 365
Community and social services	14 564	8 257	9 451	125	6 509	8 566	(2 057)	-24%	9 451	
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	5 887	5 887	560	6 569	5 397	1 172	22%	5 887	
Housing	-	-	-	-	-	-	-	-	-	-
Health	12 989	14 734	12 028	651	9 394	11 305	(1 911)	-17%	12 028	
<i>Economic and environmental services</i>		22 711	28 742	27 163	1 461	23 568	25 185	(1 616)	-6%	27 163
Planning and development	22 711	28 742	27 163	1 461	23 568	25 185	(1 616)	-6%	27 163	
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		610 331	394 049	409 695	36 401	400 628	374 477	26 151	7%	409 695
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	611 947	386 071	401 717	35 597	392 698	367 163	25 535	7%	401 717	
Waste water management	(1 616)	7 978	7 978	805	7 930	7 313	616	8%	7 978	
Waste management	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		9 624	13 944	11 188	885	9 517	10 436	(919)	-9%	11 188
Total Expenditure - Functional	3	999 187	722 102	825 471	63 652	821 534	751 549	69 985	9%	825 471
Surplus/ (Deficit) for the year		342 100	801 272	764 132	(56 680)	668 424	704 154	(35 731)	-5%	764 132

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 areas and the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on table C4.

DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Council		8	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		61 142	2 350	101 927	651	100 693	88 089	12 603	14.3%	101 927
Vote 03 - Finance		604 660	637 481	641 438	422	645 061	587 523	57 538	9.8%	641 438
Vote 04 - Community Development		3 953	2 482	2 750	4	543	2 510	(1 967)	-78.4%	2 750
Vote 05 - Planning & Wsa		617 377	812 204	773 286	-	674 896	713 386	(38 490)	-5.4%	773 286
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		39 245	52 422	54 300	4 532	53 907	49 556	4 351	8.8%	54 300
Vote 09 - Waste Water		14 903	16 436	15 902	1 363	14 857	14 639	218	1.5%	15 902
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 341 287	1 523 375	1 589 603	6 972	1 489 958	1 455 703	34 255	2.4%	1 589 603
Expenditure by Vote	1									
Vote 01 - Council		63 257	53 791	55 224	3 802	65 321	50 419	14 902	29.6%	55 224
Vote 02 - Corporate Services		187 586	149 411	237 672	15 421	248 063	213 603	34 460	16.1%	237 672
Vote 03 - Finance		71 426	61 343	60 213	3 446	49 369	55 301	(5 932)	-10.7%	60 213
Vote 04 - Community Development		55 014	50 380	49 955	4 101	50 295	46 055	4 240	9.2%	49 955
Vote 05 - Planning & Wsa		61 591	21 391	23 703	1 191	17 786	21 452	(3 666)	-17.1%	23 703
Vote 06 - Technical Services		9 306	10 202	5 733	459	4 811	5 804	(994)	-17.1%	5 733
Vote 07 - Water Purification		52 109	43 820	43 820	4 429	45 803	40 169	5 634	14.0%	43 820
Vote 08 - Water Distribution		500 515	323 787	341 173	29 998	332 156	311 432	20 725	6.7%	341 173
Vote 09 - Waste Water		(1 616)	7 978	7 978	805	7 930	7 313	616	8.4%	7 978
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	999 187	722 102	825 471	63 652	821 534	751 549	69 985	9.3%	825 471
Surplus/ (Deficit) for the year	2	342 100	801 272	764 132	(56 680)	668 424	704 154	(35 731)	-5.1%	764 132

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

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

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

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water		39 170	51 532	53 518	4 471	53 222	48 826	4 395	9%	53 518
Service charges - Waste Water Management		14 831	16 406	15 597	1 354	14 504	14 391	113	1%	15 597
Service charges - Waste management										
Sale of Goods and Rendering of Services		1 426	1 001	755	0	733	721	12	2%	755
Agency services										
Interest										
Interest earned from Receivables		75	521	784	61	692	688	3	0%	784
Interest from Current and Non Current Assets		7 433	3 000	7 500	110	11 252	6 350	4 902	77%	7 500
Dividends										
Rent on Land										
Rental from Fixed Assets		181	500	458	42	512	425	87	20%	458
Licence and permits		88	60	103	4	99	90	10	11%	103
Operational Revenue		563	369	442	2	593	397	196	49%	442
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes		-	-	-	-	-	-			
Fines, penalties and forfeits		910	1 000	853	278	669	799	(130)	-16%	853
Licence and permits										
Transfers and subsidies - Operational		658 830	643 859	743 190	-	738 936	675 963	62 973	9%	743 190
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets		2 894	-	-	650	650	-	650	#DIV/0!	-
Other Gains		4 385	-	-	-	0	-	0	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)										
		730 785	718 248	823 201	6 972	821 861	748 650	73 211	10%	823 201
Expenditure By Type										
Employee related costs		286 332	290 728	293 616	24 098	274 181	268 813	5 368	2%	293 616
Remuneration of councillors		9 276	9 486	9 784	742	8 905	8 934	(29)	0%	9 784
Bulk purchases - electricity		-	-	-	-	-	-			
Inventory consumed		51 978	42 130	45 818	1 596	20 523	41 458	(20 935)	-50%	45 818
Debt impairment		6 428	10 000	10 000	-	-	9 167	(9 167)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	8 678	94 940	82 500	12 439	15%	90 000
Interest		553	1 000	1 000	-	455	917	(462)	-50%	1 000
Contracted services		362 582	128 719	234 418	14 877	250 952	210 060	40 892	19%	234 418
Transfers and subsidies		4 683	6 000	4 528	562	3 260	3 830	(570)	-15%	4 528
Irrecoverable debts written off		2 192	-	-	-	28	-	28	#DIV/0!	-
Operational costs		173 927	144 039	136 307	13 098	167 801	125 870	41 931	33%	136 307
Losses on Disposal of Assets		679	-	-	-	489	-	489	#DIV/0!	-
Other Losses		309	-	-	-	-	-			
Total Expenditure										
		999 187	722 102	825 471	63 652	821 534	751 549	69 985	9%	825 471
Surplus/(Deficit)										
		(268 402)	(3 855)	(2 270)	(56 680)	327	(2 899)	3 226	(0)	(2 270)
Transfers and subsidies - capital (monetary allocations)		610 502	805 127	766 402	-	668 096	707 053	(38 957)	(0)	766 402
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-			
Surplus/(Deficit) after capital transfers & contributions										
		342 100	801 272	764 132	(56 680)	668 424	704 154	(35 731)	(0)	764 132
Income Tax										
Surplus/(Deficit) after income tax										
		342 100	801 272	764 132	(56 680)	668 424	704 154			764 132
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality										
		342 100	801 272	764 132	(56 680)	668 424	704 154			764 132
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year										
		342 100	801 272	764 132	(56 680)	668 424	704 154			764 132

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

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

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

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	843	-	-	761	(761)	-100%	843
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wba		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	843	-	-	761	(761)	-100%	843
Single Year expenditure appropriation	2									
Vote 01 - Council		173	-	180	-	167	156	11	7%	180
Vote 02 - Corporate Services		833	2 250	2 320	650	1 878	2 133	(255)	-12%	2 320
Vote 03 - Finance		2 064	650	650	-	-	596	(596)	-100%	650
Vote 04 - Community Development		2 878	457	795	-	-	588	(588)	-100%	795
Vote 05 - Planning & Wba		491 521	700 110	666 436	590	585 354	614 829	(29 475)	-5%	666 436
Vote 06 - Technical Services		-	-	40	-	-	32	(32)	-100%	40
Vote 07 - Water Purification		474	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	79 710	(79 710)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	#REF!
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	497 942	790 424	757 378	1 240	587 399	698 044	(110 645)	-16%	#REF!
Total Capital Expenditure		497 942	790 424	758 221	1 240	587 399	698 805	(111 406)	-16%	#REF!
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 150	650	2 046	2 885	(840)	-29%	3 150
Executive and council		173	-	180	-	167	156	11	7%	180
Finance and administration		2 888	2 900	2 970	650	1 878	2 729	(851)	-31%	2 970
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 152	457	795	-	-	588	(588)	-100%	795
Community and social services		1 152	457	795	-	-	588	(588)	-100%	795
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 726	2 208	2 208	-	1 858	2 024	(166)	-8%	2 208
Planning and development		1 726	2 208	2 208	-	1 858	2 024	(166)	-8%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		491 995	784 859	751 225	590	583 496	692 547	(109 051)	-16%	751 225
Energy sources		-	-	-	-	-	-	-	-	-
Water management		491 995	784 859	751 225	590	583 496	692 547	(109 051)	-16%	751 225
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		9	-	843	-	-	761	(761)	-100%	843
Total Capital Expenditure - Functional Classification	3	497 942	790 424	758 221	1 240	587 399	698 805	(111 406)	-16%	758 221
Funded by:										
National Government		490 152	700 110	665 179	590	585 354	613 823	(28 469)	-5%	665 179
Provincial Government		2 797	457	2 896	-	-	2 355	(2 355)	-100%	2 896
District Municipality (farmers and subsidiaries - capital (monetary allocations)) (Nat / Prov Departm Agencies)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		492 948	700 568	668 075	590	585 354	616 178	(30 824)	-5%	668 075
Borrowing	5	191	86 957	86 957	-	-	79 710	(79 710)	-100%	86 957
Internally generated funds		4 803	2 900	3 190	650	2 046	2 917	(872)	-30%	3 190
Total Capital Funding		497 942	790 424	758 221	1 240	587 399	698 805	(111 406)	-16%	758 221

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

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

DC26 Zululand - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		27 427	345 288	192 785	146 911	192 785
Trade and other receivables from exchange transactions		29 625	59 575	46 729	66 781	46 729
Receivables from non-exchange transactions		131	–	7 109	7 220	7 109
Current portion of non-current receivables		–	–	–	–	–
Inventory		2 836	2 556	2 824	4 194	2 824
VAT		82 296	50 650	80 813	34 131	80 813
Other current assets		25 486	22 422	25 688	28 618	25 688
Total current assets		167 801	480 492	355 949	287 855	355 949
Non current assets						
Investments						
Investment property						
Property, plant and equipment		4 991 970	6 247 523	5 660 191	5 483 962	5 660 191
Biological assets						
Living and non-living resources						
Heritage assets		7 817	–	7 817	7 817	7 817
Intangible assets		52	1	52	30	52
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		4 999 838	6 247 525	5 668 060	5 491 809	5 668 060
TOTAL ASSETS		5 167 640	6 728 017	6 024 008	5 779 664	6 024 008
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		1 423	–	1 484	306	1 484
Consumer deposits		3 620	3 633	3 620	3 353	3 620
Trade and other payables from exchange transactions		497 888	338 908	485 727	224 408	485 727
Trade and other payables from non-exchange transactions		1 560	–	–	106 947	–
Provision		2 154	2 378	2 154	2 154	2 154
VAT		3 884	8 073	6 050	10 021	6 050
Other current liabilities		–	–	–	–	–
Total current liabilities		510 529	352 992	499 035	347 188	499 035
Non current liabilities						
Financial liabilities		1 202	90 000	91 202	101 202	91 202
Provision		43 487	38 340	41 109	43 487	41 109
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		44 689	128 340	132 311	144 689	132 311
TOTAL LIABILITIES		555 218	481 332	631 346	491 877	631 346
NET ASSETS	2	4 612 422	6 246 684	5 392 663	5 287 787	5 392 663
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		4 620 378	5 445 412	4 627 968	5 294 236	4 627 968
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	4 620 378	5 445 412	4 627 968	5 294 236	4 627 968

MBRR Table C6 - Monthly Budget Statement Financial Position

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

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

CURRENT ASSETS

Cash and cash equivalents

Cash and cash equivalents balance as at 31 May 2024 indicate a balance of **R146.9 million**.

Bank balance	R38.9 million
Call Investments Deposits	R108 million

Trade and other receivables from exchange transactions

Trade and other receivables from exchange transactions include debtors from water, sanitation services, rental of facilities, the balance for the reporting period is **R66.7 million**. Debtors age analysis indicates the amount of **R237.5 million**. The consumer debtors' amount to **R233.9 million** and other receivables from exchange amount to **R1.8 million** which sums up to **R235.7** and included in **R237.5 million** is the balance of **R4.3 million** for shared services.

Gross Consumer debtors	R231.4 million
Debtors Impairment	(168.9 million)
Net Consumer Debtors	R66.7 million

Classification of Consumer Debtors per Service type

Water Debtors	R43.2 million
Sanitation Debtors	R21.1 million
Property rental	R287.3 thousand
Other Consumer debtors	R274.5 thousand
Other receivables from exchange	R1.8 million
Total	R66.7 million

➤ **Water Debtors**

Net Water debtors, after considering provision for bad debts, amount to **R43.2 million**

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

Gross Water Debtors	R184.5 million
Less Impairment	(141.2 million)
Net Water Debtors	R43.2 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R21.1 million**

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

Gross Sanitation Debtors	R47.6 million
Less Impairment	(R26.5 million)
Net Sanitation Debtors	R21.1 million

➤ **Property Rental**

Property rental debtors' amount to **R287.3 thousand**, these are sundry debtors.

Gross Other Debtors	R314.4 thousand
Less Impairment	(R27.07 thousand)
Net Other Debtors	R287.3 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R274.5 thousand**, these are sundry debtors.

Gross Other Debtors	R289.6 thousand
Less Impairment	(R15.1 thousand)
Net Other Debtors	R274.5 thousand

➤ **Other receivables from exchange**

These are debtors accumulated from Eskom accounts with credit balances amounts to **R1.8 million**

Other receivables from exchange	R2.8 million
Prepay/Adv: Recov emp: Opening balance	R1.06 million
Less Impairment	(R1.06 million)
Net other receivables from exchange	R1.8 million

Classification of Consumer Debtors per Customer group

Households	R189.4 million
Commercial/Businesses (excl prepaid exp R1.8 mil)	R16.8 million
Organs of State (excl shared services of R4.3 mill)	R30.9 million
Total	R237.2 million

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

Gross Households debtors	R189.4 million
Gross Business	R16.8 million
Less Impairment	(R168.9 million)
Net Household and businesses debtors	R37.3 million

Receivables from non-exchange transactions

UIFW to be recovered amounting to **R7.2 million** resulted from a claim of standing time due to consultant negligence.

Inventory

The current level of inventory is **R4.1 million**. Inventories include water stock and consumable stores.

VAT Receivable

VAT Receivable amount to **R34.1 million**, this is the amount raised when input VAT is recognized less output VAT collected as per VAT reconciliation.

Other current assets

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R28.6 million**.

Deposits Made	R18.2 million
Refunds & under/over banking	R10.3 million
Salary suspense	R8.7 thousand
Total	R28.6 million

➤ Deposits Made

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

Eskom Deposits	R18 million
Stowell Deposits	R200 thousand

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

➤ Refunds & under/over banking

Refunds & under/over banking amount to **R10.3 million**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking:

Under/over banking	R10.3 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.

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment include current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R5.4 billion**

Opening balance	R5.6 billion
Additions	(R586.1 million)
Depreciation	(R94.9 million)
Closing Balance	R5.4 billion

Heritage assets

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

Intangible

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R31.9 thousand**.

Opening balance	R31.9 thousand
Additions	(R0)
Depreciation	(R1.9 thousand)
Closing Balance	R30 thousand

CURRENT LIABILITIES

Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, the current balance is **R3.3 million**.

Trade and other payables from exchange transactions

Trade and other payables are amounts owed by the municipality to service providers. Trade and other payables are **R224.4 million**.

Trade Creditors	R32.7 million
Retention	R80.5 million
Department of Water & Sanitation	R62.6 million
Leave accrued	R21.7 million
Bonus	R5.7 million
Employee related cost	R1.7 million
Advance Payments	R643 thousand
Salary Suspense Accounts	R48 thousand
Other Suspense account	R701 thousand
Water tankers	R10.7 million
Zanamanzi	R3.3 million
Session	R4.9 million
Closing Balance	R224.4 million

Trade and other payables from non-exchange transactions

This is the amount of unspent conditional grants which will be recognized when the conditions are met. Unspent conditional grants amount to **R106.9 million**.

VAT Payables

VAT payable amount to **R10.02 million**, this is the amount paid when output VAT is recognized less input VAT paid as per VAT reconciliation.

Current Provision

Current provisions amount to **R2.1 million**, this provision is for post-retirement benefit (Medical aid) and long service awards that is paid in the current financial year:

Long service awards	R1.6 million
Medical aid benefits	R500 thousand

NON-CURRENT LIABILITIES

Non-current Financial liabilities

This is the long-term portion of the finance lease agreement the Municipality entered into to procure laptops amounting to **R771.4 thousand**.

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

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

Loan

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

Non-current Provisions

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

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

Accumulated surplus

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

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

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates										
Service charges		26 949	51 642	52 998	2 548	28 294	48 582	(20 288)	-42%	52 998
Other revenue		1 393 314	162 144	170 175	76 101	1 944 595	155 994	1 788 601	1147%	170 175
Transfers and Subsidies - Operational		661 838	643 859	743 076	562	744 033	681 153	62 880	9%	743 076
Transfers and Subsidies - Capital		610 306	805 127	764 956	-	768 386	701 210	67 176	10%	764 956
Interest		6 722	3 000	7 500	110	6 006	6 875	(869)	-13%	7 500
Dividends										
Payments										
Suppliers and employees		(868 156)	(672 640)	(784 967)	(27 623)	(1 260 070)	(719 553)	540 517	-75%	(784 967)
Interest										
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 830 973	993 132	953 739	51 697	2 231 245	874 261	#####	-155%	953 739
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	650	650	-	650	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments										
Payments										
Capital assets		(496 168)	(789 967)	(757 386)	(1 240)	(587 399)	(694 271)	(106 871)	15%	(757 386)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(496 168)	(789 967)	(757 386)	(590)	(586 749)	(694 271)	(107 521)	15%	(757 386)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		-	100 000	100 000	-	100 000	91 667	8 333	9%	100 000
Increase (decrease) in consumer deposits		(1)	-	-	-	9	-	9	#DIV/0!	-
Payments										
Repayment of borrowing		(1 090)	(10 000)	(10 000)	138	(1 117)	(9 167)	(8 050)	88%	(10 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 091)	90 000	90 000	138	98 892	82 500	(16 392)	-20%	90 000
NET INCREASE/ (DECREASE) IN CASH HELD		1 333 714	293 165	286 353	51 245	1 743 388	262 490			286 353
Cash/cash equivalents at beginning:		20 468	173 117	27 427	1 719 569	27 427	27 427			27 427
Cash/cash equivalents at month/year end:		1 354 182	466 282	313 779		1 770 814	289 916			313 779

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 adjusted budgeted collection to **R52.9 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 **R28.2 million** to date. This is **53%** of budgeted collection and **42%** of year-to-date billing.

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

- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality has a revised revenue enhancement strategy.
- The municipality has an external debt collector to assist with the collection.
- The Municipality has replaced and installed new meters to ensure billing is accurate and not estimated.
- Municipality has adopted an indigent policy and is in a process to write off indigent households.
- The municipality has re-visited the collection of flat rate strategy and decided to implement it next year.

Other Revenue

Other revenue includes receipts from tender fees, hall hiring, fines and forfeits, and office space rental receipts. The population of other revenue is higher than expected and not credible, the Municipality is in a process of developing an action plan to address these inefficiencies.

Transfers and subsidies – Operational

Transfers and subsidies - Operational are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Operating grants have been received as scheduled. Transfers and subsidies operational year to date are **R744.03 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far but does not include National Skills Fund under Transfers and subsidies – Operational:

Equitable share	R631.6 million
Indonsa Grant	R1.9 million
FMG	R1.2 million
EPWP	R7.07 million
NSF	R98.2 million
LG SETA	R1.6 million
Amafa Research	R200 thousand
TOTAL	R744.03 million

Transfers and subsidies – Capital

Transfers and subsidies - Capital is expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **R768.3 million**. This amount includes RBIG, MIG, RRAMS, TSUCM_COGTA Boreholes and WSIG which were received thus far under Transfers and subsidies - Capital.

Municipal Infrastructure Grant	R 256.5 million
Water Services Infrastructure Grant	R 95 million
Régional Bulk Infrastructure Grant	R 413.9 million
Rural Road Asset Management Subsidy	R 2.9 million
TOTAL	R768.3 million

Interest

Interest on the investment budget has been adjusted to **R7.5 million**, this estimate is based on the year – to – date actual interest income, the interest includes interest on investments made and interest on bank balance. Year to date actual Interest is **R6 million**. Interest on investment revenue on table C4 is **R11.2 million** which does not reconcile the one in the cash flow. The municipality will rectify the system errors.

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R587.3 million**, the capital expenditure excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed. The Municipality is in a process of developing an action plan to address these inefficiencies.

Borrowing Long Term

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

Cash and cash equivalents at the end

Cash and cash equivalents are the cash available at the end of the reporting period after all expenses have been paid. Cash and cash equivalents to date is **R 146.9 million** in the financial position but in the cash flow it is **R1.9 billion**.

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

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTORS ANALYSIS

Debtors age analysis as of 31 May 2024

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

Description	NT Code	Budget Year 2023/24									Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr					
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	11 407	4 309	4 531	3 941	3 549	3 590	16 045	136 137	183 508	163 262	-	-	141 272
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	2 347	1 002	944	888	917	812	3 561	37 101	47 572	43 279	-	-	26 562
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	27
Interest on Arrear Debtor Accounts	1810	119	58	56	54	-	288	131	464	1 170	937	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	379	114	11	11	11	12	860	3 568	4 963	4 460	-	-	1 078
Total By Income Source	2000	14 251	5 483	5 541	4 895	4 476	4 702	20 597	177 269	237 214	211 938	-	-	168 939
2022/23 - totals only		8827107	3824475	4781593	4090752	2746088	3639338	16450078	158118949	202 478	185 045	0	-	171323784 1/5
Debtors Age Analysis By Customer Group														
Organs of State	2200	4 393	1 546	1 450	1 322	1 590	1 519	4 161	14 936	30 918	23 529	-	-	-
Commercial	2300	1 728	727	749	503	368	388	1 687	10 733	16 883	13 679	-	-	-
Households	2400	8 130	3 211	3 342	3 070	2 518	2 794	14 749	151 599	189 413	174 730	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	14 251	5 483	5 541	4 895	4 476	4 702	20 597	177 269	237 214	211 938	-	-	-

Total debtors' amount to **R237.2 million**, which is an increase of **R3.8 thousand** from the closing balance of **R233.4 million** in the previous month. The debtors over 90 days amount to **R211.9 million**. This is concerning and needs intervention since debtors above 60 days should be restricted in terms of the Municipality's credit control policy.

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 31 May 2024

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

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			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 398	-	7	-	-	-	-	-	-	1 405	1 036
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 398	-	7	-	-	-	-	-	-	1 405	1 036

2.3 INVESTMENT PORTFOLIO

Investments as at 31 May 2024

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May 2024														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	-	-		64 000	64 000
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	64 000	-		40 000	104 000
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	104 000	-		150 800	254 800
ABSA CALL ACCOUNT		0.7666667	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	17 August 2023	254 800		(30 000)		224 226
ABSA CALL ACCOUNT		1.2	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 August 2023	224 226	(574)	(20 000)		204 226
ABSA CALL ACCOUNT		1.4	CALL ACCOUNT	YES	VARIABLE	0.089	-		08 September 2023	204 226		(30 000)		174 226
ABSA CALL ACCOUNT		1.3666667	CALL ACCOUNT	YES	VARIABLE	0.089	-		14 September 2023	174 226	(301)	(25 000)		149 226
ABSA CALL ACCOUNT		1.5666667	CALL ACCOUNT	YES	VARIABLE	0.089	-		20 September 2023	149 226		(50 000)		99 226
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	26 September 2023	99 226		-	86 000	185 226
ABSA SHORT TERM		2	SHORT TERM	YES	VARIABLE	0.089	-	N/A	03 October 2023	185 226	(2 675)	(50 000)		135 226
ABSA SHORT TERM		2.0666667	SHORT TERM	YES	VARIABLE	0.089	-	N/A	05 October 2023	135 226	(168)	(75 000)		60 226
ABSA SHORT TERM		3.0666667	SHORT TERM	YES	VARIABLE	0.089	-	N/A	19 October 2023	60 226		(10 000)		50 226
ABSA SHORT TERM		2.5333333	SHORT TERM	YES	VARIABLE	0.089	-	N/A	19 October 2023	50 226		(36 800)		13 426
STANDARD BANK		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	05 December 2023	13 426			40 000	53 426
STANDARD BANK		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	06 December 2023	53 426	(172)	(25 000)		28 426
STANDARD BANK		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	28 426			40 000	68 426
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	06 December 2023	68 426			75 000	143 426
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	143 426			75 000	218 426
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	218 426	(268)		25 000	243 426
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.944	-	N/A	07 December 2023	243 426			100 000	343 426
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	18 December 2023	343 426		(40 000)		303 426
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	22 December 2023	303 426		(30 000)		273 426
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	14 January 2024	274 000	(1 000)	(30 000)		244 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	23 January 2024	244 000	(311)	(20 000)		224 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	23 January 2024	224 000				220 570
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	24 February 2024	220 570	(623)	(40 000)		180 570
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	25 February 2024	180 570	(70)	(50 000)		130 570
ABSA SHORT TERM		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	14 March 2024	130 570	(4 246)	(570)		130 000
ABSA CALL ACCOUNT		1	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	13 March 2024	130 000	(238)	(50 000)		80 000
ABSA CALL ACCOUNT		1	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	14 March 2024	80 000		(5 000)		75 000
ABSA CALL ACCOUNT		1	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	13 March 2024	75 000		-	150 000	225 000
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	24 April 2024	225 000		(25 000)	-	200 000
ABSA CALL ACCOUNT		1	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	25 April 2024	200 000	(497)	(10 000)		190 000
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	26 April 2024	190 000		(15 000)		175 000
ABSA CALL ACCOUNT		1	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	03 May 2024	175 000		(5 000)		170 000
ABSA CALL ACCOUNT		2	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	07 May 2024	170 000		(28 000)		142 000
ABSA CALL ACCOUNT		3	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	23 May 2024	142 000		(18 000)		124 000
ABSA CALL ACCOUNT		4	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	31 May 2024	124 000		(6 000)		118 000
ABSA CALL ACCOUNT		5	CALL ACCOUNT	YES	VARIABLE	0.944	-	N/A	31 May 2024	118 000		(10 000)		108 000
Municipality sub-total										-	(11 142)	(734 370)	845 800	108 000

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		596 108	639 948	639 553	-	639 002	586 303	52 699	9.0%	639 553
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		586 391	631 671	631 671	-	631 671	579 032	52 639	9.1%	631 671
Expanded Public Works Programme Integrated Grant		8 517	7 077	6 682	-	6 682	6 171	511	8.3%	6 682
Local Government Financial Management Grant		1 200	1 200	1 200	-	649	1 100	(451)	-41.0%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		2 631	3 911	4 145	-	443	3 792	(3 350)	-88.3%	4 145
Capacity Building and Other Grants		2 631	3 911	4 145	-	443	3 792	(3 350)	-88.3%	4 145
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		60 091	-	99 492	-	99 492	85 867	13 624	15.9%	99 492
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		478	-	1 132	-	1 132	963	169	17.5%	1 132
National Skills Fund		59 613	-	98 360	-	98 360	84 904	13 456	15.8%	98 360
Unspecified		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	658 830	643 859	743 190	-	738 936	675 963	62 973	9.3%	743 190
Capital Transfers and Grants										
National Government:		607 306	805 127	764 956	-	668 096	705 896	(37 800)	-5.4%	764 956
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		259 530	271 683	253 512	-	230 361	234 506	(4 145)	-1.8%	253 512
Regional Bulk Infrastructure Grant		250 247	430 905	413 905	-	342 282	381 396	(39 114)	-10.3%	413 905
Rural Road Asset Management Systems Grant		2 529	2 539	2 539	-	2 136	2 327	(191)	-8.2%	2 539
Water Services Infrastructure Grant		95 000	100 000	95 000	-	93 318	87 667	5 651	6.4%	95 000
Provincial Government:		3 196	-	1 446	-	-	1 157	(1 157)	-100.0%	1 446
Infrastructure Grant		3 196	-	1 446	-	-	1 157	(1 157)	-100.0%	1 446
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	610 502	805 127	766 402	-	668 096	707 053	(38 957)	-5.5%	766 402
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 269 332	1 448 986	1 509 592	-	1 407 033	1 383 016	24 017	1.7%	1 509 592

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

Grant Expenditure

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

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		834 200	627 267	631 530	55 064	632 927	578 623	54 304	9.4%	631 530
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		783 028	618 990	623 648	54 948	625 480	571 352	54 129	9.5%	623 648
Expanded Public Works Programme Integrated Grant		8 532	7 077	6 682	98	6 780	6 171	609	9.9%	6 682
Local Government Financial Management Grant		1 200	1 200	1 200	18	667	1 100	(433)	-39.4%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		33 001	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		2 199	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		6 240	-	-	-	-	-	-	-	-
Provincial Government:		2 689	3 385	2 437	-	443	2 237	(1 795)	-80.2%	2 437
Capacity Building and Other Grants		2 689	3 385	2 437	-	443	2 237	(1 795)	-80.2%	2 437
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		59 798	-	100 054	562	100 419	86 860	13 559	15.6%	100 054
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		478	-	1 694	562	1 694	1 247	447	35.9%	1 694
National Skills Fund		59 320	-	98 360	-	98 725	85 613	13 112	15.3%	98 360
Total operating expenditure of Transfers and Grants:		896 687	630 652	734 021	55 626	733 788	667 720	66 069	9.9%	734 021
Capital expenditure of Transfers and Grants										
National Government:		490 152	700 110	665 179	590	585 354	613 823	(28 469)	-4.6%	665 179
Municipal Infrastructure Grant		194 387	236 246	220 445	590	202 230	203 918	(1 688)	-0.8%	220 445
Regional Bulk Infrastructure Grant		218 770	374 700	359 917	-	299 613	331 649	(32 036)	-9.7%	359 917
Rural Road Asset Management Systems Grant		-	2 208	2 208	-	1 858	2 024	(166)	-8.2%	2 208
Water Services Infrastructure Grant		76 994	86 957	82 609	-	81 653	76 232	5 422	7.1%	82 609
Provincial Government:		2 797	457	2 896	-	-	2 355	(2 355)	-100.0%	2 896
Capacity Building and Other Grants		-	-	843	-	-	761	(761)	-100.0%	843
Infrastructure Grant		2 797	457	2 052	-	-	1 594	(1 594)	-100.0%	2 052
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		492 948	700 568	668 075	590	585 354	616 178	(30 824)	-5.0%	668 075
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 389 635	1 331 220	1 402 096	56 216	1 319 142	1 283 897	35 245	2.7%	1 402 096

Grants Roll over

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

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

Description	Ref	Budget Year 2023/24				
		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		1 446	-	-	1 446	100.0%
Water Services Operating Subsidy		1 446	-	-	(1 446)	-100.0%
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total operating expenditure of Approved Roll-overs		1 446	-	-	1 446	100.0%
<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:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		1 642	-	-	1 642	100.0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		3 088	-	-	3 088	100.0%

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	-	(226)	-	-	-		-
Pension and UIF Contributions		509	512	506	44	472	465	8	2%	506
Medical Aid Contributions		54	55	41	3	38	39	(2)	-4%	41
Motbr Vehicle Allowance		1 889	1 962	2 214	161	1 924	2 000	(76)	-4%	2 214
Cellphone Allowance		681	694	813	62	710	731	(21)	-3%	813
Housing Allowances		360	180	180	15	165	165	-		180
Other benefits and allowances		5 782	6 084	6 030	682	5 596	5 534	62	1%	6 030
Sub Total - Councillors		9 276	9 486	9 784	742	8 905	8 934	(29)	0%	9 784
% increase	4		2.3%	5.5%						5.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		6 237	6 191	8 050	598	7 009	7 163	(154)	-2%	8 050
Pension and UIF Contributions		176	62	408	29	325	334	(9)	-3%	408
Medical Aid Contributions		59	3	122	10	106	98	8	8%	122
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		650	-	-	89	541	-	541	#DIV/0!	-
Motbr Vehicle Allowance		1 640	1 542	1 933	147	1 739	1 726	13	1%	1 933
Cellphone Allowance		257	238	313	23	273	278	(5)	-2%	313
Housing Allowances		13	-	12	1	12	10	2	21%	12
Other benefits and allowances		309	195	195	18	276	179	97	54%	195
Payments in lieu of leave		374	-	-	-	95	-	95	#DIV/0!	-
Long service awards		132	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		97	-	-	-	1	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		9 945	8 230	11 034	915	10 377	9 787	589	6%	11 034
% increase	4		-17.2%	10.9%						10.9%
Other Municipal Staff										
Basic Salaries and Wages		184 973	206 063	205 954	16 873	183 665	188 804	(5 139)	-3%	205 954
Pension and UIF Contributions		24 857	27 991	28 028	2 330	24 618	25 688	(1 070)	-4%	28 028
Medical Aid Contributions		14 860	15 496	15 500	1 462	15 379	14 208	1 171	8%	15 500
Overtime		6 703	5 448	5 448	1 132	7 535	4 994	2 541	51%	5 448
Performance Bonus		12 696	13 983	14 081	698	11 340	12 896	(1 556)	-12%	14 081
Motbr Vehicle Allowance		10 357	10 682	10 776	983	10 443	9 867	576	6%	10 776
Cellphone Allowance		740	828	808	70	731	743	(12)	-2%	808
Housing Allowances		1 669	1 724	1 712	141	1 551	1 571	(20)	-1%	1 712
Other benefits and allowances		4 065	282	276	357	4 411	254	4 157	1637%	276
Payments in lieu of leave		5 523	-	-	(849)	2 028	-	2 028	#DIV/0!	-
Long service awards		3 358	-	-	(38)	1 646	-	1 646	#DIV/0!	-
Post-retirement benefit obligations	2	5 393	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		1 191	-	-	26	459	-	459	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		276 386	282 498	282 582	23 184	263 805	259 026	4 779	2%	282 582
% increase	4		2.2%	2.2%						2.2%
Total Parent Municipality		295 607	300 214	303 400	24 840	283 086	277 747	5 339	2%	303 400

The municipality has no active entity.

2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	Revenue			
	Service charges – Water revenue	9%	This is the amounts billed on customers for water used, the year-to-date actual is R53.2 million which is 99% of the approved adjusted budget. The R53.2 million year to date actual is above baseline projection or year-to-date budget of R48.8 million. A variance of R4.3 million or 9% is observed.	The municipality need to keep up billing and install meters where and when needed.
	Service charges – Sanitation revenue	1%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R14.5 million which is 93% of the approved adjusted budget. The R14.5 million year to date actual is above the baseline projection or year-to-date budget of R14.3 million. A variance of R113 thousand or 1% is observed.	
	Sale of goods and rendering of service	2%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R733 thousands which is 97% of the approved adjusted budget. The R733 thousands year to date actual is above the baseline projection or year-to-date budget of R721 thousand. A variance of R12 thousand or 2% is observed. There has been an improvement in sale of tender documents.	
	Interest earned - outstanding debtors	0%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is R692 thousand which is 88% of the approved adjusted budget. The R692 thousand year to date actual is above the baseline projection or year-to-date budget of R688 thousand. A variance of R3 thousand or 0% is observed. Reasons for variances can be attributed to businesses' slow adherence to payment terms.	The municipality must implement stringent measures to ensure businesses pay on time.
	Interest from Current and Non-Current Assets	77%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R11.2 million which is 150% of the approved adjusted budget. The R11.2 million year to date actual is above the baseline projection or year-to-date budget of R6.3 million. A variance of R4.9 million or 77% is observed. Reasons for variances can be attributed to the availability of cash to be invested to date.	
	Rental from Fixed Assets	20%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R511 thousand which is 112% of the approved adjusted budget. The R511 thousand year to date actual is above the baseline projection or year-to-date budget of R425 thousand. A variance of R87 thousand or less than 20% is observed.	
	Licences and Permits	11%	Licences and permits year-to-date actual is R99 thousand which is 96% of the approved adjusted budget. The R99 thousand year to date actual is above the baseline projection or year-to-date budget of R90 thousand. A variance of R10 thousand or 11% is observed. Reasons for variances can be attributed to the increase in number of licence renewal.	
	Operational revenue	49%	Operational revenue year-to-date actual is R593 thousand which is 134% of the approved budget. The R593 thousand year to date actual is Above baseline projection or year-to-date budget of R397 thousand. A variance of R196 thousand or 49% is observed. The municipality received insurance refund and skills levy refund.	
	Fines, penalties, and forfeits	16%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is R669 thousand which is 78% of the approved adjusted budget. The R669 thousand year to date actual is below the baseline projection or year-to-date budget of R799 thousand. A variance of R130 thousand or 16% is observed. Reasons for variances can be attributed to a positive indication that some customers are not illegally connecting or there are some illegal connections not yet discovered.	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	9%	Transfers and subsidies year to date actual is R738.9 million which is 99% of the approved adjusted budget. The R738.9 million year to date actual is above the baseline projection or year-to-date budget of R675.9 million. A variance of R62.9 million or 9% is observed. Reasons for variances can be attributed to the nature of transfers and subsidies which depend on the transfer schedule and cannot be benchmarked against the year-to-date budget. Grants are not received monthly but in trenches as per approved transfer schedule.	

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	Revenue			
2	Expenditure By Type			
	Employee Related Costs	2%	Employee-related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R274.1 million which is 93% of the approved adjusted budget. The R274.1 million year to date actual is above the baseline projection or year-to-date budget of R268.8 million. A variance of R5.3 million or 2% is observed. Variance is less than 5%.	The municipality will make sure that the salary bill is kept within the limits of the monthly projections.
	Remuneration of Councillors	0%	Remuneration of Councillors are amounts paid for councillors allowances, service-related benefits, and contributions. The year-to-date actual is R8.9 million which is 91% of the approved adjusted budget. The R8.9 million year to date actual is above the baseline projection or year-to-date budget of R8.9 million. A variance of R29 thousand or 0% is observed.	The municipality will make sure that the salary bill is kept within the limits of the monthly projections.
	Inventory Consumed	50%	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 R20.5 million which is 45% of the approved budget. the R20.5 million year to date actual is below baseline projection or year-to-date budget of R41.4 million. A variance of R20.9 million or 50% is observed. The municipality has started paying for bulk water service providers	
	Depreciation	15%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R94.9 million which is 105% of the approved adjusted budget. The R94.9 million year to date actual is above the baseline projection or year-to-date budget of R82.5 million. A variance of R12.4 million or 15% is observed.	The municipality need to budget using depreciation method stipulated in the policy.
	Finance charges	50%	Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is R455 thousand which is 46% of the approved adjusted budget. The R455 thousand year to date actual is below the baseline projection or year-to-date budget of R917 thousand. A variance of R462 thousand or 50% is observed. Reasons for variances can be attributed to the early payment of the account during this period.	Municipality need to keep up early payments to minimise this expenditure.
	Contracted services	19%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R250.9 million which is 107% of the approved adjusted budget. The R250.9 million year to date actual is above the baseline projection or year-to-date budget of R210.06 million. A variance of R40.8 million or 19% is observed. Reasons for variances can be attributed to current commitments beyond contracted services budget.	The municipality must review SLAs and try to minimise costs as low as possible in this line-item.
	Transfers and subsidies paid.	15%	Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives. The year-to-date actual is R3.2 million which is 72% of the approved budget. The R3.2 million year to date actual is above the Baseline projection or year-to-date budget of R3.8 million. A variance of R570 thousand or 15% is observed. Reasons for variances can be attributed to the fact that this line item is for seasonal expenditure.	The municipality need to monitor this line item.
	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 cannot be benchmarked against year-to-date budget because it has no budget. A variance of R28 thousand or 0% is observed.	
	Operational costs	33%	Operational costs are all other expenditure not classified above. The year-to-date actual is R167.8 million which is 123% of the approved budget. The R167.8 million year to date actual is below the baseline projection or year-to-date budget of R125.8 million. A variance of R39.2 million or 33% is observed. Reasons for variances can be attributed to the increase in the costs of running an organisation such as, Eskom.	The expenditure being monitored by the municipality to keep it within the budget.

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
2	Expenditure By Type			
3	Capital Expenditure			
	Governance and administration	29%	Governance and administration year-to-date actual are R2.04 million which is 65% of the approved adjusted budget. the R2.04 million year to date actual is below the baseline projection or year-to-date budget of R2.8 million. A variance of R840 thousand or 29% is observed.	
	Community and public safety	100%	Community and public safety year-to-date actual are R0 which is 0% of the approved budget. the R0 year to date actual is below the baseline projection or year-to-date budget of R588 thousand. A variance of R588 thousand or 100% is observed.	
	Economic and environmental services	8%	Economic and environmental services year-to-date actual is R1.8 million which is 84% of the approved adjusted budget. the R1.8 million year to date actual is below the baseline projection or year-to-date budget of R2.02 million. A variance of R166 thousand or 8% is observed.	
	Trading services	16%	Trading services year-to-date actual is R583.4 million which is 78% of the approved adjusted budget. the R583.4 million year to date actual is below the baseline projection or year-to-date budget of R692.5 million. A variance of R109.05 million or 16% is observed.	

2.7 ACTUAL AND REVISED TARGETS FOR CASH RECEIPTS

DC26 Zululand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M11 May

Description	Ref	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget			
Cash Receipts By Source																
Property rates													-			
Service charges - Electricity revenue													-			
Service charges - Water revenue		928	1 881	2 063	3 448	317	1 813	1 886	2 019	2 073	2 823	1 712	19 129	40 092	47 222	49 394
Service charges - Waste Water Management		381	742	614	1 016	228	544	591	670	759	952	836	5 575	12 907	13 544	14 167
Service charges - Waste Management													-			
Rental of facilities and equipment		45	49	45	36	-	36	71	36	-	165	42	462	985	1 084	1 133
Interest earned - external investments		-	574	301	2 843	172	268	311	693	238	497	110	1 494	7 500	7 500	7 845
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	495	517
Dividends received													-			
Fines, penalties and forfeits		20	64	79	21	4	13	3	26	84	77	278	184	853	1 467	1 534
Licences and permits		5	11	8	9	14	4	6	9	8	21	4	4	103	176	184
Agency services													-			
Transfers and Subsidies - Operational		266 152	2 969	48 282	165	3 395	240 307	547	22 386	159 269	-	562	(957)	743 076	768 030	711 934
Other revenue		131 675	231 394	200 542	189 135	18 728	471 984	94 441	94 489	367 820	67 319	75 777	(1 775 070)	168 233	119 171	115 870
Cash Receipts by Source		399 204	237 683	251 934	196 673	22 856	714 968	97 857	120 329	530 251	71 853	79 321	(1 749 179)	973 750	958 689	902 580
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		104 000	150 800	86 000	41 777	170 000	74 000	-	93 867	47 942	-	-	(3 430)	764 956	576 195	651 991
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	650	(650)	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	100 000	-	-	-	-	-	-	100 000	-	-
Increase (decrease) in consumer deposits		(0)	7	1	1	(1)	0	0	1	-	-	-	(9)	-	(3)	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		503 204	388 490	337 935	238 451	192 855	888 968	97 857	214 197	578 193	71 853	79 971	(1 753 268)	1 838 706	1 534 880	1 554 571
Cash Payments by Type																
Employee related costs		26 127	26 418	26 816	26 778	26 586	18 434	36 638	25 094	26 063	26 496	27 167	2 244	294 861	310 172	324 440
Remuneration of councillors		-	-	-	-	-	-	-	743	735	715	805	6 946	9 944	9 465	9 901
Interest													-			
Bulk purchases - Electricity		12 282	4 787	13 201	5 143	16 800	3 774	7 765	5 911	6 930	3 848	7 535	(87 976)	-	-	-
Acquisitions - water & other inventory		7 556	-	-	-	191	-	-	2 160	12 885	-	(12 601)	40 516	50 707	29 010	30 344
Contracted services		131	(6 308)	(49 127)	(113 256)	(89 149)	(70 637)	(10 628)	(10 369)	(68 776)	(53 549)	(1 031)	734 944	262 246	309 181	216 969
Transfers and subsidies - other municipalities													-			
Transfers and subsidies - other		-	-	-	-	-	-	-	-	-	-	-	-	-	2 415	2 526
Other expenditure		239 289	84 467	106 769	152 667	160 442	227 375	51 662	62 419	144 295	68 626	5 748	(1 137 551)	166 209	129 706	135 672
Cash Payments by Type		285 385	109 364	97 659	71 332	114 870	178 946	85 436	85 958	122 131	46 137	27 623	(440 877)	783 967	789 948	719 853
Other Cash Flows/Payments by Type																
Capital assets		-	57 911	49 277	113 514	90 763	101 101	10 678	10 959	97 963	53 993	1 240	169 987	757 386	500 595	571 681
Repayment of borrowing		-	-	-	-	173	-	-	-	944	138	(138)	8 883	10 000	18 096	17 430
Other Cash Flows/Payments		-	2 690	8 299	1 429	615	6 337	354	35	12 931	2 536	-	(34 226)	1 000	2 000	3 000
Total Cash Payments by Type		285 385	169 965	155 234	186 275	206 421	286 385	96 468	96 952	233 970	102 805	28 726	(296 233)	1 552 353	1 310 640	1 311 963
NET INCREASE/(DECREASE) IN CASH HELD		217 819	218 525	182 701	52 176	(13 566)	602 584	1 389	117 245	344 223	(30 951)	51 245	(1 457 035)	286 353	224 240	242 607
Cash/cash equivalents at the month/year beginning:		27 427	245 245	463 770	646 471	698 647	685 081	1 287 664	1 289 053	1 406 298	1 750 521	1 719 569	1 770 814	27 427	313 779	538 020
Cash/cash equivalents at the month/year end:		245 245	463 770	646 471	698 647	685 081	1 287 664	1 289 053	1 406 298	1 750 521	1 719 569	1 770 814	313 779	313 779	538 020	780 627

2.8 MUNICIPAL ENTITY FINANCIAL OPERATING EXPENDITURE PERFORMANCE BUDGET

The municipality does not have an entity.

2.9 MUNICIPAL ENTITY FINANCIAL CAPITAL EXPENDITURE PERFORMANCE

The municipality does not have an entity.

2.10 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

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

Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	5 503	65 875	65 875	–	–	65 875	65 875	100.0%	0%
August	14 273	65 890	65 890	57 911	57 911	131 765	73 853	56.0%	8%
September	32 995	65 890	65 890	49 277	49 277	197 655	148 378	75.1%	6%
October	27 335	65 998	65 998	113 514	113 514	263 652	150 138	56.9%	15%
November	18 645	65 998	65 998	90 763	90 763	329 650	238 887	72.5%	12%
December	46 356	65 998	65 998	101 101	101 101	395 648	294 547	74.4%	13%
January	7 250	65 998	65 998	10 678	10 678	461 646	450 968	97.7%	1%
February	13 944	59 248	59 248	10 959	10 959	520 893	509 934	97.9%	1%
March	27 728	59 248	59 248	97 963	97 963	580 141	482 178	83.1%	13%
April	70 518	59 248	59 248	53 993	53 993	639 389	585 395	91.6%	0
May	127 629	59 416	59 416	1 240	53 993	698 805	644 812	92.3%	0
June	105 809	59 416	59 416	–	–	758 221	758 221	100.0%	–
Total Capital expenditure	497 986	758 221	758 221	587 399					

2.11 SUMMARY OF CAPITAL EXPENDITURE BY ASSET CLASS AND SUB-CLASS

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

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		491 521	700 110	667 132	590	585 354	615 456	30 102	4.9%	667 132
Roads Infrastructure		-	2 208	2 208	-	1 858	2 024	166	8.2%	2 208
Roads		-	2 208	2 208	-	1 858	2 024	166	8.2%	2 208
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		491 521	693 120	664 229	590	583 496	612 176	28 680	4.7%	664 229
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		68 814	79 130	38 092	-	31 887	39 498	7 610	19.3%	38 092
Reservoirs		11 062	15 086	9 356	-	9 197	8 710	(487)	-5.6%	9 356
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		63 564	66 957	111 969	-	109 102	98 183	(10 919)	-11.1%	111 969
Bulk Mains		311 748	508 469	461 685	590	394 391	427 649	33 258	7.8%	461 685
Distribution		36 333	23 478	43 126	-	38 919	38 137	(782)	-2.1%	43 126
Sanitation Infrastructure		-	4 783	696	-	-	1 257	1 257	100.0%	696
Reticalation		-	4 783	-	-	-	629	629	100.0%	-
Toilet Facilities		-	-	696	-	-	628	628	100.0%	696
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		1 726	-	-	-	-	-	-	-	-
Community Facilities		1 726	-	-	-	-	-	-	-	-
Centres		1 726	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		51	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		51	-	-	-	-	-	-	-	-
Computer Software and Applications		51	-	-	-	-	-	-	-	-
Computer Equipment		2 158	2 350	2 385	-	918	2 192	1 274	58.1%	2 385
Computer Equipment		2 158	2 350	2 385	-	918	2 192	1 274	58.1%	2 385
Furniture and Office Equipment		1 085	550	518	-	207	552	344	62.4%	518
Furniture and Office Equipment		1 085	550	518	-	207	552	344	62.4%	518
Machinery and Equipment		1 210	87 414	87 952	-	-	80 398	80 398	100.0%	87 952
Machinery and Equipment		1 210	87 414	87 952	-	-	80 398	80 398	100.0%	87 952
Transport Assets		-	-	235	650	920	207	(713)	-344.1%	235
Transport Assets		-	-	235	650	920	207	(713)	-344.1%	235
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	497 751	790 424	758 221	1 240	587 399	698 805	111 406	15.9%	758 221

2.12 EXPENDITURE ON REPAIRS AND MAINTAINANCEBY ASSET CLASS

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 May

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		140 969	70 000	70 170	6 498	55 608	64 068	8 461	13.2%	70 170
Roads Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		140 969	70 000	70 170	6 498	55 608	64 068	8 461	13.2%	70 170
<i>Bulk Mains</i>		54 902	20 000	20 557	1 052	16 995	18 429	1 433	7.8%	20 557
<i>Distribution</i>		-	-	-	-	-	-	-	-	-
<i>Distribution Points</i>		86 067	50 000	49 613	5 446	38 613	45 640	7 027	15.4%	49 613
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Community Assets		-	-	1 030	-	-	916	916	100.0%	1 030
Community Facilities		-	-	1 030	-	-	916	916	100.0%	1 030
<i>Airports</i>		-	-	1 030	-	-	916	916	100.0%	1 030
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Other assets		1 420	3 200	881	7	700	1 127	427	37.9%	881
Operational Buildings		1 420	3 200	881	7	700	1 127	427	37.9%	881
<i>Municipal Offices</i>		1 420	3 200	881	7	700	1 127	427	37.9%	881
Housing		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		20	-	-	-	-	-	-	-	-
Computer Equipment		20	-	-	-	-	-	-	-	-
Furniture and Office Equipment		40	200	-	-	-	41	41	100.0%	-
Furniture and Office Equipment		40	200	-	-	-	41	41	100.0%	-
Machinery and Equipment		29	-	50	-	-	45	45	100.0%	50
Machinery and Equipment		29	-	50	-	-	45	45	100.0%	50
Transport Assets		4 728	1 500	3 145	1 536	4 681	2 720	(1 961)	-72.1%	3 145
Transport Assets		4 728	1 500	3 145	1 536	4 681	2 720	(1 961)	-72.1%	3 145
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	147 207	74 900	75 276	8 041	60 989	68 917	7 928	11.5%	75 276

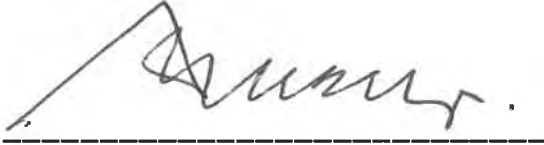
2.13 DEPRECIATION BY ASSET CLASS

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M11 May

Description	Ref	2022/23				Budget Year 2023/24				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		88 946	80 877	80 877	7 750	84 807	74 137	(10 670)	-14.4%	80 877
Roads Infrastructure		587	718	718	-	-	658	658	100.0%	718
Roads		587	718	718	-	-	658	658	100.0%	718
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		28	36	36	-	-	33	33	100.0%	36
LV Networks		28	36	36	-	-	33	33	100.0%	36
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		86 306	77 892	77 892	7 528	82 374	71 401	(10 973)	-15.4%	77 892
Dams and Weirs		2 197	2 285	2 285	186	2 045	2 095	50	2.4%	2 285
Boreholes		1 572	471	471	133	1 462	431	(1 031)	-239.0%	471
Reservoirs		7 184	7 026	7 026	620	6 816	6 441	(375)	-5.8%	7 026
Pump Stations		5 203	4 451	4 451	443	4 867	4 081	(786)	-19.3%	4 451
Water Treatment Works		7 060	6 502	6 502	651	7 146	5 960	(1 186)	-19.9%	6 502
Bulk Mains		39 339	34 795	34 795	3 469	37 840	31 896	(5 944)	-18.6%	34 795
Distribution		23 677	22 280	22 280	2 020	22 125	20 423	(1 702)	-8.3%	22 280
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		74	81	81	7	74	74	1	1.0%	81
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		2 026	2 231	2 231	222	2 433	2 046	(388)	-19.0%	2 231
Pump Station		(174)	193	193	15	163	177	13	7.4%	193
Reticulation		1 686	1 717	1 717	140	1 545	1 574	28	1.8%	1 717
Waste Water Treatment Works		514	322	322	66	724	295	(429)	-145.4%	322
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		30	852	852	102	1 124	781	(343)	-43.9%	852
Community Facilities		(105)	622	622	91	1 000	570	(431)	-75.6%	622
Markets		143	-	-	29	315	-	(315)	#DIV/0!	-
Airports		(248)	622	622	62	685	570	(116)	-20.3%	622
Sport and Recreation Facilities		135	230	230	11	124	211	87	41.4%	230
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		135	230	230	11	124	211	87	41.4%	230
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		2 904	1 366	1 366	142	1 466	1 252	(215)	-17.1%	1 366
Operational Buildings		2 904	1 366	1 366	142	1 466	1 252	(215)	-17.1%	1 366
Municipal Offices		2 904	1 312	1 312	142	1 466	1 203	(263)	-21.9%	1 312
Stores		-	53	53	-	-	49	49	100.0%	53
Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		18	-	-	2	22	-	(22)	#DIV/0!	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		18	-	-	2	22	-	(22)	#DIV/0!	-
Computer Software and Applications		18	-	-	2	22	-	(22)	#DIV/0!	-
Computer Equipment		2 770	992	992	232	2 552	909	(1 643)	-180.6%	992
Computer Equipment		2 770	992	992	232	2 552	909	(1 643)	-180.6%	992
Furniture and Office Equipment		505	555	555	47	512	509	(3)	-0.6%	555
Furniture and Office Equipment		505	555	555	47	512	509	(3)	-0.6%	555
Machinery and Equipment		717	368	368	82	886	337	(549)	-163.0%	368
Machinery and Equipment		717	368	368	82	886	337	(549)	-163.0%	368
Transport Assets		4 359	4 991	4 991	320	3 571	4 575	1 005	22.0%	4 991
Transport Assets		4 359	4 991	4 991	320	3 571	4 575	1 005	22.0%	4 991
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Depreciation	1	100 249	90 000	90 000	8 678	94 940	82 500	(12 439)	-15.1%	90 000

2.14 MUNICIPAL MANAGERS QUALITY CERTIFICATION

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



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

Date : 2024/06/13