

# **ZULULAND DISTRICT MUNICIPALITY**



**MONTHLY BUDGET STATEMENT FOR PERIOD ENDING  
31 DECEMBER 2020**

**MFMA S71 REPORT**

**2020/2021 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**

## **1.2 COUNCIL RESOLUTION**

The December 2020 Monthly Budget Statement and supporting documentation - MFMA S71 Report 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
Total Revenue By Source (Excluding Capital Transfers)	573 928 445	635 351 445	253 915 574
Total Operating Expenditure	563 862 195	615 985 195	324 940 299
<b>Surplus/(Deficit)</b>	<b>10 066 250</b>	<b>19 366 250</b>	<b>-71 024 725</b>

Total operating revenue generated by the Municipality as at 31 December 2020 is **R253 million** which is **40%** of the adjusted operating budget, this amount largely comprises of equitable share and operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Operating revenue is explained by source in Section 1.4 Operating Revenue Performance.

The Municipality is largely dependent on government grants for operating, service charges revenue recognized is only **R15.2 million**, which is **6%** of the total generated operating revenue.

Total Operating Expenditure as at 31 December 2020 is **R324 million** which is **53%** of the adjusted operating budget. Operating expenditure is explained by source in Section 1.5 Operating Expenditure Performance.

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

Major Variances on Revenue are on Service charges, this due to the fact that there are no meters and most consumers are billed on estimate rather than actual. The municipality has set aside a budget of **R3 million** for the procurement of meters and in addition to that, the Municipality is in a process to secure additional funding for the procurement of meters.

Major variances on expenditure are on contracted services and Other expenditure, this is due to accelerated expenditure in; water provision through water tankers; security services; and Eskom (bulk electricity) which have spent more than 50% of the allocated budget. Some expenditure items

are once off and seasonal, which may indicate high expenditure in the first half of the financial year and lower in the second half of the financial year.

The Mid-year and performance assessment will recommend adjustment on major cost drivers so that expenditure falls within limits of the approved budget.

The Financial Performance indicate a deficit of **R71 million**, this means the Municipality was unable to generate enough revenue to cover expenses as at 31 December 2020.

The Municipality will ensure that stringent measures are taken to generate sufficient revenues to cover expenses as they are incurred.

## **IN-YEAR BUDGET STATEMENT TABLES**

The financial results for the month ended **31 December 2020** are attached, consisting of the prescribed tables:

**Table C1** provides a high-level summation of the operating and capital budgets, actual to date, financial position and cash flow.

**Table C2** is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

**Table C3** shows budgeted financial performance in relation to the revenue and expenditure as well as the operating surplus or deficit.

**Table C4** is a view of the budgeted financial performance in relation to the revenue by source and expenditure type.

**Table C5** reflects the capital Program in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and funding sources required to fund the capital budget, including information on capital transfers from national and provincial departments.

**Table C6** reflects the performance to date in relation to the financial position of the municipality.

**Table C7** indicates the cash flow position and cash/cash equivalent outcome.



## 1.4 OPERATING REVENUE PERFORMANCE

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue By Source</b>										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		27 255	41 368	41 368	2 931	15 232	20 684	(5 452)	-26%	41 368
Service charges - sanitation revenue		10 457	11 140	11 140	892	5 058	5 570	(512)	-9%	11 140
Service charges - refuse revenue								-		
Rental of facilities and equipment		159	200	200	15	73	100	(27)	-27%	200
Interest earned - external investments		4 760	5 000	5 000	39	1 704	2 500	(796)	-32%	5 000
Interest earned - outstanding debtors		27	-	-	6	22	-	22	#DIV/0!	-
Dividends received								-		
Fines, penalties and forfeits		4	100	100	9	11	50	(39)	-78%	100
Licences and permits		-	-	-	-	10	-	10	#DIV/0!	-
Agency services								-		
Transfers and subsidies		485 800	515 221	576 644	-	231 630	282 180	(50 550)	-18%	576 644
Other revenue		1 045	900	900	140	177	450	(273)	-61%	900
Gains		-	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>529 507</b>	<b>573 928</b>	<b>635 351</b>	<b>4 031</b>	<b>253 916</b>	<b>311 533</b>	<b>(57 618)</b>	<b>-18%</b>	<b>635 351</b>

The year-to-date actual indicates operating revenue of **R 253 million** for six months. The total revenue to-date represents 40% of the operational budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

### Service charges – Water revenue

Service charges – Water revenue is amounts billed on customers for water used, the year to date actual is **R15.2 million**, which is below year to date budget of **R20.6 million**. An unfavourable variance of **R5.4 million** is observed.

### Service charges – Sanitation revenue

Service charges – Sanitation revenue is amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R5.05 million** which is slightly below year to budget of **R5.5 million**. An unfavourable variance of **R512 thousand** is observed.

### Rent of facilities

Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is **R73 thousand** which is below year-to-date budget of **R100 thousand**. An unfavourable variance of **R27 thousand** is observed.

## **Interest on investment**

Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is **R1.7 million**, which is below year-to-date budget of **R2.5 million**. An unfavourable variance of **R796 thousand** is observed.

## **Interest earned - outstanding debtors**

Interest earned - outstanding debtors is charged on businesses for accounts in arrears, budgeted amount will be estimated in the adjustment budget.

## **Fines, penalties and forfeits**

Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is **R10 thousand**, the year-to-date budget is **R50 thousand**. An unfavourable variance of **R39 thousand** is observed. There was over budgeting of fines, penalties and forfeits, mid-year and performance assessment will recommend adjustment to be done on the adjustment budget.

## **Transfers and subsidies**

Transfers and subsidies (grants) include amounts gazetted as per Division of Revenue act (DoRA), 2020, 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 recognised as revenue year to date actual is **R253 million**, which is below year-to-date budget of **R311 million**.

## **Other revenue**

Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is **R177 thousand**, which is below year-to-date budget of **R450 thousand**. An unfavorable variance of **R273 thousand** is observed.

## 1.5 OPERATING EXPENDITURE PERFORMANCE

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Expenditure By Type</b>										
Employee related costs		219 973	223 466	225 466	18 957	113 025	112 534	491	0%	225 466
Remuneration of councillors		8 372	8 350	8 350	699	4 278	4 175	102	2%	8 350
Debt impairment		11 751	11 000	14 723	—	—	6 989	(6 989)	-100%	14 723
Depreciation & asset impairment		77 826	62 886	62 886	—	26 202	31 443	(5 240)	-17%	62 886
Finance charges		—	—	—	—	—	—	—	—	—
Bulk purchases		18 981	23 552	23 552	4 171	11 083	11 469	(386)	-3%	23 552
Other materials		14 685	8 590	7 325	2 082	4 512	3 764	747	20%	7 325
Contracted services		245 654	139 217	171 774	26 136	110 263	79 628	30 636	38%	171 774
Transfers and subsidies		6 401	10 852	13 251	1 741	8 282	6 386	1 896	30%	13 251
Other expenditure		102 673	75 949	88 783	9 704	47 296	42 859	4 437	10%	88 783
Losses		37	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>706 354</b>	<b>563 862</b>	<b>616 110</b>	<b>63 489</b>	<b>324 940</b>	<b>299 247</b>	<b>25 694</b>	<b>9%</b>	<b>616 110</b>

The year-to-date actual indicates spending of **R324 million** for six months. The total expenditure to date represents **53%** of the operational budget.

### Employee Related Costs

Employee related costs year to date actual is **R113 million**, the year-to-date budget is **R112 million**, an unfavorable variance of **R491 thousand** is observed.

### Remuneration of Councillors

Remuneration of Councillors year to date actual is **R4.2 million**, the year-to-date budget is **R4.1 million**, an unfavorable variance of **R102 thousand** is observed.

### Debt impairment

This is the provision for doubtful debts as a result of a non-collection. No provision for doubtful debts has been recorded, Assessment and provision for bad debts is done at year end.

### Depreciation

This is non-cash item budgeted for as per the stipulation of the accounting standards. The year to date actual is **R26.2 million**. The year-to-date budget is **R31.4 million**. A favorable variance of **R5.2 million** is observed.

### Bulk purchases

Bulk purchases water from the Department of Water and Sanitation and other independent water producers. The year-to-date actual is **R11 million**, the year-to-date budget is **R11.4 million**, a

favorable variance of **R386 thousand** is observed. Bulk water purchases expenditure is based on amount/volume of water extracted for purification.

### Other Materials

Other materials year to date actual is **R4.5 million**, the year-to-date budget is **R3.7 million**, an unfavourable variance of **R747 thousand** is observed

### Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R110 million** which is above year to date budget of **R79.6 million**, an unfavourable variance of **R30.6 million** is observed. (This can be seen as an indication of possible unauthorised expenditure at year end)

### Transfers and subsidies paid

Transfers and subsidies year to date actual is **R8.2 million**, the year-to-date budget is **R6.3 million**, an unfavourable variance of **R1.8 million** is observed.

### Other expenditure

Other expenditure year to date actual is **R47.2 million**, the year-to-date budget is **R42.8 million**, an unfavourable variance of **R4.4 million** is observed.

### Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Finance Management	1 200 000	1 200 000	364 933
EPWP Incentive	9 261 000	9 261 000	4 982 624
Art centre Subsisies (Indonsa Grant)	1 911 000	1 911 000	197 001
<b>Total Operating Grant Expenditure</b>	<b>12 372 000</b>	<b>12 372 000</b>	<b>5 544 558</b>

### Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		27 255	41 368	41 368	1 521	12 301	17 237	(4 936)	-29%	41 368
Service charges - sanitation revenue		10 457	11 140	11 140	927	4 166	4 642	(476)	-10%	11 140
Service charges - refuse revenue								-		
Rental of facilities and equipment		159	200	200	15	59	83	(25)	-30%	200
Interest earned - external investments		4 760	5 000	5 000	50	1 665	2 083	(419)	-20%	5 000
Interest earned - outstanding debtors		27	-	-	5	16	-	16	#DIV/0!	-
Dividends received								-		
Fines, penalties and forfeits		4	100	100	2	2	42	(39)	-94%	100
Licences and permits		-	-	-	-	10	-	10	#DIV/0!	-
Agency services								-		
Transfers and subsidies		485 800	515 221	576 644	1 832	231 630	233 102	(1 473)	-1%	576 644
Other revenue		1 045	900	900	29	37	375	(338)	-90%	900
Gains		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		529 507	573 928	635 351	4 381	249 885	257 564	(7 679)	-3%	635 351
Expenditure By Type										
Employee related costs		219 973	223 466	225 466	20 034	94 068	93 711	356	0%	225 466
Remuneration of councillors		8 372	8 350	8 350	717	3 579	3 479	100	3%	8 350
Debt impairment		11 751	11 000	14 723	-	-	5 700	(5 700)	-100%	14 723
Depreciation & asset impairment		77 826	62 886	62 886	10 481	26 202	26 202	-		62 886
Finance charges		-	-	-	-	-	-	-		-
Bulk purchases		18 981	23 552	23 552	1 398	6 911	9 455	(2 543)	-27%	23 552
Other materials		14 685	8 590	7 700	-	2 430	3 171	(741)	-23%	7 700
Contracted services		245 654	139 217	168 326	26 703	84 127	64 270	19 857	31%	168 326
Transfers and subsidies		6 401	10 852	13 202	993	6 541	5 242	1 299	25%	13 202
Other expenditure		102 673	75 949	91 780	6 042	37 592	35 205	2 387	7%	91 780
Losses		37	-	-	-	-	-	-		-
Total Expenditure		706 354	563 862	615 985	66 368	261 451	246 436	15 015	6%	615 985
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(176 847)	10 066	19 366	(61 986)	(11 566)	11 128	(22 694)	(0)	19 366
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		491 852	444 068	444 068	229 301	229 301	185 028	44 273	0	444 068
Transfers and subsidies - capital (in-kind - all)		8 360	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		323 365	454 134	463 434	167 315	217 735	196 156			463 434
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		323 365	454 134	463 434	167 315	217 735	196 156			463 434
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		323 365	454 134	463 434	167 315	217 735	196 156			463 434
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		323 365	454 134	463 434	167 315	217 735	196 156			463 434

## 1.6 CAPITAL EXPENDITURE AND FUNDING

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

- Government Grants
- Internally Generated Funds

The summary report indicates the following: -

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Total Capital Expenditure	454 134 250	465 134 250	251 269 890
Total Capital Financing	454 134 250	465 134 250	251 269 890

The capital expenditure amounts to **R 204 million** which is 44 % of the capital budget, after a period of five months.

CAPITAL EXPENDITURE BY SOURCE	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	223 984 000	223 984 000	142 639 798
Regional Bulk Infrastructure (RBIG)	100 000 000	100 000 000	58 206 533
Water services infrastructure Grant (WSIG)	105 500 000	105 500 000	49 590 042
Rural Roads Asset Managemnt Systems Grant	2 383 000	2 383 000	
Sports Infrastructure Grant	5 588 000	5 588 000	
KwaMajomela Manufacturing	6 613 000	6 613 000	
Indonsa Grant	974 000	974 000	201 200
Other Assets	9 092 250	20 092 250	632 318
<b>Total Operating Expenditure</b>	<b>454 134 250</b>	<b>465 134 250</b>	<b>251 269 890</b>

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

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	223 984 000	223 984 000	162 988 273
Regional Bulk Infrastructure (RBIG)	100 000 000	100 000 000	66 837 250
Water services infrastructure Grant (WSIG)	105 500 000	105 500 000	56 685 366
Rural Roads Asset Managemnt Systems Grant	2 383 000	2 383 000	
Sports Infrastructure Grant	5 588 000	5 588 000	
KwaMajomela Manufacturing	6 613 000	6 613 000	
<b>Total Capital Grant Expenditure</b>	<b>444 068 000</b>	<b>444 068 000</b>	<b>286 510 888</b>

**MIG** is sitting at 73%, **RBIG** at 67%, **WSIG** at 54% and **RAMS** at 0%

## Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Total Capital Expenditure</b>		418 865	454 134	405 899	46 939	251 270	210 735	40 535	19%	405 899
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		1 241	14 530	21 735	–	632	10 242	(9 609)	-94%	21 735
Executive and council		–	–	3 500	–	–	1 400	(1 400)	-100%	3 500
Finance and administration		1 241	14 530	18 235	–	632	8 842	(8 209)	-93%	18 235
Internal audit		–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		–	974	847	195	201	443	(241)	-55%	847
Community and social services		–	974	847	195	201	443	(241)	-55%	847
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		–	8 996	7 823	–	–	4 087	(4 087)	-100%	7 823
Planning and development		–	8 996	7 823	–	–	4 087	(4 087)	-100%	7 823
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<b>Trading services</b>		417 624	429 484	375 364	46 744	250 436	195 895	54 541	28%	375 364
Energy sources		–	–	–	–	–	–	–	–	–
Water management		417 624	429 484	375 364	46 744	250 436	195 895	54 541	28%	375 364
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
<b>Other</b>		–	150	130	–	–	68	(68)	-100%	130
<b>Total Capital Expenditure - Functional Classification</b>	3	418 865	454 134	405 899	46 939	251 270	210 735	40 535	19%	405 899
<b>Funded by:</b>										
National Government		407 237	431 867	375 537	46 744	250 436	196 218	54 219	28%	375 537
Provincial Government		8 360	13 175	11 457	195	201	5 986	(5 785)	-97%	11 457
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>		415 596	445 042	386 993	46 939	250 638	202 204	48 434	24%	386 993
<b>Borrowing</b>	6	–	–	–	–	–	–	–	–	–
<b>Internally generated funds</b>		3 269	9 092	18 906	–	632	8 531	(7 899)	-93%	18 906
<b>Total Capital Funding</b>		418 865	454 134	405 899	46 939	251 270	210 735	40 535	19%	405 899

## **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 31 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's 2020/2021 budget, actual financial performance, actual capital expenditure, actual financial position, and actual cashflow as implemented by the Accounting officer in terms of S62 of the MFMA.

Below are tables as per Schedule C for **November 2020**.

### **Table C1 – Monthly Budget Statement Summary**



DC26 Zululand - Table C1 Monthly Budget Statement Summary - M06 December

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	–	–	–	–	–	–		–
Service charges	37 712	52 507	52 507	3 823	20 290	26 254	(5 964)	-23%	52 507
Investment revenue	4 760	5 000	5 000	39	1 704	2 500	(796)	-32%	5 000
Transfers and subsidies	485 800	515 221	576 644	–	231 630	282 180	(50 550)	-18%	576 644
Other own revenue	1 236	1 200	1 200	169	293	600	(307)	-51%	1 200
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>529 507</b>	<b>573 928</b>	<b>635 351</b>	<b>4 031</b>	<b>253 916</b>	<b>311 533</b>	<b>(57 618)</b>	<b>-18%</b>	<b>635 351</b>
Employee costs	219 973	223 466	225 466	18 957	113 025	112 534	491	0%	225 466
Remuneration of Councillors	8 372	8 350	8 350	699	4 278	4 175	102	2%	8 350
Depreciation & asset impairment	77 826	62 886	62 886	–	26 202	31 443	(5 240)	-17%	62 886
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	33 666	32 142	30 877	6 253	15 595	15 233	361	2%	30 877
Transfers and subsidies	6 401	10 852	13 251	1 741	8 282	6 386	1 896	30%	13 251
Other expenditure	360 116	226 166	275 280	35 840	157 559	129 476	28 083	22%	275 280
<b>Total Expenditure</b>	<b>706 354</b>	<b>563 862</b>	<b>616 110</b>	<b>63 489</b>	<b>324 940</b>	<b>299 247</b>	<b>25 694</b>	<b>9%</b>	<b>616 110</b>
<b>Surplus/(Deficit)</b>	<b>(176 847)</b>	<b>10 066</b>	<b>19 241</b>	<b>(59 459)</b>	<b>(71 025)</b>	<b>12 287</b>	<b>(83 311)</b>	<b>-678%</b>	<b>19 241</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	491 852	444 068	444 068	–	229 301	222 034	7 267	3%	444 068
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	8 360	–	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>323 365</b>	<b>454 134</b>	<b>463 309</b>	<b>(59 459)</b>	<b>158 276</b>	<b>234 321</b>	<b>(76 045)</b>	<b>-32%</b>	<b>463 309</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>323 365</b>	<b>454 134</b>	<b>463 309</b>	<b>(59 459)</b>	<b>158 276</b>	<b>234 321</b>	<b>(76 045)</b>	<b>-32%</b>	<b>463 309</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>418 865</b>	<b>454 134</b>	<b>405 899</b>	<b>46 939</b>	<b>251 270</b>	<b>210 735</b>	<b>40 535</b>	<b>19%</b>	<b>405 899</b>
Capital transfers recognised	415 596	445 042	386 993	46 939	250 638	202 204	48 434	24%	386 993
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	3 269	9 092	18 906	–	632	8 531	(7 899)	-93%	18 906
<b>Total sources of capital funds</b>	<b>418 865</b>	<b>454 134</b>	<b>405 899</b>	<b>46 939</b>	<b>251 270</b>	<b>210 735</b>	<b>40 535</b>	<b>19%</b>	<b>405 899</b>
<b>Financial position</b>									
Total current assets	106 612	117 837	187 261		234 941				187 261
Total non current assets	3 937 998	4 624 242	4 576 007		4 163 066				4 576 007
Total current liabilities	216 914	138 612	214 612		412 034				214 612
Total non current liabilities	55 198	45 000	45 000		55 198				45 000
Community wealth/Equity	3 577 492	4 564 843	4 499 033		3 735 266				4 499 033
<b>Cash flows</b>									
Net cash from (used) operating	–	528 285	518 265	236 213	634 868	259 133	(375 735)	-145%	518 265
Net cash from (used) investing	–	(439 834)	(450 834)	(46 939)	(251 270)	(225 417)	25 853	-11%	(450 834)
Net cash from (used) financing	(3 612)	(3 612)	(3 612)	(301)	(301)	(1 806)	(1 505)	83%	(3 612)
<b>Cash/cash equivalents at the month/year end</b>	<b>8 866</b>	<b>111 291</b>	<b>76 932</b>	<b>–</b>	<b>395 587</b>	<b>31 910</b>	<b>(363 677)</b>	<b>-1140%</b>	<b>63 819</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	8 079	3 850	3 778	9 530	4 997	2 254	10 857	101 722	145 068
<b>Creditors Age Analysis</b>									
Total Creditors	1 690	3 628	3 769	14 694	–	–	–	–	23 780

**DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December**

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>471 993</b>	<b>515 837</b>	<b>577 260</b>	<b>202</b>	<b>228 612</b>	<b>282 488</b>	<b>(53 876)</b>	<b>-19%</b>	<b>577 260</b>
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		471 993	515 837	577 260	202	228 612	282 488	(53 876)	-19%	577 260
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>2 507</b>	<b>1 911</b>	<b>1 911</b>	<b>-</b>	<b>10</b>	<b>956</b>	<b>(946)</b>	<b>-99%</b>	<b>1 911</b>
Community and social services		2 507	1 911	1 911	-	-	956	(956)	-100%	1 911
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	10	-	10	#DIV/0!	-
<i><b>Economic and environmental services</b></i>		<b>9 054</b>	<b>8 996</b>	<b>8 996</b>	<b>-</b>	<b>-</b>	<b>4 498</b>	<b>(4 498)</b>	<b>-100%</b>	<b>8 996</b>
Planning and development		9 054	8 996	8 996	-	-	4 498	(4 498)	-100%	8 996
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>546 165</b>	<b>491 252</b>	<b>491 252</b>	<b>3 829</b>	<b>254 595</b>	<b>245 626</b>	<b>8 968</b>	<b>4%</b>	<b>491 252</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		535 708	480 113	480 113	2 937	249 537	240 056	9 480	4%	480 113
Waste water management		10 457	11 140	11 140	892	5 058	5 570	(512)	-9%	11 140
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1 029 719</b>	<b>1 017 996</b>	<b>1 079 419</b>	<b>4 031</b>	<b>483 216</b>	<b>533 567</b>	<b>(50 351)</b>	<b>-9%</b>	<b>1 079 419</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>213 844</b>	<b>247 966</b>	<b>273 852</b>	<b>17 478</b>	<b>119 518</b>	<b>133 187</b>	<b>(13 670)</b>	<b>-10%</b>	<b>273 852</b>
Executive and council		40 055	36 873	42 492	4 476	24 890	20 576	4 315	21%	42 492
Finance and administration		173 789	211 093	231 360	13 002	94 627	112 612	(17 984)	-16%	231 360
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>18 249</b>	<b>22 844</b>	<b>22 969</b>	<b>2 566</b>	<b>8 975</b>	<b>11 391</b>	<b>(2 416)</b>	<b>-21%</b>	<b>22 969</b>
Community and social services		7 397	11 158	11 283	1 636	3 517	5 557	(2 039)	-37%	11 283
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		10 852	11 686	11 686	931	5 457	5 834	(377)	-6%	11 686
<i><b>Economic and environmental services</b></i>		<b>25 798</b>	<b>20 502</b>	<b>21 512</b>	<b>1 812</b>	<b>9 824</b>	<b>10 443</b>	<b>(619)</b>	<b>-6%</b>	<b>21 512</b>
Planning and development		25 798	20 502	21 512	1 812	9 824	10 443	(619)	-6%	21 512
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>440 701</b>	<b>264 596</b>	<b>289 123</b>	<b>40 939</b>	<b>182 908</b>	<b>140 096</b>	<b>42 812</b>	<b>31%</b>	<b>289 123</b>
Energy sources		(655)	-	-	-	-	-	-	-	-
Water management		437 731	260 968	285 495	40 622	181 117	138 282	42 835	31%	285 495
Waste water management		3 625	3 628	3 628	317	1 791	1 814	(23)	-1%	3 628
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>		<b>7 762</b>	<b>7 954</b>	<b>8 654</b>	<b>694</b>	<b>3 715</b>	<b>4 129</b>	<b>(414)</b>	<b>-10%</b>	<b>8 654</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>706 354</b>	<b>563 862</b>	<b>616 110</b>	<b>63 489</b>	<b>324 940</b>	<b>299 247</b>	<b>25 694</b>	<b>9%</b>	<b>616 110</b>
<b>Surplus/ (Deficit) for the year</b>		<b>323 365</b>	<b>454 134</b>	<b>463 309</b>	<b>(59 459)</b>	<b>158 276</b>	<b>234 321</b>	<b>(76 045)</b>	<b>-32%</b>	<b>463 309</b>

## **MBRR Table C2 – Monthly Budget Statement Financial Performance (revenue and expenditure by functional classification)**

Table C2 is a view of the actual financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then

classified in terms of each of these functional and the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table C4.

**DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December**

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		942	400	400	–	–	200	(200)	-100.0%	400
Vote 03 - Finance		471 647	509 849	571 272	202	228 612	279 494	(50 882)	-18.2%	571 272
Vote 04 - Community Development		1 911	14 112	14 112	–	10	7 056	(7 046)	-99.9%	14 112
Vote 05 - Planning & Wsa		507 220	441 128	441 128	–	234 284	220 564	13 720	6.2%	441 128
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		37 542	41 368	41 368	2 937	15 253	20 684	(5 431)	-26.3%	41 368
Vote 09 - Waste Water		10 457	11 140	11 140	892	5 058	5 570	(512)	-9.2%	11 140
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - .		–	–	–	–	–	–	–		–
Vote 13 - .		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
<b>Total Revenue by Vote</b>	2	<b>1 029 719</b>	<b>1 017 996</b>	<b>1 079 419</b>	<b>4 031</b>	<b>483 216</b>	<b>533 567</b>	<b>(50 351)</b>	<b>-9.4%</b>	<b>1 079 419</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Council		40 055	36 873	42 492	4 476	24 890	20 576	4 315	21.0%	42 492
Vote 02 - Corporate Services		96 963	76 116	89 437	9 673	46 699	42 682	4 016	9.4%	89 437
Vote 03 - Finance		76 225	132 382	137 549	2 761	46 634	67 917	(21 283)	-31.3%	137 549
Vote 04 - Community Development		35 330	42 919	45 522	4 555	18 647	22 250	(3 602)	-16.2%	45 522
Vote 05 - Planning & Wsa		38 981	29 958	30 968	1 253	5 589	15 211	(9 622)	-63.3%	30 968
Vote 06 - Technical Services		7 894	1 926	1 926	188	1 401	962	439	45.7%	1 926
Vote 07 - Water Purification		47 289	37 554	37 554	4 667	26 468	18 753	7 714	41.1%	37 554
Vote 08 - Water Distribution		360 647	202 507	227 034	35 600	152 822	109 083	43 739	40.1%	227 034
Vote 09 - Waste Water		3 625	3 628	3 628	317	1 791	1 814	(23)	-1.2%	3 628
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - .		–	–	–	–	–	–	–		–
Vote 13 - .		(655)	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
<b>Total Expenditure by Vote</b>	2	<b>706 354</b>	<b>563 862</b>	<b>616 110</b>	<b>63 489</b>	<b>324 940</b>	<b>299 247</b>	<b>25 694</b>	<b>8.6%</b>	<b>616 110</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>323 365</b>	<b>454 134</b>	<b>463 309</b>	<b>(59 459)</b>	<b>158 276</b>	<b>234 321</b>	<b>(76 045)</b>	<b>-32.5%</b>	<b>463 309</b>

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

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

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		27 255	41 368	41 368	2 931	15 232	20 684	(5 452)	-26%	41 368
Service charges - sanitation revenue		10 457	11 140	11 140	892	5 058	5 570	(512)	-9%	11 140
Service charges - refuse revenue								-		
Rental of facilities and equipment		159	200	200	15	73	100	(27)	-27%	200
Interest earned - external investments		4 760	5 000	5 000	39	1 704	2 500	(796)	-32%	5 000
Interest earned - outstanding debtors		27	-	-	6	22	-	22	#DIV/0!	-
Dividends received								-		
Fines, penalties and forfeits		4	100	100	9	11	50	(39)	-78%	100
Licences and permits		-	-	-	-	10	-	10	#DIV/0!	-
Agency services								-		
Transfers and subsidies		485 800	515 221	576 644	-	231 630	282 180	(50 550)	-18%	576 644
Other revenue		1 045	900	900	140	177	450	(273)	-61%	900
Gains		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		529 507	573 928	635 351	4 031	253 916	311 533	(57 618)	-18%	635 351
Expenditure By Type										
Employee related costs		219 973	223 466	225 466	18 957	113 025	112 534	491	0%	225 466
Remuneration of councillors		8 372	8 350	8 350	699	4 278	4 175	102	2%	8 350
Debt impairment		11 751	11 000	14 723	-	-	6 989	(6 989)	-100%	14 723
Depreciation & asset impairment		77 826	62 886	62 886	-	26 202	31 443	(5 240)	-17%	62 886
Finance charges		-	-	-	-	-	-	-		-
Bulk purchases		18 981	23 552	23 552	4 171	11 083	11 469	(386)	-3%	23 552
Other materials		14 685	8 590	7 325	2 082	4 512	3 764	747	20%	7 325
Contracted services		245 654	139 217	171 774	26 136	110 263	79 628	30 636	38%	171 774
Transfers and subsidies		6 401	10 852	13 251	1 741	8 282	6 386	1 896	30%	13 251
Other expenditure		102 673	75 949	88 783	9 704	47 296	42 859	4 437	10%	88 783
Losses		37	-	-	-	-	-	-		-
Total Expenditure		706 354	563 862	616 110	63 489	324 940	299 247	25 694	9%	616 110
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(176 847)	10 066	19 241	(59 459)	(71 025)	12 287	(83 311)	(0)	19 241
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		491 852	444 068	444 068	-	229 301	222 034	7 267	0	444 068
Transfers and subsidies - capital (in-kind - all)		8 360	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		323 365	454 134	463 309	(59 459)	158 276	234 321			463 309
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		323 365	454 134	463 309	(59 459)	158 276	234 321			463 309
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		323 365	454 134	463 309	(59 459)	158 276	234 321			463 309
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		323 365	454 134	463 309	(59 459)	158 276	234 321			463 309

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

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

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

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 01 - Council		-	-	3 500	-	-	1 400	(1 400)	-100%	3 500
Vote 02 - Corporate Services		556	7 870	7 443	-	97	3 816	(3 718)	-97%	7 443
Vote 03 - Finance		686	1 222	6 063	-	535	2 555	(2 020)	-79%	6 063
Vote 04 - Community Development		-	13 175	11 457	195	201	5 986	(5 785)	-97%	11 457
Vote 05 - Planning & Wsa		409 264	431 867	375 537	46 744	250 436	196 218	54 219	28%	375 537
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		8 360	-	1 900	-	-	760	(760)	-100%	1 900
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>4</b>	418 865	454 134	405 899	46 939	251 270	210 735	40 535	19%	405 899
<b>Total Capital Expenditure</b>		<b>418 865</b>	<b>454 134</b>	<b>405 899</b>	<b>46 939</b>	<b>251 270</b>	<b>210 735</b>	<b>40 535</b>	<b>19%</b>	<b>405 899</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>1 241</b>	<b>14 530</b>	<b>21 735</b>	<b>-</b>	<b>632</b>	<b>10 242</b>	<b>(9 609)</b>	<b>-94%</b>	<b>21 735</b>
Executive and council		-	-	3 500	-	-	1 400	(1 400)	-100%	3 500
Finance and administration		1 241	14 530	18 235	-	632	8 842	(8 209)	-93%	18 235
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>-</b>	<b>974</b>	<b>847</b>	<b>195</b>	<b>201</b>	<b>443</b>	<b>(241)</b>	<b>-55%</b>	<b>847</b>
Community and social services		-	974	847	195	201	443	(241)	-55%	847
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>-</b>	<b>8 996</b>	<b>7 823</b>	<b>-</b>	<b>-</b>	<b>4 087</b>	<b>(4 087)</b>	<b>-100%</b>	<b>7 823</b>
Planning and development		-	8 996	7 823	-	-	4 087	(4 087)	-100%	7 823
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>417 624</b>	<b>429 484</b>	<b>375 364</b>	<b>46 744</b>	<b>250 436</b>	<b>195 895</b>	<b>54 541</b>	<b>28%</b>	<b>375 364</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		417 624	429 484	375 364	46 744	250 436	195 895	54 541	28%	375 364
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>150</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>(68)</b>	<b>-100%</b>	<b>130</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>418 865</b>	<b>454 134</b>	<b>405 899</b>	<b>46 939</b>	<b>251 270</b>	<b>210 735</b>	<b>40 535</b>	<b>19%</b>	<b>405 899</b>
<b>Funded by:</b>										
National Government		407 237	431 867	375 537	46 744	250 436	196 218	54 219	28%	375 537
Provincial Government		8 360	13 175	11 457	195	201	5 986	(5 785)	-97%	11 457
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>415 596</b>	<b>445 042</b>	<b>386 993</b>	<b>46 939</b>	<b>250 638</b>	<b>202 204</b>	<b>48 434</b>	<b>24%</b>	<b>386 993</b>
<b>Borrowing</b>	<b>6</b>	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		<b>3 269</b>	<b>9 092</b>	<b>18 906</b>	<b>-</b>	<b>632</b>	<b>8 531</b>	<b>(7 899)</b>	<b>-93%</b>	<b>18 906</b>
<b>Total Capital Funding</b>		<b>418 865</b>	<b>454 134</b>	<b>405 899</b>	<b>46 939</b>	<b>251 270</b>	<b>210 735</b>	<b>40 535</b>	<b>19%</b>	<b>405 899</b>

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

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

DC26 Zululand - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b><u>ASSETS</u></b>						
<b>Current assets</b>						
Cash		12 290	66 967	66 156	105 965	66 156
Call investment deposits		–	–	–	–	–
Consumer debtors		60 931	35 404	35 404	75 684	35 404
Other debtors		28 890	11 467	81 702	47 412	81 702
Current portion of long-term receivables		–	–	–	–	–
Inventory		4 501	4 000	4 000	5 880	4 000
<b>Total current assets</b>		<b>106 612</b>	<b>117 837</b>	<b>187 261</b>	<b>234 941</b>	<b>187 261</b>
<b>Non current assets</b>						
Long-term receivables		–	14 300	14 300	–	14 300
Investments		–	–	–	–	–
Investment property						
Investments in Associate						
Property, plant and equipment		3 937 983	4 608 942	4 557 118	4 163 051	4 557 118
Biological						
Intangible		15	1 000	1 090	15	1 090
Other non-current assets		–	–	3 500	–	3 500
<b>Total non current assets</b>		<b>3 937 998</b>	<b>4 624 242</b>	<b>4 576 007</b>	<b>4 163 066</b>	<b>4 576 007</b>
<b>TOTAL ASSETS</b>		<b>4 044 610</b>	<b>4 742 079</b>	<b>4 763 268</b>	<b>4 398 006</b>	<b>4 763 268</b>
<b><u>LIABILITIES</u></b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		3 612	3 612	3 612	3 619	3 612
Trade and other payables		202 428	120 000	211 000	397 540	211 000
Provisions		10 874	15 000	–	10 874	–
<b>Total current liabilities</b>		<b>216 914</b>	<b>138 612</b>	<b>214 612</b>	<b>412 034</b>	<b>214 612</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		55 198	45 000	45 000	55 198	45 000
<b>Total non current liabilities</b>		<b>55 198</b>	<b>45 000</b>	<b>45 000</b>	<b>55 198</b>	<b>45 000</b>
<b>TOTAL LIABILITIES</b>		<b>272 112</b>	<b>183 612</b>	<b>259 612</b>	<b>467 231</b>	<b>259 612</b>
<b>NET ASSETS</b>	2	<b>3 772 499</b>	<b>4 558 467</b>	<b>4 503 656</b>	<b>3 930 775</b>	<b>4 503 656</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>						
Accumulated Surplus/(Deficit)		3 577 492	4 564 843	4 499 033	3 735 266	4 499 033
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>3 577 492</b>	<b>4 564 843</b>	<b>4 499 033</b>	<b>3 735 266</b>	<b>4 499 033</b>

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

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

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

### **CURRENT ASSETS**

#### **Cash**

Cashbook balance as at 31 December 2020 **R105 million**.

#### **Call Investments Deposits**

The Municipality has Investments amounting to **R100 million**

#### **Consumer debtors**

Consumer debtors include debtors from water and sanitation services, the current balance as at 30 November 2020 is **R75.6 million**

Water Debtors	R30.6 million
Sanitation Debtors	R6.7 million
Eskom Deposits	R14.7 million
Department of Water and Sanitation	R16.7 million
Other Consumer debtors	R6.8 million
<b>Total</b>	<b>R75.6 million</b>

#### **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R30.6 million**. Water debtors are amounts owed by consumers for water services billed.

## **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R6.7 million**. Sanitation debtors are amounts owed by consumers for sewer services billed.

## **Eskom Deposits**

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

## **Department of Water and Sanitation**

Department of Water and sanitation debtor amounts to **R16.7 million**, A large portion of this amount arises from the previous agreement to pay **R700 thousand** per month to settle the historic liability which is currently under court review

## **Other Consumer debtors**

Other consumer debtors amount to **R6.8 million**, these are sundry debtors.

## **Other debtors**

Other debtors amount to **R34 million**, Other debtors consist of VAT Receivable.

## **Inventory**

The current level of inventory is **R5.8 million**.

## **Non-Current Assets**

### **Long term receivables**

The long-term receivables budgeted amount consist of Eskom account Deposits of **R14.3 million** by the end of the financial year. As the Municipalities infrastructure program continues, new connections are made and municipality pays security deposits to Eskom, the actual balance of Eskom deposits is mapped under Consumer debtors.



## Property plant and equipment

Property plant and equipment includes capital acquisition from table C5, and the carrying amount of all asset owned by the municipality, Capital acquisition as per table C5 is **R251 million**, which are additions to property plant and equipment.

## Intangible

The budget of intangible assets is for the acquisition software's and the biometric scanner, current balance of intangible assets is **R15 000**.

## CURRENT AND NON-CURRENT LIABILITIES

### Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, the current balance as at 31 December 2020 is **R 3.6 million**

### Trade and other payables

Trade and other payables are amounts owed by the municipality to service providers. Trade and other payables as at 31 December 2020 are **R397.5 million**.

Retention	R46.7 million
Trade Creditors	R25.5 million
Unspent Conditional Grants	R325 million

### Non-current Provisions

Non-current Provisions amounts to **R55.1 million**, this provision is for employee benefit provision, leave provision and bonus provision.

Employee benefit	R36.9 million
Leave provision	R14.1 million
Bonus provision	R4.1 million

### Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R 3.7 billion**

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates								-		
Service charges		-	-	26 130	1 235	11 109	13 065	(1 956)	-15%	26 130
Other revenue		-	128 130	-	99 976	664 185	-	664 185	#DIV/0!	-
Transfers and Subsidies - Operational		-	515 221	576 644	212 278	446 243	288 322	157 921	55%	576 644
Transfers and Subsidies - Capital		-	444 068	444 068	50 000	336 518	222 034	114 484	52%	444 068
Interest		-	5 000	5 000	39	88	2 500	(2 412)	-96%	5 000
Dividends								-		
<b>Payments</b>										
Suppliers and employees		-	(564 134)	(519 725)	(127 315)	(823 276)	(259 862)	563 413	-217%	(519 725)
Finance charges								-		
Transfers and Grants		-	-	(13 852)	-	-	(6 926)	(6 926)	100%	(13 852)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	528 285	518 265	236 213	634 868	259 133	(375 735)	-145%	518 265
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	14 300	14 300	-	-	7 150	(7 150)	-100%	14 300
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		-	(454 134)	(465 134)	(46 939)	(251 270)	(232 567)	18 703	-8%	(465 134)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	(439 834)	(450 834)	(46 939)	(251 270)	(225 417)	25 853	-11%	(450 834)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		(3 612)	(3 612)	(3 612)	(301)	(301)	(1 806)	1 505	-83%	(3 612)
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		(3 612)	(3 612)	(3 612)	(301)	(301)	(1 806)	(1 505)	83%	(3 612)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		(3 612)	84 838	63 819	188 973	383 297	31 910			63 819
Cash/cash equivalents at beginning:		12 478	26 452	13 113		12 290				
Cash/cash equivalents at month/year end:		8 866	111 291	76 932		395 587	31 910			63 819

## MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

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

### CASHFLOW FROM OPERATING ACTIVITIES

#### Service charges

The Municipality has budgeted to collect **R26 million** on service charges, the estimated collection amount is based on the 50% collection rate. The collection rate is based on previous years actual collection. The Municipality has collected **R11.1 million** from July 2020 – December 2020, which is 43% of the budgeted collection.

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

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

### **Other Revenue**

Other revenue includes receipts from tender fees, hall hiring, fines and forfeits, and office space rental receipts. The population of other is higher than expected, correction will happen in the next reporting period.

### **Transfers and subsidies – Operational**

Transfers and subsidies - Operational are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Operating grants have been received as scheduled. Transfers and subsidies operational are **R446.2 million**.

Equitable share	R 438.5 million
Finance Management Grant	R1.2 million
Expanded public works program	R6.48 million

### **Transfers and subsidies – Capital**

Transfers and subsidies - Capital are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received as scheduled, Transfers and subsidies Capital are **R336.5 million**.

Municipal Infrastructure Grant	R200 million
Regional Bulk Infrastructure Grant	R61 million
Water services Infrastructure grant	R73.8 million
Rural Road asset Management grant	R1.68 million

## **Interest**

Interest on investment is budgeted at **R 5 million**, this estimate is based on previous year interest income, the interest includes interest on investments made and interest on bank balance. Interest is **R88 thousand** and has not populated correctly and will be corrected in the next reporting period. Interest on table C4 is **R1.6 million**.

## **Payments - Suppliers and employees**

The municipality is expecting to spend 100% of what has been budgeted on Table C4, but excluding non-cash items such as depreciation and debt impairment. The municipality has made payment to suppliers and employees of **R823 million**. This amount includes 2019-20 year-end creditors payments of **R130 million**, which is the main reason the 2020-2021 budget is unfunded.

## **Transfers and grants paid**

Transfers and grants payments are currently mapping on payments to suppliers and employees.

## **CASHFLOW FROM INVESTING ACTIVITIES**

### **Payments - Capital Assets**

Capital expenditure is **R251.2 million**, the capital expenditure has also been included under payments to suppliers and employees, MFMA MSCOA circular number 11 issued 04 December 2020 addresses the duplication. Updates will reflect in the next reporting period.

### **Cash and cash equivalents at the end**

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

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 DEBTORS ANALYSIS

#### Debtors age analysis as at 30 November 2020

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description	NT Code	Budget Year 2020/21												Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days				
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	6 539	3 027	9 007	4 434	1 731	2 395	6 942	73 183	107 258	88 685				
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-				
Receivables from Non-exchange Transactions - Property Rates	1400									-	-				
Receivables from Exchange Transactions - Waste Water Management	1500	1 599	796	602	590	535	524	2 894	26 691	34 232	31 235				
Receivables from Exchange Transactions - Waste Management	1600									-	-				
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-				
Interest on Arrear Debtor Accounts	1810	9	3	2	2	2	3	7	177	206	192				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-				
Other	1900	30	7	7	7	7	0	0	4	63	19				
Total By Income Source	2000	8 176	3 833	9 618	5 033	2 277	2 923	9 844	100 055	141 758	120 131	-	-		
2019/20 - totals only										-	-				
Debtors Age Analysis By Customer Group															
Organs of State	2200	1 608	1 145	795	570	134	232	726	7 242	12 451	8 903				
Commercial	2300	1 341	495	2 213	752	363	439	1 661	7 936	15 230	11 182				
Households	2400	5 228	2 193	6 611	3 711	1 750	2 252	7 457	84 877	114 077	100 045				
Other	2500									-	-				
Total By Customer Group	2600	8 176	3 833	9 618	5 033	2 277	2 923	9 844	100 055	141 758	120 131	-	-		

#### Debtors age analysis as at 31 December 2020

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

Description	NT Code	Budget Year 2020/21											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	6 371	3 108	2 988	8 929	4 407	1 718	7 919	74 407	109 846	97 380		79 247	
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									-	-			
Receivables from Exchange Transactions - Waste Management	1600	1 668	726	781	592	581	530	2 927	27 134	34 938	31 764		28 166	
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-			
Interest on Arrear Debtor Accounts	1810	11	3	3	2	2	2	10	177	211	194			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-			
Other	1900	29	13	7	7	7	4	0	4	72	22		7	
Total By Income Source	2000	8 079	3 850	3 778	9 530	4 997	2 254	10 857	101 722	145 068	129 360	-	107 419	
2019/20 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 052	798	1 143	794	568	133	800	7 384	13 673	9 679			
Commercial	2300	1 195	562	481	2 203	746	391	1 802	8 222	15 602	13 364			
Households	2400	4 832	2 489	2 154	6 533	3 683	1 730	8 255	86 116	115 793	106 317		107 419	
Other	2500									-	-			
Total By Customer Group	2600	8 079	3 850	3 778	9 530	4 997	2 254	10 857	101 722	145 068	129 360	-	107 419	

Consumer Debtors are increasing, they went up from **R141.7 million** as at 30 November 2020 to **R145 million** as at 31 December 2020, a **R4 million** increase is observed. The municipality is not collecting everything it is billing.

## 2.2 CREDITORS ANALYSIS

### Creditors age analysis as at 30 November 2020

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description	NT Code	Budget Year 2020/21									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
<b>R thousands</b>											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	4 581	4 476	20 078	513					29 649	
Auditor General	0800									-	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>4 581</b>	<b>4 476</b>	<b>20 078</b>	<b>513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29 649</b>	<b>-</b>

### Creditors age analysis as at 31 December 2020

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

Description	NT Code	Budget Year 2020/21									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
<b>R thousands</b>											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	1 690	3 628	3 769	14 694					23 780	
Auditor General	0800									-	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>1 690</b>	<b>3 628</b>	<b>3 769</b>	<b>14 694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 780</b>	<b>-</b>

Creditors are increasing, they decreased from **R29.6 million** as at 30 November 2020 to **R23.7 million** as at 31 December 2020, a **R5.9 million** decrease is observed.

## 2.3 INVESTMENT PORTFOLIO

### Investments as at 30 November 2020

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<b>Municipality</b>														
Zululand District Municipality - ABSA Bank - 9358935948		N/A	Call Deposit	Yes	Fixed	5.2	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - Standard Bank - 060344970		N/A	Call Deposit	Yes	Fixed	4.55	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - ABSA Bank - 9359535381		N/A	Investment Tracker	Yes	Fixed	4.75	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - ABSA Bank - 9359534911		N/A	Investment Tracker	Yes	Fixed	4.75	N/A	N/A	N/A	35 000		(35 000)		-
<b>Municipality sub-total</b>										260 000	-	(260 000)	-	-
<b>Entities</b>														
														-
														-
														-
														-
<b>Entities sub-total</b>										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2									260 000		(260 000)	-	-

### Investments as at 31 December 2020

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<b>Municipality</b>														
Zululand District Municipality - ABSA Bank - 9358935948		N/A	Call Deposit	Yes	Fixed	5.2	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - Standard Bank - 060344970		N/A	Call Deposit	Yes	Fixed	4.55	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - ABSA Bank - 9359535381		N/A	Investment Tracker	Yes	Fixed	4.75	N/A	N/A	N/A	75 000		(75 000)		-
Zululand District Municipality - ABSA Bank - 9359534911		N/A	Investment Tracker	Yes	Fixed	4.75	N/A	N/A	N/A	35 000		(35 000)		-
Zululand District Municipality - ABSA Bank - 9361850333		N/A	Investment Tracker	Yes	Fixed	4.3	N/A	N/A	N/A	100 000				100 000
<b>Municipality sub-total</b>										360 000	-	(260 000)	-	100 000
<b>Entities</b>														
														-
														-
														-
														-
<b>Entities sub-total</b>										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2									360 000	-	(260 000)	-	100 000

The Municipality has investments amounting to **R100 million**.

## 2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

### Grants Receipts

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		481 439	513 310	574 733	–	231 630	281 224	(49 595)	-17.6%	574 733
Energy Efficiency and Demand Side Management Grant		6 000	–	–	–	–	–	–		–
Equitable Share		464 560	502 849	564 272	–	226 282	275 994	(49 712)	-18.0%	564 272
Expanded Public Works Programme Integrated Grant		8 818	9 261	9 261	–	4 983	4 631	352	7.6%	9 261
Infrastructure Skills Development Grant		–	–	–	–	–	–	–		–
Local Government Financial Management Grant		1 465	1 200	1 200	–	365	600	(235)	-39.2%	1 200
Municipal Disaster Relief Grant		596	–	–	–	–	–	–		–
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–		–
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Water Services Operating Subsidy Grant [Schedule 5B]		–	–	–	–	–	–	–		–
WiFi Grant [Department of Telecommunications and Postal Services]		–	–	–	–	–	–	–		–
<b>Provincial Government:</b>		4 361	1 911	1 911	–	–	956	(956)	-100.0%	1 911
Art Centres Subsidies		–	–	–	–	–	–	–		–
Development Planning and Shared Services		–	–	–	–	–	–	–		–
Environmental Grant		–	–	–	–	–	–	–		–
Specify (Add grant description)		4 361	1 911	1 911	–	–	956	(956)	-100.0%	1 911
Tourism Events		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]		–	–	–	–	–	–	–		–
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
<b>Total Operating Transfers and Grants</b>	5	485 800	515 221	576 644	–	231 630	282 180	(50 550)	-17.9%	576 644
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		491 852	431 867	431 867	–	229 301	215 933	13 367	6.2%	431 867
Expanded Public Works Programme Integrated Grant for Municipalities		–	–	–	–	–	–	–		–
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		225 574	223 984	223 984	–	137 316	111 992	25 324	22.6%	223 984
Municipal Water Infrastructure Grant		–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant		163 774	100 000	100 000	–	51 490	50 000	1 490	3.0%	100 000
Rural Road Asset Management Systems Grant		2 504	2 383	2 383	–	–	1 191	(1 191)	-100.0%	2 383
Water Services Infrastructure Grant		100 000	105 500	105 500	–	40 495	52 750	(12 255)	-23.2%	105 500
<b>Provincial Government:</b>		8 360	12 201	12 201	–	–	6 100	(6 100)	-100.0%	12 201
Specify (Add grant description)		8 360	12 201	12 201	–	–	6 100	(6 100)	-100.0%	12 201
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
<b>Total Capital Transfers and Grants</b>	5	500 212	444 068	444 068	–	229 301	222 034	7 267	3.3%	444 068
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	986 012	959 289	1 020 712	–	460 930	504 214	(43 283)	-8.6%	1 020 712

Grants are received as per transfer schedule and have been received as such.



## Grant Expenditure

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		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:		627 604	488 940	535 640	62 700	297 574	259 867	37 707	14.5%	535 640
Energy Efficiency and Demand Side Management Grant		5 521	–	–	–	–	–	–		–
Equitable Share		586 521	478 359	524 959	61 728	290 891	254 545	36 346	14.3%	524 959
Expanded Public Works Programme Integrated Grant		8 668	9 261	9 261	860	5 977	4 631	1 347	29.1%	9 261
Local Government Financial Management Grant		2 306	1 200	1 200	113	576	594	(18)	-3.1%	1 200
Municipal Disaster Relief Grant		596	120	220	–	130	97	33	33.3%	220
Municipal Infrastructure Grant		20 430	–	–	–	–	–	–		–
Rural Road Asset Management Systems Grant		2 177	–	–	–	–	–	–		–
Water Services Infrastructure Grant		1 384	–	–	–	–	–	–		–
Provincial Government:		3 577	937	2 762	753	950	899	50	5.6%	2 762
Art Centres Subsidies		–	–	–	–	–	–	–		–
Development Planning and Shared Services		–	–	–	–	–	–	–		–
Environmental Grant		–	–	–	–	–	–	–		–
Specify (Add grant description)		3 577	937	2 762	753	950	899	50	5.6%	2 762
Tourism Events		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
KwazuluNatal Provincial Planning and Development Commission		3 469	–	–	–	120	–	120		–
Total operating expenditure of Transfers and Grants:		631 181	489 877	538 402	63 453	298 524	260 766	37 758	14.5%	538 402
Capital expenditure of Transfers and Grants										
National Government:		407 237	431 867	375 537	46 744	250 436	196 218	54 219	27.6%	375 537
Local Government Financial Management Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		176 939	223 984	194 769	19 239	142 640	101 767	40 873	40.2%	194 769
Regional Bulk Infrastructure Grant		143 487	100 000	86 957	13 346	58 207	45 435	12 772	28.1%	86 957
Rural Road Asset Management Systems Grant		–	2 383	2 072	–	–	1 083	(1 083)	-100.0%	2 072
Water Services Infrastructure Grant		86 811	105 500	91 739	14 159	49 590	47 934	1 656	3.5%	91 739
Provincial Government:		8 360	13 175	11 457	195	201	5 986	(5 785)	-96.6%	11 457
Specify (Add grant description)		8 360	13 175	11 457	195	201	5 986	(5 785)	-96.6%	11 457
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
Total capital expenditure of Transfers and Grants		415 596	445 042	386 993	46 939	250 638	202 204	48 434	24.0%	386 993
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 046 777	934 919	925 395	110 392	549 161	462 970	86 191	18.6%	925 395

Most conditional grant expenditure is on track, the variance between year to date actual and year to date budget is minimal. MIG actual expenditure is above year to date budget with **over R40 million**, the current allocation of MIG might be fully spent before the end of the financial year.

## Roll-overs Expenditure

DC26 Zululand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Ref	Budget Year 2020/21				
		Approved Rollover 2019/20	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<b>EXPENDITURE</b>						
<b>Operating expenditure of Approved Roll-overs</b>						
National Government:		-	-	-	-	
					-	
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
<b>Total operating expenditure of Approved Roll-overs</b>		-	-	-	-	
<b>Capital expenditure of Approved Roll-overs</b>						
National Government:		-	-	-	-	
					-	
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
<b>Total capital expenditure of Approved Roll-overs</b>		-	-	-	-	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		-	-	-	-	

No roll-over expenditure has been incurred.

## 2.5 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		10	-	-	-	-	-	-		-
Pension and UIF Contributions		429	448	448	41	250	224	26	12%	448
Medical Aid Contributions		251	267	267	7	41	134	(93)	-69%	267
Motor Vehicle Allowance		1 903	1 818	1 818	160	971	909	62	7%	1 818
Cellphone Allowance		658	653	653	56	345	326	18	6%	653
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		5 121	5 164	5 164	435	2 671	2 582	89	3%	5 164
<b>Sub Total - Councillors</b>		<b>8 372</b>	<b>8 350</b>	<b>8 350</b>	<b>699</b>	<b>4 278</b>	<b>4 175</b>	<b>102</b>	<b>2%</b>	<b>8 350</b>
<b>% increase</b>	4		<b>-0.3%</b>	<b>-0.3%</b>						<b>-0.3%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		6 011	6 442	6 442	416	3 506	3 221	285	9%	6 442
Pension and UIF Contributions		2	64	64	1	5	32	(27)	-84%	64
Medical Aid Contributions		131	144	144	8	65	72	(7)	-10%	144
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		1 505	1 559	1 559	106	899	779	119	15%	1 559
Cellphone Allowance		64	68	68	9	42	34	8	22%	68
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		242	264	264	17	144	132	12	9%	264
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7 954</b>	<b>8 541</b>	<b>8 541</b>	<b>558</b>	<b>4 661</b>	<b>4 271</b>	<b>390</b>	<b>9%</b>	<b>8 541</b>
<b>% increase</b>	4		<b>7.4%</b>	<b>7.4%</b>						<b>7.4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		135 668	151 005	151 005	12 691	74 965	75 503	(538)	-1%	151 005
Pension and UIF Contributions		17 879	19 733	19 733	1 651	9 365	9 867	(502)	-5%	19 733
Medical Aid Contributions		11 222	11 488	11 488	1 031	6 125	5 744	381	7%	11 488
Overtime		(2)	-	-	-	19	-	19	#DIV/0!	-
Performance Bonus		9 291	10 851	10 851	816	4 957	5 426	(468)	-9%	10 851
Motor Vehicle Allowance		6 439	6 425	6 425	572	3 394	3 213	181	6%	6 425
Cellphone Allowance		506	517	517	43	258	258	0	0%	517
Housing Allowances		1 142	1 164	1 164	103	602	582	20	3%	1 164
Other benefits and allowances		12 363	9 042	11 042	1 362	7 739	5 321	2 418	45%	11 042
Payments in lieu of leave		5 465	-	-	25	391	-	391	#DIV/0!	-
Long service awards		1 429	-	-	105	548	-	548	#DIV/0!	-
Post-retirement benefit obligations	2	10 617	4 700	4 700	-	-	2 350	(2 350)	-100%	4 700
<b>Sub Total - Other Municipal Staff</b>		<b>212 019</b>	<b>214 925</b>	<b>216 925</b>	<b>18 399</b>	<b>108 364</b>	<b>108 263</b>	<b>101</b>	<b>0%</b>	<b>216 925</b>
<b>% increase</b>	4		<b>1.4%</b>	<b>2.3%</b>						<b>2.3%</b>
<b>Total Parent Municipality</b>		<b>228 345</b>	<b>231 817</b>	<b>233 817</b>	<b>19 655</b>	<b>117 302</b>	<b>116 709</b>	<b>593</b>	<b>1%</b>	<b>233 817</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>			<b>4 801</b>	<b>2 401</b>						<b>2 401</b>

<b>Board Members of Entities</b>										
Basic Salaries and Wages							-			
Pension and UIF Contributions							-			
Medical Aid Contributions							-			
Overtime							-			
Performance Bonus							-			
Motor Vehicle Allowance							-			
Cellphone Allowance							-			
Housing Allowances							-			
Other benefits and allowances							-			
Board Fees							-			
Payments in lieu of leave							-			
Long service awards							-			
Post-retirement benefit obligations							-			
<b>Sub Total - Board Members of Entities</b>	2	-	-	-	-	-	-			-
<b>% increase</b>	4									
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages							-			
Pension and UIF Contributions							-			
Medical Aid Contributions							-			
Overtime							-			
Performance Bonus							-			
Motor Vehicle Allowance							-			
Cellphone Allowance							-			
Housing Allowances							-			
Other benefits and allowances							-			
Payments in lieu of leave							-			
Long service awards							-			
Post-retirement benefit obligations	2						-			
<b>Sub Total - Senior Managers of Entities</b>	2	-	-	-	-	-	-			-
<b>% increase</b>	4									
<b>Other Staff of Entities</b>										
Basic Salaries and Wages							-			
Pension and UIF Contributions							-			
Medical Aid Contributions							-			
Overtime							-			
Performance Bonus							-			
Motor Vehicle Allowance							-			
Cellphone Allowance							-			
Housing Allowances							-			
Other benefits and allowances							-			
Payments in lieu of leave							-			
Long service awards							-			
Post-retirement benefit obligations							-			
<b>Sub Total - Other Staff of Entities</b>	4	-	-	-	-	-	-			-
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-			-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		228 345	231 817	233 817	19 655	117 302	116 709	593	1%	233 817
<b>% increase</b>	4		1.5%	2.4%						2.4%
<b>TOTAL MANAGERS AND STAFF</b>		219 973	223 466	225 466	18 957	113 025	112 534	491	0%	225 466

## 2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

Ref	Description	Adjusted Budget	YearTD actual	YearTD budget	Variance	%	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>Revenue By Source</b>							
	Service charges - water revenue	41 368	15 232	20 684	(5 452)	-26%	Service charges – Water revenue is amounts billed on customers for water used, the year-to-date actual is R15.2 million, which is below year-to-date budget of R20.6 million. An unfavourable variance of R5.4 million is observed.	Most of the consumers are billed on estimate, because there are no meters. Challenge is the sources of funds to procure metres, the municipality has appointed a service provider that will assist in finding grant/loan that will be used for the procurement of metres.
	Service charges - sanitation revenue	11 140	5 058	5 570	(512)	-9%	Service charges – Sanitation revenue is amounts billed on customers that are connected to the sewer system, the year-to-date actual is R5.05 million which is slightly below year to budget of R5.5 million. An unfavourable variance of R512 thousand is observed.	Sewer charge is fixed, but businesses and government are charged an additional sewer excess if they use more than 40kl of water per month. Since the municipality is facing metering problem sewer access is not accurately charged. Challenge is the sources of funds, the municipality has appointed a service provider that will assist in finding grant/loan that will be used for the procurement of metres.
	Rental of facilities and equipment	200	73	100	(27)	-27%	Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is R73 thousand which is below year-to-date budget of R100 thousand. An unfavourable variance of R27 thousand is observed.	Budget was overstated, monthly billing per month is R 14 914, adjustment will be done on the adjustment budget.
	Interest earned - external investments	5 000	1 704	2 500	(796)	-32%	Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is R1.7 million, which is below year-to-date budget of R2.5 million. An unfavourable variance of R796 thousand is observed.	
	Interest earned - outstanding debtors	–	22	–	22		Interest earned - outstanding debtors is charged on businesses for accounts in arrears, budgeted amount will be estimated in the adjustment budget.	budget allocation will be allocated on the adjustment budget. This interest arise from outstanding debtors from businesses
	Fines, penalties and forfeits	100	11	50	(39)	-78%	Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is R10 thousand, the year-to-date budget is R50 thousand. An unfavourable variance of R39 thousand is observed. There was over budgeting of fines, penalties and forfeits, mid-year and performance assessment will recommend adjustment to be done on the adjustment budget.	there was over budgeting of fines, penalties and forfeits, adjustment will be done on the adjustment budget
	Licences and permits	–	10	–	10			Budget allocation for this line item will be inputted in the next
	Transfers and subsidies	576 644	231 630	282 180	(50 550)	-18%	Transfers and subsidies (grants) include amounts gazetted as per Division of Revenue act (DoRA), 2020. 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 recognised as revenue year to date actual is R253 million, which is below year-to-date budget of R311 million.	
	Other revenue	900	177	450	(273)	-61%	Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is R177 thousand, which is below year-to-date budget of R450 thousand. An unfavourable variance of R273 thousand is observed.	Other Revenue comprises a large portion of tender fees sold, so far the municipality has not sold tender documents. During mid-year assessment it will be determined whether an adjustment is required or not
2	<b>Expenditure By Type</b>							
	Employee related costs	225 466	113 025	112 534	491	0%	Employee related costs year to date actual is R113 million, the year-to-date budget is R112 million, an unfavourable variance of R491 thousand is observed.	
	Remuneration of councillors	8 350	4 278	4 175	102	2%	Remuneration of Councillors year to date actual is R4.2 million, the year-to-date budget is R4.1 million, an unfavourable variance of R102 thousand is observed.	
	Debt impairment	14 723	–	6 989	(6 989)	-100%	This is the provision for doubtful debts as a result of a non-collection. No provision for doubtful debts has been recorded, Assessment and provision for bad debts is done at year end.	Assessment and provision for bad debts is done at year end
	Depreciation & asset impairment	62 886	26 202	31 443	(5 240)	-17%	This is non-cash item budgeted for as per the stipulation of the accounting standards. The year to date actual is R26.2 million. The year-to-date budget is R31.4 million. A favorable variance of R5.2 million is observed.	Estimated depreciation is posted quarterly pending audit outcome where actual depreciation will be posted after AFS have been audited
	Finance charges	–	–	–	–			
	Bulk purchases	23 552	11 083	11 469	(386)	-3%	Bulk purchases water from the Department of Water and Sanitation and other independent water producers. The year-to-date actual is R11 million, the year-to-date budget is R11.4 million, a favorable variance of R306 thousand is observed. Bulk water purchases expenditure is based on amount/volume of water extracted for purification.	Bulk water purchases expenditure is based on amount/volume of water extracted. The midyear and performance assessment will determine whether we need to adjust
	Other materials	7 200	4 512	3 764	747	20%	Other materials year to date actual is R4.5 million, the year-to-date budget is R3.7 million, an unfavourable variance of R747 thousand is observed.	
	Contracted services	169 246	110 263	79 628	30 636	38%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R110 million which is above year to date budget of R79.6 million, an unfavourable variance of R30.6 million is observed. (This can be seen as an indication of possible unauthorised expenditure at year end)	
	Transfers and subsidies	13 202	8 282	6 386	1 896	30%	Transfers and subsidies year to date actual is R8.2 million, the year-to-date budget is R6.3 million, an unfavourable variance of R1.8 million is observed.	
	Other expenditure	91 360	47 296	42 859	4 437	10%	Other expenditure year to date actual is R47.2 million, the year-to-date budget is R42.8 million, an unfavourable variance of R4.4 million is observed.	
3	<b>Capital Expenditure</b>							
	Vote 01 - Council	3 500	–	1 400	(1 400)	-100%	Procurement process	
	Vote 02 - Corporate Services	7 443	97	3 816	(3 718)	-97%	Procurement process	
	Vote 03 - Finance	6 063	535	2 555	(2 020)	-79%	Procurement process for meter	
	Vote 04 - Community Development	11 457	201	5 986	(5 785)	-97%	Procurement process for Kwamajomela project	
	Vote 05 - Planning & W&S	375 537	250 436	196 218	54 219	28%	Spending on Capital grants is above year to date budget	
	Vote 06 - Technical Services	–	–	–	–			
	Vote 07 - Water Purification	–	–	–	–			
	Vote 08 - Water Distribution	1 900	–	760	(760)	-100%	Procurement process	
	Vote 09 - Waste Water	–	–	–	–			
4	<b>Financial Position</b>							
	Client elected not to populate this sheet							
5	<b>Cash Flow</b>							
	Client elected not to populate this sheet							
6	<b>Measureable performance</b>							
	Client elected not to populate this sheet							
7	<b>Municipal Entities</b>							
	Client elected not to populate this sheet							

## 2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

## 2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

## 2.9 CAPITAL PROGRAMME PERFORMANCE

### Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	53 369	37 845	32 908	75	75	32 908	32 833	99.8%	0%
August	37 995	37 845	32 908	46 591	46 666	65 817	19 150	29.1%	10%
September	53 687	37 845	39 932	67 762	114 429	105 748	(8 680)	-8.2%	25%
October	24 109	37 845	39 932	42 474	156 903	145 680	(11 223)	-7.7%	35%
November	43 003	37 845	32 527	47 428	204 331	178 208	(26 123)	-14.7%	45%
December	44 104	37 845	32 527	46 939	251 270	210 735	(40 535)	-19.2%	55%
January	10 460	37 845	32 527	–		243 262	–		
February	42 909	37 845	32 527	–		275 790	–		
March	21 893	37 845	32 527	–		308 317	–		
April	27 545	37 845	32 527	–		340 845	–		
May	30 209	37 845	32 527	–		373 372	–		
June	52 360	37 845	32 527	–		405 899	–		
<b>Total Capital expenditure</b>	<b>441 642</b>	<b>454 134</b>	<b>405 899</b>	<b>251 270</b>					

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

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

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

[illegible]

LV Networks						-		
Capital Spares						-		
Coastal Infrastructure	-	-	-	-	-	-		-
Sand Pumps						-		
Piers						-		
Revetments						-		
Promenades						-		
Capital Spares						-		
Information and Communication Infrastructure	-	-	-	-	-	-		-
Data Centres						-		
Core Layers						-		
Distribution Layers						-		
Capital Spares						-		
<b>Community Assets</b>	-	12 201	10 610	-	-	5 544	5 544	100.0%
Community Facilities	-	6 613	5 750	-	-	3 005	3 005	100.0%
Halls						-		
Centres	-	6 613	5 750	-	-	3 005	3 005	100.0%
Crèches						-		
Clinics/Care Centres						-		
Fire/Ambulance Stations						-		
Testing Stations						-		
Museums						-		
Galleries						-		
Theatres						-		
Libraries						-		
Cemeteries/Crematoria						-		
Police						-		
Purls						-		
Public Open Space						-		
Nature Reserves						-		
Public Ablution Facilities						-		
Markets						-		
Stalls						-		
Abattoirs						-		
Airports						-		
Taxi Ranks/Bus Terminals						-		
Capital Spares						-		
Sport and Recreation Facilities	-	5 588	4 859	-	-	2 539	2 539	100.0%
Indoor Facilities						-		
Outdoor Facilities	-	5 588	4 859	-	-	2 539	2 539	100.0%
Capital Spares						-		
<b>Heritage assets</b>	-	-	3 500	-	-	1 400	1 400	100.0%
Monuments						-		
Historic Buildings						-		
Works of Art	-	-	3 500	-	-	1 400	1 400	100.0%
Conservation Areas						-		
Other Heritage						-		
<b>Investment properties</b>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Improved Property						-		
Unimproved Property						-		
Non-revenue Generating	-	-	-	-	-	-	-	-
Improved Property						-		
Unimproved Property						-		
<b>Other assets</b>	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-
Municipal Offices						-		
Pay/Enquiry Points						-		



Building Plan Offices							-			
Workshops							-			
Yards							-			
Stores							-			
Laboratories							-			
Training Centres							-			
Manufacturing Plant							-			
Depots							-			
Capital Spares							-			
Housing	-	-	-	-	-	-	-		-	
Staff Housing							-			
Social Housing							-			
Capital Spares							-			
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-		-	
Biological or Cultivated Assets							-			
<b>Intangible Assets</b>	13	1 000	1 090	-	-	564	564	100.0%	1 090	
Servitudes							-			
Licences and Rights	13	1 000	1 090	-	-	564	564	100.0%	1 090	
Water Rights							-			
Effluent Licenses							-			
Solid Waste Licenses							-			
Computer Software and Applications	13	1 000	1 090	-	-	564	564	100.0%	1 090	
Load Settlement Software Applications							-			
Unspecified							-			
<b>Computer Equipment</b>	458	5 222	6 321	-	535	3 063	2 528	82.5%	6 321	
Computer Equipment	458	5 222	6 321	-	535	3 063	2 528	82.5%	6 321	
<b>Furniture and Office Equipment</b>	82	120	104	-	97	55	(43)	-78.3%	104	
Furniture and Office Equipment	82	120	104	-	97	55	(43)	-78.3%	104	
<b>Machinery and Equipment</b>	688	1 124	2 877	195	201	1 271	1 069	84.2%	2 877	
Machinery and Equipment	688	1 124	2 877	195	201	1 271	1 069	84.2%	2 877	
<b>Transport Assets</b>	8 360	2 600	2 861	-	-	1 421	1 421	100.0%	2 861	
Transport Assets	8 360	2 600	2 861	-	-	1 421	1 421	100.0%	2 861	
<b>Land</b>	-	-	-	-	-	-	-		-	
Land							-			
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-		-	
Zoo's, Marine and Non-biological Animals							-			
<b>Total Capital Expenditure on new assets</b>	1	418 865	454 134	405 899	46 939	251 270	210 735	(40 535)	-19.2%	405 899

## 2.10 OTHER SUPPORTING DOCUMENTS

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

## 2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES

The Municipality does not have any entities.

## 2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

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

  
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P.M. Manqele

Municipal Manager

Zululand District Municipality (DC26)

Date: 14-01-2021