

# **ZULULAND DISTRICT MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED**

**31 JULY 2022**

**MFMA S71 REPORT**

**2022/2023 FINANCIAL YEAR**

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## GLOSSARY

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

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

**AFS** – Annual Financial Statements.

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

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

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

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

**CFO** – Chief Financial Officer

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

**DWAF** – Department of Water Affairs

**EPWP** – Expanded Public Works Program

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

**FMG** – Financial Management Grant

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

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

**MSCOA** – Municipal Standard Chart of Accounts

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

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

**LED** – Local Economic Development

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

**MIG** – Municipal Infrastructure Grant

**MSIG** – Municipal Systems Improvement Grant

**WSIG** – Water services Infrastructure Grant

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

**MWIG** – Municipal Water Infrastructure Grant

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

**R & M** – Repairs and Maintenance

**SCM** - Supply Chain Management

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

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

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

**Virement** – transfer of budget

**ZDM** – Zululand District Municipality

## **PART 1 – IN-YEAR REPORT**

### **1.1. MAYORS REPORT**

To be attached

### **1.2. COUNCIL RESOLUTION**

The Monthly budget statement review be noted.

### **1.3. EXECUTIVE SUMMARY**

#### **BUDGET PERFORMANCE ANALYSIS**

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

#### **Summary Statement of Financial Performance**

	<b>APPROVED BUDGET</b>	<b>YTD ACTUAL</b>
Total Revenue By Source (Excluding Capital Transfers)	688 934 986	233 481 484
Total Operating Expenditure	626 160 559	22 903 706
<b>Surplus/(Deficit)</b>	<b>62 774 427</b>	<b>210 577 778</b>

#### **Operating Revenue Performance**

Total operating revenue generated by the Municipality as at **31 July 2022** is **R233.4 million** which is **34%** of the total operating revenue budget, this amount comprise of equitable share and other operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Operating revenue is explained by source in Section 1.4 Operating Revenue Performance.

The Municipality is largely dependent on government grants for its operations, service charges revenue recognized is only **R4.4 million** which is **1.9%** of the total generated operating revenue.

## Operating Expenditure Performance

Total Operating Expenditure as at **31 July 2022** is **R22.9 million** which is **4%** of the operating expenditure budget. Operating expenditure is explained by source in Section 1.5 Operating Expenditure Performance.

## Capital Expenditure and Funding

### Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	YTD ACTUAL
Total Capital Expenditure	380 723 390	6 268 063
Total Capital Financing	380 723 390	6 268 063

Total Capital Expenditure as at **31 July 2022** is **R6.3 million** inclusive of VAT which is **2%** of the capital budget. Capital expenditure is explained by source in Section 1.6 Capital Expenditure and Funding.

### Major Variances between actuals and year to date budget`

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

On Revenue there seem to be major variances between year-to-date budget and year to date actual, these variances are on interest on investments, Service charges, Fines, penalties and forfeits, transfers and subsidies and other revenue, this is due to that some revenue streams will tap in the upcoming months in the financial year.

Major variances on expenditure are on inventory consumed, employee related cost, contracted services, transfers and subsidies, debt impairment and depreciation. These expenditure items will pick up as the financial year progresses.

The Financial Performance indicate a surplus of **R210.5 million**, this means the Municipality was able to generate enough revenue to cover all expenses for the period being reported.

## 1.4. OPERATING REVENUE PERFORMANCE

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		38 399	68 000	68 000	3 207	3 207	5 667	(2 459)	-43%	68 000
Service charges - sanitation revenue		12 513	12 500	12 500	1 264	1 264	1 042	222	21%	12 500
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	183	17	17	15	1	8%	183
Interest earned - external investments		3 705	6 000	6 000	-	-	500	(500)	-100%	6 000
Interest earned - outstanding debtors		288	85	85	11	11	7	4	62%	85
Dividends received								-		
Fines, penalties and forfeits		202	150	150	10	10	12	(3)	-20%	150
Licences and permits		-	-	-	1	1	-	1	#DIV/0!	-
Agency services								-		
Transfers and subsidies		537 979	601 306	601 306	228 692	228 692	50 109	178 583	356%	601 306
Other revenue		654	711	711	280	280	59	220	372%	711
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		593 975	688 935	688 935	233 481	233 481	57 411	176 070	307%	688 935

The year-to-date actual indicates operating revenue of **R233 million** for **one month**, the year-to-date budget is **R57 million**. A variance of **R176 million** or **307%** is observed. The total revenue to-date represents **22%** of the operating revenue budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

### Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R3.2 million**, which is below year-to-date budget of **R5.6 million**. A variance of **R2.4 million** or **43%** is observed.

### Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R1.2 million** which is above year to date budget of **R1.04 million**. A variance of **R222 thousand** or **21%** 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 **R17 thousand** which is above year-to-date budget of **R15 thousand**. A variance of **R1 thousand** or **8%** is observed. There has been an increase on rental facilities that was effected after the budget has been approved which resulted in a higher collection than budgeted year to date.

## Interest on investment

Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is **R0 million**, which is below year-to-date budget of **R500 thousand**. A variance of **R500 thousand** or **100%** is observed. The municipality did made investments but interest is expected to be collected on the following month.

## Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R11 thousand**, which is above to year-to-date budget of **R7 thousand**. variance of **R4 thousand** or **62%** is observed.

## Fines, penalties and forfeits

Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is **R10 thousand**, which is below the year-to-date budget of **R12 thousand**. A variance of **R3 thousand** or **20%** is observed.

## Licences and permits

This amount is for health certificates issued, the year-to-date actual is **R1 thousand**, the year-to-date budget is **R0**. A variance of **R1 thousand** or is observed.

## Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2021; and provincial gazette, Transfers and subsidies is revenue recognized as operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Transfers and subsidies (Grants) are recognised/recorded as revenue when condition has been met, except for equitable share, which is not a conditional grant.



Transfers and subsidies year to date actual is **R228.6 million**, which is above year-to-date budget of **R50 million**. A variance of **R178.5 million** or **356%** is observed. This receipt is only for equitable share which we receive in three trenches per financial year.

## 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 **R280 thousand**, which is above year-to-date budget of **R59 thousand**. A variance of **R220 thousand** or **372%** is observed.

## 1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Expenditure By Type</b>										
Employee related costs		258 302	268 152	268 152	9 910	9 910	22 346	(12 436)	-56%	268 152
Remuneration of councillors		8 638	8 771	8 771	690	690	731	(41)	-6%	8 771
Debt impairment		–	14 000	14 000	–	–	1 167	(1 167)	-100%	14 000
Depreciation & asset impairment		97 843	80 000	80 000	–	–	6 667	(6 667)	-100%	80 000
Finance charges		–	–	–	–	–	–	–		–
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		25 612	33 320	33 500	24	24	2 792	(2 768)	-99%	33 500
Contracted services		244 468	106 388	103 909	3 356	3 356	8 659	(5 303)	-61%	103 909
Transfers and subsidies		11 295	3 070	2 070	–	–	173	(173)	-100%	2 070
Other expenditure		125 094	112 460	117 911	8 924	8 924	9 826	(902)	-9%	117 911
Losses		1 264	–	–	–	–	–	–		–
<b>Total Expenditure</b>		<b>772 516</b>	<b>626 161</b>	<b>628 313</b>	<b>22 904</b>	<b>22 904</b>	<b>52 360</b>	<b>(29 456)</b>	<b>-56%</b>	<b>628 313</b>

The year-to-date actual indicates spending of **R22.9 million** for **one month**. The total expenditure to-date represents **8.3%** of the approved operational budget.

## Employee Related Costs

Employee related costs year to date actual is **R9.9 million**, which is below the year-to-date budget of **R22.3 million**, a variance of **R12.4 million** or **56%** is observed. Expenditure of employee relation is actually **R22 million**

## Remuneration of Councilors

Remuneration of Councilors year to date actual is **R690 thousand**, which is below the year-to-date budget is **R731 thousand**, a variance of **R41 thousand** or **6%** is observed.

### **Debt impairment**

Debt impairment is the amount for provision for bad debts as per council policy. Provision for bad debts assessment and calculation is done at year end. We will start recognizing depreciation after audit outcome because they might be change after audit outcome.

### **Depreciation**

This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is **R0**. The year-to-date budget is **R6.6 million**. A variance of **R6.6 million** or **100%** is observed. We will start recognizing depreciation after audit outcome because they might be change after audit outcome.

### **Bulk purchases - electricity**

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

### **Inventory Consumed**

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable stores (cleaning materials, stationery, water stock and materials and supplies), the year to date actual is **R24 thousand**, which is below the year-to-date budget of **R2.7 million**, a variance of **R2.7 million** or **99%** is observed

### **Contracted services**

### **Transfers and subsidies paid**

Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support businesses. The year-to-date actual is **R0**, the year-to-date budget is **R173 thousand**, a variance of **R173 thousand** or **100%** is observed.

### **Other expenditure**

Other expenditure year to date actual is **R8.9 million**, the year-to-date budget is **R9.8 million**, a variance of **R902 thousand** or **9%** is observed. Expense incurred under other expenditure are

## Operating Grants Expenditure Performance

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

<b>CONDITIONAL OPERATING GRANTS EXPENDITURE</b>	<b>APPROVED BUDGET</b>	<b>YTD ACTUAL</b>
Finance Management grant	1 200 000	4 443
EPWP Incentive	8 517 000	970 967
Art centre Subsisies (Indonsa Grant)	1 911 000	-
Aviation Strategy	500 000	-
Municipal Systems Improvement Grant	2 787 000	-
<b>Total Operating Grant Expenditure</b>	<b>14 915 000</b>	<b>975 410</b>

## Summary of Revenue and Operational Expenditure Performance

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		38 399	68 000	68 000	3 207	3 207	5 667	(2 459)	-43%	68 000
Service charges - sanitation revenue		12 513	12 500	12 500	1 264	1 264	1 042	222	21%	12 500
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	183	17	17	15	1	8%	183
Interest earned - external investments		3 705	6 000	6 000	-	-	500	(500)	-100%	6 000
Interest earned - outstanding debtors		288	85	85	11	11	7	4	62%	85
Dividends received								-		
Fines, penalties and forfeits		202	150	150	10	10	12	(3)	-20%	150
Licences and permits		-	-	-	1	1	-	1	#DIV/0!	-
Agency services								-		
Transfers and subsidies		537 979	601 306	601 306	228 692	228 692	50 109	178 583	356%	601 306
Other revenue		654	711	711	280	280	59	220	372%	711
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		593 975	688 935	688 935	233 481	233 481	57 411	176 070	307%	688 935
Expenditure By Type										
Employee related costs		258 302	268 152	268 152	9 910	9 910	22 346	(12 436)	-56%	268 152
Remuneration of councillors		8 638	8 771	8 771	690	690	731	(41)	-6%	8 771
Debt impairment		-	14 000	14 000	-	-	1 167	(1 167)	-100%	14 000
Depreciation & asset impairment		97 843	80 000	80 000	-	-	6 667	(6 667)	-100%	80 000
Finance charges		-	-	-	-	-	-	-		-
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		25 612	33 320	33 500	24	24	2 792	(2 768)	-99%	33 500
Contracted services		244 468	106 388	103 909	3 356	3 356	8 659	(5 303)	-61%	103 909
Transfers and subsidies		11 295	3 070	2 070	-	-	173	(173)	-100%	2 070
Other expenditure		125 094	112 460	117 911	8 924	8 924	9 826	(902)	-9%	117 911
Losses		1 264	-	-	-	-	-	-		-
Total Expenditure		772 516	626 161	628 313	22 904	22 904	52 360	(29 456)	-56%	628 313
Surplus/(Deficit)		(178 542)	62 774	60 622	210 578	210 578	5 052	205 526	0	60 622
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		487 478	372 306	372 306	-	-	31 025	(31 025)	(0)	372 306
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		308 936	435 080	432 928	210 578	210 578	36 077			432 928
Taxation								-		
Surplus/(Deficit) after taxation		308 936	435 080	432 928	210 578	210 578	36 077			432 928
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		308 936	435 080	432 928	210 578	210 578	36 077			432 928
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		308 936	435 080	432 928	210 578	210 578	36 077			432 928

## 1.6. CAPITAL EXPENDITURE AND FUNDING

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

- Government Grants
- Internally Generated Funds

The summary report indicates the following: -

	APPROVED BUDGET	YTD ACTUAL
Total Capital Expenditure	380 723 390	6 268 063
Total Capital Financing	380 723 390	6 268 063

The capital expenditure amounts to **R6.2 million** which is **2%** of the capital budget, after a period of **one month**.

CAPITAL EXPENDITURE BY SOURCE	APPROVED BUDGET	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	259 530 000	-
Regional Bulk Infrastructure (RBIG)	15 247 000	1 306 421
Water services infrastructure Grant (WSIG)	95 000 000	3 343 113
Rural Roads Asset Managemnt Systems Grant	2 529 000	-
Indonsa Grant	26 087	-
Other Assets	8 391 303	1 618 529
<b>Total Operating Expenditure</b>	<b>380 723 390</b>	<b>6 268 063</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	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	259 530 000	-
Regional Bulk Infrastructure (RBIG)	15 247 000	1 306 421
Water services infrastructure Grant (WSIG)	95 000 000	3 343 113
Rural Roads Asset Managemnt Systems Grant	2 529 000	-
Indonsa Grant	26 087	-
<b>Total Capital Grant Expenditure</b>	<b>372 332 087</b>	<b>4 649 534</b>

Overall capital grant expenditure is sitting at **1%** of the approved capital budget, **MIG** is sitting at **0%**, **RBIG** at **9%**, **WSIG** at **4%**, **RAMS** at **0%** and **Indonsa Art Centre** at **0%**.

# Capital budget summary

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

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>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		6 594	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		135	3 261	3 261	-	-	272	(272)	-100%	3 261
Vote 03 - Finance		533	478	478	-	-	40	(40)	-100%	478
Vote 04 - Community Development		7 628	26	26	-	-	2	(2)	-100%	26
Vote 05 - Planning & Wsa		527 879	327 657	327 657	5 503	5 503	27 305	(21 802)	-80%	327 657
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	348	348	-	-	29	(29)	-100%	348
Vote 08 - Water Distribution		24 307	391	391	-	-	33	(33)	-100%	391
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>	567 077	332 162	332 162	5 503	5 503	27 680	(22 178)	-80%	332 162
<b>Total Capital Expenditure</b>		567 077	332 162	332 162	5 503	5 503	27 680	(22 178)	-80%	332 162
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		7 262	3 652	3 652	-	-	304	(304)	-100%	3 652
Executive and council		6 594	-	-	-	-	-	-	-	-
Finance and administration		668	3 652	3 652	-	-	304	(304)	-100%	3 652
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		663	70	70	-	-	6	(6)	-100%	70
Community and social services		663	70	70	-	-	6	(6)	-100%	70
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		8 884	6 112	6 112	1 445	1 445	509	936	184%	6 112
Planning and development		8 884	6 112	6 112	1 445	1 445	509	936	184%	6 112
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		550 268	322 284	322 284	4 057	4 057	26 857	(22 800)	-85%	322 284
Energy sources		-	-	-	-	-	-	-	-	-
Water management		550 268	322 284	322 284	4 057	4 057	26 857	(22 800)	-85%	322 284
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	43	43	-	-	4	(4)	-100%	43
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	567 077	332 162	332 162	5 503	5 503	27 680	(22 178)	-80%	332 162
<b>Funded by:</b>										
National Government		527 879	323 744	323 744	4 057	4 057	26 979	(22 921)	-85%	323 744
Provincial Government		31 936	26	26	-	-	2	(2)	-100%	26
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>		559 815	323 770	323 770	4 057	4 057	26 981	(22 923)	-85%	323 770
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	<b>6</b>	7 262	8 391	8 391	1 445	1 445	699	746	107%	8 391
<b>Total Capital Funding</b>		567 077	332 162	332 162	5 503	5 503	27 680	(22 178)	-80%	332 162

## 1.7. IN-YEAR BUDGET TABLES

The following part of in-year reporting presented below focuses on monthly budget statement tables as required in terms of regulation 28 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's 2022/2023 budget, actual financial performance, actual capital expenditure, actual financial position, and actual cashflow as implemented by the accounting officer in terms of S62 of the MFMA.

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

MBRR Table C1 – Monthly Budget Statement Summary

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	50 911	80 500	80 500	4 471	4 471	6 708	(2 237)	-33%	80 500
Investment revenue	3 705	6 000	6 000	-	-	500	(500)	-100%	6 000
Transfers and subsidies	537 979	601 306	601 306	228 692	228 692	50 109	178 583	356%	601 306
Other own revenue	1 379	1 129	1 129	318	318	94	224	238%	1 129
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>593 975</b>	<b>688 935</b>	<b>688 935</b>	<b>233 481</b>	<b>233 481</b>	<b>57 411</b>	<b>176 070</b>	<b>307%</b>	<b>688 935</b>
Employee costs	258 302	268 152	268 152	9 910	9 910	22 346	(12 436)	-56%	268 152
Remuneration of Councillors	8 638	8 771	8 771	690	690	731	(41)	-6%	8 771
Depreciation & asset impairment	97 843	80 000	80 000	-	-	6 667	(6 667)	-100%	80 000
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	25 612	33 320	33 500	24	24	2 792	(2 768)	-99%	33 500
Transfers and subsidies	11 295	3 070	2 070	-	-	173	(173)	-100%	2 070
Other expenditure	370 826	232 848	235 820	12 280	12 280	19 652	(7 372)	-38%	235 820
<b>Total Expenditure</b>	<b>772 516</b>	<b>626 161</b>	<b>628 313</b>	<b>22 904</b>	<b>22 904</b>	<b>52 360</b>	<b>(29 456)</b>	<b>-56%</b>	<b>628 313</b>
<b>Surplus/(Deficit)</b>	<b>(178 542)</b>	<b>62 774</b>	<b>60 622</b>	<b>210 578</b>	<b>210 578</b>	<b>5 052</b>	<b>205 526</b>	<b>4069%</b>	<b>60 622</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	487 478	372 306	372 306	-	-	31 025	###	-100%	372 306
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)	-	-	-	-	-	-	###	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>308 936</b>	<b>435 080</b>	<b>432 928</b>	<b>210 578</b>	<b>210 578</b>	<b>36 077</b>	<b>174 501</b>	<b>484%</b>	<b>432 928</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>308 936</b>	<b>435 080</b>	<b>432 928</b>	<b>210 578</b>	<b>210 578</b>	<b>36 077</b>	<b>174 501</b>	<b>484%</b>	<b>432 928</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>567 077</b>	<b>332 162</b>	<b>332 162</b>	<b>5 503</b>	<b>5 503</b>	<b>27 680</b>	<b>(22 178)</b>	<b>-80%</b>	<b>332 162</b>
Capital transfers recognised	559 815	323 770	323 770	4 057	4 057	26 981	(22 923)	-85%	323 770
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	7 262	8 391	8 391	1 445	1 445	699	746	107%	8 391
<b>Total sources of capital funds</b>	<b>567 077</b>	<b>332 162</b>	<b>332 162</b>	<b>5 503</b>	<b>5 503</b>	<b>27 680</b>	<b>(22 178)</b>	<b>-80%</b>	<b>332 162</b>
<b>Financial position</b>									
Total current assets	1 554 097	338 914	338 914		242 320				338 914
Total non current assets	4 657 068	4 188 965	4 188 965		4 664 320				4 188 965
Total current liabilities	478 910	224 332	224 332		358 693				224 332
Total non current liabilities	33 904	33 904	33 904		33 904				33 904
Community wealth/Equity	4 396 005	3 834 563	3 834 563		4 528 860				3 834 563
<b>Cash flows</b>									
Net cash from (used) operating	472 351	549 645	549 645	-	-	45 804	45 804	100%	549 645
Net cash from (used) investing	(416 731)	(332 162)	(332 162)	-	-	(27 680)	(27 680)	100%	(332 162)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>75 679</b>	<b>290 159</b>	<b>290 159</b>	<b>-</b>	<b>20 468</b>	<b>90 800</b>	<b>70 332</b>	<b>77%</b>	<b>237 951</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	-	-	-	-	-	-	-	-	-
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-



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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>530 556</b>	<b>594 535</b>	<b>594 535</b>	<b>228 991</b>	<b>228 991</b>	<b>49 545</b>	179 446	362%	<b>594 535</b>
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		530 556	594 535	594 535	228 991	228 991	49 545	179 446	362%	594 535
Internal audit		–	–	–	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		<b>2 011</b>	<b>2 011</b>	<b>2 011</b>	<b>1</b>	<b>1</b>	<b>168</b>	(167)	-100%	<b>2 011</b>
Community and social services		2 011	1 911	1 911	–	–	159	(159)	-100%	1 911
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	100	100	1	1	8	(8)	-93%	100
<i><b>Economic and environmental services</b></i>		<b>8 606</b>	<b>5 316</b>	<b>5 316</b>	<b>–</b>	<b>–</b>	<b>443</b>	(443)	-100%	<b>5 316</b>
Planning and development		8 606	5 316	5 316	–	–	443	(443)	-100%	5 316
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i><b>Trading services</b></i>		<b>539 769</b>	<b>458 879</b>	<b>458 879</b>	<b>4 490</b>	<b>4 490</b>	<b>38 240</b>	(33 750)	-88%	<b>458 879</b>
Energy sources		–	–	–	–	–	–	–	–	–
Water management		527 171	446 379	446 379	3 219	3 219	37 198	(33 979)	-91%	446 379
Waste water management		12 598	12 500	12 500	1 271	1 271	1 042	230	22%	12 500
Waste management		–	–	–	–	–	–	–	–	–
<i><b>Other</b></i>	<b>4</b>	<b>511</b>	<b>500</b>	<b>500</b>	<b>–</b>	<b>–</b>	<b>42</b>	(42)	-100%	<b>500</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1 081 453</b>	<b>1 061 241</b>	<b>1 061 241</b>	<b>233 481</b>	<b>233 481</b>	<b>88 437</b>	<b>145 045</b>	<b>164%</b>	<b>1 061 241</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>240 057</b>	<b>225 404</b>	<b>227 557</b>	<b>13 470</b>	<b>13 470</b>	<b>18 963</b>	(5 493)	-29%	<b>227 557</b>
Executive and council		61 372	47 846	49 999	7 590	7 590	4 167	3 424	82%	49 999
Finance and administration		178 686	177 558	177 558	5 879	5 879	14 797	(8 917)	-60%	177 558
Internal audit		–	–	–	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		<b>24 195</b>	<b>25 580</b>	<b>25 580</b>	<b>1 000</b>	<b>1 000</b>	<b>2 132</b>	(1 132)	-53%	<b>25 580</b>
Community and social services		12 641	13 202	13 202	228	228	1 100	(872)	-79%	13 202
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		11 554	12 378	12 378	771	771	1 031	(260)	-25%	12 378
<i><b>Economic and environmental services</b></i>		<b>22 155</b>	<b>23 962</b>	<b>23 962</b>	<b>608</b>	<b>608</b>	<b>1 997</b>	(1 389)	-70%	<b>23 962</b>
Planning and development		22 155	23 962	23 962	608	608	1 997	(1 389)	-70%	23 962
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i><b>Trading services</b></i>		<b>478 301</b>	<b>337 266</b>	<b>337 266</b>	<b>7 518</b>	<b>7 518</b>	<b>28 106</b>	(20 588)	-73%	<b>337 266</b>
Energy sources		–	–	–	–	–	–	–	–	–
Water management		474 471	332 231	332 231	7 271	7 271	27 686	(20 415)	-74%	332 231
Waste water management		3 830	5 035	5 035	247	247	420	(172)	-41%	5 035
Waste management		–	–	–	–	–	–	–	–	–
<i><b>Other</b></i>		<b>7 808</b>	<b>13 948</b>	<b>13 948</b>	<b>308</b>	<b>308</b>	<b>1 162</b>	(854)	-73%	<b>13 948</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>772 516</b>	<b>626 161</b>	<b>628 313</b>	<b>22 904</b>	<b>22 904</b>	<b>52 360</b>	<b>(29 456)</b>	<b>-56%</b>	<b>628 313</b>
<b>Surplus/ (Deficit) for the year</b>		<b>308 936</b>	<b>435 080</b>	<b>432 928</b>	<b>210 578</b>	<b>210 578</b>	<b>36 077</b>	<b>174 501</b>	<b>484%</b>	<b>432 928</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) - M01 July**

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		448	850	850	–	–	71	(71)	-100.0%	850
Vote 03 - Finance		530 108	594 185	594 185	228 991	228 991	49 515	179 475	362.5%	594 185
Vote 04 - Community Development		9 487	2 011	2 011	1	1	168	(167)	-99.6%	2 011
Vote 05 - Planning & Wsa		490 125	383 610	383 610	–	–	31 967	(31 967)	-100.0%	383 610
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		38 686	68 085	68 085	3 219	3 219	5 674	(2 455)	-43.3%	68 085
Vote 09 - Waste Water		12 598	12 500	12 500	1 271	1 271	1 042	230	22.0%	12 500
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
<b>Total Revenue by Vote</b>	2	<b>1 081 453</b>	<b>1 061 241</b>	<b>1 061 241</b>	<b>233 481</b>	<b>233 481</b>	<b>88 437</b>	<b>145 045</b>	<b>164.0%</b>	<b>1 061 241</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Council		61 372	47 846	49 999	7 590	7 590	4 167	3 424	82.2%	49 999
Vote 02 - Corporate Services		121 507	98 375	98 375	4 868	4 868	8 198	(3 330)	-40.6%	98 375
Vote 03 - Finance		57 748	79 473	79 473	1 006	1 006	6 623	(5 617)	-84.8%	79 473
Vote 04 - Community Development		43 301	49 413	49 413	1 583	1 583	4 118	(2 534)	-61.5%	49 413
Vote 05 - Planning & Wsa		18 917	23 285	23 285	771	771	1 940	(1 169)	-60.3%	23 285
Vote 06 - Technical Services		7 843	5 992	6 012	197	197	501	(304)	-60.7%	6 012
Vote 07 - Water Purification		48 594	36 762	36 762	1 941	1 941	3 064	(1 123)	-36.7%	36 762
Vote 08 - Water Distribution		409 404	279 979	279 959	4 700	4 700	23 330	(18 630)	-79.9%	279 959
Vote 09 - Waste Water		3 830	5 035	5 035	247	247	420	(172)	-41.1%	5 035
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
<b>Total Expenditure by Vote</b>	2	<b>772 516</b>	<b>626 161</b>	<b>628 313</b>	<b>22 904</b>	<b>22 904</b>	<b>52 360</b>	<b>(29 456)</b>	<b>-56.3%</b>	<b>628 313</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>308 936</b>	<b>435 080</b>	<b>432 928</b>	<b>210 578</b>	<b>210 578</b>	<b>36 077</b>	<b>174 501</b>	<b>483.7%</b>	<b>432 928</b>

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

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

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		38 399	68 000	68 000	3 207	3 207	5 667	(2 459)	-43%	68 000
Service charges - sanitation revenue		12 513	12 500	12 500	1 264	1 264	1 042	222	21%	12 500
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	183	17	17	15	1	8%	183
Interest earned - external investments		3 705	6 000	6 000	-	-	500	(500)	-100%	6 000
Interest earned - outstanding debtors		288	85	85	11	11	7	4	62%	85
Dividends received								-		
Fines, penalties and forfeits		202	150	150	10	10	12	(3)	-20%	150
Licences and permits		-	-	-	1	1	-	1	#DIV/0!	-
Agency services								-		
Transfers and subsidies		537 979	601 306	601 306	228 692	228 692	50 109	178 583	356%	601 306
Other revenue		654	711	711	280	280	59	220	372%	711
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		593 975	688 935	688 935	233 481	233 481	57 411	176 070	307%	688 935
Expenditure By Type										
Employee related costs		258 302	268 152	268 152	9 910	9 910	22 346	(12 436)	-56%	268 152
Remuneration of councillors		8 638	8 771	8 771	690	690	731	(41)	-6%	8 771
Debt impairment		-	14 000	14 000	-	-	1 167	(1 167)	-100%	14 000
Depreciation & asset impairment		97 843	80 000	80 000	-	-	6 667	(6 667)	-100%	80 000
Finance charges		-	-	-	-	-	-	-		-
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		25 612	33 320	33 500	24	24	2 792	(2 768)	-99%	33 500
Contracted services		244 468	106 388	103 909	3 356	3 356	8 659	(5 303)	-61%	103 909
Transfers and subsidies		11 295	3 070	2 070	-	-	173	(173)	-100%	2 070
Other expenditure		125 094	112 460	117 911	8 924	8 924	9 826	(902)	-9%	117 911
Losses		1 264	-	-	-	-	-	-		-
Total Expenditure		772 516	626 161	628 313	22 904	22 904	52 360	(29 456)	-56%	628 313
Surplus/(Deficit)		(178 542)	62 774	60 622	210 578	210 578	5 052	205 526	0	60 622
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		487 478	372 306	372 306	-	-	31 025	(31 025)	(0)	372 306
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		308 936	435 080	432 928	210 578	210 578	36 077			432 928
Taxation								-		
Surplus/(Deficit) after taxation		308 936	435 080	432 928	210 578	210 578	36 077			432 928
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		308 936	435 080	432 928	210 578	210 578	36 077			432 928
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		308 936	435 080	432 928	210 578	210 578	36 077			432 928

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

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

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

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Council		-	-	-	-	-	-	-		-
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>	4,7	-	-	-	-	-	-	-		-
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Council		6 594	-	-	-	-	-	-		-
Vote 02 - Corporate Services		135	3 261	3 261	-	-	272	(272)	-100%	3 261
Vote 03 - Finance		533	478	478	-	-	40	(40)	-100%	478
Vote 04 - Community Development		7 628	26	26	-	-	2	(2)	-100%	26
Vote 05 - Planning & Wsa		527 879	327 657	327 657	5 503	5 503	27 305	(21 802)	-80%	327 657
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	348	348	-	-	29	(29)	-100%	348
Vote 08 - Water Distribution		24 307	391	391	-	-	33	(33)	-100%	391
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	567 077	332 162	332 162	5 503	5 503	27 680	(22 178)	-80%	332 162
<b>Total Capital Expenditure</b>		567 077	332 162	332 162	5 503	5 503	27 680	(22 178)	-80%	332 162
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		7 262	3 652	3 652	-	-	304	(304)	-100%	3 652
Executive and council		6 594	-	-	-	-	-	-		-
Finance and administration		668	3 652	3 652	-	-	304	(304)	-100%	3 652
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		663	70	70	-	-	6	(6)	-100%	70
Community and social services		663	70	70	-	-	6	(6)	-100%	70
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		8 884	6 112	6 112	1 445	1 445	509	936	184%	6 112
Planning and development		8 884	6 112	6 112	1 445	1 445	509	936	184%	6 112
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		550 268	322 284	322 284	4 057	4 057	26 857	(22 800)	-85%	322 284
Energy sources		-	-	-	-	-	-	-		-
Water management		550 268	322 284	322 284	4 057	4 057	26 857	(22 800)	-85%	322 284
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
<b>Other</b>		-	43	43	-	-	4	(4)	-100%	43
<b>Total Capital Expenditure - Functional Classification</b>	3	567 077	332 162	332 162	5 503	5 503	27 680	(22 178)	-80%	332 162
<b>Funded by:</b>										
National Government		527 879	323 744	323 744	4 057	4 057	26 979	(22 921)	-85%	323 744
Provincial Government		31 936	26	26	-	-	2	(2)	-100%	26
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-		-
(National / Provincial Departmental Agencies, Households,		-	-	-	-	-	-	-		-
Non-profit Institutions, Private Enterprises, Public		-	-	-	-	-	-	-		-
Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		559 815	323 770	323 770	4 057	4 057	26 981	(22 923)	-85%	323 770
<b>Borrowing</b>	6	-	-	-	-	-	-	-		-
<b>Internally generated funds</b>		7 262	8 391	8 391	1 445	1 445	699	746	107%	8 391
<b>Total Capital Funding</b>		567 077	332 162	332 162	5 503	5 503	27 680	(22 178)	-80%	332 162

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

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

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

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		1 893 092	240 335	240 335	5 644	240 335
Call investment deposits		(480 000)	–	–	100 000	–
Consumer debtors		55 743	67 333	67 333	58 437	67 333
Other debtors		75 751	28 773	28 773	68 748	28 773
Current portion of long-term receivables		–	–	–	–	–
Inventory		9 510	2 473	2 473	9 491	2 473
<b>Total current assets</b>		<b>1 554 097</b>	<b>338 914</b>	<b>338 914</b>	<b>242 320</b>	<b>338 914</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		4 650 154	4 188 952	4 188 952	4 657 711	4 188 952
Biological						
Intangible		15	13	13	15	13
Other non-current assets		6 899	–	–	6 594	–
<b>Total non current assets</b>		<b>4 657 068</b>	<b>4 188 965</b>	<b>4 188 965</b>	<b>4 664 320</b>	<b>4 188 965</b>
<b>TOTAL ASSETS</b>		<b>6 211 165</b>	<b>4 527 879</b>	<b>4 527 879</b>	<b>4 906 639</b>	<b>4 527 879</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		(259)	–	–	(259)	–
Consumer deposits		3 621	3 633	3 633	3 622	3 633
Trade and other payables		473 793	218 944	218 944	353 576	218 944
Provisions		1 755	1 755	1 755	1 755	1 755
<b>Total current liabilities</b>		<b>478 910</b>	<b>224 332</b>	<b>224 332</b>	<b>358 693</b>	<b>224 332</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		33 904	33 904	33 904	33 904	33 904
<b>Total non current liabilities</b>		<b>33 904</b>	<b>33 904</b>	<b>33 904</b>	<b>33 904</b>	<b>33 904</b>
<b>TOTAL LIABILITIES</b>		<b>512 814</b>	<b>258 236</b>	<b>258 236</b>	<b>392 597</b>	<b>258 236</b>
<b>NET ASSETS</b>	<b>2</b>	<b>5 698 351</b>	<b>4 269 643</b>	<b>4 269 643</b>	<b>4 514 042</b>	<b>4 269 643</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		4 396 005	3 834 563	3 834 563	4 528 860	3 834 563
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>4 396 005</b>	<b>3 834 563</b>	<b>3 834 563</b>	<b>4 528 860</b>	<b>3 834 563</b>

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

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

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

### **CURRENT ASSETS**

#### **Cash**

Cashbook balance as at **31 July 2022 R5.6 million.**

#### **Call Investments Deposits**

Call investments as at 31 July 2022 **R100 million**

#### **Consumer debtors**

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R58.4 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R178.9 million**. Consumer debtors amounts to **R174.1 million** and the balance of **R4.3 million** is for Other Debtors .

Gross Consumer debtors	R174.1 million
Less Impairment	(R115.59 million)
<b>Net Consumer Debtors</b>	<b>R58.5 million</b>

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

Water Debtors	R47.1 million
Sanitation Debtors	R10.7 million
Property Rentals Debtors	R53.9 thousand
Other Consumer debtors	R29.5 thousand
<b>Total</b>	<b>R58.5 million</b>

➤ **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R47.1 million**.  
Water debtors are amounts owed by consumers for water services billed.

Gross Water Debtors	R134.6 million
Less Impairment	(R87.5 million)
<b>Net Water Debtors</b>	<b>R47.1 million</b>

➤ **Sanitation Debtors**

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

Gross Sanitation Debtors	R38.9 million
Less Impairment	(R28.1 million)
<b>Net Sanitation Debtors</b>	<b>R10.8 million</b>

➤ **Property Rentals Debtors**

These are debtors accumulated from property rentals amounts to **R58 thousand**

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R467.7 thousand**, these are sundry debtors.

Gross Other Debtors	R477 thousand
Less Impairment	(R9.3 thousand)
<b>Net Other Debtors</b>	<b>R467.7 thousand</b>

**Classification of Consumer Debtors per Customer group**

Households	R27.9 million
Commercial/Businesses	R11.2 million
Organs of State (excl shared services of R4.5 mill)	R17.7 million
Other Debtors	R 4.1 million

**Total** **R58.4 million**

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

Gross Households debtors	R173.5 million
Less Impairment	(R115.5 million)
<b>Net Household debtors</b>	<b>R58 million</b>

➤ **Other debtors**

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R68.7 million**.

VAT Receivable	R38.8 million
Deposits Made	R16.5 million
Refunds & under/over banking	R9.07 million
Overpayments/Accrued Income/UIFW Expenditure	R3.1 million
Prepaid Expenses	R1.1 million
Insurance claims	R80 thousand
<b>Total</b>	<b>R68.7 million</b>

➤ **VAT Receivable**

VAT Receivable amount to **R38.8 million**, this is the amount raised when input VAT is recognized less output VAT collected.

➤ **Deposits Made**

Deposits made amount to **R16.5 million**, this amount include Eskom deposits, Federal Air Deposits and Stowell Deposits.

Eskom Deposits	R16 million
Federal Air Deposit	R690 thousand
Stowell Deposit	R200 thousand
Vryheid office	R2 thousand



Eskom deposits are amounts held by Eskom as security for all accounts the Municipality has with Eskom. Security deposits are paid when the Municipality opens a new electricity account with Eskom.

Federal Air Deposits is the amount paid as a security deposit when Federal Air was first contracted and Stowell Deposit is the amount paid as a security deposit when Stowell was first contracted, and the deposit for office space rented in Vryheid.

➤ **Refunds & under/over banking**

Refunds & under/over banking amount to **R9.07 million**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

Shared services debtors	R4.7 million
under/over banking	R4.3 million

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

➤ **Overpayments/Accrued Income/UIFW Expenditure**

Overpayments/Accrued Income/UIFW Expenditure amount to **R3.1 million**, these are payments made by the Municipality to be recovered and income expected to be received by the Municipality.

Overpayments	R785.3 thousand
Fruitless Expenditure to be recovered	R1.33 million
Accrued Income – Asset Disposal	R36.9 thousand
Accrued Income – Indonsa grant	R955 thousand

Overpayments include an amount of R4.7 million which has been provided for impairment because they are likely to be irrecoverable, those amounts are for Department of Water and sanitation amounting to R2.7 million, Amanzi Ichweba amounting to R1.4 million, BP Drakensburg amounting to R136.8 thousand, Tracker amounting to R134.2 thousand, World Focus amounting to R284.2 thousand. The balance for overpayments of R785.3 thousand is for Enduneni Constructors (R783 thousand) and Lindani Catering (R1.9 thousand) .

Fruitless expenditure to be recovered amounting to R1.33 million resulted from a claim of standing time due to consultant negligence.

Accrued Income – Asset Disposal is the amount to be received from the actioner of assets disposed by the Municipality.

Accrued Income – Indonsa grant is the amount to be received from Provincial Department of Art and Culture for prior year partly allocation not received.

➤ **Prepaid Expense**

Prepaid Expense amounts to **R1.1million**. Prepaid expense is made up of prepaid electricity

➤ **Insurance Claims**

Insurance Claims amounts to **R80.4 thousand**. This amount consist of an outstanding claim from Indwe Insurance.

➤ **Inventory**

The current level of inventory is **R9.4 million**. Inventory include water stock, materials and supplies and consumable stores.

## **NON-CURRENT ASSETS**

### **Long term receivables**

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

### **Property plant and equipment**

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment include current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R4.6 billion**.

Opening balance	R4.6 billion
Additions	R5.5 million
Depreciation	(R0)
<b>Closing Balance</b>	<b>R4.6 billion</b>

### **Intangible**

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R14 thousand**.

### **Other non – current assets**

## **CURRENT AND NON-CURRENT LIABILITIES**

### **Borrowings**

This is the finance lease agreement the Municipality entered into to procure laptops.

### **Consumer deposits**

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

### **Trade and other payables**

Trade and other payables are amounts owed by the municipality to service providers. This amount includes . Trade and other payables are **R339.6 million**.

Trade Creditors	(R63 million)
Unspent Conditional Grants	R202.9 million
Retention	R41.1 million
Sessions	R30.6 thousand
Department of Water & Sanitation	R29.4 million
Output VAT	R23.8 million
Leave accrued	R19.07 million
Bonus accrued	R5.4 million
Advance Payments	R2.6 million
Fleet Suspense account	(R425.7 thousand)
Salary Suspense Accounts	(R12 million)
Deceased Employees	R81.1 thousand
Unpaid cheques	R394 thousand
Electricity bulk purchase	R60.9 million
Finance lease	(R259 thousand)
Other Suspense account	(R6.2 million)
Long service bonus	R1.5 million
Inventory	R1.5 million
Medical aid	R249 thousand
WSSA	R8 million
In-kind unspent donation	R24.3 million
<b>Closing Balance</b>	<b>R339.6 million</b>

## Current Provisions

Current provisions amount to **R1.75 million**, this provision is for post-retirement benefit (Medical aid) and long service awards that is paid in the current financial year.

Post Retirement benefit (Medical aid)	R249 thousand
Long service awards	R1.5 million

## Non-current Provisions

Non-current Provisions amounts to **R33.9 million**, this provision is for post-retirement benefit (Medical aid) and Long Service award.

Post Retirement benefit (Medical aid)	R22.3 million
Long Service award	R11.6 million

## Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R4.5 billion**

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates								-		
Service charges		46 514	60 574	60 574	1 953	1 953	5 048	(3 095)	-61%	60 574
Other revenue		1 094 632	80 905	80 905	288 528	288 528	6 742	281 786	4180%	80 905
Transfers and Subsidies - Operational		532 328	601 306	601 306	-	-	50 109	(50 109)	-100%	601 306
Transfers and Subsidies - Capital		611 879	372 306	372 306	76 770	76 770	31 026	45 745	147%	372 306
Interest		3 661	6 000	6 000	-	-	500	(500)	-100%	6 000
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(1 816 663)	(571 446)	(571 446)	(276 075)	(275 433)	(47 621)	227 813	-478%	(571 446)
Finance charges								-		
Transfers and Grants		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>472 351</b>	<b>549 645</b>	<b>549 645</b>	<b>91 176</b>	<b>91 818</b>	<b>45 804</b>	<b>(46 014)</b>	<b>-100%</b>	<b>549 645</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		(416 731)	(332 162)	(332 162)	(5 503)	(5 503)	(27 680)	(22 178)	80%	(332 162)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(416 731)</b>	<b>(332 162)</b>	<b>(332 162)</b>	<b>(5 503)</b>	<b>(5 503)</b>	<b>(27 680)</b>	<b>(22 178)</b>	<b>80%</b>	<b>(332 162)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>55 621</b>	<b>217 483</b>	<b>217 483</b>	<b>85 673</b>	<b>86 315</b>	<b>18 124</b>			<b>217 483</b>
Cash/cash equivalents at beginning:		20 058	72 676	72 676	85 176	20 468	72 676			20 468
Cash/cash equivalents at month/year end:		75 679	290 159	290 159		106 783	90 800			237 951

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

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

# CASHFLOW FROM OPERATING ACTIVITIES

## Service charges

The Municipality has budgeted to collect **R60.5 million** on service charges, the estimated collection amount is based on the 75% collection rate. The collection rate is also based on previous years actual collection and initiatives the Municipality has taken to improve collection. The Municipality has collected **R1.9 million** to date, which is **-61%** of the budgeted collection. From the year-to-date billing, **3.2%** was collected as to date.

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

- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality has a revised revenue enhancement strategy
- The municipality has an external debt collector to assist with the collection
- The Municipality has replaced and installed new meters to ensure billing is accurate and not estimated.
- Municipality has adopted an indigent policy, and is in a process to write off indigent households.
- The municipality has adopted a flat rate of R50 to unmetered households

## Other Revenue

Other revenue includes receipts from tender fees, hall hiring, fines and forfeits, and office space rental receipts. The population of other revenue is higher than expected and not credible, the Municipality is a continuous engagement with the system vendor to resolve population of this line item. Other revenue on table C4 is **R280 thousand**. Included to this amount in a schedule is equitable share.

## Transfers and subsidies – Operational

Transfers and subsidies - Operational are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Operating grants have been received as scheduled. Transfers and subsidies operational are to date are **R228 million**. This amount appear in the other revenue line item in a schedule.

Equitable share	R228 million
Finance Management Grant	R0
Expanded public works program	R0

Indonsa Grant	R0
Aviation Strategy	R0
<b>TOTAL</b>	<b>R228 million</b>

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

Transfers and subsidies - Capital are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **R75 million**.

Municipal Infrastructure Grant	R75 million
Regional Bulk Infrastructure Grant	R1.7 million
Water services Infrastructure grant	R0
Rural Road asset Management grant	R0
KwamaJomela Grant	R0
<b>TOTAL</b>	<b>R76.7 million</b>

### **Interest**

Interest on investment is budgeted at **R6 million**, this estimate is based on previous year interest income, the interest includes interest on investments made and interest on bank balance. Year to date Interest is **R0**

### **Payments - Suppliers and employees**

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

## **CASHFLOW FROM INVESTING ACTIVITIES**

### **Payments - Capital Assets**

Capital expenditure to date is **R5.5 million**, the capital expenditure is excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed.

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



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

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1. DEBTORS ANALYSIS

#### Debtors age analysis as at 31 July 2022

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July													
Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - V	1200	4 047	3 995	2 771	2 947	2 869	2 305	14 249	101 461	134 645	123 831	-	87 480
Trade and Other Receivables from Exchange Transactions - B	1300									-	-		
Receivables from Non-exchange Transactions - Property Rate	1400									-	-		
Receivables from Exchange Transactions - Waste Water Mana	1500	1 347	980	839	743	672	601	3 365	30 362	38 909	35 743	-	28 109
Receivables from Exchange Transactions - Waste Managemen	1600									-	-		
Receivables from Exchange Transactions - Property Rental D	1700	19	17	12	6	4	-	-	-	58	10	-	-
Interest on Arrear Debtor Accounts	1810	11	26	172	11	11	-	53	214	498	289	-	-
Recoverable unauthorised, irregular, fruitless and wasteful exp	1820									-	-		
Other	1900	-	83	419	20	88	653	3 561	13	4 835	4 334	-	9
<b>Total By Income Source</b>	<b>2000</b>	<b>5 425</b>	<b>5 101</b>	<b>4 213</b>	<b>3 726</b>	<b>3 644</b>	<b>3 559</b>	<b>21 228</b>	<b>132 050</b>	<b>178 946</b>	<b>164 208</b>	<b>-</b>	<b>115 598</b>
<b>2021/22 - totals only</b>										-	-		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	2 158	1 510	1 376	639	795	1 065	5 850	4 325	17 718	12 674		
Commercial	2300	610	894	416	353	341	213	1 296	7 104	11 228	9 308		
Households	2400	2 657	2 697	2 420	2 734	2 508	2 280	14 083	120 621	150 000	142 226		115 598
Other	2500									-	-		
<b>Total By Customer Group</b>	<b>2600</b>	<b>5 425</b>	<b>5 101</b>	<b>4 213</b>	<b>3 726</b>	<b>3 644</b>	<b>3 559</b>	<b>21 228</b>	<b>132 050</b>	<b>178 946</b>	<b>164 208</b>	<b>-</b>	<b>115 598</b>

Total debtors' amount to **R178.9million**, which is an decrease of **R7.6 million** from the opening balance of **R171.3 million** in July 2022. The debtors over 90 days amount to **R164.2 million**. This is concerning and needs intervention since debtors above 60 days should be restricted in terms of the Municipality's credit control policy.

Commitments adopted by council in the budget funding plan included eradicating debtors above 60 days, the Municipality is not close in meeting this target and intervention is required as a matter of urgency.

## 2.2. CREDITORS ANALYSIS

### Creditors age analysis as at 31 July 2022

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

Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	
Bulk Water	0200									–	
PAYE deductions	0300									–	
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500									–	
Loan repayments	0600									–	
Trade Creditors	0700	9 187	1 036	507	525	–	6 376	21	–	17 653	
Auditor General	0800									–	
Other	0900									–	
Total By Customer Type	1000	9 187	1 036	507	525	–	6 376	21	–	17 653	–

## 2.3. INVESTMENT PORTFOLIO

### Investments as at 31 July 2022

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

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		0	Call account	Yes	Fixed	0.0615	N/A	N/A	N/A	-	-	-	25 000	25 000
Zululand District Municipality- ABSA		91	Short term	Yes	Fixed	0.061	N/A	N/A	24 October 2022	25 000	380		25 000	50 000
Zululand District Municipality- Standard bank		30	Short term	Yes	Fixed	0.06425	N/A	N/A	22 August 2022	50 000	132		25 000	75 000
Zululand District Municipality- Nedbank		62	Short term	Yes	Fixed	0.0645	N/A	N/A	26 September 2022	75 000	274		25 000	100 000
<b>Municipality sub-total</b>										<b>75 000</b>		<b>-</b>	<b>25 000</b>	<b>100 000</b>
<b>Entities</b>														
														-
														-
														-
														-
														-
<b>Entities sub-total</b>										<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>									<b>75 000</b>		<b>-</b>	<b>25 000</b>	<b>100 000</b>

## 2.4. ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

### Grants Receipts

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		535 457	598 895	598 895	228 692	228 692	49 908	178 784	358.2%	598 895
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		524 645	586 391	586 391	228 692	228 692	48 866	179 826	368.0%	586 391
Expanded Public Works Programme Integrated Grant		9 612	8 517	8 517	–	–	710	(710)	-100.0%	8 517
Local Government Financial Management Grant		1 200	1 200	1 200	–	–	100	(100)	-100.0%	1 200
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	2 787	2 787	–	–	232	(232)	-100.0%	2 787
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–		–
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]		–	–	–	–	–	–	–		–
<b>Provincial Government:</b>		2 522	2 411	2 411	–	–	201	(201)	-100.0%	2 411
Capacity Building and Other Grants		2 522	2 411	2 411	–	–	201	(201)	-100.0%	2 411
Other transfers and grants [insert description]		–	–	–	–	–	–	–		–
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
<b>Total Operating Transfers and Grants</b>	5	537 979	601 306	601 306	228 692	228 692	50 109	178 583	356.4%	601 306
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		480 513	372 306	372 306	–	–	31 025	(31 025)	-100.0%	372 306
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		194 381	259 530	259 530	–	–	21 628	(21 628)	-100.0%	259 530
Regional Bulk Infrastructure Grant		194 269	15 247	15 247	–	–	1 271	(1 271)	-100.0%	15 247
Rural Road Asset Management Systems Grant		1 640	2 529	2 529	–	–	211	(211)	-100.0%	2 529
Water Services Infrastructure Grant		90 222	95 000	95 000	–	–	7 917	(7 917)	-100.0%	95 000
<b>Provincial Government:</b>		6 965	–	–	–	–	–	–		–
Infrastructure Grant		6 965	–	–	–	–	–	–		–
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
<b>Total Capital Transfers and Grants</b>	5	487 478	372 306	372 306	–	–	31 025	(31 025)	-100.0%	372 306
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	1 025 457	973 612	973 612	228 692	228 692	81 134	147 558	181.9%	973 612

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

## Grant Expenditure

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b><u>Operating expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		680 787	551 382	553 535	22 902	22 902	46 128	(23 226)	-50.4%	553 535
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		653 755	541 665	543 818	21 955	21 955	45 318	(23 363)	-51.6%	543 818
Expanded Public Works Programme Integrated Grant		24 299	8 517	8 517	942	942	710	232	32.7%	8 517
Local Government Financial Management Grant		1 200	1 200	1 200	5	5	100	(95)	-95.1%	1 200
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		1 527	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		7	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		1 800	2 381	2 381	2	2	198	(197)	-99.2%	2 381
Capacity Building and Other Grants		1 800	2 381	2 381	2	2	198	(197)	-99.2%	2 381
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
<i>KwazuluNatal Provincial Planning and Development Commission</i>		–	–	–	–	–	–	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>		682 587	553 763	555 916	22 904	22 904	46 327	(23 423)	-50.6%	555 916
<b><u>Capital expenditure of Transfers and Grants</u></b>										
<b>National Government:</b>		527 879	323 744	323 744	4 057	4 057	26 979	(22 921)	-85.0%	323 744
Municipal Infrastructure Grant		235 268	225 678	225 678	–	–	18 807	(18 807)	-100.0%	225 678
Regional Bulk Infrastructure Grant		194 437	13 258	13 258	1 136	1 136	1 105	31	2.8%	13 258
Rural Road Asset Management Systems Grant		1 919	2 199	2 199	–	–	183	(183)	-100.0%	2 199
Water Services Infrastructure Grant		96 255	82 609	82 609	2 921	2 921	6 884	(3 963)	-57.6%	82 609
<b>Provincial Government:</b>		31 936	26	26	–	–	2	(2)	-100.0%	26
Infrastructure Grant		31 936	26	26	–	–	2	(2)	-100.0%	26
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
<b>Total capital expenditure of Transfers and Grants</b>		559 815	323 770	323 770	4 057	4 057	26 981	(22 923)	-85.0%	323 770
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		1 242 402	877 534	879 686	26 961	26 961	73 307	(46 346)	-63.2%	879 686

All conditional grants expenditure are below year to date budget.

## Roll-overs Expenditure

The Municipality has unspent grants but they are not yet approved by council for roll over

DC26 Zululand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M01 July

Description	Ref	Budget Year 2022/23				
		Approved Rollover 2021/22	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<b>EXPENDITURE</b>						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
					-	
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
<u>Capital expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
					-	
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

## 2.5. COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

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

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		514	661	661	43	43	55	(13)	-23%	661
Medical Aid Contributions		44	–	–	2	2	–	2	#DIV/0!	–
Motor Vehicle Allowance		1 727	1 805	1 805	141	141	150	(9)	-6%	1 805
Cellphone Allowance		710	653	653	58	58	54	3	6%	653
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		5 642	5 652	5 652	446	446	471	(25)	-5%	5 652
<b>Sub Total - Councillors</b>		<b>8 638</b>	<b>8 771</b>	<b>8 771</b>	<b>690</b>	<b>690</b>	<b>731</b>	<b>(41)</b>	<b>-6%</b>	<b>8 771</b>
<b>% increase</b>	4		<b>1.5%</b>	<b>1.5%</b>						<b>1.5%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		5 110	6 555	6 555	–	–	546	(546)	-100%	6 555
Pension and UIF Contributions		11	55	55	0	0	5	(4)	-92%	55
Medical Aid Contributions		48	57	57	–	–	5	(5)	-100%	57
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		1 210	1 592	1 592	77	77	133	(56)	-42%	1 592
Cellphone Allowance		191	210	210	10	10	17	(8)	-43%	210
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		203	225	225	12	12	19	(6)	-34%	225
Payments in lieu of leave		354	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
<b>Sub Total - Senior Managers of Municipality</b>		<b>7 127</b>	<b>8 695</b>	<b>8 695</b>	<b>100</b>	<b>100</b>	<b>725</b>	<b>(625)</b>	<b>-86%</b>	<b>8 695</b>
<b>% increase</b>	4		<b>22.0%</b>	<b>22.0%</b>						<b>22.0%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		172 350	185 935	185 935	3 419	3 419	15 495	(12 076)	-78%	185 935
Pension and UIF Contributions		22 997	25 886	25 886	2 007	2 007	2 157	(150)	-7%	25 886
Medical Aid Contributions		13 624	13 597	13 597	1 160	1 160	1 133	27	2%	13 597
Overtime		7 017	4 619	4 619	529	529	385	144	37%	4 619
Performance Bonus		11 678	12 786	12 786	948	948	1 066	(117)	-11%	12 786
Motor Vehicle Allowance		8 702	9 561	9 561	835	835	797	38	5%	9 561
Cellphone Allowance		663	670	670	67	67	56	11	20%	670
Housing Allowances		1 379	1 379	1 379	135	135	115	20	18%	1 379
Other benefits and allowances		8 225	524	524	176	176	44	132	302%	524
Payments in lieu of leave		3 223	–	–	360	360	–	360	#DIV/0!	–
Long service awards		1 317	–	–	176	176	–	176	#DIV/0!	–
Post-retirement benefit obligations	2	–	4 500	4 500	–	–	375	(375)	-100%	4 500
<b>Sub Total - Other Municipal Staff</b>		<b>251 175</b>	<b>259 457</b>	<b>259 457</b>	<b>9 811</b>	<b>9 811</b>	<b>21 622</b>	<b>(11 811)</b>	<b>-55%</b>	<b>259 457</b>
<b>% increase</b>	4		<b>3.3%</b>	<b>3.3%</b>						<b>3.3%</b>
<b>Total Parent Municipality</b>		<b>266 940</b>	<b>276 923</b>	<b>276 923</b>	<b>10 600</b>	<b>10 600</b>	<b>23 077</b>	<b>(12 477)</b>	<b>-54%</b>	<b>276 923</b>

No board member fees have been budgeted and incurred

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

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<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>		-	-	-	-	-	-	-		-
<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>		-	-	-	-	-	-	-		-
<b>% increase</b>	4									
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-		-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		266 940	276 923	276 923	10 600	10 600	23 077	(12 477)	-54%	276 923
<b>% increase</b>	4		3.7%	3.7%						3.7%
<b>TOTAL MANAGERS AND STAFF</b>		258 302	268 152	268 152	9 910	9 910	22 346	(12 436)	-56%	268 152

## 2.6. MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<b>Revenue By Source</b>			
	Service charges – Water revenue	43.00%	This is the amounts billed on customers for water used, the year-to-date actual is R3.2 million, which is below year-to-date budget of R5.6 million. A variance of R2.4 million	
	Service charges – Sanitation revenue	21%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R1.2 million which is above year to date budget of R1.04 million. A variance of R222 thousand or 21% is observed.	
	Rent of facilities	8%	Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is R17 thousand which is above year-to-date budget of R15 thousand. A variance of R1 thousand or 8% is observed.	
	Interest on investment	100%	Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is R0 million, which is below year-to-date budget of R500 thousand. A variance of R500 thousand or 100% is observed.	
	Interest earned - outstanding debtors	62%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R11 thousand, which is above year-to-date budget of R7 thousand. A variance of R4 thousand or 62% is observed.	
	Fines, penalties and forfeits	20%	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 R12 thousand. A variance of R3 thousand or 20% is observed.	
	Licences and permits		This amount is for health certificates issued, the year-to-date actual is R1 thousand, the year-to-date budget is R0. A variance of R1 thousand or is observed.	
	Transfers and subsidies	356%	Transfers and subsidies year to date actual is R228.6 million, which is above year-to-date budget of R50 million. A variance of R178.5 million or 356% is observed.	
	Other revenue	372%	Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is R280 thousand, which is above year-to-date budget of R59 thousand. A variance of R220 million or 372% is observed.	



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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	<b>Expenditure By Type</b>			
	Employee Related Costs	56%	Employee related costs year to date actual is R9.9 million, which is below the year-to-date budget of R22.3 million, a variance of R12.4 million or 56% is observed.	
	Remuneration of Councilors	6%	Remuneration of Councilors year to date actual is R690 thousand, which is the year-to-date budget is R731 thousand, a variance of R41 thousand or 6% is observed.	
	Debt impairment		Debt impairment is the amount for provision for bad debts as per council policy. Provision for bad debts assessment and calculation is done at year end.	
	Depreciation	100%	This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R0. The year-to-date budget is R6.6 million. A variance of R6.7 million or 100% is observed.	
	Bulk purchases - electricity		The Municipality does not incur bulk purchases electricity since the Municipality does not sell electricity.	
	Inventory Consumed	99%	Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable stores (cleaning materials, stationery, water stock and materials and supplies), the year to date actual is R24 thousand, a variance of R2.7 million or 99% is observed	
	Contracted services	100%	Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support businesses. The year-to-date actual is R0, the year-to-date budget is R173 thousand, a variance of R173 thousand or 100% is observed.	
	Other expenditure	9%	Other expenditure year to date actual is R8.9 million, the year-to-date budget is R9.8 million, a variance of R902 thousand or 9% is observed.	
3	<b>Capital Expenditure</b>			
	Vote 01 - Council			
	Vote 02 - Corporate Services			
	Vote 03 - Finance			
	Vote 04 - Community Development			
	Vote 05 - Planning & Wsa	-85%	Implementation of infrastructure grants	
	Vote 06 - Technical Services			
	Vote 07 - Water Purification			
	Vote 08 - Water Distribution			
	Vote 09 - Waste Water			

## 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 - M01 July

Month	2021/22	Budget Year 2022/23							
	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	47 256	27 680	27 680	5 503	5 503	27 680	22 178	80.1%	2%
August	47 256	27 680	27 680	–		55 360	–		
September	47 256	27 680	27 680	–		83 040	–		
October	47 256	27 680	27 680	–		110 721	–		
November	47 256	27 680	27 680	–		138 401	–		
December	47 256	27 680	27 680	–		166 081	–		
January	47 256	27 680	27 680	–		193 761	–		
February	47 256	27 680	27 680	–		221 441	–		
March	47 256	27 680	27 680	–		249 121	–		
April	47 256	27 680	27 680	–		276 801	–		
May	47 256	27 680	27 680	–		304 482	–		
June	47 256	27 680	27 680	–		332 162	–		
<b>Total Capital expenditure</b>	<b>567 077</b>	<b>332 162</b>	<b>332 162</b>	<b>5 503</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 - M01 July

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		552 187	327 657	327 657	5 503	5 503	27 305	21 802	79.8%	327 657
Roads Infrastructure		1 919	6 112	6 112	1 445	1 445	509	(936)	-183.7%	6 112
Roads		1 919	6 112	6 112	1 445	1 445	509	(936)	-183.7%	6 112
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection								-		
Storm water Conveyance								-		
Attenuation								-		
Electrical Infrastructure		-	-	-	-	-	-	-		-
Power Plants								-		
HV Substations								-		
HV Switching Station								-		
HV Transmission Conductors								-		
MV Substations								-		
MV Switching Stations								-		
MV Networks								-		
LV Networks								-		
Capital Spares								-		
Water Supply Infrastructure		520 062	321 545	295 632	4 057	4 057	24 636	20 579	83.5%	295 632
Dams and Weirs								-		
Boreholes		30 340	-	31 796	-	-	2 650	2 650	100.0%	31 796
Reservoirs		-	-	34 348	-	-	2 862	2 862	100.0%	34 348
Pump Stations		-	-	-	-	-	-	-		-
Water Treatment Works		74 910	-	34 783	-	-	2 899	2 899	100.0%	34 783
Bulk Mains		254 928	321 545	124 803	4 057	4 057	10 400	6 343	61.0%	124 803
Distribution		159 884	-	62 742	-	-	5 229	5 229	100.0%	62 742
Distribution Points		-	-	7 161	-	-	597	597	100.0%	7 161
PRV Stations								-		
Capital Spares								-		
Sanitation Infrastructure		30 205	-	25 913	-	-	2 159	2 159	100.0%	25 913
Pump Station								-		
Reticulation		30 205	-	25 913	-	-	2 159	2 159	100.0%	25 913
Waste Water Treatment Works								-		
Outfall Sewers								-		
Toilet Facilities								-		
Capital Spares								-		
Solid Waste Infrastructure		-	-	-	-	-	-	-		-
Landfill Sites								-		
Waste Transfer Stations								-		
Waste Processing Facilities								-		
Waste Drop-off Points								-		
Waste Separation Facilities								-		
Electricity Generation Facilities								-		
Capital Spares								-		
Rail Infrastructure		-	-	-	-	-	-	-		-
Rail Lines								-		
Rail Structures								-		
Rail Furniture								-		
Drainage Collection								-		
Storm water Conveyance								-		
Attenuation								-		
MV Substations								-		
LV Networks								-		
Capital Spares								-		
Coastal Infrastructure		-	-	-	-	-	-	-		-
Sand Pumps								-		
Piers								-		
Revetments								-		
Promenades								-		
Capital Spares								-		
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
Data Centres								-		
Core Layers								-		
Distribution Layers								-		
Capital Spares								-		

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

Description	Ref	2021/22	Original	Adjusted	Monthly	Budget Year 2022/23		YTD variance	YTD variance	Full Year
		Audited Outcome				YearTD actual	YearTD budget			
<b>R thousands</b>	1								%	Forecast
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
Community Facilities		6 965	-	-	-	-	-	-		-
Halls										
Centres		6 965	-	-	-	-	-	-		-
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Purfs										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		-	-	-	-	-	-	-		-
Indoor Facilities										
Outdoor Facilities		-	-	-	-	-	-	-		-
Capital Spares										
<b>Heritage assets</b>		6 594	-	-	-	-	-	-		-
Monuments										
Historic Buildings										
Works of Art		6 594	-	-	-	-	-	-		-
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>		-	391	391	-	-	33	33	100.0%	391
Operational Buildings		-	391	391	-	-	33	33	100.0%	391
Municipal Offices		-	391	391	-	-	33	33	100.0%	391
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>		-	-	-	-	-	-	-		-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-		-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		-	-	-	-	-	-	-		-
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		576	2 609	2 609	-	-	217	217	100.0%	2 609
Computer Equipment		576	2 609	2 609	-	-	217	217	100.0%	2 609
<b>Furniture and Office Equipment</b>		92	1 043	1 043	-	-	87	87	100.0%	1 043
Furniture and Office Equipment		92	1 043	1 043	-	-	87	87	100.0%	1 043
<b>Machinery and Equipment</b>		663	461	461	-	-	38	38	100.0%	461
Machinery and Equipment		663	461	461	-	-	38	38	100.0%	461
<b>Transport Assets</b>		-	-	-	-	-	-	-		-
Transport Assets		-	-	-	-	-	-	-		-
<b>Land</b>		-	-	-	-	-	-	-		-
Land										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on new assets</b>	1	567 077	332 162	332 162	5 503	5 503	27 680	22 178	80.1%	332 162

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



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

Date: 2022/08/15