

ZULULAND DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

30 JUNE 2023

MFMA S71 REPORT

2022/2023 FINANCIAL YEAR

Table of Contents

GLOSSARY.....	1
----------------------	----------

PART 1 – IN-YEAR REPORT	3
--------------------------------------	----------

1.1. MAYORS REPORT	3
1.2. COUNCIL RESOLUTION	3
1.3. EXECUTIVE SUMMARY	3
1.4. OPERATING REVENUE PERFORMANCE.....	6
1.5. OPERATING EXPENDITURE PERFORMANCE.....	9
1.6. CAPITAL EXPENDITURE AND FUNDING.....	14
1.7. IN-YEAR BUDGET TABLES.....	18
MBRR Table C2 – Monthly Budget Statement Financial Performance (revenue and expenditure by functional classification)	20
MBRR Table C4 - Monthly Budget Statement Financial Performance (revenue and expenditure by source).....	22
MBRR Table C5 - Monthly Budget Statement Capital Expenditure by vote, functional classification and funding source	23
MBRR Table C6 - Monthly Budget Statement Financial Position	24
MBRR Table C7 - Monthly Budget Statement Cash Flow Statement	32

PART 2 – SUPPORTING DOCUMENTATION	35
--	-----------

2.1. DEBTORS ANALYSIS	35
2.2 CREDITORS ANALYSIS	36
2.3 INVESTMENT PORTFOLIO.....	36
2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE	37
2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS.....	40
2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN	41
2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE	41
2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE	41
2.9 CAPITAL PROGRAMME PERFORMANCE	41
2.10 OTHER SUPPORTING DOCUMENTS	44
2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES.....	44
2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION.....	45

GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

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

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 – IN-YEAR REPORT

1.1. MAYORS REPORT

To be attached

1.2. COUNCIL RESOLUTION

The Monthly budget statement review be noted.

1.3. EXECUTIVE SUMMARY

BUDGET PERFORMANCE ANALYSIS

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

Summary Statement of Financial Performance

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	688 934 986	706 983 525	723 892 554	706 983 525	16 909 029	2%	102%
Total Operating Expenditure	626 160 559	716 903 933	830 675 516	716 903 933	113 721 066	16%	116%
Surplus/(Deficit)	62 774 427	-9 920 408	-106 782 963	-9 920 408	-96 812 038		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **30 June 2023** is **R723.8 million** which is **102%** of the approved operating revenue adjusted budget. The **R723.8 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R706.9 million**, a variance of **R16.9 million** or **2%** is observed.

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from trading services is only **R53.9 million** which is **7%** of the total generated operating revenue.

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

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

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

Operating Expenditure Performance

Total Operating Expenditure as at **30 June 2023** is **R836.2 million** which is **116%** of the approved operating adjusted expenditure budget. The **R836.2 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R718 million**, a variance of **R118.1 million** or **16%** is observed.

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

Reasons for variances can be attributed to inventory consumed which is moving at a high pace than year to date budget; debt impairment which has no movement yet; depreciation, contracted services and other expenditure which are moving at a pace higher than year to date budget; transfers and subsidies is seasonal. Employee related cost, contracted services and other expenditure can be classified as the three major cost drivers.

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

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	332 161 738	540 186 024	535 253 858	540 186 024	-4 932 166	-1%	99%
Total Capital Financing	332 161 738	540 186 024	535 253 858	540 186 024	-4 932 166	-1%	99%

Total Capital Expenditure as at **30 June 2023** is **R535 million** which is **99%** of the approved adjusted capital budget. The **R535 million** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R540.1 million**, a variance of **R4.9 million** or **1%** of the received grants is observed.

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

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

Reasons for variances can be attributed to capital grants not being spent at similar pace as year to date budget. **MIG** is at **100%**, **RBIG** is at **100%**, **WSIG** is at **100%** **RRAMG** is at **100%**, **TSUCM_COGTA Boreholes** is at **52%** and **KwaMajomela** is at **100%**.

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	%
Total current assets	338 914	293 376	195 375	67
Total non current assets	4 188 965	5 381 249	5 038 491	94
Total current liabilities	224 322	348 056	413 657	119
Total non current liabilities	33 904	43 932	41 810	95
TOTAL COMMUNITY WEALTH/ EQUITY	3 834 563	4 666 623	4 710 957	101

The current assets year to date actual is **R195.3 million** which is **67%** of the approved adjusted budget. **Non - Current assets** year to date actual is **R5 billion** which is **94%** of the approved adjusted budget. **Current Liabilities** year to date actual is **R413 million** which is **117%** of the approved adjusted budget. **Non - Current Liabilities** year to date is **R41.8 million** which is **95%** of the approved adjusted budget. **Accumulated surplus** year to date actual is **R4.7 billion** which is **101%** of the approved adjusted budget.

Current assets amount to **R195.3 million**, included in current assets is Cash of **R27.4 million**.

Current liabilities amount to **R413.6 million**, this includes unspent conditional grants amounting to **R2.6 million**.

The Current ratio is 0.47:1 [**195.3 million/413.6 million**], the current ratio norm is **2:1**

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

1.4. OPERATING REVENUE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
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		38 486	68 000	40 947	2 090	39 167	40 947	(1 781)	-4%	40 947
Service charges - sanitation revenue		12 513	12 500	15 306	1 276	14 831	15 306	(474)	-3%	15 306
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	209	(10)	181	209	(28)	-13%	209
Interest earned - external investments		3 705	6 000	3 000	2 628	6 722	3 000	3 722	124%	3 000
Interest earned - outstanding debtors		288	85	200	(149)	75	200	(125)	-62%	200
Dividends received								-		
Fines, penalties and forfeits		209	150	58	57	177	58	119	205%	58
Licences and permits		-	-	73	28	87	73	14	20%	73
Agency services								-		
Transfers and subsidies		537 979	601 306	645 690	22 301	657 740	645 690	12 050	2%	645 690
Other revenue		1 085	711	1 501	71	1 962	1 501	461	31%	1 501
Gains		40	-	-	2 949	2 949	-	2 949	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		594 501	688 935	706 984	31 241	723 893	706 984	16 909	2%	706 984

The year-to-date actual indicates operating revenue of **R723.8 million** for **twelve months**, The **R723.8 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R706.9 million**, a variance of **R16.9 million** or **2%** is observed. The total revenue to-date represents **102%** of the operating revenue adjusted budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R39.1 million** which is **96%** of the approved adjusted budget. the **R39.1 million** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R40.9 million**. A variance of **R1.7 million** or **4%** 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 **R14.8 million** which is **97%** of the approved adjusted budget. the **R14.8 million** year

to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R15.3 million**. A variance of **R474 thousand** or **3%** is observed.

Rent of facilities

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R181 thousand** which is **87%** of the approved adjusted budget. the **R181 thousand** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R209 thousand**. A variance of **R28 thousand** or **13%** is observed.

Interest on investment

Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R6.7 million** which is **224%** of the approved adjusted budget. The **R6.7 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R3. million**. A variance of **R3.7 million** or **124%** is observed.

Reasons for variances can be attributed to interest rate change and the availability of cash to be invested.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is **R75 thousand** which is **38%** of the approved adjusted budget. The **R75 thousand** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R200 thousand**. A variance of **R125 thousand** or **62%** is observed.

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

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R177 thousand** which is **305%** of the approved adjusted budget. the **R177 thousand** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R58 thousand**. A variance of **R119 thousand** or **205%** is observed.

Reasons for variances can be attributed to a negative indication that more consumers are illegally connected or a negative indication that some illegally connected consumers are not yet discovered.

Municipality must keep up the disconnection of illegal connections.

Licences and Permits

Licences and permits year-to-date actual is **R87 thousand** which is **120%** of the approved adjusted budget. the **R87 thousand** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R73 thousand**. A variance of **R14 thousand** or **20%** is observed.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2022; 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 **R657.7 million** which is **102%** of the approved budget. The **R655.7 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R645.6 million**. A variance of **R12 million** or **2%** is observed.

The reason for variance between actual and budget is as following.

- The municipality has received the amount of **R 16.5 million** from NSF which is yet to be considered for adjustment.
- There is a reduction of LGSETA grants which yet to be approved for adjustment.
- Municipal systems improvement grant was never received.
- There are grants which are unspent that were not recognised as revenue.

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

Other revenue

Other revenue includes amounts for tender fees, skills development levy refund and any other revenue the Municipality may be entitled to receive such as sale of consumables. The year-to-date actual is **R1.9 million** which is **131%** of the approved adjusted budget. The **R1.9 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R1.5 million**. A variance of **R461 thousand** or **31%** is observed.

Reasons for variances can be attributed to high quantity of sale of tender documents.

Gains

The is the gain the municipality received on disposal of some assets.

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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									%	
Expenditure By Type										
Employee related costs		263 669	268 152	269 987	23 738	274 438	269 987	4 451	2%	269 987
Remuneration of councillors		8 616	8 771	9 021	727	9 275	9 021	254	3%	9 021
Debt impairment		20 001	14 000	14 000	–	–	14 000	(14 000)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	9 547	97 599	80 000	17 599	22%	80 000
Finance charges		399	–	88	23	196	88	108	123%	88
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		22 023	33 320	30 008	8 014	34 791	30 008	4 783	16%	30 008
Contracted services		318 040	106 388	195 115	50 892	257 678	195 115	62 562	32%	195 115
Transfers and subsidies		11 295	3 070	4 857	694	4 248	4 857	(609)	-13%	4 857
Other expenditure		131 178	112 460	115 001	19 162	157 226	115 001	42 225	37%	115 001
Losses		2 627	–	–	776	776	–	776	#DIV/0!	–
Total Expenditure		878 966	626 161	718 077	113 573	836 228	718 077	118 151	16%	718 077

The year-to-date actual indicates spending of **R836.2 million** for **twelve months**, which is **116%** of the approved adjusted operating expenditure budget. The **R836.2 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R718 million**, a variance of **R118.1 million** or **16%** is observed. This is the indication that the municipality is overspending on the approved adjustment budget.

Employee Related Costs

Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is **R274.4 million** which is **102%** of the approved adjusted budget. the **R274.4 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R269.9 million**. A variance of **R4.4 million** or **2%** is observed.

The variance is below 5% and not major.

Remuneration of Councillors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R9.2 million** which is **103%** of the approved adjusted budget. the **R9.2 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R9. million**. A variance of **R254 thousand** or **3%** is observed.

The variance is below 5% and not major.

Debt impairment

Debt impairment is the amount for provision for non-collection as per council policy. Provision for non-collection assessment and calculation is done at year end. National treasuries recommend that the assessment and calculations be done monthly.

Municipality calculate debt impairment once at year end, currently we are busy with calculation.

Depreciation

This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is **R97.5 million** which is **122%** of the approved adjusted budget. the **R97.5 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R80 million**. A variance of **R17.5. million** or **22%** is observed. Reasons for variances can be attributed to depreciation being under budgeted.

Finance charges

Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is **R196 thousand** which is **223%** of the approved adjusted budget. the **R196 thousand** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R88 thousand**. A variance of **R108 thousand** or **123%** is observed.

Bulk purchases – electricity

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

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is **R34.7 million** which is **116%** of the approved adjusted budget. the **R34.7 million** year to date actual is **below** the **twelve** months

baseline projection or year-to-date budget of **R30.million**. A variance of **R4.7 million** or **16%** is observed.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R257.6 million** which is **132%** of the approved adjusted budget. the **R257.6 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R195.1 million**. A variance of **R62.5 million** or **32%** is observed.

Reasons for variances can be attributed to under budgeting of contracted services and SLA commitments not reconciling with what is available on the budget.

Transfers and subsidies paid.

Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives. The year-to-date actual is **R4.2 million** which is **87%** of the approved adjusted budget. The **R4.2 million** year to date actual is a little **below** the **twelve** months baseline projection or year-to-date budget of **R4.8 million**. A variance of **R609 thousand** or **13%** is observed.

Reasons for variances can be attributed to the nature of this expenditure item, this expenditure item is incurred as and when needed and cannot be benchmarked on a straight-line method.

Other expenditure

Other expenditure is all other expenditure not classified above. The year-to-date actual is **R157.2 million** which is **136%** of the approved adjusted budget. the **R157.2 million** year to date actual is **above** the **twelve** months baseline projection or year-to-date budget of **R115 million**. A variance of **R42.2 million** or **37%** is observed.

It is imperative that the municipality monitor closely this expenditure item and implement strategies to reduce costs. Other expenditure includes expenses such as ESKOM, fuel, municipal services, Subsistence and travelling, audit fess, etc.

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 000	1 200 000	1 200 000	1 200 000	-	0%	100%
EPWP Incentive	8 517 000	8 517 000	8 517 000	8 517 000	-	0%	100%
Art centre Subsidies (Indonsa Grant)	1 911 000	1 911 000	1 911 000	1 911 000	-	0%	100%
Aviation Strategy	500 000	500 000	-	500 000	-500 000	-100%	0%
Rural Roads Asset Managemnt Systems Grant		17 113	17 113	17 113	-	0%	100%
National Skills Fund	-	59 693 109	59 613 288	59 693 109	-79 821	0%	100%
Electricity Distribution Industry Holding		108 000	108 000	108 000	-	0%	100%
LGSETA: Fire and rescue		370 000	-	370 000	-370 000	-100%	0%
Art centre Subsidies (Help desk)		53 900	19 657	53 900	-34 243	-64%	36%
Amafa Kazulu Grant		180 000	-	180 000	-180 000	-100%	0%
Water services Infrastructure Grant		6 000 000	6 000 000	6 000 000	-	0%	100%
Total Operating Grant Expenditure	12 128 000	12 128 000	11 628 000	78 550 122	-1 164 064	-1	96%

FMG **100%**, EPWP Incentive **100%**, Art center subsidies (Indonsa Grant) **100%**,RRAMS **100%**, National Skills Fund **100%**,Art Centre Subsidies(Help desk) **36%** LGSETA: Fire and rescue **0%**, Amafa akwaZulu Grant **0%**, Aviation Strategy **0%**, WSIG **100%** and EDIH LGSETA Grant **100%**.

Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									%	
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		38 486	68 000	40 947	2 090	39 167	40 947	(1 781)	-4%	40 947
Service charges - sanitation revenue		12 513	12 500	15 306	1 276	14 831	15 306	(474)	-3%	15 306
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	209	(10)	181	209	(28)	-13%	209
Interest earned - external investments		3 705	6 000	3 000	2 628	6 722	3 000	3 722	124%	3 000
Interest earned - outstanding debtors		288	85	200	(149)	75	200	(125)	-62%	200
Dividends received								-		
Fines, penalties and forfeits		209	150	58	57	177	58	119	205%	58
Licences and permits		-	-	73	28	88	73	15	21%	73
Agency services								-		
Transfers and subsidies		537 979	601 306	645 690	22 301	657 740	645 690	12 050	2%	645 690
Other revenue		1 085	711	1 501	71	1 962	1 501	461	31%	1 501
Gains		40	-	-	2 949	2 949	-	2 949	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		594 501	688 935	706 984	31 241	723 893	706 984	16 909	2%	706 984
Expenditure By Type										
Employee related costs		263 669	268 152	269 987	23 738	274 438	269 987	4 451	2%	269 987
Remuneration of councillors		8 616	8 771	9 021	727	9 275	9 021	254	3%	9 021
Debt impairment		20 001	14 000	14 000	-	-	14 000	(14 000)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	9 547	97 599	80 000	17 599	22%	80 000
Finance charges		399	-	88	23	196	88	108	123%	88
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		22 023	33 320	30 008	8 014	34 791	30 008	4 783	16%	30 008
Contracted services		318 040	106 388	195 115	50 892	257 678	195 115	62 562	32%	195 115
Transfers and subsidies		11 295	3 070	4 857	694	4 248	4 857	(609)	-13%	4 857
Other expenditure		131 178	112 460	115 001	19 162	157 226	115 001	42 225	37%	115 001
Losses		2 627	-	-	776	776	-	776	#DIV/0!	-
Total Expenditure		878 966	626 161	718 077	113 573	836 228	718 077	118 151	16%	718 077
Surplus/(Deficit)		(284 466)	62 774	(11 094)	(82 332)	(112 336)	(11 094)	(101 242)	0	(11 094)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		611 248	372 306	611 948	155 003	610 502	611 948	(1 446)	(0)	611 948
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions,								-		
Transfers and subsidies - capital (in-kind - all)		24 307	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		351 089	435 080	600 854	72 671	498 166	600 854			600 854
Taxation								-		
Surplus/(Deficit) after taxation		351 089	435 080	600 854	72 671	498 166	600 854			600 854
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		351 089	435 080	600 854	72 671	498 166	600 854			600 854
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		351 089	435 080	600 854	72 671	498 166	600 854			600 854

1.6. CAPITAL EXPENDITURE AND FUNDING

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

The summary report indicates the following: -

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	332 161 738	540 186 024	535 253 858	540 186 024	-4 932 166	-1%	99%
Total Capital Financing	332 161 738	540 186 024	535 253 858	540 186 024	-4 932 166	-1%	99%

The capital expenditure amounts to **R535.2 million** which is **99%** of the capital adjusted budget, after a period of **twelve months**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

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
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		–	–	–	–	–	–	–		–
Vote 03 - Finance		–	–	–	–	–	–	–		–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	–	–	–	–	–		–
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 01 - Council		6 594	–	–	134	134	–	134	#DIV/0!	–
Vote 02 - Corporate Services		3 746	3 261	3 341	49	517	3 341	(2 825)	-85%	3 341
Vote 03 - Finance		2 918	478	478	92	121	478	(358)	-75%	478
Vote 04 - Community Development		7 451	26	3 006	–	2 929	3 006	(77)	-3%	3 006
Vote 05 - Planning & Wsa		464 144	327 657	532 592	142 632	531 073	532 592	(1 519)	0%	532 592
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	348	577	170	481	577	(96)	-17%	577
Vote 08 - Water Distribution		–	391	191	–	–	191	(191)	-100%	191
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186
Total Capital Expenditure		484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186
Capital Expenditure - Functional Classification										
Governance and administration		13 258	3 652	3 732	275	771	3 732	(2 961)	-79%	3 732
Executive and council		6 594	–	–	134	134	–	134	#DIV/0!	–
Finance and administration		6 664	3 652	3 732	141	637	3 732	(3 095)	-83%	3 732
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		485	70	1 277	–	1 203	1 277	(74)	-6%	1 277
Community and social services		485	70	1 277	–	1 203	1 277	(74)	-6%	1 277
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		6 965	6 112	7 870	1 686	7 544	7 870	(326)	-4%	7 870
Planning and development		6 965	6 112	7 870	1 686	7 544	7 870	(326)	-4%	7 870
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		464 144	322 284	527 263	141 116	525 736	527 263	(1 527)	0%	527 263
Energy sources		–	–	–	–	–	–	–		–
Water management		464 144	322 284	527 263	141 116	525 736	527 263	(1 527)	0%	527 263
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		–	43	43	–	–	43	(43)	-100%	43
Total Capital Expenditure - Functional Classification	3	484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186
Funded by:										
National Government		464 144	323 744	526 070	142 632	526 067	526 070	(4)	0%	526 070
Provincial Government		7 451	26	4 066	–	2 797	4 066	(1 270)	-31%	4 066
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		471 595	323 770	530 137	142 632	528 863	530 137	(1 274)	0%	530 137
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		13 258	8 391	10 049	445	6 391	10 049	(3 659)	-36%	10 049
Total Capital Funding		484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186

Governance and administration

Governance and administration year-to-date actual is **R771 thousand** which is **21%** of the adjusted budget. the **R771 thousand** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R3.7 million**. A variance of **R2.9 million** or **79%** is observed.

Community and public safety

Community and public safety year-to-date actual is **R1.2 million** which is **94%** of the adjusted budget. the **R1.2 million** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R1.27 million**. A variance of **R74 thousand** or **6%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R7.5 million** which is **96%** of the adjusted budget. the **R7.5 million** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R7.8 million**. A variance of **R326 Thousand** or **4%** is observed.

There is slow movement in RRAMS expenditure.

Trading services

Trading services year-to-date actual is **R525.7 million** which is **99%** of the adjusted budget. the **R525.7 million** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R527.2 million**. A variance of **R1.5 million** or less than **1%** is observed.

This includes expenditure of all capital grants which is 99%.

Other

Other year-to-date actual is **R0** which is **0%** of the adjusted budget. the **R0** year to date actual is **below** the **twelve** months baseline projection or year-to-date budget of **R43 thousand**. A variance of **R43 thousand** or **100%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	225 678 261	231 986 975	231 986 975	231 986 975	-	0%	100%
Regional Bulk Infrastructure (RBIG)	13 258 261	219 494 016	219 494 016	219 494 016	-	0%	100%
Water services infrastructure Grant (WSIG)	82 608 696	76 994 312	76 994 312	76 994 312	-	0%	100%
Rural Roads Asset Managemnt Systems Grant	2 184 249	2 184 249	2 184 249	2 184 249	-	0%	100%
Kwamajomela Manuafacturing Centre Grant	-	1 427 667	1 427 667	1 427 667	-	0%	100%
Indonsa		30 000		30 000	-30 000.00	-100%	0%
TSUCM COGTA Boreholes		2 608 696	1 368 885	2 608 696	-1 239 811.18	-48%	52%
Other Assets	8 391 303	10 049 252	6 390 713	10 049 252	-3 658 538.52	-36%	64%
Total Operating Expenditure	332 120 770	544 775 167	539 846 817	544 775 167	-4 928 350	-1%	99%

No expenditure on RRAMS, Indonsa to date.

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	259 530 000	259 530 000	259 530 000	259 530 000	-	0%	100%
Regional Bulk Infrastructure (RBIG)	15 247 000	250 247 000	250 247 000	250 247 000	-0	0%	100%
Water services infrastructure Grant (WSIG)	95 000 000	95 000 000	95 000 000	95 000 000	-0	0%	100%
Rural Roads Asset Managemnt Systems Grant	2 529 000	2 511 887	2 511 887	2 511 887	-	0%	100%
Kwamajomela Manufacturing Centre Grant	1 641 817	1 641 817	1 641 817	1 641 817	-	0%	100%
TSUCM COGTA Boreholes	-	3 000 000	1 554 104	3 000 000	-1 445 896	-48%	52%
Total Capital Grant Expenditure	373 947 817	611 930 704	610 484 808	611 930 704	-1 445 896	0%	100%

Overall capital grant expenditure is sitting at **100%** of the approved adjusted capital budget, **MIG** is sitting at **100%**, **RBIG** at **100%**, **WSIG** at **100%**, **RAMS** at **100%**, **KwaMajomela Manufacturing Centre** at **100%** and **Indonsa Art Centre** at **0%** and **COGTA Boreholes Intervention** is **52%**.

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 - M12 June

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
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	50 999	80 500	56 253	3 366	53 998	56 253	(2 255)	-4%	56 253
Investment revenue	3 705	6 000	3 000	2 628	6 722	3 000	3 722	124%	3 000
Transfers and subsidies	537 979	601 306	645 690	22 301	657 740	645 690	12 050	2%	645 690
Other own revenue	1 817	1 129	2 041	2 946	5 432	2 041	3 391	166%	2 041
Total Revenue (excluding capital transfers and contributions)	594 501	688 935	706 984	31 241	723 893	706 984	16 909	2%	706 984
Employee costs	263 669	268 152	269 987	23 738	274 438	269 987	4 451	2%	269 987
Remuneration of Councillors	8 616	8 771	9 021	727	9 275	9 021	254	3%	9 021
Depreciation & asset impairment	101 119	80 000	80 000	9 547	97 599	80 000	17 599	22%	80 000
Finance charges	399	–	88	23	196	88	108	123%	88
Inventory consumed and bulk purchases	22 023	33 320	30 008	8 014	34 791	30 008	4 783	16%	30 008
Transfers and subsidies	11 295	3 070	4 857	694	4 248	4 857	(609)	-13%	4 857
Other expenditure	471 845	232 848	324 116	70 830	415 680	324 116	91 564	28%	324 116
Total Expenditure	878 966	626 161	718 077	113 573	836 228	718 077	118 151	16%	718 077
Surplus/(Deficit)	(284 466)	62 774	(11 094)	(82 332)	(112 336)	(11 094)	(101 242)	913%	(11 094)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	611 248	372 306	611 948	155 003	610 502	611 948	(1 446)	-0%	611 948
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)	24 307	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	351 089	435 080	600 854	72 671	498 166	600 854	(102 688)	-17%	600 854
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	351 089	435 080	600 854	72 671	498 166	600 854	(102 688)	-17%	600 854
Capital expenditure & funds sources									
Capital expenditure	484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186
Capital transfers recognised	471 595	323 770	530 137	142 632	528 863	530 137	(1 274)	-0%	530 137
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	13 258	8 391	10 049	445	6 391	10 049	(3 659)	-36%	10 049
Total sources of capital funds	484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186
Financial position									
Total current assets	137 483	338 914	275 232		195 376				275 232
Total non current assets	4 601 310	4 188 965	5 387 169		5 038 492				5 387 169
Total current liabilities	355 836	262 650	386 374		413 657				386 374
Total non current liabilities	42 112	33 904	43 932		41 810				43 932
Community wealth/Equity	4 340 844	3 834 563	4 666 623		4 710 957				4 666 623
Cash flows									
Net cash from (used) operating	466 705	587 963	815 257	96 055	1 339 685	815 257	(524 428)	-64%	815 257
Net cash from (used) investing	(484 853)	(332 162)	(541 793)	(143 077)	(535 254)	(541 793)	(6 539)	1%	(541 793)
Net cash from (used) financing	–	–	(902)	(299)	(1 163)	(902)	261	-29%	(902)
Cash/cash equivalents at the month/year end	1 910	328 477	293 031	–	823 737	293 031	(530 706)	-181%	293 031
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9 791	3 627	3 446	4 080	3 896	2 597	16 690	157 108	201 235
Creditors Age Analysis									
Total Creditors	1 183	–	–	–	–	–	–	–	1 183

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

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	1									
Revenue - Functional										
<i>Governance and administration</i>		530 987	594 535	636 370	27 145	659 150	636 370	22 780	4%	636 370
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		530 987	594 535	636 370	27 145	659 150	636 370	22 780	4%	636 370
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		2 011	2 011	2 299	860	2 066	2 299	(233)	-10%	2 299
Community and social services		2 011	1 911	2 243	820	1 978	2 243	(265)	-12%	2 243
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	100	56	39	88	56	32	57%	56
<i>Economic and environmental services</i>		9 606	5 316	6 958	1 995	4 171	6 958	(2 787)	-40%	6 958
Planning and development		9 606	5 316	6 958	1 995	4 171	6 958	(2 787)	-40%	6 958
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		686 941	458 879	672 805	156 240	668 992	672 805	(3 812)	-1%	672 805
Energy sources		–	–	–	–	–	–	–	–	–
Water management		674 336	446 379	657 441	154 949	654 090	657 441	(3 351)	-1%	657 441
Waste water management		12 605	12 500	15 364	1 291	14 903	15 364	(461)	-3%	15 364
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>	4	511	500	500	5	16	500	(484)	-97%	500
Total Revenue - Functional	2	1 230 055	1 061 241	1 318 931	186 244	1 334 394	1 318 931	15 463	1%	1 318 931
Expenditure - Functional										
<i>Governance and administration</i>		255 470	225 404	297 924	50 638	314 162	297 924	16 238	5%	297 924
Executive and council		61 104	47 846	53 940	5 544	59 831	53 940	5 891	11%	53 940
Finance and administration		194 366	177 558	243 985	45 095	254 331	243 985	10 347	4%	243 985
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		24 796	25 580	26 719	3 455	26 852	26 719	133	0%	26 719
Community and social services		13 211	13 202	14 386	1 994	14 122	14 386	(264)	-2%	14 386
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		11 586	12 378	12 333	1 461	12 729	12 333	397	3%	12 333
<i>Economic and environmental services</i>		24 502	23 962	24 923	1 800	19 261	24 923	(5 662)	-23%	24 923
Planning and development		24 502	23 962	24 923	1 800	19 261	24 923	(5 662)	-23%	24 923
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		566 315	337 266	355 720	56 733	466 830	355 720	111 110	31%	355 720
Energy sources		–	–	–	–	–	–	–	–	–
Water management		558 489	332 231	350 587	56 194	460 730	350 587	110 143	31%	350 587
Waste water management		7 826	5 035	5 133	539	6 100	5 133	967	19%	5 133
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>		7 882	13 948	12 791	947	9 123	12 791	(3 668)	-29%	12 791
Total Expenditure - Functional	3	878 966	626 161	718 077	113 573	836 228	718 077	118 151	16%	718 077
Surplus/ (Deficit) for the year		351 089	435 080	600 854	72 671	498 166	600 854	(102 688)	-17%	600 854

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) - M12 June

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
R thousands										
Revenue by Vote	1									
Vote 01 - Council		-	-	-	-	-	-	-		-
Vote 02 - Corporate Services		448	850	45 034	20 184	60 272	45 034	15 238	33.8%	45 034
Vote 03 - Finance		530 539	594 185	591 836	6 966	598 894	591 836	7 058	1.2%	591 836
Vote 04 - Community Development		10 481	2 011	3 941	912	3 708	3 941	(233)	-5.9%	3 941
Vote 05 - Planning & Wsa		603 289	383 610	621 610	154 951	617 377	621 610	(4 233)	-0.7%	621 610
Vote 06 - Technical Services		9 612	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	-	-	-	-	-	-		-
Vote 08 - Water Distribution		63 082	68 085	41 147	1 941	39 242	41 147	(1 906)	-4.6%	41 147
Vote 09 - Waste Water		12 605	12 500	15 364	1 291	14 903	15 364	(461)	-3.0%	15 364
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	1 230 055	1 061 241	1 318 931	186 244	1 334 394	1 318 931	15 463	1.2%	1 318 931
Expenditure by Vote	1									
Vote 01 - Council		61 104	47 846	53 940	5 544	59 831	53 940	5 891	10.9%	53 940
Vote 02 - Corporate Services		124 394	98 375	160 536	33 890	184 418	160 536	23 882	14.9%	160 536
Vote 03 - Finance		70 809	79 473	84 966	11 201	62 970	84 966	(21 996)	-25.9%	84 966
Vote 04 - Community Development		43 410	49 413	49 633	5 537	53 173	49 633	3 540	7.1%	49 633
Vote 05 - Planning & Wsa		62 982	23 285	29 034	3 533	25 807	29 034	(3 228)	-11.1%	29 034
Vote 06 - Technical Services		29 532	5 992	6 152	1 147	8 864	6 152	2 711	44.1%	6 152
Vote 07 - Water Purification		48 620	36 762	37 479	4 240	51 732	37 479	14 253	38.0%	37 479
Vote 08 - Water Distribution		430 289	279 979	291 205	47 943	383 335	291 205	92 129	31.6%	291 205
Vote 09 - Waste Water		7 826	5 035	5 133	539	6 100	5 133	967	18.8%	5 133
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	878 966	626 161	718 077	113 573	836 228	718 077	118 151	16.5%	718 077
Surplus/ (Deficit) for the year	2	351 089	435 080	600 854	72 671	498 166	600 854	(102 688)	-17.1%	600 854

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) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue		38 486	68 000	40 947	2 090	39 167	40 947	(1 781)	-4%	40 947
Service charges - sanitation revenue		12 513	12 500	15 306	1 276	14 831	15 306	(474)	-3%	15 306
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	209	(10)	181	209	(28)	-13%	209
Interest earned - external investments		3 705	6 000	3 000	2 628	6 722	3 000	3 722	124%	3 000
Interest earned - outstanding debtors		288	85	200	(149)	75	200	(125)	-62%	200
Dividends received								-		
Fines, penalties and forfeits		209	150	58	57	177	58	119	205%	58
Licences and permits		-	-	73	28	88	73	15	21%	73
Agency services								-		
Transfers and subsidies		537 979	601 306	645 690	22 301	657 740	645 690	12 050	2%	645 690
Other revenue		1 085	711	1 501	71	1 962	1 501	461	31%	1 501
Gains		40	-	-	2 949	2 949	-	2 949	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		594 501	688 935	706 984	31 241	723 893	706 984	16 909	2%	706 984
Expenditure By Type										
Employee related costs		263 669	268 152	269 987	23 738	274 438	269 987	4 451	2%	269 987
Remuneration of councillors		8 616	8 771	9 021	727	9 275	9 021	254	3%	9 021
Debt impairment		20 001	14 000	14 000	-	-	14 000	(14 000)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	9 547	97 599	80 000	17 599	22%	80 000
Finance charges		399	-	88	23	196	88	108	123%	88
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		22 023	33 320	30 008	8 014	34 791	30 008	4 783	16%	30 008
Contracted services		318 040	106 388	195 115	50 892	257 678	195 115	62 562	32%	195 115
Transfers and subsidies		11 295	3 070	4 857	694	4 248	4 857	(609)	-13%	4 857
Other expenditure		131 178	112 460	115 001	19 162	157 226	115 001	42 225	37%	115 001
Losses		2 627	-	-	776	776	-	776	#DIV/0!	-
Total Expenditure		878 966	626 161	718 077	113 573	836 228	718 077	118 151	16%	718 077
Surplus/(Deficit)		(284 466)	62 774	(11 094)	(82 332)	(112 336)	(11 094)	(101 242)	0	(11 094)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		611 248	372 306	611 948	155 003	610 502	611 948	(1 446)	(0)	611 948
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions,								-		
Transfers and subsidies - capital (in-kind - all)		24 307	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		351 089	435 080	600 854	72 671	498 166	600 854			600 854
Taxation								-		
Surplus/(Deficit) after taxation		351 089	435 080	600 854	72 671	498 166	600 854			600 854
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		351 089	435 080	600 854	72 671	498 166	600 854			600 854
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		351 089	435 080	600 854	72 671	498 166	600 854			600 854

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) - M12 June										
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
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-		-
Vote 02 - Corporate Services		-	-	-	-	-	-	-		-
Vote 03 - Finance		-	-	-	-	-	-	-		-
Vote 04 - Community Development		-	-	-	-	-	-	-		-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-		-
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	-	-	-	-	-	-		-
Vote 08 - Water Distribution		-	-	-	-	-	-	-		-
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 01 - Council		6 594	-	-	134	134	-	134	#DIV/0!	-
Vote 02 - Corporate Services		3 746	3 261	3 341	49	517	3 341	(2 825)	-85%	3 341
Vote 03 - Finance		2 918	478	478	92	121	478	(358)	-75%	478
Vote 04 - Community Development		7 451	26	3 006	-	2 929	3 006	(77)	-3%	3 006
Vote 05 - Planning & Wsa		464 144	327 657	532 592	142 632	531 073	532 592	(1 519)	0%	532 592
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	348	577	170	481	577	(96)	-17%	577
Vote 08 - Water Distribution		-	391	191	-	-	191	(191)	-100%	191
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186
Total Capital Expenditure		484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186
Capital Expenditure - Functional Classification										
Governance and administration		13 258	3 652	3 732	275	771	3 732	(2 961)	-79%	3 732
Executive and council		6 594	-	-	134	134	-	134	#DIV/0!	-
Finance and administration		6 664	3 652	3 732	141	637	3 732	(3 095)	-83%	3 732
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		485	70	1 277	-	1 203	1 277	(74)	-6%	1 277
Community and social services		485	70	1 277	-	1 203	1 277	(74)	-6%	1 277
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		6 965	6 112	7 870	1 686	7 544	7 870	(326)	-4%	7 870
Planning and development		6 965	6 112	7 870	1 686	7 544	7 870	(326)	-4%	7 870
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		464 144	322 284	527 263	141 116	525 736	527 263	(1 527)	0%	527 263
Energy sources		-	-	-	-	-	-	-		-
Water management		464 144	322 284	527 263	141 116	525 736	527 263	(1 527)	0%	527 263
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	43	43	-	-	43	(43)	-100%	43
Total Capital Expenditure - Functional Classification	3	484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186
Funded by:										
National Government		464 144	323 744	526 070	142 632	526 067	526 070	(4)	0%	526 070
Provincial Government		7 451	26	4 066	-	2 797	4 066	(1 270)	-31%	4 066
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,		-	-	-	-	-	-	-		-
Transfers recognised - capital		471 595	323 770	530 137	142 632	528 863	530 137	(1 274)	0%	530 137
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		13 258	8 391	10 049	445	6 391	10 049	(3 659)	-36%	10 049
Total Capital Funding		484 853	332 162	540 186	143 077	535 254	540 186	(4 932)	-1%	540 186

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 - M12 June

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		500 468	240 335	173 174	27 427	173 174
Call investment deposits		(480 000)	–	–	–	–
Consumer debtors		32 918	67 333	39 816	59 248	39 816
Other debtors		81 540	28 773	59 684	96 675	59 684
Current portion of long-term receivables		–	–	–	–	–
Inventory		2 556	2 473	2 556	12 027	2 556
Total current assets		137 483	338 914	275 232	195 376	275 232
Non current assets						
Long-term receivables		–	–	–	–	–
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		4 593 488	4 188 952	5 387 145	5 030 685	5 387 145
Biological						
Intangible		15	13	25	(0)	25
Other non-current assets		7 807	–	–	7 807	–
Total non current assets		4 601 310	4 188 965	5 387 169	5 038 492	5 387 169
TOTAL ASSETS		4 738 792	4 527 879	5 662 401	5 233 868	5 662 401
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		902	–	–	(261)	–
Consumer deposits		3 621	3 633	3 621	3 623	3 621
Trade and other payables		348 935	257 262	380 375	407 918	380 375
Provisions		2 378	1 755	2 378	2 378	2 378
Total current liabilities		355 836	262 650	386 374	413 657	386 374
Non current liabilities						
Borrowing		1 092	–	1 092	1 092	1 092
Provisions		41 020	33 904	42 840	40 718	42 840
Total non current liabilities		42 112	33 904	43 932	41 810	43 932
TOTAL LIABILITIES		397 948	296 554	430 306	455 467	430 306
NET ASSETS	2	4 340 844	4 231 325	5 232 095	4 778 401	5 232 095
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		4 340 844	3 834 563	4 666 623	4 710 957	4 666 623
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	4 340 844	3 834 563	4 666 623	4 710 957	4 666 623

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 30 June 2023 indicate bank balance of **R27.4 million**

Call Investments Deposits

Call investments as at 30 June 2023 is **R0 million**.

Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R59.2 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R201.2 million**. Consumer debtors amount to **R195.6 million** and the balance of **R5.5 million** is for shared services casted in Other Debtors.

Gross Consumer debtors	R195.6 million
Less Impairment	(R136.4 million)
Net Consumer Debtors	R59.2 million

Classification of Consumer Debtors per Service type

Water Debtors	R48.8 million
Sanitation Debtors	R10.3 million
Property Rentals Debtors	R88.3 thousand
Other Consumer debtors	R21.1 thousand
Total	R59.2 million

➤ **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R48.8 million**.
Water debtors are amounts owed by consumers for water services billed.

Gross Water Debtors	R152.8 million
Less Impairment	(104 million)
Net Water Debtors	R48.8 million

➤ **Sanitation Debtors**

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

Gross Sanitation Debtors	R42.7 million
Less Impairment	(R32.4 million)
Net Sanitation Debtors	R10.3 million

➤ **Property Rentals Debtors**

These are debtors accumulated from property rentals amounts to **R79.7 thousand**

Property Rental	R88.3 thousand
Less Impairment	(R0 thousand)
Net Property rental	R88.3 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R26.3 thousand**, these are sundry debtors.

Gross Other Debtors	R33 thousand
Less Impairment	(R11.9)
Net Other Debtors	R21.1 thousand

Classification of Consumer Debtors per Customer group

Households	R165.3 million
Commercial/Businesses	R 13.8 million
Organs of State (excl shared services of R5.5 mill)	R 16.5 million
Total	R195.6 million

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

Gross Households debtors	R165.3 million
Less Impairment	(R136.4 million)
Net Household debtors	R28.9 million

Other debtors

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R96.6 million**.

VAT Receivable	R69.3 million
Deposits Made	R16.7 million
Refunds & under/over banking	R7.6 million
Overpayments/Accrued Income/UIFW Expenditure	R2.2 million
Prepaid Expenses	R564 thousand
Insurance claims	R15.1 thousand
Salary advance	R61.8 thousand
Total	R96.6 million

➤ **VAT Receivable**

VAT Receivable amount to **R69.3 million**, this is the amount raised when input VAT is recognized less output VAT collected as per VAT reconciliation.

➤ **Deposits Made**

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

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

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

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

➤ **Refunds & under/over banking**

Refunds & under/over banking amount to **R7.6 million**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

Shared services debtors	R5.5 million
Under/over banking	R2.1 million

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

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

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

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

➤ **Prepaid Expense**

Prepaid Expense amounts to **R564 thousand**. Prepaid expense is made up of prepaid electricity.

➤ **Insurance Claims**

Insurance Claims amounts to **R15.1 thousand**. This amount consists of an outstanding claim.

➤ **Salary advance**

Salary advances amounts to **R61.8 thousand**. This amount consists of advanced employee costs.

Inventory

The current level of inventory is **R12 million**. Inventories include water stock and consumable stores.

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment include current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R4.7 million**.

Opening balance	R4.6 billion
Additions	R535 million
Depreciation	(R97.5 million)
Closing Balance	R5 billion

Intangible

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R0 thousand**.

Opening balance	R0 thousand
Additions	R 0
Depreciation	(R0)
Closing Balance	R0 thousand

Other non-current assets

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

CURRENT LIABILITIES

Borrowings

This is the current portion of the finance lease agreement the Municipality entered into to procure laptops. The current balance owed amount to **R261 thousand**.

Opening balance	(R901.7 thousand)
Payment	R1.1. million
Closing Balance	R261 thousand

Consumer deposits

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

Trade and other payables

Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R407.9 million**.

Trade Creditors	R221.6 million
Unspent Conditional Grants	R2.6 million
Retention	R60.1 million
Department of Water & Sanitation	R70.4 million
Output VAT	R10.7 million
Leave accrued	R19 million
Bonus	R5.4 million
Employee related cost	R380 thousand
Advance Payments	R3.7 million
Salary Suspense Accounts	R64.1 thousand
Other Suspense account	R150 thousand
Water tankers	R11.8 million
Other trade creditors	R63.9 thousand
Zanamanzi	R1.2 million
Fleet Suspense	R320 thousand
Closing Balance	R407.9 million

Current Provision

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

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

NON-CURRENT LIABILITIES

Borrowings

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

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

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

Non-current Provisions

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

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

Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R4.7 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges		46 532	60 574	42 826	2 155	26 949	42 826	(15 877)	-37%	42 826
Other revenue		1 070 817	80 905	125 227	26 165	1 387 268	125 227	#####	1008%	125 227
Transfers and Subsidies - Operational		536 834	601 306	645 690	20 558	661 699	645 690	16 009	2%	645 690
Transfers and Subsidies - Capital		636 186	372 306	610 306	-	610 306	610 306	-		610 306
Interest		3 705	6 000	5 000	95	1 404	5 000	(3 596)	-72%	5 000
Dividends								-		
Payments										
Suppliers and employees		(1 827 370)	(533 128)	(613 791)	47 082	(1 347 941)	(613 791)	734 150	-120%	(613 791)
Finance charges								-		
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		466 705	587 963	815 257	96 055	1 339 685	815 257	(524 428)	-64%	815 257
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(484 853)	(332 162)	(541 793)	(143 077)	(535 254)	(541 793)	(6 539)	1%	(541 793)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(484 853)	(332 162)	(541 793)	(143 077)	(535 254)	(541 793)	(6 539)	1%	(541 793)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	(902)	(299)	(1 163)	(902)	261	-29%	(902)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	(902)	(299)	(1 163)	(902)	261	-29%	(902)
NET INCREASE/ (DECREASE) IN CASH HELD		(18 148)	255 801	272 563	(47 322)	803 268	272 563			272 563
Cash/cash equivalents at beginning:		20 058	72 676	20 468	(33 501)	20 468	20 468			20 468
Cash/cash equivalents at month/year end:		1 910	328 477	293 031		823 737	293 031			293 031

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 **R42.8 million** on service charges, the estimated collection amount is based on the 65% collection rate. The collection rate is also based on previous years actual collection and initiatives the Municipality has taken to improve collection. The Municipality has collected **R26.9 million** to date. This is **62%** of budgeted collection and **49%** of year-to-date billing.

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

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

Other Revenue

Other revenue includes receipts from tender fees, hall hiring, fines and forfeits, and office space rental receipts. The population of other revenue is higher than expected and not credible, the Municipality is in a process of developing an action plan to address these inefficiencies. Other revenue on table C4 is **R1.9 million**.

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 **R658.7 million**. This amount includes FMG, Equitable share and EPWP which were received thus far under Transfers and subsidies – Operational.

Equitable share	R586.3 million
Finance Management Grant	R1.2 million
Expanded public works program	R8.5 million
Indonsa Grant	R1.9 million
Aviation Strategy	R500 thousand
Amafa research	R180 thousand
National Skills Fund	R59.6 million
Local Government Sector Education and Training Authority	R108 thousand

Local Government Sector Education and Training Authority
Art Centre Subsidies

R370 thousand
R53.9 thousand

TOTAL

R658.7 million

Transfers and subsidies – Capital

Transfers and subsidies - Capital are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **R610.3 million**. This amount includes RBIG, MIG, RRAMS, TSUCM_COGTA Boreholes and WSIG which were received thus far under Transfers and subsidies - Capital.

Municipal Infrastructure Grant	R 259.5 million
Regional Bulk Infrastructure Grant	R 250.2 million
Water services Infrastructure grant	R 95 million
Rural Road asset Management grant	R 2.5 million
COGTA Boreholes Grant	R 3 million
TOTAL	R610.3 million

Interest

Interest on investment is adjusted at **R3 million**, this estimate is based on the approved budget interest income, the interest includes interest on investments made and interest on bank balance. Year to date actual Interest is **R1.4 million**. Interest on investment revenue on table C4 is **R6.7 million**.

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R535.2 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. the Municipality is in a process of developing an action plan to address these inefficiencies.

Cash and cash equivalents at the end

Cash and cash equivalents are the cash available at the end of the reporting period after all expenses have been paid. Cash and cash equivalents to date is **R27.4 million**.

PART 2 – SUPPORTING DOCUMENTATION

2.1. DEBTORS ANALYSIS

Debtors age analysis as of 30 June 2023

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2022/23											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	6 985	2 684	2 506	3 065	2 968	1 976	12 867	119 259	152 310	140 135	-	(104 008)	
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-			
Receivables from Non-exchange Transactions - Property Rates	1400									-	-			
Receivables from Exchange Transactions - Waste Water Management	1500	1 920	792	745	771	670	599	3 340	33 898	42 736	39 279	-	(32 450)	
Receivables from Exchange Transactions - Waste Management	1600									-	-			
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-			
Interest on Arrear Debtor Accounts	1810	45	26	26	23	21	20	93	277	531	434	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-			
Other	1900	840	125	170	222	237	2	389	3 673	5 658	4 523	-	-	
Total By Income Source	2000	9 791	3 627	3 446	4 080	3 896	2 597	16 690	157 108	201 235	184 371	-	(136 458)	
2021/22 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	3 190	1 011	809	986	779	349	3 662	11 238	22 024	17 014	-	-	
Commercial	2300	1 360	411	418	457	359	389	1 511	8 926	13 830	11 642	-	-	
Households	2400	5 240	2 205	2 220	2 637	2 759	1 859	11 516	136 944	165 380	155 715	-	(136 458)	
Other	2500									-	-			
Total By Customer Group	2600	9 791	3 627	3 446	4 080	3 896	2 597	16 690	157 108	201 235	184 371	-	(136 458)	

Total debtors' amount to **R201.2 million**, which is an decrease of **R1.8 million** from the closing balance of **R202.4 million** in previous month. The debtors over 90 days amount to **R184.3 million**. This is concerning and needs intervention since debtors above 60 days should be restricted in terms of the Municipality's credit control policy.

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 30 June 2023

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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	1 183	-	-	-	-	-	-	-	1 183	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	1 183	-	-	-	-	-	-	-	1 183	-

2.3 INVESTMENT PORTFOLIO

Investments as at 30 June 2023

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

Investments by maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
Zululand District Municipality-ABSA		24	Call account	Yes	Variable	0.08075	N/A	N/A	N/A	25 000	-	25 000	-	-
Zululand District Municipality-ABSA		30	Call account	Yes	Variable	0.079	N/A	N/A	N/A	-	414 750	-	175 000	175 000
Zululand District Municipality-ABSA		90	Investment tracker	Yes	Variable	0.0853	N/A	N/A	N/A	175 000	191 925	-	25 000	200 000
Zululand District Municipality-ABSA		90	Investment tracker	Yes	Variable	0.079	N/A	N/A	N/A	200 000	177 750	-	25 000	225 000
Zululand District Municipality-ABSA			Investment tracker	Yes	Variable	0.079	N/A	N/A	N/A	225 000	-	25 000	-	200 000
Zululand District Municipality-ABSA		90	Investment tracker	Yes	Variable	0.079	N/A	N/A	N/A	200 000	281 058	-	39 530	239 530
Zululand District Municipality-Nedbank		60	CIB Investment	Yes	Variable	0.083	N/A	N/A	N/A	239 530	124 500	-	25 000	264 530
Zululand District Municipality-Nedbank		32	CIB Investment	Yes	Variable	0.0823	N/A	N/A	N/A	264 530	65 840	-	25 000	289 530
Zululand District Municipality-Std Bank		62	Investment	Yes	Variable	0.08075	N/A	N/A	N/A	289 530	125 163	-	25 000	314 530
Zululand District Municipality-Std Bank		63	Investment	Yes	Variable	0.08075	N/A	N/A	N/A	289 530	228 926	-	45 000	334 530
Zululand District Municipality-ABSA		6	Call account	Yes	Variable	0.079	N/A	N/A	N/A	334 530	-	30 000	-	304 530
Zululand District Municipality-Nedbank		39	CIB Investment	Yes	Variable	0.0823	N/A	N/A	N/A	304 530	-	25 000	-	279 530
Zululand District Municipality-ABSA		44	Investment tracker	Yes	Variable	0.08075	N/A	N/A	N/A	279 530	-	50 000	-	229 530
Zululand District Municipality-ABSA		41	Call account	Yes	Variable	0.079	N/A	N/A	N/A	229 530	-	60 000	-	169 530
Zululand District Municipality-ABSA		48	Call account	Yes	Variable	0.079	N/A	N/A	N/A	169 530	-	35 000	-	134 530
Zululand District Municipality-ABSA		47	Investment tracker	Yes	Variable	0.079	N/A	N/A	N/A	134 530	-	39 530	-	95 000
Zululand District Municipality-Std Bank		76	Investment	Yes	Variable	0.08075	N/A	N/A	N/A	95 000	-	45 000	-	50 000
Zululand District Municipality-Nedbank		39	CIB Investment	Yes	Variable	0.0823	N/A	N/A	N/A	50 000	-	25 000	-	25 000
Zululand District Municipality-Std Bank		62	Investment	Yes	Variable	0.08075	N/A	N/A	N/A	25 000	-	25 000	-	-
Municipality sub-total											-	-	-	-
Entities														
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2										-	-	-	-

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		535 457	598 895	598 895	1 290	596 108	598 895	(2 787)	-0.5%	598 895
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		524 645	586 391	586 391	769	586 391	586 391	–	0.0%	586 391
Expanded Public Works Programme Integrated Grant		9 612	8 517	8 517	–	8 517	8 517	–	0.0%	8 517
Local Government Financial Management Grant		1 200	1 200	1 200	521	1 200	1 200	–	0.0%	1 200
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	2 787	2 787	–	–	2 787	(2 787)	-100.0%	2 787
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		2 522	2 411	2 611	831	1 911	2 611	(700)	-26.8%	2 611
Capacity Building and Other Grants		2 522	2 411	2 611	831	1 911	2 611	(700)	-26.8%	2 611
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	44 184	20 179	59 721	44 184	15 537	35.2%	44 184
Electricity Distribution Industry Holdings		–	–	1 080	(152)	–	1 080	(1 080)	-100.0%	1 080
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		–	–	–	108	108	–	108	–	–
National Skills Fund		–	–	43 104	20 223	59 613	43 104	16 509	38.3%	43 104
Unspecified		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	537 979	601 306	645 690	22 301	657 740	645 690	12 050	1.9%	645 690
Capital Transfers and Grants										
National Government:		603 289	372 306	607 306	154 951	607 306	607 306	–	0.0%	607 306
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		269 111	259 530	259 530	56 688	259 530	259 530	–	0.0%	259 530
Regional Bulk Infrastructure Grant		222 531	15 247	250 247	84 836	250 247	250 247	–	0.0%	250 247
Rural Road Asset Management Systems Grant		1 647	2 529	2 529	1 943	2 529	2 529	–	0.0%	2 529
Water Services Infrastructure Grant		110 000	95 000	95 000	11 484	95 000	95 000	–	0.0%	95 000
Provincial Government:		32 266	–	4 642	52	3 196	4 642	(1 446)	-31.1%	4 642
Infrastructure Grant		32 266	–	4 642	52	3 196	4 642	(1 446)	-31.1%	4 642
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	635 555	372 306	611 948	155 003	610 502	611 948	(1 446)	-0.2%	611 948
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 173 534	973 612	1 257 638	177 304	1 268 242	1 257 638	10 604	0.8%	1 257 638

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

Grant Expenditure

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		765 037	551 382	582 326	83 700	684 390	582 326	102 064	17.5%	582 326
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		674 775	541 665	566 354	79 818	655 210	566 354	88 856	15.7%	566 354
Expanded Public Works Programme Integrated Grant		24 299	8 517	8 517	1 202	21 725	8 517	13 208	155.1%	8 517
Local Government Financial Management Grant		1 200	1 200	1 200	587	1 200	1 200	(0)	0.0%	1 200
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		41 379	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		1 022	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		1 433	–	15	–	15	15	–	–	15
Water Services Infrastructure Grant		20 929	–	6 240	2 094	6 240	6 240	(0)	0.0%	6 240
Provincial Government:		1 866	2 381	2 581	909	1 989	2 581	(592)	-22.9%	2 581
Capacity Building and Other Grants		1 866	2 381	2 581	909	1 989	2 581	(592)	-22.9%	2 581
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	60 773	19 886	59 428	60 773	(1 345)	-2.2%	60 773
Electricity Distribution Industry Holdings		–	–	1 080	(152)	–	1 080	(1 080)	-100.0%	1 080
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		–	–	–	108	108	–	108	–	–
National Skills Fund		–	–	59 693	19 930	59 320	59 693	(373)	-0.6%	59 693
Total operating expenditure of Transfers and Grants:		766 903	553 763	645 680	104 495	745 806	645 680	100 126	15.5%	645 680
Capital expenditure of Transfers and Grants										
National Government:		464 144	323 744	526 070	142 632	526 067	526 070	(4)	0.0%	526 070
Municipal Infrastructure Grant		194 381	225 678	227 398	49 691	227 398	227 398	(0)	0.0%	227 398
Regional Bulk Infrastructure Grant		194 437	13 258	219 494	83 272	219 494	219 494	(0)	0.0%	219 494
Rural Road Asset Management Systems Grant		–	2 199	2 184	1 686	2 180	2 184	(4)	-0.2%	2 184
Water Services Infrastructure Grant		75 326	82 609	76 994	7 984	76 994	76 994	(0)	0.0%	76 994
Provincial Government:		7 451	26	4 066	–	2 797	4 066	(1 270)	-31.2%	4 066
Infrastructure Grant		7 451	26	4 066	–	2 797	4 066	(1 270)	-31.2%	4 066
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		471 595	323 770	530 137	142 632	528 863	530 137	(1 274)	-0.2%	530 137
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 238 498	877 534	1 175 817	247 128	1 274 670	1 175 817	98 853	8.4%	1 175 817

EPWP has been exhausted.

MIG, WSIG and RRAMG are experiencing major variances against year-to-date budget.

RBIG Allocation was increased during the adjustment budget process.

Roll-overs Expenditure

The Municipality has one rolled over grant:

- KwaMajomela manufacturing grant

ROLLED OVER GRANTS FROM 2021/2022	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL
Kwamajomela Manufacturing Centre Grant	1 641 817	1 641 817	1 641 817
Total Operating Grant Expenditure	1 641 817	1 641 817	1 641 817

The municipality has only KwaMajomela Manufacturing Centre Grant approved to be rolled over so far and expenditure amount above is inclusive of VAT as per **MFMA circular no. 58**.

DC26 Zululand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M12 June

Description	Ref	Budget Year 2022/23				
		Approved Rollover 2021/22	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
<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:		1 642	-	1 406	(236)	-14.4%
Other Departments		1 642	-	1 406	(236)	-14.4%
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		1 642	-	1 406	(236)	-14.4%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		1 642	-	1 406	(236)	-14.4%

2.5 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	-	-	-	-	-		-
Pension and UIF Contributions		514	661	661	41	509	661	(152)	-23%	661
Medical Aid Contributions		44	-	-	5	53	-	53	#DIV/0!	-
Motor Vehicle Allowance		1 727	1 805	1 805	152	1 889	1 805	84	5%	1 805
Cellphone Allowance		649	653	653	52	681	653	29	4%	653
Housing Allowances		-	-	180	15	360	180	180	100%	180
Other benefits and allowances		5 682	5 652	5 722	462	5 782	5 722	60	1%	5 722
Sub Total - Councillors		8 616	8 771	9 021	727	9 275	9 021	254	3%	9 021
% increase	4		1.8%	4.7%						4.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 002	6 555	6 555	446	5 352	6 555	(1 203)	-18%	6 555
Pension and UIF Contributions		11	55	55	1	12	55	(43)	-78%	55
Medical Aid Contributions		48	57	57	-	1	57	(57)	-99%	57
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	403	-	403	#DIV/0!	-
Motor Vehicle Allowance		1 210	1 592	1 592	121	1 410	1 592	(183)	-11%	1 592
Cellphone Allowance		191	210	210	20	218	210	8	4%	210
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		322	225	225	23	375	225	150	66%	225
Payments in lieu of leave		354	-	-	-	185	-	185	#DIV/0!	-
Long service awards		-	-	-	23	23	-	23	#DIV/0!	-
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Municipality		7 138	8 695	8 695	633	7 977	8 695	(717)	-8%	8 695
% increase	4		21.8%	21.8%						21.8%
Other Municipal Staff										
Basic Salaries and Wages		171 941	185 935	186 268	15 449	185 707	186 268	(562)	0%	186 268
Pension and UIF Contributions		22 997	25 886	25 871	2 096	24 866	25 871	(1 006)	-4%	25 871
Medical Aid Contributions		13 624	13 597	13 597	1 295	14 976	13 597	1 379	10%	13 597
Overtime		7 099	4 619	6 136	502	6 445	6 136	309	5%	6 136
Performance Bonus		11 678	12 786	12 786	1 867	12 469	12 786	(318)	-2%	12 786
Motor Vehicle Allowance		8 704	9 561	9 567	947	10 583	9 567	1 016	11%	9 567
Cellphone Allowance		663	670	670	67	779	670	110	16%	670
Housing Allowances		1 379	1 379	1 379	134	1 701	1 379	322	23%	1 379
Other benefits and allowances		8 941	524	517	442	4 878	517	4 360	843%	517
Payments in lieu of leave		3 223	-	-	233	2 087	-	2 087	#DIV/0!	-
Long service awards		2 506	-	1 500	71	1 971	1 500	471	31%	1 500
Post-retirement benefit obligations	2	3 775	4 500	3 000	-	-	3 000	(3 000)	-100%	3 000
Sub Total - Other Municipal Staff		256 532	259 457	261 293	23 104	266 461	261 293	5 168	2%	261 293
% increase	4		1.1%	1.9%						1.9%
Total Parent Municipality		272 286	276 923	279 008	24 465	283 713	279 008	4 705	2%	279 008

The municipality has no active entity

2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M12 June

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<u>Revenue By Source</u> Client elected Not to populate this sheet			
2	<u>Expenditure By Type</u> Client elected Not to populate this sheet			
3	<u>Capital Expenditure</u> Client elected Not to populate this sheet			
4	<u>Financial Position</u> Client elected Not to populate this sheet			
5	<u>Cash Flow</u> Client elected Not to populate this sheet			
6	<u>Measureable performance</u> Client elected Not to populate this sheet			
7	<u>Municipal Entities</u> Client elected Not to populate this sheet			

2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any active entities.

2.9 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

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	40 404	27 680	27 680	5 503	5 503	27 680	22 178	80.1%	2%
August	40 404	27 680	27 680	14 273	19 776	55 360	35 585	64.3%	6%
September	40 404	27 680	27 683	32 995	52 771	83 044	30 273	36.5%	16%
October	40 404	27 680	27 910	27 335	80 106	110 954	30 847	27.8%	24%
November	40 404	27 680	27 984	18 645	98 752	138 938	40 186	28.9%	30%
December	40 404	27 680	28 079	46 356	145 107	167 017	21 909	13.1%	44%
January	40 404	27 680	28 081	7 250	152 357	195 098	42 741	21.9%	46%
February	40 404	27 680	69 339	13 944	166 301	264 437	98 136	37.1%	50%
March	40 404	27 680	69 429	27 728	194 029	333 866	139 837	41.9%	58%
April	40 404	27 680	66 800	70 518	264 547	400 666	136 119	34.0%	0
May	40 404	27 680	66 800	127 629	392 177	467 466	75 289	16.1%	0
June	40 404	27 680	72 720	143 077	535 254	540 186	4 932	0.9%	0
Total Capital expenditure	484 853	332 162	540 186	535 254					

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

Summary of Capital Expenditure by asset class and sub-class

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

Description	Ref	2021/22	Budget Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		464 144	327 657	532 592	142 632	531 073	532 592	1 519	0.3%	532 592
Roads Infrastructure		—	6 112	6 097	1 686	5 818	6 097	279	4.6%	6 097
Roads		—	6 112	6 097	1 686	5 818	6 097	279	4.6%	6 097
Capital Spares		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		464 144	321 545	504 718	140 536	503 478	504 718	1 240	0.2%	504 718
Dams and Weirs		—	—	—	—	—	—	—	—	—
Boreholes		8 702	—	70 054	29 955	68 814	70 054	1 240	1.8%	70 054
Reservoirs		—	—	11 071	2 409	11 071	11 071	0	0.0%	11 071
Pump Stations		—	—	—	—	—	—	—	—	—
Water Treatment Works		74 910	—	63 564	8 703	63 564	63 564	0	0.0%	63 564
Bulk Mains		220 648	321 545	323 696	95 612	323 696	323 696	0	0.0%	323 696
Distribution		159 884	—	36 333	3 857	36 333	36 333	0	0.0%	36 333
Distribution Points		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	21 777	411	21 777	21 777	0	0.0%	21 777
Pump Station		—	—	—	—	—	—	—	—	—
Reticulation		—	—	21 777	411	21 777	21 777	0	0.0%	21 777
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Sand Pumps		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Data Centres		—	—	—	—	—	—	—	—	—
Community Assets		6 965	—	1 773	—	1 726	1 773	47	2.6%	1 773
Community Facilities		6 965	—	1 773	—	1 726	1 773	47	2.6%	1 773
Halls		—	—	—	—	—	—	—	—	—
Centres		6 965	—	1 773	—	1 726	1 773	47	2.6%	1 773
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Heritage assets		6 594	—	—	—	—	—	—	—	—
Historic Buildings		—	—	—	—	—	—	—	—	—
Works of Art		6 594	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Other assets		—	391	191	—	—	191	191	100.0%	191
Operational Buildings		—	391	191	—	—	191	191	100.0%	191
Municipal Offices		—	391	191	—	—	191	191	100.0%	191
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	30	—	—	30	30	100.0%	30
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	30	—	—	30	30	100.0%	30
Water Rights		—	—	—	—	—	—	—	—	—
Computer Software and Applications		—	—	30	—	—	30	30	100.0%	30
Computer Equipment		6 572	2 609	2 609	49	75	2 609	2 533	97.1%	2 609
Computer Equipment		6 572	2 609	2 609	49	75	2 609	2 533	97.1%	2 609
Furniture and Office Equipment		92	1 043	1 483	396	1 157	1 483	326	22.0%	1 483
Furniture and Office Equipment		92	1 043	1 483	396	1 157	1 483	326	22.0%	1 483
Machinery and Equipment		485	461	1 508	—	1 223	1 508	285	18.9%	1 508
Machinery and Equipment		485	461	1 508	—	1 223	1 508	285	18.9%	1 508
Transport Assets		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Capital Expenditure on new assets	1	484 853	332 162	540 186	143 077	535 254	540 186	4 932	0.9%	540 186

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: 2023/07/14