

ZULULAND DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

30 SEPTEMBER 2022

MFMA S52 (d) REPORT

2022/2023 FINANCIAL YEAR

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GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

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

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 – IN-YEAR REPORT

1.1. MAYORS REPORT

To be attached

1.2. COUNCIL RESOLUTION

The Monthly budget statement review be noted.

1.3. EXECUTIVE SUMMARY

BUDGET PERFORMANCE ANALYSIS

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

Summary Statement of Financial Performance

	APPROVED BUDGET	YTD ACTUAL
Total Revenue By Source (Excluding Capital Transfers)	688 934 986	243 843 534
Total Operating Expenditure	626 160 559	159 946 181
Surplus/(Deficit)	62 774 427	83 897 352

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **30 September 2022** is **R243.8 million** which is **35%** of the total operating revenue budget, the year-to-date budget is **R172.2 million** which is below year-to date actual, a variance of **R71.6 million** or **42%** is observed, this variance is a result of the first transfer of equitable share. Operating revenue comprises of equitable share and other operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Operating revenue is explained by source in Section 1.4 Operating Revenue Performance.

The Municipality is largely dependent on government grants for its operations, service charges revenue recognized is only **R9.4 million** which is **4%** of the total generated operating revenue. No amount has been recognized relating to the proposed flat rate of **R50**.

Operating Expenditure Performance

Total Operating Expenditure as at **30 September 2022** is **R159.9 million** which is **26%** of the operating expenditure budget, the year-to-date budget is **R156.9 million** which is below year-to date actual, a variance of **R2.9 million** or **2%** is observed, there are line items such as inventory and debt impairment has either slow or no movement in previous months, on the other hand other expenditure is moving almost twice the budget year to date. Operating expenditure is explained by source in Section 1.5 Operating Expenditure Performance.

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	YTD ACTUAL
Total Capital Expenditure	380 723 390	52 770 874
Total Capital Financing	380 723 390	52 770 874

Total Capital Expenditure as at **30 September 2022** is **R52.7 million** which is **14%** of the capital budget, the year-to-date budget is **R83 million** which is above year-to date actual, a variance of **R30.2 million** or **36%** is observed. This may indicate that capital grants are not spent in a required pace. Capital expenditure is explained by source in Section 1.6 Capital Expenditure and Funding.

Major Variances between actuals and year to date budget`

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

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

Major variances on expenditure are on inventory consumed, debt impairment and other expenditure.

1.4. OPERATING REVENUE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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		38 391	68 000	68 000	3 179	10 007	17 000	(6 993)	-41%	68 000
Service charges - sanitation revenue		12 513	12 500	12 500	1 344	3 996	3 125	871	28%	12 500
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	183	17	51	46	5	11%	183
Interest earned - external investments		3 705	6 000	6 000	308	839	1 500	(661)	-44%	6 000
Interest earned - outstanding debtors		288	85	85	15	39	21	18	84%	85
Dividends received								-		
Fines, penalties and forfeits		209	150	150	(4)	11	37	(27)	-71%	150
Licences and permits		-	-	-	5	11	-	11	#DIV/0!	-
Agency services								-		
Transfers and subsidies		537 979	601 306	601 306	(3 330)	228 692	150 326	78 366	52%	601 306
Other revenue		1 085	711	711	191	198	178	20	11%	711
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		594 405	688 935	688 935	1 726	243 844	172 234	71 610	42%	688 935

The year-to-date actual indicates operating revenue of **R243.8 million** for **three months**, the year-to-date budget is **R172.2 million**. A variance of **R71.6 million** or **42%** is observed. The total revenue to-date represents **35%** of the operating revenue budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R10 million**, which is below year-to-date budget of **R17 million**. A variance of **R7 million** or **41%** is observed. No amount has been recognized relating to the proposed flat rate of **R50**, this is causing under billing of the variance mentioned above.

The municipality may have to adjust downward revenue projection in the adjustment budget. The municipality must fast track the billing of **R50** flat rate to ensure that the budget target is met.

Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R3.9 million** which is above year to date budget of **R3.1 million**. A variance of **R871 thousand** or **28%** is observed.

The billing is above the target, the municipality may have to adjust upwards in the adjustment budget.

Rent of facilities

Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is **R51 thousand** which is above year-to-date budget of **R46 thousand**. A variance of **R5 thousand** or **11%** is observed.

Interest on investment

Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is **R839 thousand**, which is below year-to-date budget of **R1.5 million**. A variance of **R661 thousand** or **44%** is observed.

The interest on investment is below target, the municipality may have to revise its investment strategy to ensure budget target is met.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R39 thousand**, which is above to year-to-date budget of **R21 thousand**. variance of **R18 thousand** or **84%** is observed.

Interest earned on outstanding debtors is above target, the municipality must improve collection to ensure less consumers are charged interest.

Fines, penalties and forfeits

Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is **R11 thousand**, which is below the year-to-date budget of **R37 thousand**. A variance of **R27 thousand** or **71%** is observed.

This is a positive indication that less consumers are illegally connected.

Licences and permits

This amount is for health certificates issued, the year-to-date actual is **R11 thousand**, the year-to-date budget is **R0**. A variance of **R6 thousand** or is observed.

There was no allocated budget in this revenue stream, the budget will be allocated in the adjustment budget.

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 **R228.6 million**, which is above year-to-date budget of **R150.3 million**. A variance of **R78.3 million** or **52%** is observed.

The above variance is a result of the first transfer of equitable share of **R228.6 million**.

This line item will pickup eventually as this first transfer is for municipal running cost up to the second transfer of equitable share as it will be received in December.

Other revenue

Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is **R198 thousand**, which is above year-to-date budget of **R178 thousand**. A variance of **R20 thousand** or **11%** is observed.

The other revenue depends on the sale of tender documents and skills development levy refund which are seasonal and cannot be benchmarked against the year-to-date budget.

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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									%	
Expenditure By Type										
Employee related costs		263 669	268 152	268 152	22 718	67 689	67 038	651	1%	268 152
Remuneration of councillors		8 616	8 771	8 771	718	2 349	2 193	156	7%	8 771
Debt impairment		20 001	14 000	14 000	–	–	3 500	(3 500)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	6 667	20 000	20 000	(0)	0%	80 000
Finance charges		399	–	–	–	–	–	–		–
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		29 002	33 320	33 495	33	81	8 375	(8 294)	-99%	33 495
Contracted services		303 901	106 388	114 281	17 571	27 930	27 340	590	2%	114 281
Transfers and subsidies		11 295	3 070	1 410	198	378	466	(88)	-19%	1 410
Other expenditure		131 178	112 460	107 287	17 566	41 519	28 080	13 439	48%	107 287
Losses		2 627	–	–	–	–	–	–		–
Total Expenditure		871 808	626 161	627 395	65 470	159 946	156 991	2 955	2%	627 395

The year-to-date actual indicates spending of **R159.9 million** for **three month**. The total expenditure to-date represents **15%** of the approved operational budget. The year-to-date budget is **R156.9 million** which is below year-to date actual, a variance of **R2.9 million** or **2%** is observed.

Employee Related Costs

Employee related costs year to date actual is **R67.6 million**, which is above the year-to-date budget of **R67 million**, a variance of **R651 thousand** or **1%** is observed. Employee related cost is a little bit above year-to-date budget, this variance is caused by overtime, standby allowance, acting allowance and long service bonus.

The municipality need to allocate an additional budget to the above-mentioned line items.

Remuneration of Councilors

Remuneration of Councilors year to date actual is **R2.3 million**, which is above the year-to-date budget is **R2.1 million**, a variance of **R156 thousand** or **7%** is observed. The upper limits have been effected therefore the municipality back paid councilors in August.

The revised budget allocation is recommended in the next adjustment budget.

Debt impairment

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

Depreciation

This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is **R20 million**, which is equal to year-to-date budget of **R20 million**. A variance of **R0 million** or **0%** 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 stores (cleaning materials, stationery, water stock and materials and supplies), the year-to-date actual is **R81 thousand**, which is below the year-to-date budget of **R8.3 million**, a variance of **R8.2 million** or **99%** is observed. The variance is caused by non-payments of bulk water.

It is recommended that the municipality record all expenditure relating to bulk water and consumable stores in time.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R27.9 million** and the year-to-date budget is **R27.3 million**, a variance of **R590 thousand** or **2%** is observed.

The municipality need to review SLA and reconcile it with the budget for contracted services and adjust in the next adjustment if need be.

Transfers and subsidies paid

Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support businesses. The year-to-date actual is **R378 thousand**, the year-to-date budget is **R466 thousand**, a variance of **R88 thousand** or **19%** is observed.

This expenditure item is seasonal, expenditure will pick up as the financial year progresses.

Other expenditure

Other expenditure year to date actual is **R41.5 million**, which is above the year-to-date budget of **R28 million**, a variance of **R13.4 million** or **48%** is observed. The cost of electricity and some seasonal/once off expenditure items are the main reason for the variance.

It is recommended that the municipality monitor closely this expenditure item.

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL
Finance Management grant	1 200 000	145 029
EPWP Incentive	8 517 000	6 186 229
Art centre Subsisies (Indonsa Grant)	1 911 000	1 029 844
Aviation Strategy	500 000	-
Municipal Systems Improvement Grant	2 787 000	-
Total Operating Grant Expenditure	14 915 000	7 361 102

Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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		38 391	68 000	68 000	3 179	10 007	17 000	(6 993)	-41%	68 000
Service charges - sanitation revenue		12 513	12 500	12 500	1 344	3 996	3 125	871	28%	12 500
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	183	17	51	46	5	11%	183
Interest earned - external investments		3 705	6 000	6 000	308	839	1 500	(661)	-44%	6 000
Interest earned - outstanding debtors		288	85	85	15	39	21	18	84%	85
Dividends received								-		
Fines, penalties and forfeits		209	150	150	(4)	11	37	(27)	-71%	150
Licences and permits		-	-	-	5	11	-	11	#DIV/0!	-
Agency services								-		
Transfers and subsidies		537 979	601 306	601 306	(3 330)	228 692	150 326	78 366	52%	601 306
Other revenue		1 085	711	711	191	198	178	20	11%	711
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		594 405	688 935	688 935	1 726	243 844	172 234	71 610	42%	688 935
Expenditure By Type										
Employee related costs		263 669	268 152	268 152	22 718	67 689	67 038	651	1%	268 152
Remuneration of councillors		8 616	8 771	8 771	718	2 349	2 193	156	7%	8 771
Debt impairment		20 001	14 000	14 000	-	-	3 500	(3 500)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	6 667	20 000	20 000	(0)	0%	80 000
Finance charges		399	-	-	-	-	-	-		-
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		29 002	33 320	33 495	33	81	8 375	(8 294)	-99%	33 495
Contracted services		303 901	106 388	114 281	17 571	27 930	27 340	590	2%	114 281
Transfers and subsidies		11 295	3 070	1 410	198	378	466	(88)	-19%	1 410
Other expenditure		131 178	112 460	107 287	17 566	41 519	28 080	13 439	48%	107 287
Losses		2 627	-	-	-	-	-	-		-
Total Expenditure		871 808	626 161	627 395	65 470	159 946	156 991	2 955	2%	627 395
Surplus/(Deficit)		(277 402)	62 774	61 540	(63 744)	83 897	15 242	68 655	0	61 540
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		611 248	372 306	372 306	(1 487)	55 172	93 076	(37 905)	(0)	372 306
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)		24 307	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		358 153	435 080	433 846	(65 232)	139 069	108 319			433 846
Taxation								-		
Surplus/(Deficit) after taxation		358 153	435 080	433 846	(65 232)	139 069	108 319			433 846
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		358 153	435 080	433 846	(65 232)	139 069	108 319			433 846
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		358 153	435 080	433 846	(65 232)	139 069	108 319			433 846

1.6. CAPITAL EXPENDITURE AND FUNDING

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

The summary report indicates the following: -

	APPROVED BUDGET	YTD ACTUAL
Total Capital Expenditure	380 723 390	52 770 874
Total Capital Financing	380 723 390	52 770 874

The capital expenditure amounts to **R52.7 million** which is **14%** of the capital budget, after a period of **three months**.

CAPITAL EXPENDITURE BY SOURCE	APPROVED BUDGET	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	259 530 000	31 146 954
Regional Bulk Infrastructure (RBIG)	15 247 000	3 345 441
Water services infrastructure Grant (WSIG)	95 000 000	14 641 086
Rural Roads Asset Managemnt Systems Grant	2 529 000	-
Indonsa Grant	26 087	-
Other Assets	8 391 303	3 637 393
Total Operating Expenditure	380 723 390	52 770 874

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	YTD ACTUAL
Municipal Infrastructure Grant (MIG)	259 530 000	38 698 767
Regional Bulk Infrastructure (RBIG)	15 247 000	3 788 213
Water services infrastructure Grant (WSIG)	95 000 000	16 735 343
Rural Roads Asset Managemnt Systems Grant	2 529 000	-
Indonsa Grant	26 087	-
Total Capital Grant Expenditure	372 332 087	59 222 323

Overall capital grant expenditure is sitting at **16%** of the approved capital budget, **MIG** is sitting at **15%**, **RBIG** at **25%**, **WSIG** at **18%**, **RAMS** at **0%** and **Indonsa Art Centre** at **0%**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03
September

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 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 01 - Council		6 594	-	-	-	-	-	-		-
Vote 02 - Corporate Services		3 746	3 261	3 292	-	-	818	(818)	-100%	3 292
Vote 03 - Finance		2 918	478	478	-	-	120	(120)	-100%	478
Vote 04 - Community Development		7 451	26	26	-	-	7	(7)	-100%	26
Vote 05 - Planning & Wsa		485 073	327 657	327 657	32 995	52 771	81 914	(29 143)	-36%	327 657
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	348	348	-	-	87	(87)	-100%	348
Vote 08 - Water Distribution		-	391	391	-	-	98	(98)	-100%	391
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Total Capital Expenditure		505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Capital Expenditure - Functional Classification										
Governance and administration		13 258	3 652	3 683	-	-	916	(916)	-100%	3 683
Executive and council		6 594	-	-	-	-	-	-		-
Finance and administration		6 664	3 652	3 683	-	-	916	(916)	-100%	3 683
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		485	70	70	-	-	17	(17)	-100%	70
Community and social services		485	70	70	-	-	17	(17)	-100%	70
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		6 965	6 112	6 112	760	3 637	1 528	2 109	138%	6 112
Planning and development		6 965	6 112	6 112	760	3 637	1 528	2 109	138%	6 112
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		485 073	322 284	322 284	32 235	49 133	80 571	(31 438)	-39%	322 284
Energy sources		-	-	-	-	-	-	-		-
Water management		485 073	322 284	322 284	32 235	49 133	80 571	(31 438)	-39%	322 284
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	43	43	-	-	11	(11)	-100%	43
Total Capital Expenditure - Functional Classification	3	505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Funded by:										
National Government		485 073	323 744	323 744	32 235	49 133	80 936	(31 803)	-39%	323 744
Provincial Government		7 451	26	26	-	-	7	(7)	-100%	26
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-		-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		492 524	323 770	323 770	32 235	49 133	80 943	(31 809)	-39%	323 770
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		13 258	8 391	8 422	760	3 637	2 101	1 536	73%	8 422
Total Capital Funding		505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193

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**.

DC26 Zululand - Table C1 Monthly Budget Statement Summary - M03 September

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	50 904	80 500	80 500	4 523	14 003	20 125	(6 122)	-30%	80 500
Investment revenue	3 705	6 000	6 000	308	839	1 500	(661)	-44%	6 000
Transfers and subsidies	537 979	601 306	601 306	(3 330)	228 692	150 326	78 366	52%	601 306
Other own revenue	1 817	1 129	1 129	225	310	282	28	10%	1 129
Total Revenue (excluding capital transfers and contributions)	594 405	688 935	688 935	1 726	243 844	172 234	71 610	42%	688 935
Employee costs	263 669	268 152	268 152	22 718	67 689	67 038	651	1%	268 152
Remuneration of Councilors	8 616	8 771	8 771	718	2 349	2 193	156	7%	8 771
Depreciation & asset impairment	101 119	80 000	80 000	6 667	20 000	20 000	(0)	-0%	80 000
Finance charges	399	—	—	—	—	—	—	—	—
Inventory consumed and bulk purchases	29 002	33 320	33 843	33	81	8 375	(8 294)	-99%	33 843
Transfers and subsidies	11 295	3 070	1 410	198	378	466	(88)	-19%	1 410
Other expenditure	457 707	232 848	234 580	35 136	69 449	58 919	10 530	18%	234 580
Total Expenditure	871 808	626 161	626 756	65 470	159 946	156 991	2 955	2%	626 756
Surplus/(Deficit)	(277 402)	62 774	62 179	(63 744)	83 897	15 242	68 655	450%	62 179
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	611 248	372 306	372 306	(1 487)	55 172	93 076	###	-41%	372 306
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	24 307	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	358 153	435 080	434 485	(65 232)	139 069	108 319	30 750	28%	434 485
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	358 153	435 080	434 485	(65 232)	139 069	108 319	30 750	28%	434 485
Capital expenditure & funds sources									
Capital expenditure	505 782	332 162	332 832	32 995	52 771	83 044	(30 273)	-36%	332 832
Capital transfers recognised	492 524	323 770	323 770	32 235	49 133	80 943	(31 809)	-39%	323 770
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	13 258	8 391	9 062	760	3 637	2 101	1 536	73%	9 062
Total sources of capital funds	505 782	332 162	332 832	32 995	52 771	83 044	(30 273)	-36%	332 832
Financial position									
Total current assets	1 445 843	338 914	338 914		165 040				338 914
Total non current assets	4 622 238	4 188 965	4 189 635		4 655 009				4 189 635
Total current liabilities	355 807	224 332	224 332		277 601				224 332
Total non current liabilities	42 112	33 904	33 904		41 810				33 904
Community wealth/Equity	4 391 937	3 834 563	3 834 563		4 500 920				3 834 563
Cash flows									
Net cash from (used) operating	466 705	549 645	549 645	7 946	121 027	137 411	16 385	12%	549 645
Net cash from (used) investing	(505 782)	(332 162)	(332 162)	(32 995)	(52 771)	(83 040)	(30 270)	36%	(332 162)
Net cash from (used) financing	—	—	—	(86)	(259)	—	259	#DIV/0!	—
Cash/cash equivalents at the month/year end	(19 019)	290 159	290 159	—	150 478	127 047	(23 431)	-18%	299 965
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	6 195	4 387	3 604	3 373	3 086	3 432	21 637	137 358	183 072
Creditors Age Analysis									
Total Creditors	3 507	50	—	—	—	—	—	—	3 558

MBRR Table C1 – Monthly Budget Statement Summary

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

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										
Governance and administration		530 987	594 535	594 535	(690)	229 775	148 634	81 141	55%	594 535
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		530 987	594 535	594 535	(690)	229 775	148 634	81 141	55%	594 535
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		2 011	2 011	2 011	7	15	503	(488)	-97%	2 011
Community and social services		2 011	1 911	1 911	5	10	478	(468)	-98%	1 911
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	100	100	2	5	25	(20)	-81%	100
Economic and environmental services		9 606	5 316	5 316	—	—	1 329	(1 329)	-100%	5 316
Planning and development		9 606	5 316	5 316	—	—	1 329	(1 329)	-100%	5 316
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		686 846	458 879	458 879	922	69 225	114 720	(45 494)	-40%	458 879
Energy sources		—	—	—	—	—	—	—	—	—
Water management		674 240	446 379	446 379	(424)	65 218	111 595	(46 377)	-42%	446 379
Waste water management		12 605	12 500	12 500	1 346	4 007	3 125	882	28%	12 500
Waste management		—	—	—	—	—	—	—	—	—
Other	4	511	500	500	—	—	125	(125)	-100%	500
Total Revenue - Functional	2	1 229 960	1 061 241	1 061 241	238	299 015	265 310	33 705	13%	1 061 241
Expenditure - Functional										
Governance and administration		255 470	225 404	227 291	19 973	61 908	56 863	5 045	9%	227 291
Executive and council		61 104	47 846	49 769	4 592	19 064	12 480	6 584	53%	49 769
Finance and administration		194 366	177 558	177 522	15 381	42 844	44 383	(1 539)	-3%	177 522
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		24 796	25 580	25 599	3 254	6 820	6 397	423	7%	25 599
Community and social services		13 211	13 202	13 221	2 124	3 765	3 303	463	14%	13 221
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		11 586	12 378	12 378	1 130	3 055	3 094	(40)	-1%	12 378
Economic and environmental services		24 502	23 962	23 291	1 094	3 754	5 928	(2 174)	-37%	23 291
Planning and development		24 502	23 962	23 291	1 094	3 754	5 928	(2 174)	-37%	23 291
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		559 156	337 266	337 266	40 280	85 314	84 317	998	1%	337 266
Energy sources		—	—	—	—	—	—	—	—	—
Water management		551 330	332 231	332 231	39 776	84 007	83 058	949	1%	332 231
Waste water management		7 826	5 035	5 035	504	1 307	1 259	48	4%	5 035
Waste management		—	—	—	—	—	—	—	—	—
Other		7 882	13 948	13 948	868	2 150	3 487	(1 337)	-38%	13 948
Total Expenditure - Functional	3	871 808	626 161	627 395	65 470	159 946	156 991	2 955	2%	627 395
Surplus/ (Deficit) for the year		358 153	435 080	433 846	(65 232)	139 069	108 319	30 750	28%	433 846

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) - M03 September

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	850	-	-	212	(212)	-100.0%	850
Vote 03 - Finance		530 539	594 185	594 185	(690)	229 775	148 546	81 229	54.7%	594 185
Vote 04 - Community Development		10 481	2 011	2 011	7	15	503	(488)	-97.0%	2 011
Vote 05 - Planning & Wsa		603 289	383 610	383 610	(3 617)	55 172	95 902	(40 731)	-42.5%	383 610
Vote 06 - Technical Services		9 612	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	-	-	-	-	-	-		-
Vote 08 - Water Distribution		62 986	68 085	68 085	3 194	10 046	17 021	(6 975)	-41.0%	68 085
Vote 09 - Waste Water		12 605	12 500	12 500	1 346	4 007	3 125	882	28.2%	12 500
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	1 229 960	1 061 241	1 061 241	238	299 015	265 310	33 705	12.7%	1 061 241
Expenditure by Vote	1									
Vote 01 - Council		61 104	47 846	49 769	4 592	19 064	12 480	6 584	52.8%	49 769
Vote 02 - Corporate Services		124 394	98 375	98 375	9 459	26 971	24 594	2 377	9.7%	98 375
Vote 03 - Finance		70 809	79 473	79 437	5 948	12 010	19 862	(7 852)	-39.5%	79 437
Vote 04 - Community Development		43 410	49 413	48 711	4 652	14 646	12 283	2 363	19.2%	48 711
Vote 05 - Planning & Wsa		62 982	23 285	23 335	1 424	4 536	5 830	(1 294)	-22.2%	23 335
Vote 06 - Technical Services		8 604	5 992	6 012	573	2 330	1 503	827	55.0%	6 012
Vote 07 - Water Purification		48 620	36 762	36 762	4 269	12 676	9 191	3 485	37.9%	36 762
Vote 08 - Water Distribution		444 059	279 979	279 959	34 050	66 406	69 990	(3 584)	-5.1%	279 959
Vote 09 - Waste Water		7 826	5 035	5 035	504	1 307	1 259	48	3.8%	5 035
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	871 808	626 161	627 395	65 470	159 946	156 991	2 955	1.9%	627 395
Surplus/ (Deficit) for the year	2	358 153	435 080	433 846	(65 232)	139 069	108 319	30 750	28.4%	433 846

DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

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	850	-	-	212	(212)	-100.0%	850
Vote 03 - Finance		530 539	594 185	594 185	(690)	229 775	148 546	81 229	54.7%	594 185
Vote 04 - Community Development		10 481	2 011	2 011	7	15	503	(488)	-97.0%	2 011
Vote 05 - Planning & Wsa		603 289	383 610	383 610	(3 617)	55 172	95 902	(40 731)	-42.5%	383 610
Vote 06 - Technical Services		9 612	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	-	-	-	-	-	-		-
Vote 08 - Water Distribution		62 986	68 085	68 085	3 194	10 046	17 021	(6 975)	-41.0%	68 085
Vote 09 - Waste Water		12 605	12 500	12 500	1 346	4 007	3 125	882	28.2%	12 500
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	1 229 960	1 061 241	1 061 241	238	299 015	265 310	33 705	12.7%	1 061 241
Expenditure by Vote	1									
Vote 01 - Council		61 104	47 846	49 769	4 592	19 064	12 480	6 584	52.8%	49 769
Vote 02 - Corporate Services		124 394	98 375	98 375	9 459	26 971	24 594	2 377	9.7%	98 375
Vote 03 - Finance		70 809	79 473	79 437	5 948	12 010	19 862	(7 852)	-39.5%	79 437
Vote 04 - Community Development		43 410	49 413	48 711	4 652	14 646	12 283	2 363	19.2%	48 711
Vote 05 - Planning & Wsa		62 982	23 285	23 335	1 424	4 536	5 830	(1 294)	-22.2%	23 335
Vote 06 - Technical Services		8 604	5 992	6 012	573	2 330	1 503	827	55.0%	6 012
Vote 07 - Water Purification		48 620	36 762	36 762	4 269	12 676	9 191	3 485	37.9%	36 762
Vote 08 - Water Distribution		444 059	279 979	279 959	34 050	66 406	69 990	(3 584)	-5.1%	279 959
Vote 09 - Waste Water		7 826	5 035	5 035	504	1 307	1 259	48	3.8%	5 035
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	871 808	626 161	627 395	65 470	159 946	156 991	2 955	1.9%	627 395
Surplus/ (Deficit) for the year	2	358 153	435 080	433 846	(65 232)	139 069	108 319	30 750	28.4%	433 846

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) - M03 September

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		38 391	68 000	68 000	3 179	10 007	17 000	(6 993)	-41%	68 000
Service charges - sanitation revenue		12 513	12 500	12 500	1 344	3 996	3 125	871	28%	12 500
Service charges - refuse revenue								-		
Rental of facilities and equipment		195	183	183	17	51	46	5	11%	183
Interest earned - external investments		3 705	6 000	6 000	308	839	1 500	(661)	-44%	6 000
Interest earned - outstanding debtors		288	85	85	15	39	21	18	84%	85
Dividends received								-		
Fines, penalties and forfeits		209	150	150	(4)	11	37	(27)	-71%	150
Licences and permits		-	-	-	5	11	-	11	#DIV/0!	-
Agency services								-		
Transfers and subsidies		537 979	601 306	601 306	(3 330)	228 692	150 326	78 366	52%	601 306
Other revenue		1 085	711	711	191	198	178	20	11%	711
Gains		40	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		594 405	688 935	688 935	1 726	243 844	172 234	71 610	42%	688 935
Expenditure By Type										
Employee related costs		263 669	268 152	268 152	22 718	67 689	67 038	651	1%	268 152
Remuneration of councillors		8 616	8 771	8 771	718	2 349	2 193	156	7%	8 771
Debt impairment		20 001	14 000	14 000	-	-	3 500	(3 500)	-100%	14 000
Depreciation & asset impairment		101 119	80 000	80 000	6 667	20 000	20 000	(0)	0%	80 000
Finance charges		399	-	-	-	-	-	-		-
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		29 002	33 320	33 495	33	81	8 375	(8 294)	-99%	33 495
Contracted services		303 901	106 388	114 281	17 571	27 930	27 340	590	2%	114 281
Transfers and subsidies		11 295	3 070	1 410	198	378	466	(88)	-19%	1 410
Other expenditure		131 178	112 460	107 287	17 566	41 519	28 080	13 439	48%	107 287
Losses		2 627	-	-	-	-	-	-		-
Total Expenditure		871 808	626 161	627 395	65 470	159 946	156 991	2 955	2%	627 395
Surplus/(Deficit)		(277 402)	62 774	61 540	(63 744)	83 897	15 242	68 655	0	61 540
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		611 248	372 306	372 306	(1 487)	55 172	93 076	(37 905)	(0)	372 306
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)		24 307	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		358 153	435 080	433 846	(65 232)	139 069	108 319			433 846
Taxation								-		
Surplus/(Deficit) after taxation		358 153	435 080	433 846	(65 232)	139 069	108 319			433 846
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		358 153	435 080	433 846	(65 232)	139 069	108 319			433 846
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		358 153	435 080	433 846	(65 232)	139 069	108 319			433 846

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) - M03 September

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 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 01 - Council		6 594	-	-	-	-	-	-		-
Vote 02 - Corporate Services		3 746	3 261	3 292	-	-	818	(818)	-100%	3 292
Vote 03 - Finance		2 918	478	478	-	-	120	(120)	-100%	478
Vote 04 - Community Development		7 451	26	26	-	-	7	(7)	-100%	26
Vote 05 - Planning & Wsa		485 073	327 657	327 657	32 995	52 771	81 914	(29 143)	-36%	327 657
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	348	348	-	-	87	(87)	-100%	348
Vote 08 - Water Distribution		-	391	391	-	-	98	(98)	-100%	391
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Total Capital Expenditure		505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Capital Expenditure - Functional Classification										
Governance and administration		13 258	3 652	3 683	-	-	916	(916)	-100%	3 683
Executive and council		6 594	-	-	-	-	-	-		-
Finance and administration		6 664	3 652	3 683	-	-	916	(916)	-100%	3 683
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		485	70	70	-	-	17	(17)	-100%	70
Community and social services		485	70	70	-	-	17	(17)	-100%	70
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		6 965	6 112	6 112	760	3 637	1 528	2 109	138%	6 112
Planning and development		6 965	6 112	6 112	760	3 637	1 528	2 109	138%	6 112
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		485 073	322 284	322 284	32 235	49 133	80 571	(31 438)	-39%	322 284
Energy sources		-	-	-	-	-	-	-		-
Water management		485 073	322 284	322 284	32 235	49 133	80 571	(31 438)	-39%	322 284
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	43	43	-	-	11	(11)	-100%	43
Total Capital Expenditure - Functional Classification	3	505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Funded by:										
National Government		485 073	323 744	323 744	32 235	49 133	80 936	(31 803)	-39%	323 744
Provincial Government		7 451	26	26	-	-	7	(7)	-100%	26
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-		-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		492 524	323 770	323 770	32 235	49 133	80 943	(31 809)	-39%	323 770
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		13 258	8 391	8 422	760	3 637	2 101	1 536	73%	8 422
Total Capital Funding		505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

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 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 01 - Council		6 594	-	-	-	-	-	-		-
Vote 02 - Corporate Services		3 746	3 261	3 292	-	-	818	(818)	-100%	3 292
Vote 03 - Finance		2 918	478	478	-	-	120	(120)	-100%	478
Vote 04 - Community Development		7 451	26	26	-	-	7	(7)	-100%	26
Vote 05 - Planning & Wsa		485 073	327 657	327 657	32 995	52 771	81 914	(29 143)	-36%	327 657
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	348	348	-	-	87	(87)	-100%	348
Vote 08 - Water Distribution		-	391	391	-	-	98	(98)	-100%	391
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Total Capital Expenditure		505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Capital Expenditure - Functional Classification										
Governance and administration		13 258	3 652	3 683	-	-	916	(916)	-100%	3 683
Executive and council		6 594	-	-	-	-	-	-		-
Finance and administration		6 664	3 652	3 683	-	-	916	(916)	-100%	3 683
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		485	70	70	-	-	17	(17)	-100%	70
Community and social services		485	70	70	-	-	17	(17)	-100%	70
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		6 965	6 112	6 112	760	3 637	1 528	2 109	138%	6 112
Planning and development		6 965	6 112	6 112	760	3 637	1 528	2 109	138%	6 112
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		485 073	322 284	322 284	32 235	49 133	80 571	(31 438)	-39%	322 284
Energy sources		-	-	-	-	-	-	-		-
Water management		485 073	322 284	322 284	32 235	49 133	80 571	(31 438)	-39%	322 284
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	43	43	-	-	11	(11)	-100%	43
Total Capital Expenditure - Functional Classification	3	505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193
Funded by:										
National Government		485 073	323 744	323 744	32 235	49 133	80 936	(31 803)	-39%	323 744
Provincial Government		7 451	26	26	-	-	7	(7)	-100%	26
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-		-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		492 524	323 770	323 770	32 235	49 133	80 943	(31 809)	-39%	323 770
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		13 258	8 391	8 422	760	3 637	2 101	1 536	73%	8 422
Total Capital Funding		505 782	332 162	332 193	32 995	52 771	83 044	(30 273)	-36%	332 193

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 - M03 September

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		1 809 057	240 335	240 335	33 285	240 335
Call investment deposits		(480 000)	–	–	50 000	–
Consumer debtors		32 690	67 333	67 333	39 920	67 333
Other debtors		81 540	28 773	28 773	64 070	28 773
Current portion of long-term receivables		–	–	–	–	–
Inventory		2 556	2 473	2 473	2 765	2 473
Total current assets		1 445 843	338 914	338 914	190 040	338 914
Non current assets						
Long-term receivables		–	–	–	–	–
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		4 614 417	4 188 952	4 188 983	4 647 188	4 188 983
Biological						
Intangible		15	13	13	15	13
Other non-current assets		7 807	–	–	7 807	–
Total non current assets		4 622 238	4 188 965	4 188 996	4 655 009	4 188 996
TOTAL ASSETS		6 068 082	4 527 879	4 527 910	4 845 049	4 527 910
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		902	–	–	643	–
Consumer deposits		3 621	3 633	3 633	3 622	3 633
Trade and other payables		348 906	218 944	218 944	273 283	218 944
Provisions		2 378	1 755	1 755	2 378	1 755
Total current liabilities		355 807	224 332	224 332	279 926	224 332
Non current liabilities						
Borrowing		1 092	–	–	1 092	–
Provisions		41 020	33 904	33 904	40 718	33 904
Total non current liabilities		42 112	33 904	33 904	41 810	33 904
TOTAL LIABILITIES		397 919	258 236	258 236	321 735	258 236
NET ASSETS	2	5 670 163	4 269 643	4 269 674	4 523 314	4 269 674
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		4 391 937	3 834 563	3 834 563	4 500 920	3 834 563
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	4 391 937	3 834 563	3 834 563	4 500 920	3 834 563

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 September 2022 is **R33.2 million**.

Call Investments Deposits

Call investments as at 30 September 2022 is **R25 million**

Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R37.7 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R183.5 million**. Consumer debtors amounts to **R178.4 million** and the balance of **R5 million** is for Other Debtors.

Gross Consumer debtors	R178.4 million
Less Impairment	(R138.6 million)
Net Consumer Debtors	R39.8 million

Classification of Consumer Debtors per Service type

Water Debtors	R32.8 million
Sanitation Debtors	R7 million
Property Rentals Debtors	R41.8 thousand
Other Consumer debtors	R29.5 thousand
Total	R39.8 million

➤ Water Debtors

Net Water debtors after considering provision for bad debts amount to **R32.9 million**.
Water debtors are amounts owed by consumers for water services billed.

Gross Water Debtors	R138.7 million
Less Impairment	(105.8 million)
Net Water Debtors	R32.9 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R7 million**.
Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R39.4 million
Less Impairment	(R32.7 million)
Net Sanitation Debtors	R7 million

➤ **Property Rentals Debtors**

These are debtors accumulated from property rentals amounts to **R41.8 thousand**

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R29 thousand**, these are sundry debtors.

Gross Other Debtors	R29 thousand
Less Impairment	(R0 thousand)
Net Other Debtors	R29 thousand

Classification of Consumer Debtors per Customer group

Households	R153.6 million
Commercial/Businesses	R11.4 million
Organs of State (excl shared services of R5 mill)	R13.5 million

Total **R178.4 million**

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

Gross Households debtors	R153.6 million
Less Impairment	(R138.5 million)
Net Household debtors	R15.1 million

Other debtors

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R66.8 million**.

VAT Receivable	R36.9 million
Deposits Made	R16.6 million
Refunds & under/over banking	R7.3 million
Overpayments/Accrued Income/UIFW Expenditure	R2.2 million
Prepaid Expenses	R564 thousand
Insurance claims	R151.9 thousand
Salary advance	R125.7 thousand
Inventory	R2.7 million
Accruals	R125 thousand

Total	R66.8 million
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➤ VAT Receivable

VAT Receivable amount to **R36.9 million**, this is the amount raised when input VAT is recognized less output VAT collected.

➤ Deposits Made

Deposits made amount to **R16.6 million**, this amount include Eskom deposits, Federal Air Deposits and Stowell Deposits.

Eskom Deposits	R16.2 million
Stowell Deposit	R200 thousand
Vryheid office	R2 thousand
Andrew Miller & Associates	R200 thousand

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

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 **R7.3 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	R5.08 million
under/over banking	R2.27 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/Accrued Income/UIFW Expenditure**

Overpayments/Accrued Income/UIFW Expenditure amount to **R2.27 million**, these are payments made by the Municipality to be recovered and income expected to be received by the Municipality.

Overpayments	R906.9 thousand
Fruitless Expenditure to be recovered	R1.33 million
Accrued Income – Asset Disposal	R36.9 thousand

Overpayments include an amount of R4.7 million which has been provided for impairment because they are likely to be irrecoverable, those amounts are for Department of Water and sanitation amounting to R2.7 million, Amanzi Ichweba amounting to R1.4 million, BP Drakensburg amounting to R136.8 thousand, Tracker amounting to R134.2 thousand, World Focus amounting to R284.2 thousand. The balance for overpayments of R785.3 thousand is for Enduneni Constructors (R783 thousand), 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 – Asset Disposal 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 **R151.9 thousand**. This amount consists of an outstanding claim.

➤ **Salary advance**

Salary advance amounts to **R125.7 thousand**. This amount consists of advanced employee costs

➤ **Inventory**

The current level of inventory is **R2.7 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 **R4.6 billion**.

Opening balance	R4.6 billion
Additions	R52.7 million
Depreciation	(R20 million)
Closing Balance	R4.6 billion

Intangible

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R15 thousand**.

Other non-current assets

Other non-current assets comprises 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 amounting to **R642 thousand**.

Consumer deposits

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

Trade and other payables

Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R270.9 million**.

Trade Creditors	R22.4 million
Unspent Conditional Grants	R152.3 million
Retention	R43.2 million
Sessions	R840 thousand
Department of Water & Sanitation	R21.7 million
Output VAT	R7.2 million
Leave accrued	R19.07 million
Bonus, Overtime and Standby accrued	R6 million
Advance Payments	R3.3 million
Fleet Suspense account	(R1.1 million)
Salary Suspense Accounts	R6 million
Other Suspense account	R17 thousand
Trade payables contractors	(R7.8 million)
Other payables	R37 thousand
WSSA	(R9 million)
Bulk electricity	(R5.7 million)
Rental Deposits	R12.4 million
Closing Balance	R270.9 million

Current Provisions

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)	R405 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**.

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 **R4.5 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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	60 574	2 616	7 236	15 143	(7 907)	-52%	60 574
Other revenue		1 070 817	80 905	80 905	5 178	188 912	20 226	168 685	834%	80 905
Transfers and Subsidies - Operational		536 834	601 306	601 306	3 330	232 022	150 327	81 695	54%	601 306
Transfers and Subsidies - Capital		636 186	372 306	372 306	125 000	201 770	93 077	108 694	117%	372 306
Interest		3 705	6 000	6 000	93	364	1 500	(1 136)	-76%	6 000
Dividends								–		
Payments										
Suppliers and employees		(1 827 370)	(571 446)	(571 446)	(128 271)	(509 278)	(142 862)	366 416	-256%	(571 446)
Finance charges		–	–	–	–	–	–	–		–
Transfers and Grants		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		466 705	549 645	549 645	7 946	121 027	137 411	16 385	12%	549 645
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		(505 782)	(332 162)	(332 162)	(32 995)	(52 771)	(83 040)	(30 270)	36%	(332 162)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(505 782)	(332 162)	(332 162)	(32 995)	(52 771)	(83 040)	(30 270)	36%	(332 162)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	(86)	(259)	–	259	#DIV/0!	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	(86)	(259)	–	259	#DIV/0!	–
NET INCREASE/ (DECREASE) IN CASH HELD		(39 077)	217 483	217 483	(25 136)	67 996	54 371			217 483
Cash/cash equivalents at beginning:		20 058	72 676	72 676	(24 198)	82 482	72 676			82 482
Cash/cash equivalents at month/year end:		(19 019)	290 159	290 159		150 478	127 047			299 965

MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

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

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R60.5 million** on service charges, the estimated collection amount is based on the 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 **R7.2 million** to date, which is **12%** of the budgeted collection. From the year-to-date billing, **52%** was collected as to date.

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

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

Other Revenue

Other revenue includes receipts from tender fees, hall hiring, fines and forfeits, and office space rental receipts. The population of other revenue is higher than expected and not credible, the Municipality is a continuous engagement with the system vendor to resolve population of this line item. Other revenue on table C4 is **R198 thousand**.

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 **R232 million**. This amount excludes FMG and EPWP which were incorrectly allocated thus not populating under Transfers and subsidies – Operational.

Equitable share	R228.6 million
Finance Management Grant	R1.2 million
Expanded public works program	R2.1 million
TOTAL	R232 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 **R201.7 million**. This amount excludes RBIG and WSIG which were incorrectly allocated thus not populating under Transfers and subsidies - Capital

Municipal Infrastructure Grant	R165 million
Regional Bulk Infrastructure Grant	R10 million
Water services Infrastructure grant	R25 million
Rural Road asset Management grant	R1.7 million
TOTAL	R201.7 million

Interest

Interest on investment is budgeted at **R6 million**, this estimate is based on previous year interest income, the interest includes interest on investments made and interest on bank balance. Year to date actual Interest is **R364 thousand**. Interest on investment revenue on table C4 is **R839 thousand**, the difference does not populate because of the system technicality and will be corrected.

The interest on investment is below target, the municipality may have to revise its investment strategy to ensure budget target is met.

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 **R52.7 million**, the capital expenditure is excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed.

Cash and cash equivalents at the end

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

PART 2 – SUPPORTING DOCUMENTATION

2.1. DEBTORS ANALYSIS

Debtors age analysis as at 30 September 2022

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Budget Year 2022/23													
Description	NT Code	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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	4 709	3 307	2 729	2 653	2 095	2 750	13 817	106 163	138 223	127 477	-	(105 905)
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	1 262	1 003	871	637	573	664	3 514	31 183	39 708	36 571	-	(32 710)
Receivables from Exchange Transactions - Waste Management	1600									-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	20	9	4	0	-	5	4	-	42	10	-	-
Interest on Arrear Debtor Accounts	1810	204	69	-	83	419	13	4 301	12	5 100	4 827	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900									-	-		
Total By Income Source	2000	6 195	4 387	3 604	3 373	3 086	3 432	21 637	137 358	183 072	168 886	-	(138 614)
2021/22 - totals only													
										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 261	1 598	1 101	593	962	403	6 471	5 120	18 510	13 550	-	-
Commercial	2300	854	392	309	465	265	349	1 370	7 447	11 452	9 896	-	-
Households	2400	3 094	2 409	2 206	2 341	2 030	2 691	13 845	125 013	153 629	145 920	-	(138 614)
Other	2500									-	-		
Total By Customer Group	2600	6 210	4 400	3 616	3 398	3 257	3 443	21 687	137 581	183 591	169 365	-	(138 614)

Total debtors' amount to **R183 million**, which is an increase of **R2.2 million** from the closing balance of **R178.9 million** in August 2022. The debtors over 90 days amount to **R168.8 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 September 2022

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description R thousands	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	
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	3 507	50	-	-	-	-	-	-	3 558	8 059
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	3 507	50	-	-	-	-	-	-	3 558	8 059

2.3. INVESTMENT PORTFOLIO

Investments as at 30 September 2022

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Zululand District Municipality		0	Balance b/d	Yes	Variable	Available	N/A	N/A	N/A	60 000	-	-		60 000
Zululand District Municipality-Std Bank		0	Short term	Yes	Variable	0.06425	N/A	N/A	N/A	60 000	216	25 000		35 000
Zululand District Municipality		0	Call account	Yes	Variable	0.0505	N/A	N/A	N/A	35 000	50	10 000		25 000
														-
Municipality sub-total										60 000	266	35 000	-	25 000
Entities														
														-
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									60 000	266	35 000	-	25 000

2.4. ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

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	(3 330)	228 692	149 724	78 968	52.7%	598 895
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		524 645	586 391	586 391	–	228 692	146 598	82 094	56.0%	586 391
Expanded Public Works Programme Integrated Grant		9 612	8 517	8 517	(2 130)	–	2 129	(2 129)	-100.0%	8 517
Local Government Financial Management Grant		1 200	1 200	1 200	(1 200)	–	300	(300)	-100.0%	1 200
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	2 787	2 787	–	–	697	(697)	-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	2 411	–	–	603	(603)	-100.0%	2 411
Capacity Building and Other Grants		2 522	2 411	2 411	–	–	603	(603)	-100.0%	2 411
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	537 979	601 306	601 306	(3 330)	228 692	150 326	78 366	52.1%	601 306
Capital Transfers and Grants										
National Government:		603 289	372 306	372 306	(1 487)	55 172	93 076	(37 905)	-40.7%	372 306
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		269 111	259 530	259 530	27 032	34 648	64 883	(30 234)	-46.6%	259 530
Regional Bulk Infrastructure Grant		222 531	15 247	15 247	(10 000)	3 788	3 812	(24)	-0.6%	15 247
Rural Road Asset Management Systems Grant		1 647	2 529	2 529	–	–	632	(632)	-100.0%	2 529
Water Services Infrastructure Grant		110 000	95 000	95 000	(18 519)	16 735	23 750	(7 015)	-29.5%	95 000
Provincial Government:		32 266	–	–	–	–	–	–	–	–
Infrastructure Grant		32 266	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	635 555	372 306	372 306	(1 487)	55 172	93 076	(37 905)	-40.7%	372 306
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 173 534	973 612	973 612	(4 817)	283 864	243 403	40 461	16.6%	973 612

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

Grant Expenditure

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

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:		757 879	551 382	552 598	58 450	140 817	138 295	2 522	1.8%	552 598
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		688 545	541 665	542 881	56 433	134 486	135 866	(1 380)	-1.0%	542 881
Expanded Public Works Programme Integrated Grant		24 299	8 517	8 517	1 992	6 186	2 129	4 057	190.5%	8 517
Local Government Financial Management Grant		1 200	1 200	1 200	25	145	300	(155)	-51.7%	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	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		1 866	2 381	2 400	987	1 030	597	433	72.5%	2 400
Capacity Building and Other Grants		1 866	2 381	2 400	987	1 030	597	433	72.5%	2 400
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		759 744	553 763	554 998	59 437	141 847	138 892	2 955	2.1%	554 998
Capital expenditure of Transfers and Grants										
National Government:		485 073	323 744	323 744	32 235	49 133	80 936	(31 803)	-39.3%	323 744
Municipal Infrastructure Grant		194 381	225 678	225 678	26 569	31 147	56 420	(25 273)	-44.8%	225 678
Regional Bulk Infrastructure Grant		194 437	13 258	13 258	–	3 345	3 315	31	0.9%	13 258
Rural Road Asset Management Systems Grant		–	2 199	2 199	–	–	550	(550)	-100.0%	2 199
Water Services Infrastructure Grant		96 255	82 609	82 609	5 666	14 641	20 652	(6 011)	-29.1%	82 609
Provincial Government:		7 451	26	26	–	–	7	(7)	-100.0%	26
Infrastructure Grant		7 451	26	26	–	–	7	(7)	-100.0%	26
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		492 524	323 770	323 770	32 235	49 133	80 943	(31 809)	-39.3%	323 770
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 252 268	877 534	878 769	91 672	190 980	219 835	(28 854)	-13.1%	878 769

All conditional grants actual year-to-date expenditure are below year-to-date budget on average this is since the financial year has just begun, though EPWP and RBIG year-to-date actual expenditure is above year to year-to-date budget.

Roll-overs Expenditure

The Municipality has two rolled over grants:

- Rural Road Asset Management Subsidy
- KwaMajomela manufacturing grant

ROLLED OVER GRANTS FROM 2021/2022	APPROVED BUDGET	YTD ACTUAL
Rural Road Asset Management Subsidy	768 977	-
Kwamajomela Manufacturing Centre Grant	1 641 817	-
Total Operating Grant Expenditure	2 410 795	-

DC26 Zululand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M03 September						
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:	-	768 977.34	-	-	(769)	100.0%
Rural Road Asset Management Subsidy Grant	-	768 977.34			(769)	100.0%
Provincial Government:	-	1 641 817.16	-	-	(1 642)	100.0%
KwaMajomela Manufacturing centre Grant	-	1 641 817.16			(1 642)	100.0%
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total capital expenditure of Approved Roll-overs	-	2 410 794.50	-	-	(2 411)	100.0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	-	2 410 794.50	-	-	(2 411)	100.0%

2.5. COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

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
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		–	–	–	(237)	–	–	–		–
Pension and UIF Contributions		514	661	661	41	128	165	(38)	-23%	661
Medical Aid Contributions		44	–	–	5	11	–	11	#DIV/0!	–
Motor Vehicle Allowance		1 727	1 805	1 805	209	464	451	13	3%	1 805
Cellphone Allowance		649	653	653	54	170	163	7	4%	653
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		5 682	5 652	5 652	646	1 576	1 413	163	12%	5 652
Sub Total - Councillors		8 616	8 771	8 771	718	2 349	2 193	156	7%	8 771
% increase	4		1.8%	1.8%						1.8%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		5 121	6 555	6 555	419	1 123	1 639	(516)	-31%	6 555
Pension and UIF Contributions		11	55	55	1	2	14	(12)	-84%	55
Medical Aid Contributions		48	57	57	–	–	14	(14)	-100%	57
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		1 210	1 592	1 592	108	276	398	(122)	-31%	1 592
Cellphone Allowance		191	210	210	17	43	52	(10)	-18%	210
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		203	225	225	16	45	56	(12)	-21%	225
Payments in lieu of leave		354	–	–	–	185	–	185	#DIV/0!	–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2							–		
Sub Total - Senior Managers of Municipality		7 138	8 695	8 695	560	1 674	2 174	(500)	-23%	8 695
% increase	4		21.8%	21.8%						21.8%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		172 378	185 935	185 935	14 942	45 637	46 484	(846)	-2%	185 935
Pension and UIF Contributions		22 997	25 886	25 886	2 014	6 086	6 472	(385)	-6%	25 886
Medical Aid Contributions		13 624	13 597	13 597	1 202	3 560	3 399	160	5%	13 597
Overtime		7 099	4 619	4 619	513	1 514	1 155	359	31%	4 619
Performance Bonus		11 678	12 786	12 786	1 408	3 660	3 197	463	14%	12 786
Motor Vehicle Allowance		8 704	9 561	9 561	778	2 466	2 390	76	3%	9 561
Cellphone Allowance		663	670	670	62	191	167	24	14%	670
Housing Allowances		1 379	1 379	1 379	240	529	345	185	54%	1 379
Other benefits and allowances		8 505	524	524	301	857	131	726	553%	524
Payments in lieu of leave		3 223	–	–	519	878	–	878	#DIV/0!	–
Long service awards		2 506	–	–	178	637	–	637	#DIV/0!	–
Post-retirement benefit obligations	2	3 775	4 500	4 500	–	–	1 125	(1 125)	-100%	4 500
Sub Total - Other Municipal Staff		256 532	259 457	259 457	22 157	66 015	64 865	1 151	2%	259 457
% increase	4		1.1%	1.1%						1.1%
Total Parent Municipality		272 286	276 923	276 923	23 436	70 038	69 231	807	1%	276 923

No board member fees have been budgeted and incurred

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

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
Board Members of Entities										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Board Fees								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Board Members of Entities	2	-	-	-	-	-	-	-		-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-		-
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-		-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-		-
TOTAL SALARY, ALLOWANCES & BENEFITS		272 286	276 923	276 923	23 436	70 038	69 231	807	1%	276 923
% increase	4		1.7%	1.7%						1.7%
TOTAL MANAGERS AND STAFF		263 669	268 152	268 152	22 718	67 689	67 038	651	1%	268 152

2.6. MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M03 September

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Service charges – Water revenue	41%	This is the amounts billed on customers for water used, the year-to-date actual is R10 million, which is below year-to-date budget of R17 million. A variance of R7 million or 41% is observed. No amount has been recognized relating to the proposed flat rate of R50, this is causing under billing of the variance mentioned above.	The municipality may have to adjust downward revenue projection in the adjustment budget. The municipality must fast track the billing of R50 flat rate to ensure that the budget target is met
	Service charges – Sanitation revenue	28%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R3.9 million which is above year to date budget of R3.1 million. A variance of R871 thousand or 28% is observed.	The billing is above the target, the municipality may have to adjust upwards in the adjustment budget
	Rent of facilities	11%	Rental of facilities is amounts billed to WSSA, Avis and Waphatha Group for office space used. The year-to-date actual is R51 thousand which is above year-to-date budget of R46 thousand. A variance of R5 thousand or 11% is observed.	Rental of facilities the municipality may have to adjust upwards in the adjustment budget
	Interest on investment	44%	Interest on investment is interest received when the Municipality makes cash investments. The year-to-date actual is R839 thousand, which is below year-to-date budget of R1.5 million. A variance of R661 thousand or 44% is observed.	The interest on investment is below target, the municipality may have to revise its investment strategy to ensure budget target is met
	Interest earned - outstanding debtors	84%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R39 thousand, which is above to year-to-date budget of R21 thousand. variance of R18 thousand or 84% is observed.	Interest earned on outstanding debtors is above target, the municipality must improve collection to ensure less consumers are charged interest.
	Fines, penalties and forfeits	71%	Fines, penalties and forfeits are mainly amounts charged on illegal connections, the year-to-date actual is R11 thousand, which is below the year-to-date budget of R37 thousand. A variance of R27 thousand or 71% is observed.	This is a positive indication that less consumers are illegally connected.
	Licences and permits	0%	This amount is for health certificates issued, the year-to-date actual is R11 thousand, the year-to-date budget is R0. A variance of R6 thousand or is observed.	There was no allocated budget in this revenue stream, the budget will be allocated in the adjustment budget.
	Transfers and subsidies	52%	Transfers and subsidies year to date actual is R228.6 million, which is above year-to-date budget of R150.3 million. A variance of R78.3 million or 52% is observed. The above variance is a result of the first transfer of equitable share of R228.6 million.	This line item will pickup eventually as this first transfer is for municipal running cost up to the second transfer of equitable share as it will be received in December.
	Other revenue	11%	Other revenue includes amounts for tender fees and any other revenue the Municipality may be entitled to receive, the year-to-date actual is R198 thousand, which is above year-to-date budget of R178 thousand. A variance of R20 thousand or 11% is observed.	The other revenue depends on the sale of tender documents and skills development levy refund which are seasonal and cannot be benchmarked against the year-to-date budget

DC26 Zululand - Supporting Table SC1 Material variance explanations - M03 September

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	Expenditure by source			
	Employee related costs	1%	Employee related costs year to date actual is R67.6 million, which is above the year-to-date budget of R67 million, a variance of R651 thousand or 1% is observed. Employee related cost is a little bit above year-to-date budget, this variance is caused by overtime, standby allowance, acting allowance and long service bonus.	The municipality need to allocate an additional budget to the above-mentioned line items.
	Remuneration of councillors	7%	Remuneration of Councillors year to date actual is R2.3 million, which is above the year-to-date budget is R2.1 million, a variance of R156 thousand or 7% is observed. The upper limits have been effected therefore the municipality back paid councillors in August.	The revised budget allocation is recommended in the next adjustment budget
	Debt impairment	-100%	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 treasury recommend that the assessment and calculations be done monthly.	
	Depreciation & asset impairment	0%	This is non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R20 million, which is equal to year-to-date budget of R20 million. A variance of R0 million or 0% 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	-99%	Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable stores (cleaning materials, stationery, water stock and materials and supplies), the year-to-date actual is R81 thousand, which is below the year-to-date budget of R8.3 million, a variance of R8.2 million or 99% is observed. The variance is caused by non-payments of bulk water.	It is recommended that the municipality record all expenditure relating to bulk water and consumable stores in time.
	Contracted services	2%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R27.9 million and the year-to-date budget is R27.3 million, a variance of R590 thousand or 2% is observed.	The municipality need to review SLA and reconcile it with the budget for contracted services and adjust in the next adjustment if need be.
	Transfers and subsidies	19%	Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support businesses. The year-to-date actual is R378 thousand, the year-to-date budget is R466 thousand, a variance of R88 thousand or 19% is observed.	This expenditure item is seasonal, expenditure will pick up as the financial year progresses.
	Other expenditure	48%	Other expenditure year to date actual is R41.5 million, which is above the year-to-date budget of R28 million, a variance of R13.4 million or 48% is observed. The cost of electricity and some seasonal/once off expenditure items are the main reason for the variance.	It is recommended that the municipality monitor closely this expenditure item.
	Losses			
3	#REF!			
	Client elected Not to populate this sheet			
4	Financial Position			
	Client elected Not to populate this sheet			
5	Cash Flow			
	Client elected Not to populate this sheet			
6	Measureable performance			
	Client elected Not to populate this sheet			
7	Municipal Entities			
	Client elected Not to populate this sheet			

2.7. PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

2.8. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

2.9. CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

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									
Monthly expenditure performance trend									
July	42 148	27 680	27 680	5 503	5 503	27 680	22 178	80.1%	2%
August	42 148	27 680	27 680	14 273	19 776	55 360	35 585	64.3%	6%
September	42 148	27 680	27 683	32 995	52 771	83 044	30 273	36.5%	16%
October	42 148	27 680	27 683	–		110 727	–		
November	42 148	27 680	27 683	–		138 410	–		
December	42 148	27 680	27 683	–		166 093	–		
January	42 148	27 680	27 683	–		193 777	–		
February	42 148	27 680	27 683	–		221 460	–		
March	42 148	27 680	27 683	–		249 143	–		
April	42 148	27 680	27 683	–		276 826	–		
May	42 148	27 680	27 683	–		304 509	–		
June	42 148	27 680	27 683	–		332 193	–		
Total Capital expenditure	505 782	332 162	332 193	52 771					

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

Summary of Capital Expenditure by asset class and sub-class

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

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									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		485 073	327 657	327 657	32 995	52 771	81 914	29 143	35.6%	327 657
Roads Infrastructure		—	6 112	6 112	760	3 637	1 528	(2 109)	-138.0%	6 112
Roads		—	6 112	6 112	760	3 637	1 528	(2 109)	-138.0%	6 112
Road Structures								—		
Road Furniture								—		
Capital Spares								—		
Storm water Infrastructure		—	—	—	—	—	—	—		—
Drainage Collection								—		
Storm water Conveyance								—		
Attenuation								—		
Electrical Infrastructure		—	—	—	—	—	—	—		—
Power Plants								—		
HV Substations								—		
HV Switching Station								—		
HV Transmission Conductors								—		
MV Substations								—		
MV Switching Stations								—		
MV Networks								—		
LV Networks								—		
Capital Spares								—		
Water Supply Infrastructure		485 073	321 545	295 632	27 278	41 145	73 908	32 763	44.3%	295 632
Dams and Weirs								—		
Boreholes		8 702	—	52 000	3 363	3 363	11 622	8 259	71.1%	52 000
Reservoirs		—	—	21 304	—	1 260	6 215	4 955	79.7%	21 304
Pump Stations		—	—	—	—	—	—	—		—
Water Treatment Works		74 910	—	34 783	6 099	6 099	8 696	2 597	29.9%	34 783
Bulk Mains		241 577	321 545	124 803	11 178	23 785	31 201	7 415	23.8%	124 803
Distribution		159 884	—	62 742	6 638	6 638	15 686	9 047	57.7%	62 742
Distribution Points		—	—	—	—	—	488	488	100.0%	—
PRV Stations								—		
Capital Spares								—		
Sanitation Infrastructure		—	—	25 913	4 957	7 988	6 478	(1 510)	-23.3%	25 913
Pump Station								—		
Reticulation		—	—	25 913	4 957	7 988	6 478	(1 510)	-23.3%	25 913
Waste Water Treatment Works								—		
Outfall Sewers								—		
Toilet Facilities								—		
Capital Spares								—		
Solid Waste Infrastructure		—	—	—	—	—	—	—		—
Landfill Sites								—		
Waste Transfer Stations								—		
Waste Processing Facilities								—		
Waste Drop-off Points								—		
Waste Separation Facilities								—		
Electricity Generation Facilities								—		
Capital Spares								—		
Rail Infrastructure		—	—	—	—	—	—	—		—
Rail Lines								—		
Rail Structures								—		
Rail Furniture								—		
Drainage Collection								—		
Storm water Conveyance								—		
Attenuation								—		
MV Substations								—		
LV Networks								—		
Capital Spares								—		
Coastal Infrastructure		—	—	—	—	—	—	—		—
Sand Pumps								—		
Piers								—		
Revetments								—		
Promenades								—		
Capital Spares								—		
Information and Communication Infrastructure		—	—	—	—	—	—	—		—
Data Centres								—		
Core Layers								—		
Distribution Layers								—		
Capital Spares								—		

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

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									
Community Assets		6 965	—	—	—	—	—	—	—	—
Community Facilities		6 965	—	—	—	—	—	—	—	—
Halls		6 965	—	—	—	—	—	—	—	—
Centres		—	—	—	—	—	—	—	—	—
Crèches		—	—	—	—	—	—	—	—	—
Clinics/Care Centres		—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—
Testing Stations		—	—	—	—	—	—	—	—	—
Museums		—	—	—	—	—	—	—	—	—
Galleries		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—
Police		—	—	—	—	—	—	—	—	—
Purls		—	—	—	—	—	—	—	—	—
Public Open Space		—	—	—	—	—	—	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Heritage assets		6 594	—	—	—	—	—	—	—	—
Monuments		—	—	—	—	—	—	—	—	—
Historic Buildings		6 594	—	—	—	—	—	—	—	—
Works of Art		—	—	—	—	—	—	—	—	—
Conservation Areas		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Other assets		—	391	391	—	—	98	98	100.0%	391
Operational Buildings		—	391	391	—	—	98	98	100.0%	391
Municipal Offices		—	391	391	—	—	98	98	100.0%	391
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	—	—	—
Stores		—	—	—	—	—	—	—	—	—
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Water Rights		—	—	—	—	—	—	—	—	—
Effluent Licenses		—	—	—	—	—	—	—	—	—
Solid Waste Licenses		—	—	—	—	—	—	—	—	—
Computer Software and Applications		—	—	—	—	—	—	—	—	—
Load Settlement Software Applications		—	—	—	—	—	—	—	—	—
Unspecified		—	—	—	—	—	—	—	—	—
Computer Equipment		6 572	2 609	2 609	—	—	652	652	100.0%	2 609
Computer Equipment		6 572	2 609	2 609	—	—	652	652	100.0%	2 609
Furniture and Office Equipment		92	1 043	1 074	—	—	264	264	100.0%	1 074
Furniture and Office Equipment		92	1 043	1 074	—	—	264	264	100.0%	1 074
Machinery and Equipment		485	461	461	—	—	115	115	100.0%	461
Machinery and Equipment		485	461	461	—	—	115	115	100.0%	461
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	505 782	332 162	332 193	32 995	52 771	83 044	30 273	36.5%	332 193

2.10. OTHER SUPPORTING DOCUMENTS

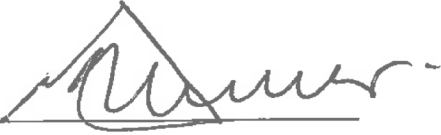
No other financial information outside of information contained in Schedule C is available

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 Quarterly Budget Statement has been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act.



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

Date: 2022/10/14