



INTERNAL MEMO

DATE : 14 MARCH 2024
TO : THE HONOURABLE MAYOR
FROM : MUNICIPAL MANAGER
RE : MONTHLY BUDGET STATEMENT

Kindly find the attached monthly budget statement for your Review, in compliance with the S71 (1) of the Municipal Finance Management Act. The budget statement is for the period ending **29 February 2024**.

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully

N.S. MSIBI
Chief Financial Officer

R.N. HLONGWA
Municipal Manager

"Service Delivery through Integrity"

ZULULAND DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

29 FEBRUARY 2024

MFMA S71 REPORT

2023/2024 FINANCIAL YEAR

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GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

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

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 – IN-YEAR REPORT

1.1. MAYORS REPORT

To be attached

1.2. COUNCIL RESOLUTION

The Monthly budget statement review be noted.

1.3. EXECUTIVE SUMMARY

BUDGET PERFORMANCE ANALYSIS

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

Summary Statement of Financial Performance

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Revenue By Source (Excluding Capital Transfers)	718 247 500	823 201 090.00	619 314 606	524 997 828	94 316 778	18%	75
Total Operating Expenditure	722 102 135	825 246 370.00	579 597 861	529 996 409	49 601 451	9%	70
Surplus/(Deficit)	-3 854 635	-2 045 280.00	39 716 745	-4 998 582	44 715 327		

GRANTS RECIEPTS AND EXPENDITURE AS AT 29 FEBRUARY 2024	APPROVED BUDGET	ADJUSTED BUDGET	RECIEPTS	YTD ACTUAL	VARIANCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	271 683 000.00	253 512 000.00	224 000 000.00	144 483 530.31	109 028 469.69	57
Regional Bulk Infrastructure (RBIG)	430 905 000.00	413 905 000.00	413 905 000.00	275 511 171.60	138 393 828.40	67
Water services infrastructure Grant (WSIG)	100 000 000.00	95 000 000.00	80 000 000.00	74 761 802.27	20 238 197.73	79
Rural Roads Asset Managemnt Systems Grant	2 539 000.00	2 539 000.00	2 539 000.00	1 113 187.70	1 425 812.30	44
Aviation Strategy	2 000 000.00	2 000 000.00	2 000 000.00		2 000 000.00	-
Indonsa Grant	1 911 000.00	955 500.00	955 500.00	203 000.00	752 500.00	21
FMG	1 200 000.00	1 200 000.00	1 200 000.00	612 806.93	587 193.07	51
EPWP	7 077 000.00	6 682 000.00	6 682 000.00	6 682 000.00	395 000.00	100
NSF	-	98 280 452.48	98 280 452.48	77 541 950.00	20 738 502.48	79
LGSETA Waste Water Employyes		169 000.00	169 000.00	169 000.00	-	100
LGSETA MFMP		210 000.00	210 000.00	210 000.00	-	100
LGSETA-Fire and Rescue- Non Employees		752 664.26	752 664.26	752 664.00	0.26	100
AMAFA		200 000.00	200 000.00	198 000.00	2 000.00	99

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **29 February 2024** is **R619.3 million** which is **75%** of the approved adjusted operating revenue budget. The **R619.3 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R524.9 million**, a variance of **R94.3 million** or **18%** is observed.

Service Charges

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from exchange revenue is only **R50.5 million** which is **8%** of the total generated revenue.

The Municipality has adjusted budget of collection to **R52.9 million** on service charges, the estimated collection amount is based on the 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 **R19.1 million** to date. This is **36%** of budgeted collection and **38%** of year-to-date billing.

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

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

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

Operating Expenditure Performance

Total Operating Expenditure as at **29 February 2024** is **R579.5 million** which is **70%** of the approved adjusted operating expenditure budget. The **R579.5 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R529.9 million**, a variance of **R49.6 million** or **9%** is observed.

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

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

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

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Capital Expenditure	790 424 351	757 883 826.00	434 202 822	520 893 312	-86 690 491	-17%	57%
Total Capital Financing	790 424 351	757 883 826.00	434 202 822	520 893 312	-86 690 491	-17%	57%

Total Capital Expenditure as at **29 February 2024** is **R434.2 million** which is **57%** of the approved adjusted capital budget. The **R434.2 million** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R520.8 million**, a variance of **R86.6 million** or **17%** of the received grants is observed. 19

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

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

Reasons for variances can be attributed to capital grants not being spent at similar pace as year-to-date budget. **MIG** is at **57%**, **RBIG** is at **67%**, **WSIG** is at **79%** **RRAMG** is at **44%**, **Art Centre Subsidies** is at **0%** and **Aviation strategy** is at **0%**.

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD ACTUAL EXPENDITURE %
Total current assets	480 491 843	355 948 589.00	374 632 460	105
Total non current assets	6 247 524 827	5 667 722 201.00	5 383 307 410	95
Total current liabilities	352 992 453	499 035 002.00	456 777 480	92
Total non current liabilities	128 340 000	132 310 738.00	144 688 738	109
TOTAL COMMUNITY WEALTH/ EQUITY	5 445 411 852	4 627 968 434.00	5 161 098 946	112

The current assets year to date actual is **R374.6 million** which is **105%** of the approved adjusted budget. **Non - Current assets** year to date actual is **R5.3 billion** which is **95%** of the approved adjusted budget. **Current Liabilities** year to date actual is **R456.7 million** which is **92%** of the approved adjusted budget. **Non - Current Liabilities** year to date is **R144.6 million**, which is **109%** of the approved adjusted budget. **Accumulated surplus** year to date actual is **R5.1 billion** which is **112%** of the approved budget.

Current assets amount to **R374.6 million**, included in current assets is **cash investment of R130.5 million and bank balance of R100.8 million.**

Current liabilities amount to **R456.7 million**, this includes **unspent conditional grants** amounting to **R250.1 million.**

The Current ratio is 0.82:1 [**R374.6 million/R456.7 million**], which is below the current ratio norm of **2:1**

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

1.4. OPERATING REVENUE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water		39 170	51 532	53 518	5 718	39 978	34 752	5 226	15%	53 518
Service charges - Waste Water Management		14 831	16 406	15 597	1 573	10 596	10 775	(179)	-2%	15 597
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 426	1 001	755	30	700	618	82	13%	755
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	784	57	515	400	115	29%	784
Interest from Current and Non Current Assets		7 433	3 000	7 500	693	6 161	2 900	3 261	112%	7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	458	36	303	325	(22)	-7%	458
Licence and permits		88	60	103	9	66	49	18	36%	103
Operational Revenue		563	369	442	1	330	261	70	27%	442
Non-Exchange Revenue								-		
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		910	1 000	853	26	230	637	(407)	-64%	853
Licence and permits								-		
Transfers and subsidies - Operational		658 830	643 859	743 190	2 404	560 139	474 281	85 858	18%	743 190
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 894	-	-	-	-	-	-		-
Other Gains		4 385	-	-	42	296	-	296	#DIV/0!	-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		730 785	718 248	823 201	10 590	619 315	524 998	94 317	18%	823 201

The year-to-date actual indicates operating revenue of **R619.3 million** for **eight months**, The **R619.3 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R524.9 million**, a variance of **R94.3 million** or **18%** is observed. The total revenue to-date represents **75%** of the adjusted operating revenue budget. Included in operating revenue is the amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

Exchange Revenue

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R39.9 million** which is **75%** of the approved adjusted budget. the **R39.9 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R34.7 million**. A variance of **R5.2 million** or **15%** is observed.

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

Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R10.5 million** which is **68%** of the approved adjusted budget. The **R10.5 million** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R10.7 million**. A variance of **R179 thousand** or less than **2%** is observed.

Reasons for variances can be attributed to businesses slow adherence to payment terms. The municipality need to restrict non-paying consumers from services and disconnect all illegal connections.

Sale of goods and rendering of service

This is the amount on sale of goods and rendering of services, the year-to-date actual is **R700 thousands** which is **93%** of the approved adjusted budget. the **R700 thousands** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R618 thousand**. A variance of **R82 thousand** or **13%** is observed.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is **R515 thousand** which is **66%** of the approved adjusted budget. The **R515 thousand** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R400 thousand**. A variance of **R115 thousand** or **29%** is observed.

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

Interest from Current and Non-Current Assets

Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R6.1 million** which is **82%** of the approved adjusted budget. The **R6.1 million**

year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R2.9 million**. A variance of **R3.2 million** or **112%** is observed.

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

Rental from Fixed Assets

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R303 thousand** which is **66%** of the approved adjusted budget. the **R303 thousand** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R325 thousand**. A variance of **R22 thousand** or less than **7%** is observed.

Reasons for variances can be attributed to the fact that the municipality has limited space to rent.

Licences and Permits

Licences and permits year-to-date actual is **R66 thousand** which is **64%** of the approved adjusted budget. the **R66 thousand** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R49 thousand**. A variance of **R18 thousand** or **36%** is observed.

Reasons for variances can be attributed to the retailers not adhering to health inspections regulations.

Operational revenue

Operational revenue year-to-date actual is **R330 thousand** which is **75%** of the approved budget. the **R330 thousand** year to date actual is **below eight months** baseline projection or year-to-date budget of **R261 thousand**. A variance of **R70 thousand** or **27%** is observed.

The municipality need to adjust this line item in the adjustment budget.

Non-Exchange Revenue

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R230 thousand** which is **27%** of the approved adjusted budget. the **R230 thousand** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R637 thousand**. A variance of **R407 thousand** or **64%** is observed.

Reasons for variances can be attributed to a negative indication that some illegally connected consumers are not yet discovered. Municipality must keep up the disconnection of illegal connections.

Transfers and subsidies

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

Transfers and subsidies year to date actual is **R560.1 million** which is **75%** of the approved adjusted budget. The **R560.1 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R474.2 million**. A variance of **R85.8 million** or **18%** is observed.

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

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Expenditure By Type										
Employee related costs		286 176	290 728	293 616	24 407	199 405	194 398	5 007	3%	293 616
Remuneration of councillors		9 276	9 486	9 784	789	6 573	6 384	189	3%	9 784
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		51 978	42 130	44 469	3 112	7 473	29 560	(22 087)	-75%	44 469
Debt impairment		6 428	10 000	10 000	-	-	6 667	(6 667)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	8 550	50 244	60 000	(9 756)	-16%	90 000
Interest		553	1 000	1 000	235	443	667	(223)	-34%	1 000
Contracted services		364 771	128 719	235 746	14 143	189 973	135 886	54 088	40%	235 746
Transfers and subsidies		4 683	6 000	3 688	-	2 698	2 356	341	14%	3 688
Irrecoverable debts written off		2 192	-	-	-	28	-	28	#DIV/0!	-
Operational costs		163 288	144 039	136 944	10 105	122 271	94 079	28 192	30%	136 944
Losses on Disposal of Assets		679	-	-	489	489	-	489	#DIV/0!	-
Other Losses		309	-	-	-	-	-	-		-
Total Expenditure		990 582	722 102	825 246	61 829	579 598	529 996	49 601	9%	825 246

The year-to-date actual indicate spending of **R579.5 million** for **eight months**, which is **70%** of the approved adjusted operating expenditure budget. The **R579.5 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R529.9 million**, a variance of **R49.6 million** or **9%** is observed.

Employee Related Costs

Employee-related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is **R199.4 million** which is **68%** of the approved adjusted

budget. The **R199.4 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R194.3 million**. A variance of **R5 million** or **3%** is observed.

Variance is less than 5%

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

Remuneration of Councillors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits, and contributions. The year-to-date actual is **R6.5 million** which is **67%** of the approved adjusted budget. The **R6.5 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R6.3 million**. A variance of **R189 thousand** or **3%** is observed.

Variance is less than 5%

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

Bulk purchases – electricity

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

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is **R7.4 million** which is **17%** of the approved budget. the **R7.4 million** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R29.5 million**. A variance of **R22.08 million** or **75%** is observed.

Reasons for variances can be attributed to the store requisition books being in the process of capturing. The municipality need fast pace the capturing of requisition books to reflect correct amount of expenditure.

Debt impairment

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

Depreciation

This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is **R50.2 million** which is **56%** of the approved adjusted budget. The **R50.2 million** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R60 million**. A variance of **R9.7 million** or **16%** is observed.

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

Finance charges

Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is **R443 thousand** which is **44%** of the approved adjusted budget. The **R443 thousand** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R667 thousand**. A variance of **R223 thousand** or **34%** is observed.

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

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R189.9 million** which is **81%** of the approved adjusted budget. The **R189.9 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R135.8 million**. A variance of **R54.08 million** or **40%** is observed.

Reasons for variances can be attributed to unexpected or beyond control events which leads to contracted services. The municipality must review SLAs and try to minimise costs as low as possible in this line-item.

Transfers and subsidies paid.

Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives. The year-to-date actual is **R2.6 million** which is **45%** of the approved budget. The **R2.6 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R2.3 million**. A variance of **R341 thousand** or **14%** is observed.

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

Irrecoverable debt written off

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

Operational costs

Operational costs are all other expenditure not classified above. The year-to-date actual is **R122.2 million** which is **89%** of the approved budget. The **R122.2 million** year to date actual is **above** the **eight months** baseline projection or year-to-date budget of **R94.07 million**. A variance of **R28.1 million** or **30%** is observed.

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

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 000	1 200 000	612 807	800 000	-187 193	-23%	51%
National Skills Fund	77 642 406	98 380 908.21	98 725 075	51 761 604	46 963 471	91%	100%
EPWP Incentive	7 077 000	6 682 000.00	6 682 000	4 718 000	1 964 000	42%	100%
Art centre Subsisies (Indonsa Grant)	1 385 000	1 385 000	203 000	923 333	-720 333	-78%	15%
Aviation Strategy	2 000 000	1 030 000.30	-	1 333 333	-1 333 333	-100%	0%
LGWS SETA Grant: MFMP	210 000	210 000	210 000	140 000	70 000	50%	100%
LGWS SETA Grant: Wastewater employees	169 000	169 000	169 000	112 667	56 333	50%	100%
LGWS SETA Grant: Fire and Rescue Non-Emplo	752 664	752 664.26	752 664	501 776	250 888	50%	100%
Amafa Kazulu Grant	200 000	200 000.00	198 000	133 333	64 667	49%	99%
Total Operating Grant Expenditure	90 636 070	110 009 572.77	107 552 546	60 424 047	47 128 500	78%	98%

FMG **51%**, NSF **100%**, EPWP Incentive **100%**, Art center subsidies (Indonsa Grant) **15%**, Aviation Strategy **0%**, LGWS SETA: MFMP **100%**, LGWS SETA: Wastewater- Non employee **100%**, LGWS SETA: Fire and rescue Employee **100%**, LGWS SETA: Fire and rescue non-employee **0%** and Amafa **99%**.

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

1.6. CAPITAL EXPENDITURE AND FUNDING

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

The summary report indicates the following: -

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL %
Total Capital Expenditure	790 424 351	757 883 826.00	434 202 822	520 893 312	-86 690 491	-17%	57%
Total Capital Financing	790 424 351	757 883 826.00	434 202 822	520 893 312	-86 690 491	-17%	57%

The capital expenditure amounts to **R434.2 million** which is **57%** of the capital approved budget, after a period of **eight months**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		–	–	843	–	–	514	(514)	-100%	843
Vote 03 - Finance		–	250	250	–	–	167	(167)	-100%	250
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	–	–	–	–	–		–
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	250	1 093	–	–	680	(680)	-100%	1 093
Single Year expenditure appropriation	2									
Vote 01 - Council		173	–	180	–	7	84	(76)	-91%	180
Vote 02 - Corporate Services		833	2 250	2 320	(51)	610	1 573	(963)	-61%	2 320
Vote 03 - Finance		2 064	400	400	–	–	267	(267)	-100%	400
Vote 04 - Community Development		2 878	457	457	–	–	305	(305)	-100%	457
Vote 05 - Planning & Wsa		491 521	700 110	666 436	11 010	433 585	460 006	(26 420)	-6%	666 436
Vote 06 - Technical Services		–	–	40	–	–	8	(8)	-100%	40
Vote 07 - Water Purification		474	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	86 957	86 957	–	–	57 971	(57 971)	-100%	86 957
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	497 942	790 174	756 790	10 959	434 203	520 213	(86 010)	-17%	756 790
Total Capital Expenditure		497 942	790 424	757 884	10 959	434 203	520 893	(86 690)	-17%	757 884
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 150	(51)	618	2 090	(1 472)	-70%	3 150
Executive and council		173	–	180	–	7	84	(76)	-91%	180
Finance and administration		2 888	2 900	2 970	(51)	610	2 007	(1 396)	-70%	2 970
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		1 152	457	457	–	–	305	(305)	-100%	457
Community and social services		1 152	457	457	–	–	305	(305)	-100%	457
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		1 726	2 208	2 208	–	968	1 472	(504)	-34%	2 208
Planning and development		1 726	2 208	2 208	–	968	1 472	(504)	-34%	2 208
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		491 995	784 859	751 225	11 010	432 617	516 513	(83 896)	-16%	751 225
Energy sources		–	–	–	–	–	–	–		–
Water management		491 995	784 859	751 225	11 010	432 617	516 513	(83 896)	-16%	751 225
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		9	–	843	–	–	514	(514)	-100%	843
Total Capital Expenditure - Functional Classification	3	497 942	790 424	757 884	10 959	434 203	520 893	(86 690)	-17%	757 884
Funded by:										
National Government		490 152	700 110	665 179	11 010	433 585	459 754	(26 169)	-6%	665 179
Provincial Government		2 797	457	2 558	–	–	1 070	(1 070)	-100%	2 558
District Municipality		–	–	–	–	–	–	–		–
(Nat/ Prov Departm Agencies, Households, Non-profit		–	–	–	–	–	–	–		–
Transfers recognised - capital		492 948	700 568	667 737	11 010	433 585	460 824	(27 239)	-6%	667 737
Borrowing	6	191	86 957	86 957	–	–	57 971	(57 971)	-100%	86 957
Internally generated funds		4 803	2 900	3 190	(51)	618	2 098	(1 480)	-71%	3 190
Total Capital Funding		497 942	790 424	757 884	10 959	434 203	520 893	(86 690)	-17%	757 884

Governance and administration

Governance and administration year-to-date actual are **R618 thousand** which is **20%** of the approved adjusted budget. the **R618 thousand** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R2.09 million**. A variance of **R1.4 million** or **70%** is observed.

Community and public safety

Community and public safety year-to-date actual are **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R305 thousand**. A variance of **R305 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R968 thousand** which is **44%** of the approved adjusted budget. the **R968 thousand** year to date actual is below the **eight months** baseline projection or year-to-date budget of **R1.4 million**. A variance of **R504 thousand** or **34%** is observed.

Trading services

Trading services year-to-date actual is **R432.6 million** which is **58%** of the approved adjusted budget. the **R432.6 million** year to date actual is **below** the **eight months** baseline projection or year-to-date budget of **R516.5 million**. A variance of **R83.8 million** or **16%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	236 246 089	220 445 216.96	126 272 477	146 963 478	-20 691 001.27	-14%	57%
Regional Bulk Infrastructure (RBIG)	374 700 000	359 917 391.30	240 887 575	239 944 928	942 647.61	0%	67%
Water services infrastructure Grant (WSIG)	86 956 523	82 608 695.65	65 457 061	55 072 464	10 384 596.79	19%	79%
Rural Roads Asset Managemnt Systems Grant	2 207 826	2 207 826	967 989	1 471 884	-503 894.70	-34%	44%
Borrowings (Backup Generator)	86 956 522	86 956 522	-	57 971 015	-57 971 014.67	-100%	0%
Art centre Subsisies (Indonsa Grant)	457 391	457 391	-	304 927	-304 927.33	-100%	0%
Aviation Strategy		843 478.00	-	562 319	-562 318.67	-100%	0%
Other Assets	2 900 000	3 150 000.00	617 720	2 100 000	-1 482 280.17	-71%	20%
Total Operating Expenditure	790 424 351	756 586 520.91	434 202 822	504 391 014	-70 188 192	-14%	57%

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	271 683 000	253 512 000	144 483 530	169 008 000	-24 524 470	-15%	57%
Regional Bulk Infrastructure (RBIG)	430 905 000	413 905 000	275 511 172	275 936 667	-425 495	0%	67%
Water services infrastructure Grant (WSIG)	100 000 000	95 000 000	74 761 802	63 333 333	11 428 469	18%	79%
Rural Roads Asset Managemnt Systems Grant	2 539 000	2 539 000	1 113 188	1 692 667	-579 479	-34%	44%
Aviation Strategy		970 000	-	646 666	-646 666	-100%	0%
Indonsa Grant	526 000	526 000	-	350 667	-350 667	-100%	0%
Total Capital Grant Expenditure	805 653 000	766 451 999.70	495 869 692	510 968 000	-15 098 308	-3%	65%

Overall capital grant expenditure inclusive of VAT is sitting at **65%** of the approved capital budget, **MIG** is sitting at **57%**, **RBIG** at **67%**, **WSIG** at **79%**, **RAMS** at **44%**, **Aviation strategy** at **0%** and **Indonsa Subsidy** at **0%**.

1.7. IN-YEAR BUDGET TABLES

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

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

DC26 Zululand - Table C1 Monthly Budget Statement Summary - M08 February

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	54 001	67 938	69 115	7 290	50 574	45 527	5 047	11%	69 115
Investment revenue	7 433	3 000	7 500	693	6 161	2 900	3 261	112%	7 500
Transfers and subsidies - Operational	658 830	643 859	743 190	2 404	560 139	474 281	85 858		743 190
Other own revenue	10 521	3 451	3 396	202	2 441	2 289	151	7%	–
Total Revenue (excluding capital transfers and contributions)	730 785	718 248	823 201	10 590	619 315	524 998	94 317	18%	823 201
Employee costs	286 176	290 728	293 616	24 407	199 405	194 398	5 007		293 616
Remuneration of Councillors	9 276	9 486	9 784	789	6 573	6 384	189		9 784
Depreciation and amortisation	100 249	90 000	90 000	8 550	50 244	60 000	(9 756)		90 000
Interest	553	1 000	1 000	235	443	667	(223)		1 000
Inventory consumed and bulk purchases	51 978	42 130	44 469	3 112	7 473	29 560	(22 087)		44 469
Transfers and subsidies	4 683	6 000	3 688	–	2 698	2 356	341	14%	3 688
Other expenditure	537 668	282 758	382 689	24 737	312 762	236 632	76 130	32%	382 689
Total Expenditure	990 582	722 102	825 246	61 829	579 598	529 996	49 601	9%	825 246
Surplus/(Deficit)	(259 797)	(3 855)	(2 045)	(51 239)	39 717	(4 999)	44 715	-895%	(2 045)
Transfers and subsidies - capital (monetary allocations)	610 502	805 127	766 402	12 609	495 870	529 006	###	-6%	766 402
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	350 705	801 272	764 357	(38 630)	535 586	524 008	11 579	2%	764 357
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	350 705	801 272	764 357	(38 630)	535 586	524 008	11 579	2%	764 357
Capital expenditure & funds sources									
Capital expenditure	497 942	790 424	757 884	10 959	434 203	520 893	(86 690)	-17%	757 884
Capital transfers recognised	492 948	700 568	667 737	11 010	433 585	460 824	(27 239)	-6%	667 737
Borrowing	191	86 957	86 957	–	–	57 971	(57 971)	-100%	86 957
Internally generated funds	4 803	2 900	3 190	(51)	618	2 098	(1 480)	-71%	3 190
Total sources of capital funds	497 942	790 424	757 884	10 959	434 203	520 893	(86 690)	-17%	757 884
Financial position									
Total current assets	166 344	480 492	355 949		374 632				355 949
Total non current assets	4 999 838	6 247 525	5 667 722		5 383 307				5 667 722
Total current liabilities	500 466	352 992	499 035		456 777				499 035
Total non current liabilities	44 689	128 340	132 311		144 689				132 311
Community wealth/Equity	4 707 986	5 445 412	4 627 968		5 161 099				4 627 968
Cash flows									
Net cash from (used) operating	1 830 973	993 132	953 739	128 203	1 713 238	635 826	#####	-169%	953 739
Net cash from (used) investing	(496 168)	(789 967)	(757 386)	(10 959)	(434 203)	(504 924)	(70 721)	14%	(757 386)
Net cash from (used) financing	(1 091)	90 000	90 000	1	99 836	60 000	(39 836)	-66%	90 000
Cash/cash equivalents at the month/year end	1 354 182	466 282	313 779	–	1 406 298	218 328	#####	-544%	313 779
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	15 059	5 077	5 187	4 818	3 897	3 296	18 904	174 541	230 780
Creditors Age Analysis									
Total Creditors	47	9	7	–	–	–	–	–	62

MBRR Table C1 – Monthly Budget Statement Summary

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

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		665 320	637 831	741 310	1 480	560 711	471 012	89 699	19%	741 310
Executive and council	8	—	—	—	—	—	—	—	—	—
Finance and administration	665 312	637 831	741 310	1 480	560 711	471 012	89 699	19%	741 310	—
Internal audit	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		2 285	2 482	2 750	10	485	1 788	(1 304)	-73%	2 750
Community and social services	2 209	1 922	2 147	1	418	1 406	(988)	-70%	2 147	—
Sport and recreation	—	—	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—	—	—
Housing	—	—	—	—	—	—	—	—	—	—
Health	76	560	603	9	66	382	(316)	-83%	603	—
<i>Economic and environmental services</i>		4 171	2 539	2 741	—	1 231	1 733	(502)	-29%	2 741
Planning and development	4 171	2 539	2 741	—	1 231	1 733	(502)	-29%	2 741	—
Road transport	—	—	—	—	—	—	—	—	—	—
Environmental protection	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		668 995	878 523	840 747	21 707	552 725	578 127	(25 402)	-4%	840 747
Energy sources	—	—	—	—	—	—	—	—	—	—
Water management	654 093	862 087	824 845	20 111	541 930	567 276	(25 347)	-4%	824 845	—
Waste water management	14 903	16 436	15 902	1 596	10 795	10 851	(55)	-1%	15 902	—
Waste management	—	—	—	—	—	—	—	—	—	—
<i>Other</i>	4	516	2 000	2 055	1	33	1 344	(1 312)	-98%	2 055
Total Revenue - Functional	2	1 341 287	1 523 375	1 589 603	23 198	1 115 184	1 054 004	61 180	6%	1 589 603
Expenditure - Functional										
<i>Governance and administration</i>		329 433	256 489	349 672	22 102	265 177	214 826	50 351	23%	349 672
Executive and council	63 257	45 360	46 694	4 194	44 002	30 082	13 920	46%	46 694	—
Finance and administration	266 177	176 201	268 044	13 676	188 538	161 453	27 084	17%	268 044	—
Internal audit	—	34 928	34 933	4 232	32 637	23 291	9 346	40%	34 933	—
<i>Community and public safety</i>		27 553	28 878	27 485	1 795	17 010	18 925	(1 915)	-10%	27 485
Community and social services	14 564	8 257	9 539	529	5 050	5 872	(823)	-14%	9 539	—
Sport and recreation	—	—	—	—	—	—	—	—	—	—
Public safety	—	5 887	5 887	539	4 789	3 925	864	22%	5 887	—
Housing	—	—	—	—	—	—	—	—	—	—
Health	12 989	14 734	12 059	727	7 171	9 128	(1 957)	-21%	12 059	—
<i>Economic and environmental services</i>		22 711	28 742	27 139	3 660	18 912	19 240	(328)	-2%	27 139
Planning and development	22 711	28 742	27 139	3 660	18 912	19 240	(328)	-2%	27 139	—
Road transport	—	—	—	—	—	—	—	—	—	—
Environmental protection	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		601 261	394 049	409 695	33 492	271 741	268 817	2 925	1%	409 695
Energy sources	—	—	—	—	—	—	—	—	—	—
Water management	602 876	386 071	401 717	32 769	266 010	263 498	2 512	1%	401 717	—
Waste water management	(1 616)	7 978	7 978	723	5 731	5 319	413	8%	7 978	—
Waste management	—	—	—	—	—	—	—	—	—	—
<i>Other</i>		9 624	13 944	11 255	780	6 758	8 189	(1 431)	-17%	11 255
Total Expenditure - Functional	3	990 582	722 102	825 246	61 829	579 598	529 996	49 601	9%	825 246
Surplus/ (Deficit) for the year		350 705	801 272	764 357	(38 630)	535 586	524 008	11 579	2%	764 357

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) - M08 February

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Council		8	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		61 142	2 350	101 927	658	78 999	46 578	32 421	69.6%	101 927
Vote 03 - Finance		604 660	637 481	641 438	823	481 745	425 778	55 966	13.1%	641 438
Vote 04 - Community Development		3 953	2 482	2 750	10	485	1 788	(1 304)	-72.9%	2 750
Vote 05 - Planning & Wsa		617 377	812 204	773 286	14 337	502 669	533 686	(31 016)	-5.8%	773 286
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		39 245	52 422	54 300	5 775	40 491	35 324	5 168	14.6%	54 300
Vote 09 - Waste Water		14 903	16 436	15 902	1 596	10 795	10 851	(55)	-0.5%	15 902
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - ,		-	-	-	-	-	-	-	-	-
Vote 13 - ,		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 341 287	1 523 375	1 589 603	23 198	1 115 184	1 054 004	61 180	5.8%	1 589 603
Expenditure by Vote	1									
Vote 01 - Council		63 257	53 791	55 486	4 758	49 660	35 833	13 827	38.6%	55 486
Vote 02 - Corporate Services		188 332	149 411	237 109	13 530	178 161	141 957	36 203	25.5%	237 109
Vote 03 - Finance		71 138	61 343	60 388	3 452	34 759	40 391	(5 632)	-13.9%	60 388
Vote 04 - Community Development		55 021	50 380	49 856	6 140	39 017	34 360	4 657	13.6%	49 856
Vote 05 - Planning & Wsa		61 591	21 391	23 703	1 338	13 504	14 697	(1 193)	-8.1%	23 703
Vote 06 - Technical Services		9 306	10 202	5 783	426	1 913	6 018	(4 105)	-68.2%	5 783
Vote 07 - Water Purification		52 109	43 820	43 820	3 991	33 274	29 216	4 058	13.9%	43 820
Vote 08 - Water Distribution		491 444	323 787	341 123	27 472	223 580	222 206	1 374	0.6%	341 123
Vote 09 - Waste Water		(1 616)	7 978	7 978	723	5 731	5 319	413	7.8%	7 978
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - ,		-	-	-	-	-	-	-	-	-
Vote 13 - ,		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	990 582	722 102	825 246	61 829	579 598	529 996	49 601	9.4%	825 246
Surplus/ (Deficit) for the year	2	350 705	801 272	764 357	(38 630)	535 586	524 008	11 579	2.2%	764 357

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) - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water		39 170	51 532	53 518	5 718	39 978	34 752	5 226	15%	53 518
Service charges - Waste Water Management		14 831	16 406	15 597	1 573	10 596	10 775	(179)	-2%	15 597
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 426	1 001	755	30	700	618	82	13%	755
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	784	57	515	400	115	29%	784
Interest from Current and Non Current Assets		7 433	3 000	7 500	693	6 161	2 900	3 261	112%	7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	458	36	303	325	(22)	-7%	458
Licence and permits		88	60	103	9	66	49	18	36%	103
Operational Revenue		563	369	442	1	330	261	70	27%	442
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		910	1 000	853	26	230	637	(407)	-64%	853
Licence and permits								-		
Transfers and subsidies - Operational		658 830	643 859	743 190	2 404	560 139	474 281	85 858	18%	743 190
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 894	-	-	-	-	-	-		-
Other Gains		4 385	-	-	42	296	-	296	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		730 785	718 248	823 201	10 590	619 315	524 998	94 317	18%	823 201
Expenditure By Type										
Employee related costs		286 176	290 728	293 616	24 407	199 405	194 398	5 007	3%	293 616
Remuneration of councillors		9 276	9 486	9 784	789	6 573	6 384	189	3%	9 784
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		51 978	42 130	44 469	3 112	7 473	29 560	(22 087)	-75%	44 469
Debt impairment		6 428	10 000	10 000	-	-	6 667	(6 667)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	8 550	50 244	60 000	(9 756)	-16%	90 000
Interest		553	1 000	1 000	235	443	667	(223)	-34%	1 000
Contracted services		364 771	128 719	235 746	14 143	189 973	135 886	54 088	40%	235 746
Transfers and subsidies		4 683	6 000	3 688	-	2 698	2 356	341	14%	3 688
Irrecoverable debts written off		2 192	-	-	-	28	-	28	#DIV/0!	-
Operational costs		163 288	144 039	136 944	10 105	122 271	94 079	28 192	30%	136 944
Losses on Disposal of Assets		679	-	-	489	489	-	489	#DIV/0!	-
Other Losses		309	-	-	-	-	-	-		-
Total Expenditure		990 582	722 102	825 246	61 829	579 598	529 996	49 601	9%	825 246
Surplus/(Deficit)		(259 797)	(3 855)	(2 045)	(51 239)	39 717	(4 999)	44 715	(0)	(2 045)
Transfers and subsidies - capital (monetary allocations)		610 502	805 127	766 402	12 609	495 870	529 006	(33 137)	(0)	766 402
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		350 705	801 272	764 357	(38 630)	535 586	524 008	11 579	0	764 357
Income Tax										
Surplus/(Deficit) after income tax		350 705	801 272	764 357	(38 630)	535 586	524 008			764 357
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		350 705	801 272	764 357	(38 630)	535 586	524 008			764 357
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		350 705	801 272	764 357	(38 630)	535 586	524 008			764 357

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) - M08 February

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		–	–	843	–	–	514	(514)	-100%	843
Vote 03 - Finance		–	250	250	–	–	167	(167)	-100%	250
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	–	–	–	–	–		–
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	250	1 093	–	–	680	(680)	-100%	1 093
Single Year expenditure appropriation	2									
Vote 01 - Council		173	–	180	–	7	84	(76)	-91%	180
Vote 02 - Corporate Services		833	2 250	2 320	(51)	610	1 573	(963)	-61%	2 320
Vote 03 - Finance		2 064	400	400	–	–	267	(267)	-100%	400
Vote 04 - Community Development		2 878	457	457	–	–	305	(305)	-100%	457
Vote 05 - Planning & Wsa		491 521	700 110	666 436	11 010	433 585	460 006	(26 420)	-6%	666 436
Vote 06 - Technical Services		–	–	40	–	–	8	(8)	-100%	40
Vote 07 - Water Purification		474	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	86 957	86 957	–	–	57 971	(57 971)	-100%	86 957
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	497 942	790 174	756 790	10 959	434 203	520 213	(86 010)	-17%	756 790
Total Capital Expenditure		497 942	790 424	757 884	10 959	434 203	520 893	(86 690)	-17%	757 884
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 150	(51)	618	2 090	(1 472)	-70%	3 150
Executive and council		173	–	180	–	7	84	(76)	-91%	180
Finance and administration		2 888	2 900	2 970	(51)	610	2 007	(1 396)	-70%	2 970
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		1 152	457	457	–	–	305	(305)	-100%	457
Community and social services		1 152	457	457	–	–	305	(305)	-100%	457
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		1 726	2 208	2 208	–	968	1 472	(504)	-34%	2 208
Planning and development		1 726	2 208	2 208	–	968	1 472	(504)	-34%	2 208
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		491 995	784 859	751 225	11 010	432 617	516 513	(83 896)	-16%	751 225
Energy sources		–	–	–	–	–	–	–		–
Water management		491 995	784 859	751 225	11 010	432 617	516 513	(83 896)	-16%	751 225
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		9	–	843	–	–	514	(514)	-100%	843
Total Capital Expenditure - Functional Classification	3	497 942	790 424	757 884	10 959	434 203	520 893	(86 690)	-17%	757 884
Funded by:										
National Government		490 152	700 110	665 179	11 010	433 585	459 754	(26 169)	-6%	665 179
Provincial Government		2 797	457	2 558	–	–	1 070	(1 070)	-100%	2 558
District Municipality		–	–	–	–	–	–	–		–
(Nat / Prov Departm Agencies, Households, Non-profit		–	–	–	–	–	–	–		–
Transfers recognised - capital		492 948	700 568	667 737	11 010	433 585	460 824	(27 239)	-6%	667 737
Borrowing	6	191	86 957	86 957	–	–	57 971	(57 971)	-100%	86 957
Internally generated funds		4 803	2 900	3 190	(51)	618	2 098	(1 480)	-71%	3 190
Total Capital Funding		497 942	790 424	757 884	10 959	434 203	520 893	(86 690)	-17%	757 884

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 - M08 February

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		27 427	345 288	192 785	231 429	192 785
Trade and other receivables from exchange transactions		29 625	59 575	46 729	59 659	46 729
Receivables from non-exchange transactions		168	—	7 109	6 978	7 109
Current portion of non-current receivables		—	—	—	—	—
Inventory		2 824	2 556	2 824	4 774	2 824
VAT		80 813	50 650	80 813	42 466	80 813
Other current assets		25 486	22 422	25 688	29 325	25 688
Total current assets		166 344	480 492	355 949	374 632	355 949
Non current assets						
Investments						
Investment property						
Property, plant and equipment		4 991 970	6 247 523	5 659 854	5 375 453	5 659 854
Biological assets						
Living and non-living resources						
Heritage assets		7 817	—	7 817	7 817	7 817
Intangible assets		52	1	52	37	52
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
Total non current assets		4 999 838	6 247 525	5 667 722	5 383 307	5 667 722
TOTAL ASSETS		5 166 182	6 728 017	6 023 671	5 757 940	6 023 671
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		1 484	—	1 484	1 311	1 484
Consumer deposits		3 620	3 633	3 620	3 629	3 620
Trade and other payables from exchange transactions		487 727	338 908	485 727	190 068	485 727
Trade and other payables from non-exchange transactions		1 560	—	—	250 198	—
Provision		2 154	2 378	2 154	2 154	2 154
VAT		3 921	8 073	6 050	9 417	6 050
Other current liabilities		—	—	—	—	—
Total current liabilities		500 466	352 992	499 035	456 777	499 035
Non current liabilities						
Financial liabilities		1 202	90 000	91 202	101 202	91 202
Provision		43 487	38 340	41 109	43 487	41 109
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		44 689	128 340	132 311	144 689	132 311
TOTAL LIABILITIES		545 155	481 332	631 346	601 466	631 346
NET ASSETS	2	4 621 027	6 246 684	5 392 325	5 156 474	5 392 325
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		4 707 986	5 445 412	4 627 968	5 161 099	4 627 968
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	4 707 986	5 445 412	4 627 968	5 161 099	4 627 968

MBRR Table C6 - Monthly Budget Statement Financial Position

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

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

CURRENT ASSETS

Cash and cash equivalents

Cash and cash equivalents balance as at 29 February 2024 indicate a balance of **R231.4 million**.

Cash	R100.8 million
Cash float	R8 hundred
Call Investments Deposits	R130.5 million.

Trade and other receivables from exchange transactions

Trade and other receivables from exchange transactions include debtors from water, sanitation services, rental of facilities, the balance for the reporting period is **R59.6 million**. Debtors age analysis as per section 2.2 debtors' analysis is **R230.7 million**. The consumer debtors' amount to **R221.7 million** and other receivables from exchange amount to **R1.8 million** which sums up to **R223.5** and the balance of **R5.01 million** is for shared services casted in Other Debtors.

Gross Consumer debtors	R228.5 million
Less Impairment	(R168.9 million)
Net Consumer Debtors	R59.6 million

Classification of Consumer Debtors per Service type

Water Debtors	R37.2 million
Sanitation Debtors	R20.4 million
Property rental	R132.3 thousand
Other Consumer debtors	R5.9 thousand
Other receivables from exchange	R1.8 million
Total	R59.6 million

➤ **Water Debtors**

Net Water debtors, after considering provision for bad debts, amount to **R37.2 million**

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

Gross Water Debtors	R178.5 million
Less Impairment	(141.2 million)
Net Water Debtors	R37.2 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R20.4 million**

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

Gross Sanitation Debtors	R46.9 million
Less Impairment	(R26.5 million)
Net Sanitation Debtors	R20.4 million

➤ **Property Rental**

Property rental debtors' amount to **R132.3 thousand**, these are sundry debtors.

Gross Other Debtors	R159.4 thousand
Less Impairment	(R27.07 thousand)
Net Other Debtors	R132.3 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R5.9 thousand**, these are sundry debtors.

Gross Other Debtors	R21.1 thousand
Less Impairment	(R15.1 thousand)
Net Other Debtors	R5.9 thousand

➤ **Other receivables from exchange**

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

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

Classification of Consumer Debtors per Customer group

Households	R185.2 million
Commercial/Businesses (excl prepaid exp R1.8 mil)	R14 million
Organs of State (excl shared services of R5.01 mill)	R24.5 million
Total	R223.7 million

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

Gross Households debtors	R185.2 million
Gross Business	R15.8 million
Less Impairment	(R168.9 million)
Net Household and businesses debtors	R32.1 million

Receivables from non-exchange transactions

UIFW to be recovered amounting to **R6.9 million** resulted from a claim of standing time due to consultant negligence.

Inventory

The current level of inventory is **R4.7 million**. Inventories include water stock and consumable stores.

VAT Receivable

VAT Receivable amount to **R42.4 million**, this is the amount raised when input VAT is recognized less output VAT collected as per VAT reconciliation.

Other current assets

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R29.32 million**.

Deposits Made	R18.2 million
Refunds & under/over banking	R11.03 million
Overpayments/Accrued Income	R36.9 thousand
Salary suspense	R8.2 thousand
Total	R29.32 million

➤ Deposits Made

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

Eskom Deposits	R18 million
Stowell Deposits	R200 thousand

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

➤ Refunds & under/over banking

Refunds & under/over banking amount to **R11.03 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	R5.01 million
Under/over banking	R6.02 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.

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

➤ Salary suspense – is the amount of **R8.2 thousand** to be received from employees.

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment include current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R5.1 billion**

Opening balance	R5 billion
Additions	R434.2 million
Depreciation	(R50.2 million)
Closing Balance	R5.1 billion

Heritage assets

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

Intangible

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R37 thousand.**

Opening balance	R41 thousand
Additions	(R0)
Depreciation	(R4 thousand)
Closing Balance	R37 thousand

CURRENT LIABILITIES

Financial liabilities

This is the current portion of the finance lease agreement the Municipality entered into to procure laptops. The current balance owed amount to **R1.3 million.**

Opening balance	R1.4 million
Payment	(R172.8 thousand)
Closing Balance	R1.3 million

Consumer deposits

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

Trade and other payables from exchange transactions

Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R190.06 million**.

Trade Creditors	R8.3 million
Retention	R72.8 million
Department of Water & Sanitation	R62.6 million
Leave accrued	R21.7 million
Bonus	R5.7 million
Employee related cost	R1.7 million
Advance Payments	R2.2 million
Salary Suspense Accounts	R1.2 thousand
Other Suspense account	R21.07 thousand
Water tankers	R10.7 million
Zanamanzi	R3.3 million
Operating Lease Liability	R542.5 thousand
Other creditors	R 10.2 thousand
Closing Balance	R190.06 million

Trade and other payables from non-exchange transactions

This is the amount of unspent conditional grants which will be recognized when the conditions are met. Unspent conditional grants amount to **R250.1 million**.

VAT Payables

VAT payable amount to **R9.4 million**, this is the amount paid when output VAT is recognized less input VAT paid as per VAT reconciliation.

Current Provision

Current provisions amount to **R1.6 million**, this provision is for post-retirement benefit (Medical aid) and long service awards that is paid in the current financial year:

Long service awards	R1.6 million
---------------------	--------------

Other current liabilities

Other current liabilities amount to **R500 thousand**, this is the amount for medical benefit awarded to the people who have retired from the service of the municipality:

Post Retirement benefit (Medical aid)	R 500 thousand
---------------------------------------	----------------

NON-CURRENT LIABILITIES

Non-current financial liabilities

This is the long-term portion of the finance lease agreement the Municipality entered into to procure laptops amounting to **R1.2 million**.

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

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

Loan

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

Non-current Provisions

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

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

Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R5.1 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges		26 949	51 642	52 998	2 689	19 139	35 332	(16 193)	-46%	52 998
Other revenue		1 393 314	162 144	170 175	94 560	1 433 001	113 450	1 319 551	1163%	170 175
Transfers and Subsidies - Operational		661 838	643 859	743 076	22 386	584 203	495 384	88 819	18%	743 076
Transfers and Subsidies - Capital		610 306	805 127	764 956	93 867	720 444	509 971	210 473	41%	764 956
Interest		6 722	3 000	7 500	693	5 161	5 000	161	3%	7 500
Dividends								-		
Payments										
Suppliers and employees		(868 156)	(672 640)	(784 967)	(85 993)	(1 048 710)	(523 311)	525 399	-100%	(784 967)
Interest								-		
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 830 973	993 132	953 739	128 203	1 713 238	635 826	#####	-169%	953 739
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		(496 168)	(789 967)	(757 386)	(10 959)	(434 203)	(504 924)	(70 721)	14%	(757 386)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(496 168)	(789 967)	(757 386)	(10 959)	(434 203)	(504 924)	(70 721)	14%	(757 386)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	100 000	100 000	-	100 000	66 667	33 333	50%	100 000
Increase (decrease) in consumer deposits		(1)	-	-	1	9	-	9	#DIV/0!	-
Payments										
Repayment of borrowing		(1 090)	(10 000)	(10 000)	-	(173)	(6 667)	(6 494)	97%	(10 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 091)	90 000	90 000	1	99 836	60 000	(39 836)	-66%	90 000
NET INCREASE/(DECREASE) IN CASH HELD		1 333 714	293 165	286 353	117 245	1 378 871	190 902			286 353
Cash/cash equivalents at beginning:		20 468	173 117	27 427	1 289 053	27 427	27 427			27 427
Cash/cash equivalents at month/year end:		1 354 182	466 282	313 779		1 406 298	218 328			313 779

MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

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

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has adjusted budgeted collection to **R52.9 million** on service charges, the estimated collection amount is based on the 65% collection rate. The collection rate is also based on previous years' actual collection and initiatives the Municipality has taken to improve collection. The Municipality has collected **R19 million** to date. This is **36%** of budgeted collection and **38%** of year-to-date billing.

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

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

Other Revenue

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

Transfers and subsidies – Operational

Transfers and subsidies - Operational are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Operating grants have been received as scheduled. Transfers and subsidies operational year to date are **R584.2 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far but does not include National Skills Fund under Transfers and subsidies – Operational:

Equitable share	R473.7 million
Indonsa Grant	R955 thousand
Aviation Strategy	R2 million
FMG	R1.2 million
EPWP	R6.6 million
NSF	R98.2 million
LG SETA	R1.1 million
Amafa Research	R200 thousand
TOTAL	R584.2 million

Transfers and subsidies – Capital

Transfers and subsidies - Capital is expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **R720.4 million**. This amount includes RBIG, MIG, RRAMS, TSUCM_COGTA Boreholes and WSIG which were received thus far under Transfers and subsidies - Capital.

Municipal Infrastructure Grant	R 224 million
Water Services Infrastructure Grant	R 80 million
Régional Bulk Infrastructure Grant	R 413.9 million
Rural Road Asset Management Subsidy	R 2.5 million
TOTAL	R720.4 million

Interest

Interest on the investment budget has been adjusted to **R7.5 million**, this estimate is based on the year – to – date actual interest income, the interest includes interest on investments made and interest on bank balance. Year to date actual Interest is **R5.1 million**. Interest on investment revenue on table C4 is **R6.1 million** which does not reconcile the one in the cash flow. The municipality will rectify the system errors.

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R434.2 million**, the capital expenditure excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed. The Municipality is in a process of developing an action plan to address these inefficiencies.

Borrowing Long Term

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

Cash and cash equivalents at the end

Cash and cash equivalents are the cash available at the end of the reporting period after all expenses have been paid. Cash and cash equivalents to date is **R192.7 million** in the financial position but in the cash flow it is **R1.4 billion**.

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

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTORS ANALYSIS

Debtors age analysis as of 29 February 2024

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description		NT Code	Budget Year 2023/24											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	12 317	4 010	3 982	3 939	3 188	2 659	13 938	133 627	177 660	157 350	-	141 272		
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-				
Receivables from Non-exchange Transactions - Property Rates	1400									-	-				
Receivables from Exchange Transactions - Waste Water Management	1500	2 607	1 056	904	832	664	594	3 480	36 789	46 927	42 359	-	26 562		
Receivables from Exchange Transactions - Waste Management	1600									-	-				
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-				
Interest on Arrear Debtor Accounts	1810	113	-	289	34	34	33	99	401	1 003	601	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-				
Other	1900	21	11	12	13	11	11	1 387	3 723	5 189	5 145	-	1 105		
Total By Income Source	2000	15 059	5 077	5 187	4 818	3 897	3 296	18 904	174 541	230 780	205 456	-	168 939		
2022/23 - totals only			12296325	3331242	4222605	3507097	3517801	2850705	17847845	150470009	198 044	178 193	0	138614150 4/7	
Debtors Age Analysis By Customer Group															
Organs of State	2200	5 344	1 870	1 708	1 283	620	465	3 905	14 408	29 603	20 680	-	-		
Commercial	2300	2 355	476	464	393	424	300	1 333	10 150	15 895	12 600	-	-		
Households	2400	7 360	2 732	3 015	3 142	2 853	2 531	13 666	149 983	185 283	172 176	-	168 939		
Other	2500									-	-				
Total By Customer Group	2600	15 059	5 077	5 187	4 818	3 897	3 296	18 904	174 541	230 780	205 456	-	168 939		

Total debtors' amount to **R230.7 million**, which is an increase of **R4.3 million** from the closing balance of **R226.4 million** in the previous month. The debtors over 90 days amount to **R205.4 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 29 February 2024

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Budget Year 2023/24												Prior year totals for chart (same period)
Description	NT Code	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100									-		
Bulk Water	0200									-		
PAYE deductions	0300									-		
VAT (output less input)	0400									-		
Pensions / Retirement deductions	0500									-		
Loan repayments	0600									-		
Trade Creditors	0700	47	9	7	-	-	-	-	-	62	8 423	
Auditor General	0800									-		
Other	0900									-		
Total By Customer Type	1000	47	9	7	-	-	-	-	-	62	8 423	

2.3 INVESTMENT PORTFOLIO

Investments as at 29 February 2024

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Month	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	-	-		64 000	64 000
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	64 000	524		40 000	104 000
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 June 2024	104 000	-		150 800	254 800
ABSA CALL ACCOUNT		0.7666667	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	17 August 2023	254 800	-	(30 000)		224 800
ABSA CALL ACCOUNT		1.2	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	30 August 2023	224 800		(20 000)		204 800
ABSA CALL ACCOUNT		1.4	CALL ACCOUNT	YES	VARIABLE	0.089	-		08 September 2023	204 800		(30 000)		174 800
ABSA CALL ACCOUNT		1.3666667	CALL ACCOUNT	YES	VARIABLE	0.089	-		14 September 2023	174 800		(25 000)		149 800
ABSA CALL ACCOUNT		1.5666667	CALL ACCOUNT	YES	VARIABLE	0.089	-		20 September 2023	149 800		(50 000)		99 800
ABSA CALL ACCOUNT		0	CALL ACCOUNT	YES	VARIABLE	0.089	-	N/A	26 September 2023	99 800	2 151	-	86 000	185 800
ABSA SHORT TERM		2	SHORT TERM	YES	VARIABLE	0.089	-	N/A	03 October 2023	185 800		(50 000)		135 800
ABSA SHORT TERM		2.0666667	SHORT TERM	YES	VARIABLE	0.089	-	N/A	05 October 2023	135 800		(75 000)		60 800
ABSA SHORT TERM		3.0666667	SHORT TERM	YES	VARIABLE	0.089	-	N/A	19 October 2023	60 800		(10 000)		50 800
ABSA SHORT TERM		2.5333333	SHORT TERM	YES	VARIABLE	0.089	-	N/A	19 October 2023	50 800		(36 800)		14 000
STANDARD BANK		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	05 December 2023	14 000			40 000	54 000
STANDARD BANK		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	06 December 2023	54 000		(25 000)		29 000
STANDARD BANK		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	29 000			40 000	69 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	06 December 2023	69 000			75 000	144 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	144 000			75 000	219 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	07 December 2023	219 000			25 000	244 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.944	-	N/A	07 December 2023	244 000			100 000	344 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	18 December 2023	344 000		(40 000)		304 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	22 December 2023	304 000		(30 000)		274 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	14 January 2024	274 000		(30 000)		244 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	23 January 2024	244 000		(20 000)		224 000
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	23 January 2024	224 000	(3 430)			220 570
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	24 February 2024	220 570		(40 000)		180 570
ABSA CALL ACCOUNT		1	SHORT TERM	YES	VARIABLE	0.089	-	N/A	25 February 2024	180 570		(50 000)		130 570
Municipality sub-total														
										-	(755)	(561 800)	695 800	130 570
Entities														
														-
Entities sub-total														
										-		-	-	-
TOTAL INVESTMENTS AND I	2									-		(561 800)	695 800	130 570

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		596 108	639 948	639 553	1 746	481 048	426 553	54 495	12.8%	639 553
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		586 391	631 671	631 671	–	473 753	421 114	52 639	12.5%	631 671
Expanded Public Works Programme Integrated Grant		8 517	7 077	6 682	1 728	6 682	4 639	2 043	44.0%	6 682
Local Government Financial Management Grant		1 200	1 200	1 200	18	613	800	(187)	-23.4%	1 200
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		2 631	3 911	4 145	1	417	2 734	(2 317)	-84.7%	4 145
Capacity Building and Other Grants		2 631	3 911	4 145	1	417	2 734	(2 317)	-84.7%	4 145
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		60 091	–	99 492	657	78 674	44 994	33 680	74.9%	99 492
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		478	–	1 132	657	1 132	457	675	147.7%	1 132
National Skills Fund		59 613	–	98 360	–	77 542	44 537	33 005	74.1%	98 360
Unspecified		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	658 830	643 859	743 190	2 404	560 139	474 281	85 858	18.1%	743 190
Capital Transfers and Grants										
National Government:		607 306	805 127	764 956	12 609	495 870	528 717	(32 847)	-6.2%	764 956
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		259 530	271 683	253 512	6 925	144 484	177 488	(33 004)	-18.6%	253 512
Regional Bulk Infrastructure Grant		250 247	430 905	413 905	3 062	275 511	283 870	(8 359)	-2.9%	413 905
Rural Road Asset Management Systems Grant		2 529	2 539	2 539	–	1 113	1 693	(579)	-34.2%	2 539
Water Services Infrastructure Grant		95 000	100 000	95 000	2 621	74 762	65 667	9 095	13.9%	95 000
Provincial Government:		3 196	–	1 446	–	–	289	(289)	-100.0%	1 446
Infrastructure Grant		3 196	–	1 446	–	–	289	(289)	-100.0%	1 446
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	610 502	805 127	766 402	12 609	495 870	529 006	(33 137)	-6.3%	766 402
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 269 332	1 448 986	1 509 592	15 013	1 056 008	1 003 287	52 721	5.3%	1 509 592

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

Grant Expenditure

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		825 595	627 267	631 829	53 485	452 240	419 592	32 648	7.8%	631 829
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		774 422	618 990	623 947	55 233	445 108	414 153	30 954	7.5%	623 947
Expanded Public Works Programme Integrated Grant		8 532	7 077	6 682	(1 766)	6 520	4 639	1 881	40.5%	6 682
Local Government Financial Management Grant		1 200	1 200	1 200	18	613	800	(187)	-23.4%	1 200
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		33 001	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Rural Road Asset Management Systems Grant		2 199	–	–	–	–	–	–		–
Water Services Infrastructure Grant		6 240	–	–	–	–	–	–		–
Provincial Government:		2 689	3 385	2 475	(12)	435	1 600	(1 165)	-72.8%	2 475
Capacity Building and Other Grants		2 689	3 385	2 475	(12)	435	1 600	(1 165)	-72.8%	2 475
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		59 798	–	99 492	492	78 674	47 838	30 836	64.5%	99 492
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		478	–	1 132	492	1 132	467	664	142.2%	1 132
National Skills Fund		59 320	–	98 360	–	77 542	47 371	30 171	63.7%	98 360
Total operating expenditure of Transfers and Grants:		888 081	630 652	733 797	53 965	531 349	469 030	62 319	13.3%	733 797
Capital expenditure of Transfers and Grants										
National Government:		490 152	700 110	665 179	11 010	433 585	459 754	(26 169)	-5.7%	665 179
Municipal Infrastructure Grant		194 387	236 246	220 445	6 051	126 272	154 337	(28 065)	-18.2%	220 445
Regional Bulk Infrastructure Grant		218 770	374 700	359 917	2 663	240 888	246 843	(5 956)	-2.4%	359 917
Rural Road Asset Management Systems Grant		–	2 208	2 208	–	968	1 472	(504)	-34.2%	2 208
Water Services Infrastructure Grant		76 994	86 957	82 609	2 295	65 457	57 101	8 356	14.6%	82 609
Provincial Government:		2 797	457	2 558	–	–	1 070	(1 070)	-100.0%	2 558
Capacity Building and Other Grants		–	–	843	–	–	514	(514)	-100.0%	843
Infrastructure Grant		2 797	457	1 715	–	–	556	(556)	-100.0%	1 715
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		492 948	700 568	667 737	11 010	433 585	460 824	(27 239)	-5.9%	667 737
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 381 030	1 331 220	1 401 534	64 975	964 934	929 854	35 080	3.8%	1 401 534

Grants Roll over

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

DC26 Zululand - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M08 February						
Description	Ref	Budget Year 2023/24				
		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance
R thousands						%
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		80	-	80	-	
NATIONAL SKILLS FUND		80	-	80	-	0.0%
Provincial Government:		34	-	34	-	0.0%
ART COUNCIL SA		34	-	34	-	0.0%
TSUCM_COGTA BOREHOLES		1 446	-	-	1 446	100.0%
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total operating expenditure of Approved Roll-overs		1 560	-	114	1 446	92.7%
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Provincial Government:		-	-	-	-	
Other Departments		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		1 560	-	114	1 446	92.7%

2.5 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	-	-	226	-	226	#DIV/0!	-
Pension and UIF Contributions		509	512	506	44	339	340	(1)	0%	506
Medical Aid Contributions		54	55	41	3	27	34	(6)	-19%	41
Motor Vehicle Allowance		1 889	1 962	2 214	170	1 423	1 358	65	5%	2 214
Cellphone Allowance		681	694	813	61	526	486	40	8%	813
Housing Allowances		360	180	180	15	120	120	-		180
Other benefits and allowances		5 782	6 084	6 030	495	3 911	4 045	(134)	-3%	6 030
Sub Total - Councillors		9 276	9 486	9 784	789	6 573	6 384	189	3%	9 784
% increase	4		2.3%	5.5%						5.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		6 237	6 191	8 050	595	5 220	4 499	721	16%	8 050
Pension and UIF Contributions		176	62	408	29	237	111	126	114%	408
Medical Aid Contributions		59	3	122	10	76	26	50	193%	122
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		650	-	-	-	-	-	-		-
Motor Vehicle Allowance		1 640	1 542	1 933	147	1 298	1 106	192	17%	1 933
Cellphone Allowance		257	238	313	23	204	173	30	18%	313
Housing Allowances		13	-	12	1	9	2	6	251%	12
Other benefits and allowances		309	195	195	18	223	130	93	71%	195
Payments in lieu of leave		374	-	-	-	95	-	95	#DIV/0!	-
Long service awards		132	-	-	-	-	-	-		-
Post-retirement benefit obligations	2									
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		97	-	-	(16)	1	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		9 945	8 230	11 034	808	7 362	6 048	1 314	22%	11 034
% increase	4		-17.2%	10.9%						10.9%
Other Municipal Staff										
Basic Salaries and Wages		184 973	206 063	205 954	16 709	133 096	137 354	(4 258)	-3%	205 954
Pension and UIF Contributions		24 702	27 991	28 028	2 286	17 706	18 668	(963)	-5%	28 028
Medical Aid Contributions		14 860	15 496	15 500	1 451	10 952	10 332	620	6%	15 500
Overtime		6 703	5 448	5 448	605	4 920	3 632	1 288	35%	5 448
Performance Bonus		12 696	13 983	14 081	497	8 643	9 342	(699)	-7%	14 081
Motor Vehicle Allowance		10 357	10 682	10 776	953	7 510	7 140	370	5%	10 776
Cellphone Allowance		740	828	808	67	524	548	(24)	-4%	808
Housing Allowances		1 669	1 724	1 712	143	1 123	1 147	(24)	-2%	1 712
Other benefits and allowances		4 065	282	276	852	3 208	187	3 021	1617%	276
Payments in lieu of leave		5 523	-	-	-	2 722	-	2 722	#DIV/0!	-
Long service awards		3 358	-	-	68	1 337	-	1 337	#DIV/0!	-
Post-retirement benefit obligations	2	5 393	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		1 191	-	-	(33)	300	-	300	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		276 230	282 498	282 582	23 598	192 042	188 350	3 692	2%	282 582
% increase	4		2.3%	2.3%						2.3%
Total Parent Municipality		295 452	300 214	303 400	25 195	205 978	200 781	5 196	3%	303 400

The municipality has no active entity.

2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M08 February

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
	Service charges – Water revenue	15%	This is the amounts billed on customers for water used, the year-to-date actual is R39.9 million which is 75% of the approved adjusted budget. The R39.9 million year to date actual is above the eight months baseline projection or year-to-date budget of R34.7 million.	The municipality need to keep up billing and install meters where and when needed.
	Service charges – Sanitation revenue	-2%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R10.5 million which is 68% of the approved adjusted budget. The R10.5 million year to date actual is below the eight months baseline projection or year-to-date budget of R10.7 million. Reasons for variances can be attributed to businesses slow adherence to payment terms.	The municipality need to restrict non-paying consumers from services and disconnect all illegal connections.
	Sale of goods and rendering of service	13%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R700 thousands which is 93% of the approved adjusted budget. The R700 thousands year to date actual is above the eight months baseline projection or year-to-date budget of R618 thousand.	
	Interest earned - outstanding debtors	29%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is R515 thousand which is 66% of the approved adjusted budget. The R515 thousand year to date actual is above the eight months baseline projection or year-to-date budget of R400 thousand. Reasons for variances can be attributed to businesses' slow adherence to payment terms.	The municipality must implement stringent measures to ensure businesses pay on time.
	Interest from Current and Non-Current Assets	112%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R6.1 million which is 82% of the approved adjusted budget. The R6.1 million year to date actual is above the eight months baseline projection or year-to-date budget of R2.9 million. Reasons for variances can be attributed to the availability of cash to be invested to date.	
	Rental from Fixed Assets	-7%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R303 thousand which is 66% of the approved adjusted budget. The R303 thousand year to date actual is below the eight months baseline projection or year-to-date budget of R325 thousand. Reasons for variances can be attributed to the fact that the municipality has limited space to rent.	
	Licences and Permits	36%	Licences and permits year-to-date actual is R66 thousand which is 64% of the approved adjusted budget. The R66 thousand year to date actual is above the eight months baseline projection or year-to-date budget of R49 thousand. Reasons for variances can be attributed to the retailers not adhering to health inspections regulations.	
	Operational revenue	27%	Operational revenue year-to-date actual is R330 thousand which is 75% of the approved budget. The R330 thousand year to date actual is below eight months baseline projection or year-to-date budget of R261 thousand.	The municipality need to monitor this line item.
	Fines, penalties, and forfeits	64%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is R230 thousand which is 27% of the approved adjusted budget. The R230 thousand year to date actual is below the eight months baseline projection or year-to-date budget of R637 thousand. Reasons for variances can be attributed to a negative indication that some illegally connected consumers are not yet discovered.	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	18%	Transfers and subsidies year to date actual is R560.1 million which is 75% of the approved adjusted budget. The R560.1 million year to date actual is above the eight months baseline projection or year-to-date budget of R474.2 million. Reasons for variances can be attributed to the nature of transfers and subsidies which depend on the transfer schedule and cannot be benchmarked against the year-to-date budget. Grants are not received monthly but in trenches as per approved transfer schedule.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M08 February

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	Expenditure By Type			
	Employee Related Costs	3%	Employee-related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R199.4 million which is 68% of the approved adjusted budget. The R199.4 million year to date actual is above the eight months baseline projection or year-to-date budget of R194.3 million.	The municipality will make sure that the salary bill is kept within the limits of the monthly projections.
	Remuneration of Councillors	3%	Remuneration of Councillors are amounts paid for councillors allowances, service-related benefits, and contributions. The year-to-date actual is R6.5 million which is 67% of the approved adjusted budget. The R6.5 million year to date actual is above the eight months baseline projection or year-to-date budget of R6.3 million.	The municipality will make sure that the salary bill is kept within the limits of the monthly projections.
	Inventory Consumed	75%	Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is R7.4 million which is 17% of the approved budget. The R7.4 million year to date actual is below the eight months baseline projection or year-to-date budget of R29.5 million. Reasons for variances can be attributed to the store requisition books being in the process of capturing.	The municipality need fast pace the capturing of requisition books to reflect correct amount of expenditure.
	Depreciation	16%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R50.2 million which is 56% of the approved adjusted budget. The R50.2 million year to date actual is below the eight months baseline projection or year-to-date budget of R60 million.	The municipality need to budget using depreciation method stipulated in the policy.
	Finance charges	34%	Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is R443 thousand which is 44% of the approved adjusted budget. The R443 thousand year to date actual is below the eight months baseline projection or year-to-date budget of R667 thousand. Reasons for variances can be attributed to the early payment of the account during this period.	Municipality need to keep up early payments to minimise this expenditure.
	Contracted services	40%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R189.9 million which is 81% of the approved adjusted budget. The R189.9 million year to date actual is above the eight months baseline projection or year-to-date budget of R135.8 million. Reasons for variances can be attributed to unexpected or beyond control events which leads to contracted services	The municipality must review SLAs and try to minimise costs as low as possible in this line-item.
	Transfers and subsidies paid.	14%	Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives. The year-to-date actual is R2.6 million which is 45% of the approved budget. The R2.6 million year to date actual is above the eight months baseline projection or year-to-date budget of R2.3 million. Reasons for variances can be attributed to the fact that this line item is for seasonal expenditure.	The municipality need to monitor this line item.
	Irrecoverable debt written off	0%	Irrecoverable debt written off year-to-date actual is R28 thousand which is 0% of the approved budget. The R28 thousand year to date actual cannot be benchmarked against year-to-date budget because it has no budget.	
	Operational costs		Operational costs are all other expenditure not classified above. The year-to-date actual is R122.2 million which is 89% of the approved budget. The R122.2 million year to date actual is above the eight months baseline projection or year-to-date budget of R94.07 million. Reasons for variances can be attributed to the increase in the costs of running an organisation such as, Eskom, Wet fuel, hire charges and Management fees.	The expenditure is being monitored by the municipality to keep it within the budget.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M08 February

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	Capital Expenditure			
	Governance and administration	70%	Governance and administration year-to-date actual are R618 thousand which is 20% of the approved adjusted budget. the R618 thousand year to date actual is below the eight months baseline projection or year-to-date budget of R2.09 million.	
	Community and public safety	100%	Community and public safety year-to-date actual are R0 which is 0% of the approved budget. the R0 year to date actual is below the eight months baseline projection or year-to-date budget of R305 thousand.	
	Economic and environmental services	34%	Economic and environmental services year-to-date actual is R968 thousand which is 44% of the approved adjusted budget. the R968 thousand year to date actual is below the eight months baseline projection or year-to-date budget of R1.4 million.	
	Trading services	16%	Trading services year-to-date actual is R432.6 million which is 58% of the approved adjusted budget. the R432.6 million year to date actual is below the eight months baseline projection or year-to-date budget of R516.5 million.	

2.7 ACTUAL AND REVISED TARGETS FOR CASH RECEIPTS

DC26 Zululand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February

Description	Ref	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates													-			
Service charges - Electricity revenue													-			
Service charges - Water revenue		928	1 881	2 063	3 448	317	1 813	1 886	2 019	3 341	3 341	3 341	15 714	40 092	43 529	48 873
Service charges - Waste Water Management		381	742	614	1 016	228	544	591	670	1 076	1 076	1 076	4 895	12 907	14 685	16 426
Service charges - Waste Management													-			
Rental of facilities and equipment		45	49	45	36	-	36	71	36	82	82	82	422	985	1 127	1 181
Interest earned - external investments		-	574	301	2 843	172	268	311	693	625	625	625	464	7 500	3 144	3 295
Interest earned - outstanding debtors													-			
Dividends received													-			
Fines, penalties and forfeits		20	64	79	21	4	13	3	26	71	71	71	410	853	1 048	1 098
Licences and permits		5	11	8	9	14	4	6	9	9	9	9	11	103	63	66
Agency services													-			
Transfers and Subsidies - Operational		266 152	2 969	48 282	165	3 395	240 307	547	22 386	61 923	61 923	61 923	(26 896)	743 076	679 032	720 445
Other revenue		131 675	231 394	200 542	189 135	18 728	471 984	94 441	94 489	14 019	14 019	14 019	(1 306 212)	168 233	115 496	124 647
Cash Receipts by Source		399 204	237 683	251 934	196 673	22 856	714 968	97 857	120 329	81 146	81 146	81 146	(1 311 192)	973 750	858 124	916 031
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		104 000	150 800	86 000	41 777	170 000	74 000	-	93 867	63 746	63 746	63 746	(146 727)	764 956	552 968	611 515
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets													-			
Short term loans													-			
Borrowing long term/refinancing		-	-	-	-	-	100 000	-	-	8 333	8 333	8 333	(25 000)	100 000	-	-
Increase (decrease) in consumer deposits		(0)	7	1	1	(1)	0	0	1	-	-	-	(9)	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments													-			
Total Cash Receipts by Source		503 204	388 490	337 935	238 451	192 855	888 968	97 857	214 197	153 225	153 225	153 225	(1 482 928)	1 838 706	1 411 092	1 527 546
Cash Payments by Type																
Employee related costs		26 127	26 418	26 816	26 778	26 586	18 434	36 638	25 094	24 572	24 572	24 572	8 254	294 861	298 671	312 940
Remuneration of councillors		-	-	-	-	-	-	-	743	829	829	829	6 715	9 944	9 941	10 418
Interest													-			
Bulk purchases - Electricity		12 282	4 787	13 201	5 143	16 800	3 774	7 765	5 911	-	-	-	(69 663)	-	-	-
Acquisitions - water & other inventory		7 556	-	-	-	191	-	-	2 160	4 226	4 226	4 226	28 124	50 707	50 736	53 133
Contracted services		131	(6 308)	(49 127)	(113 256)	(89 149)	(70 637)	(10 628)	(10 369)	21 854	21 854	21 854	546 027	262 246	152 625	159 854
Transfers and subsidies - other municipalities													-			
Transfers and subsidies - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		239 289	84 467	106 769	152 667	160 442	227 375	51 662	62 419	13 851	13 851	13 851	(960 435)	166 209	187 490	196 589
Cash Payments by Type		285 385	109 364	97 659	71 332	114 870	178 946	85 436	85 958	65 331	65 331	65 331	(440 977)	783 967	699 464	732 935
Other Cash Flows/Payments by Type																
Capital assets		-	57 911	49 277	113 514	90 763	101 101	10 678	10 959	63 116	63 116	63 116	133 837	757 386	480 842	531 752
Repayment of borrowing		-	-	-	-	173	-	-	-	833	833	833	7 327	10 000	10 000	10 000
Other Cash Flows/Payments		-	2 690	8 299	1 429	615	6 337	354	35	83	83	83	(19 008)	1 000	1 000	1 000
Total Cash Payments by Type		285 385	169 965	155 234	186 275	206 421	286 385	96 468	96 952	129 363	129 363	129 363	(318 821)	1 552 353	1 191 306	1 275 687
NET INCREASE/(DECREASE) IN CASH HELD		217 819	218 525	182 701	52 176	(13 566)	602 584	1 389	117 245	23 863	23 863	23 863	(1 164 107)	286 353	219 787	251 859
Cash/cash equivalents at the month/year beginning:		27 427	245 245	463 770	646 471	698 647	685 081	1 287 664	1 289 053	1 406 298	1 430 161	1 454 023	1 477 886	27 427	313 779	533 566
Cash/cash equivalents at the month/year end:		245 245	463 770	646 471	698 647	685 081	1 287 664	1 289 053	1 406 298	1 430 161	1 454 023	1 477 886	313 779	313 779	533 566	785 425

2.8 MUNICIPAL ENTITY FINANCIAL OPERATING EXPENDITURE PERFORMANCE BUDGET

The municipality does not have an entity.

2.9 MUNICIPAL ENTITY FINANCIAL CAPITAL EXPENDITURE PERFORMANCE

The municipality does not have an entity.

2.10 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	5 503	65 875	65 875	–	–	65 875	65 875	100.0%	0%
August	14 273	65 890	65 890	57 911	57 911	131 765	73 853	56.0%	8%
September	32 995	65 890	65 890	49 277	49 277	197 655	148 378	75.1%	7%
October	27 335	65 998	65 998	113 514	113 514	263 652	150 138	56.9%	15%
November	18 645	65 998	65 998	90 763	90 763	329 650	238 887	72.5%	12%
December	46 356	65 998	65 998	101 101	101 101	395 648	294 547	74.4%	13%
January	7 250	65 998	65 998	10 678	10 678	461 646	450 968	97.7%	1%
February	13 944	59 248	59 248	10 959	10 959	520 893	509 934	97.9%	1%
March	27 728	59 248	59 248	–	–	580 141	580 141	100.0%	0%
April	70 518	59 248	59 248	–	–	639 389	639 389	100.0%	–
May	127 629	59 248	59 248	–	–	698 636	698 636	100.0%	–
June	105 809	59 248	59 248	–	–	757 884	757 884	100.0%	–
Total Capital expenditure	497 986	757 884	757 884	434 203					

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

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		491 521	700 110	667 132	11 010	433 585	460 429	26 844	5.8%	667 132
Roads Infrastructure		–	2 208	2 208	–	968	1 472	504	34.2%	2 208
Roads		–	2 208	2 208	–	968	1 472	504	34.2%	2 208
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		491 521	693 120	664 229	11 010	432 617	456 017	23 400	5.1%	664 229
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		68 814	79 130	41 711	–	23 172	42 554	19 382	45.5%	41 711
Reservoirs		11 062	15 086	9 356	991	7 333	6 770	(563)	-8.3%	9 356
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		63 564	66 957	107 338	2 197	65 245	58 368	(6 877)	-11.8%	107 338
Bulk Mains		311 748	508 469	462 989	5 643	314 910	325 188	10 278	3.2%	462 989
Distribution		36 333	23 478	42 833	2 179	21 957	23 137	1 180	5.1%	42 833
Distribution Points		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	4 783	696	–	–	2 940	2 940	100.0%	696
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	4 783	–	–	–	2 516	2 516	100.0%	–
Toilet Facilities		–	–	696	–	–	424	424	100.0%	696
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		1 726	–	–	–	–	–	–	–	–
Community Facilities		1 726	–	–	–	–	–	–	–	–
Centres		1 726	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		51	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		51	–	–	–	–	–	–	–	–
Computer Software and Applications		51	–	–	–	–	–	–	–	–
Computer Equipment		2 158	2 350	2 385	(86)	159	1 612	1 453	90.1%	2 385
Computer Equipment		2 158	2 350	2 385	(86)	159	1 612	1 453	90.1%	2 385
Furniture and Office Equipment		1 085	550	718	–	189	453	264	58.4%	718
Furniture and Office Equipment		1 085	550	718	–	189	453	264	58.4%	718
Machinery and Equipment		1 210	87 414	87 414	–	–	58 276	58 276	100.0%	87 414
Machinery and Equipment		1 210	87 414	87 414	–	–	58 276	58 276	100.0%	87 414
Transport Assets		–	–	235	35	270	123	(147)	-118.8%	235
Transport Assets		–	–	235	35	270	123	(147)	-118.8%	235
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	497 751	790 424	757 884	10 959	434 203	520 893	86 690	16.6%	757 884

2.12 EXPENDITURE ON REPAIRS AND MAINTAINANCEBY ASSET CLASS

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		131 760	70 000	69 500	635	46 316	46 433	117	0.3%	69 500
Roads Infrastructure		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Storm water Infrastructure		-	-	-	-	-	-	-		-
<i>Attenuation</i>		-	-	-	-	-	-	-		-
Electrical Infrastructure		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Water Supply Infrastructure		131 760	70 000	69 500	635	46 316	46 433	117	0.3%	69 500
<i>Bulk Mains</i>		45 692	20 000	19 500	635	13 150	13 100	(50)	-0.4%	19 500
<i>Distribution</i>		-	-	-	-	-	-	-		-
<i>Distribution Points</i>		86 067	50 000	50 000	-	33 167	33 333	167	0.5%	50 000
<i>PRV Stations</i>		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Sanitation Infrastructure		-	-	-	-	-	-	-		-
<i>Waste Water Treatment Works</i>		-	-	-	-	-	-	-		-
Solid Waste Infrastructure		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Rail Infrastructure		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Coastal Infrastructure		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Community Assets		-	-	1 030	-	-	572	572	100.0%	1 030
Community Facilities		-	-	1 030	-	-	572	572	100.0%	1 030
<i>Airports</i>		-	-	1 030	-	-	572	572	100.0%	1 030
Sport and Recreation Facilities		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Heritage assets		-	-	-	-	-	-	-		-
Other Heritage		-	-	-	-	-	-	-		-
Investment properties		-	-	-	-	-	-	-		-
Revenue Generating		-	-	-	-	-	-	-		-
<i>Unimproved Property</i>		-	-	-	-	-	-	-		-
Non-revenue Generating		-	-	-	-	-	-	-		-
<i>Unimproved Property</i>		-	-	-	-	-	-	-		-
Other assets		1 420	3 200	1 291	(2)	519	1 367	848	62.0%	1 291
Operational Buildings		1 420	3 200	1 291	(2)	519	1 367	848	62.0%	1 291
<i>Municipal Offices</i>		1 420	3 200	1 291	(2)	519	1 367	848	62.0%	1 291
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
<i>Capital Spares</i>		-	-	-	-	-	-	-		-
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Intangible Assets		-	-	-	-	-	-	-		-
Servitudes		-	-	-	-	-	-	-		-
Licences and Rights		-	-	-	-	-	-	-		-
<i>Unspecified</i>		-	-	-	-	-	-	-		-
Computer Equipment		20	-	-	-	-	-	-		-
Computer Equipment		20	-	-	-	-	-	-		-
Furniture and Office Equipment		40	200	166	-	-	102	102	100.0%	166
Furniture and Office Equipment		40	200	166	-	-	102	102	100.0%	166
Machinery and Equipment		29	-	50	-	-	30	30	100.0%	50
Machinery and Equipment		29	-	50	-	-	30	30	100.0%	50
Transport Assets		4 728	1 500	3 145	673	2 646	1 443	(1 203)	-83.3%	3 145
Transport Assets		4 728	1 500	3 145	673	2 646	1 443	(1 203)	-83.3%	3 145
Land		-	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Living resources		-	-	-	-	-	-	-		-
Mature		-	-	-	-	-	-	-		-
<i>Policing and Protection</i>		-	-	-	-	-	-	-		-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-		-
Immature		-	-	-	-	-	-	-		-
<i>Policing and Protection</i>		-	-	-	-	-	-	-		-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-		-
Total Repairs and Maintenance Expenditure	1	137 997	74 900	75 182	1 305	49 482	49 948	466	0.9%	75 182


2.13 DEPRECIATION BY ASSET CLASS

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		88 946	80 877	80 877	7 621	47 018	53 918	6 900	12.8%	80 877
Roads Infrastructure		587	718	718	—	—	478	478	100.0%	718
Roads		587	718	718	—	—	478	478	100.0%	718
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		28	36	36	—	—	24	24	100.0%	36
LV Networks		28	36	36	—	—	24	24	100.0%	36
Water Supply Infrastructure		86 306	77 892	77 892	7 401	46 100	51 928	5 827	11.2%	77 892
Dams and Weirs		2 197	2 285	2 285	186	560	1 524	964	63.3%	2 285
Boreholes		1 572	471	471	133	968	314	(654)	-208.5%	471
Reservoirs		7 184	7 026	7 026	618	3 509	4 684	1 176	25.1%	7 026
Pump Stations		5 203	4 451	4 451	441	2 602	2 968	366	12.3%	4 451
Water Treatment Works		7 060	6 502	6 502	646	2 727	4 334	1 607	37.1%	6 502
Bulk Mains		39 339	34 795	34 795	3 384	24 275	23 197	(1 078)	-4.6%	34 795
Distribution		23 677	22 280	22 280	1 988	11 422	14 853	3 431	23.1%	22 280
PRV Stations		74	81	81	7	38	54	16	29.5%	81
Sanitation Infrastructure		2 026	2 231	2 231	220	918	1 488	570	38.3%	2 231
Pump Station		(174)	193	193	13	96	128	32	25.0%	193
Reticulation		1 686	1 717	1 717	140	427	1 145	718	62.7%	1 717
Waste Water Treatment Works		514	322	322	66	395	215	(180)	-83.9%	322
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Community Assets		30	852	852	102	774	568	(206)	-36.2%	852
Community Facilities		(105)	622	622	91	684	414	(269)	-65.0%	622
Markets		143	—	—	29	229	—	(229)	#DIV/0!	—
Airports		(248)	622	622	62	455	414	(40)	-9.7%	622
Sport and Recreation Facilities		135	230	230	11	90	153	64	41.4%	230
Outdoor Facilities		135	230	230	11	90	153	64	41.4%	230
Heritage assets		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Other assets		2 904	1 366	1 366	108	330	910	581	63.8%	1 366
Operational Buildings		2 904	1 366	1 366	108	330	910	581	63.8%	1 366
Municipal Offices		2 904	1 312	1 312	108	330	875	545	62.3%	1 312
Stores		—	53	53	—	—	36	36	100.0%	53
Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		18	—	—	2	15	—	(15)	#DIV/0!	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		18	—	—	2	15	—	(15)	#DIV/0!	—
Computer Software and Applications		18	—	—	2	15	—	(15)	#DIV/0!	—
Computer Equipment		2 770	992	992	232	696	661	(35)	-5.3%	992
Computer Equipment		2 770	992	992	232	696	661	(35)	-5.3%	992
Furniture and Office Equipment		505	555	555	56	146	370	225	60.7%	555
Furniture and Office Equipment		505	555	555	56	146	370	225	60.7%	555
Machinery and Equipment		717	368	368	95	282	245	(37)	-15.2%	368
Machinery and Equipment		717	368	368	95	282	245	(37)	-15.2%	368
Transport Assets		4 359	4 991	4 991	334	984	3 327	2 343	70.4%	4 991
Transport Assets		4 359	4 991	4 991	334	984	3 327	2 343	70.4%	4 991
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Living resources		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Policing and Protection		—	—	—	—	—	—	—	—	—
Zoological plants and animals		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Policing and Protection		—	—	—	—	—	—	—	—	—
Zoological plants and animals		—	—	—	—	—	—	—	—	—
Total Depreciation	1	100 249	90 000	90 000	8 550	50 244	60 000	9 756	16.3%	90 000

2.14 MUNICIPAL MANAGERS QUALITY CERTIFICATION

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



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

Date : 14/03/2024