

ZULULAND DISTRICT MUNICIPALITY



QUARTERLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED 31 MARCH 2024

MFMA S52d 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	804 852 264	599 548 591	205 303 673	34%	98
Total Operating Expenditure	722 102 135	825 246 370.00	699 537 806	603 809 719	95 728 087	16%	85
Surplus/(Deficit)	-3 854 635	-2 045 280.00	105 314 458	-4 261 127	109 575 586		

GRANTS RECIEPTS AND EXPENDITURE A S AT 29 FEBRUARY 2024	APPROVED BUDGET	ADJUSTED BUDGET	RECIEPTS	YTD ACTUAL EXPENDITURE	VARIENCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	271 683 000.00	253 512 000.00	256 512 000.00	193 029 334.02	60 482 665.98	76
Regional Bulk Infrastructure (RBIG)	430 905 000.00	413 905 000.00	413 905 000.00	321 503 537.32	92 401 462.68	78
Water services infrastructure Grant (WSIG)	100 000 000.00	95 000 000.00	95 000 000.00	90 971 324.02	4 028 675.98	96
Rural Roads Asset Managemnt Systems Grant	2 539 000.00	2 539 000.00	2 969 000.00	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	1 911 000.00	211 454.80	744 045.20	22
FM G	1 200 000.00	1 200 000.00	1 200 000.00	649 406.67	550 593.33	54
EPWP	7 077 000.00	6 682 000.00	7 077 000.00	6 682 000.00	395 000.00	100
NSF	-	98 280 452.48	98 280 452.48	98 725 075.00	- 444 622.52	100
LGSETA Waste Water Employees		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 **31 March 2024** is **R804.9 million** which is **98%** of the approved operating revenue budget. The **R804.9 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R599.5 million**, a variance of **R205.3 million** or **34%** 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 **R52.8 million** which is **6%** of the total generated revenue.

The Municipality has budgeted to collect **R52.9 million** on service charges, the estimated collection amount is based on the 60% 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 **R21.9 million** to date. This is **41%** of budgeted collection and **41%** 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 **31 March 2024** is **R699.5 million** which is **85%** of the approved operating expenditure budget. The **R699.5 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R603.8 million**, a variance of **R95.7 million** or **16%** 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	532 165 753	580 140 983	-47 975 230	-8%	70
Total Capital Financing	790 424 351	757 883 826.00	532 165 753	580 140 983	-47 975 230	-8%	70

Total Capital Expenditure as at **31 March 2024** is **R532.1 million** which is **71%** of the approved capital budget. The **R532.1 million** year to date actual is **below** the **nine months** baseline projection or year-to-date budget of **R580.1 million**, a variance of **R47.9 million** or **8%** of the received grants is observed.

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

Major Variances between actuals and year to date budget on 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 **76%**, **RBIG** is at **78%**, **WSIG** is at **96%** **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	390 117 305	110
Total non current assets	6 247 524 827	5 667 722 201.00	5 456 863 663	96
Total current liabilities	352 992 453	499 035 002.00	374 979 411	75
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 **R390.1 million** which is **109%** of the approved adjustment budget. **Non - Current assets** year to date actual is **R5.4 billion** which is **87%** of the approved adjustment budget. **Current Liabilities** year to date actual is **R374.9 million** which is **75%** of the approved budget.

Non - Current Liabilities year to date is **R144.6 million** which is **109%** of the approved budget.

Accumulated surplus year to date actual is **R5.1 billion** which is **112%** of the approved budget.

Current assets amount to **R390.1 million**, included in current assets is **cash investment of R274 million**.

Current liabilities amount to **R374.9 million**, this includes unspent conditional grants amounting to **R167.9 million**.

The Current ratio is 1.04:1 [**R390.6 million/R374.9 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) - M09 March

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	2 076	42 054	39 443	2 610	7%	53 518
Service charges - Waste Water Management		14 831	16 406	15 597	206	10 802	11 981	(1 179)	-10%	15 597
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 426	1 001	755	20	720	652	68	10%	755
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	784	57	572	496	76	15%	784
Interest from Current and Non Current Assets		7 433	3 000	7 500	4 484	10 645	4 050	6 595	163%	7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	458	-	303	358	(55)	-15%	458
Licence and permits		88	60	103	8	74	62	12	20%	103
Operational Revenue		563	369	442	119	450	306	144	47%	442
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		910	1 000	853	84	314	691	(377)	-55%	853
Licence and permits								-		
Transfers and subsidies - Operational		658 830	643 859	743 190	178 780	738 918	541 508	197 410	36%	743 190
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 894	-	-	-	-	-	-		-
Other Gains		4 385	-	-	(296)	0	-	0	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)										
		730 785	718 248	823 201	185 538	804 852	599 549	205 304	34%	823 201

The year-to-date actual indicates operating revenue of **R 804.9 million** for **nine months**, The **804.9 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **599.5 million**, a variance of **R205.3 million** or **34%** is observed. The total revenue to-date represents **98%** of the adjusted operating revenue budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

Exchange Revenue

Service charges – Water revenue

This is the amount billed on customers for water used, the year-to-date actual is **R42 million** which is **79%** of the approved budget. the **R42 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R39.4million**. A variance of **R2.6 million** or less than **7%** is observed. The service charges for the third quarter amounts to **R 16.5 Million** which is **31%** of the adjusted budget, it is above the 25% quarter benchmark, this indicate improvement on our water revenue.

Service charges – Sanitation revenue

This is the amount billed on customers that are connected to the sewer system, the year-to-date actual is **R10.8 million** which is **69%** of the approved budget. The **R10.8 million** year to date actual is **below** the **nine months** baseline projection or year-to-date budget of **R11.9 million**. A variance of **R1.1 million** or **10%** is observed.

The Service Charges sanitation revenue for the third quarter amounts to **R 4.3 Million** which is **27%** of the adjusted budget, slightly above by 2% from the quarter benchmark of 25%, this indicate improvement on our sanitation revenue.

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 **R 720 thousands** which is **95%** of the approved budget. the **R720 thousands** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R652 thousand**. A variance of **R82 thousand** or **10%** is observed.

The Sale of goods and rendering of services for the third quarter amounts to **R 198 thousand** which is **26%** of the adjusted budget, 1% percent above the benchmark of 25%, this indicate improvement on our revenue.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is **R572 thousand** which is **73%** of the approved adjusted budget. The **R572 thousand** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R496 thousand**. A variance of **R 76 thousand** or **15%** 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.

The Interest earned for the third quarter amounts to **R 171 thousand** which is **22%** of the adjusted budget, within 25% benchmark for the quarter.

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 **R10.6 million** which is **141%** of the approved budget. The **R10.6 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R4.1 million**. A variance of **R6.5 million** or **163%** is observed.

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

The Interest from Current and Non-current assets for the third quarter amounts to **R6.5 Million** which is **87%** of the adjusted budget, its above 25 % benchmark.

Rental from Fixed Assets

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R 303 thousand** which is **60.6%** of the approved budget. the **R303 thousand** year to date actual is **below** the **nine months** baseline projection or year-to-date budget of **R358 thousand**. A variance of **R55 thousand** or **15%** is observed.

The Rental from fixed assets for the third quarter amounts to **R 107 thousand** which is **23%** of the adjusted budget, within 25% benchmark for the quarter.

Licences and Permits

Licences and permits year-to-date actual is **R74 thousand** which is **72%** of the approved budget. the **R74 thousand** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R62 thousand**. A variance of **R12 thousand** or **20%** is observed, The reason for the variance can be attributed to increase in the number of licence renewal.

The Licences and Permits for the third quarter amounts to **R 23 thousand** which is **22%** of the adjusted budget, within 25% benchmark for the quarter.

Operational revenue

Operational revenue year-to-date actual is **R450 thousand** which is **101%** of the approved budget. the **R450 thousand** year to date actual is **above nine months** baseline projection or year-to-date budget of **R306 thousand**. A variance of **R144 thousand** or **47%** is observed. The Operational revenue for the third quarter amounts to **R 374 thousand** which is **85%** of the adjusted budget, it's above 25 % benchmark, this indicate improvement on our revenue.

Non-Exchange Revenue

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R314 thousand** which is **37%** of the approved budget. the **R314 thousand** year to date actual is **below** the **nine months** baseline projection or year-to-date budget of **R691 thousand**. A variance of **R377 thousand** or **55%** is observed.

Reasons for variances can be attributed to a positive indication that some customers are not illegally connecting or there are some illegal connections not yet discovered.

Municipality must keep up the disconnection of illegal connections.

The fines, penalties and forfeits for the third quarter amounts to **R 114 thousand** which is **13%** of the adjusted budget, within 25% benchmark for the quarter.

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 **R738.9 million** which is **99%** of the approved budget. The **R738.9 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R541.5 million**. A variance of **R197.4 million** or **36.5%** is observed. The expenditure for the third quarter amounts to **R 16.5 Million** which is **31%** of the adjusted budget.

The transfers and subsidies for the third quarter amounts to **R 212.2 Million** which is **29%** of the adjusted budget, slightly above 25% benchmark.

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) - M09 March

2020 Zulu Local - Table C4 - Monthly Budget Statement - Financial Performance (Revenue and expenditure) - M05 March										
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	25 567	224 972	219 203	5 769	3%	293 616
Remuneration of councillors		9 276	9 486	9 784	806	7 379	7 234	145	2%	9 784
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		51 978	42 130	44 499	11 406	18 879	33 295	(14 416)	-43%	44 499
Debt impairment		6 428	10 000	10 000	-	-	7 500	(7 500)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	24 407	74 651	67 500	7 151	11%	90 000
Interest		553	1 000	1 000	11	454	750	(296)	-39%	1 000
Contracted services		364 771	128 719	235 966	38 009	227 982	160 906	67 076	42%	235 966
Transfers and subsidies		4 683	6 000	3 791	-	2 698	2 715	(17)	-1%	3 791
Irrecoverable debts written off		2 192	-	-	-	28	-	28	#DIV/0!	-
Operational costs		163 288	144 039	136 590	19 735	142 007	104 707	37 300	36%	136 590
Losses on Disposal of Assets		679	-	-	-	489	-	489	#DIV/0!	-
Other Losses		309	-	-	-	-	-	-		-
Total Expenditure		990 582	722 102	825 246	119 940	699 538	603 810	95 728	16%	825 246

The year-to-date actual indicate spending of **R699.5 million** for **nine months**, which is **85%** of the approved operating expenditure budget. The **R699.5 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R603.8 million**, a variance of **R95.7 million** or **16%** 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 **R224.9 million** which is **76%** of the approved budget. The **R224.9 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R219.2 million**. A variance of **R5.7 million** or **3%** is observed. Variance is less than 5%.The expenditure for the third quarter amounts to **75.2 million** which is **26 %** of the adjusted budget. The municipality will make sure that the salary bill is kept within the limits of the quarterly projections as it is 1% above the quarter benchmark.

Remuneration of Councillors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits, and contributions. The year-to-date actual is **R7.3 million** which is **75%** of the approved adjusted budget. The **R7.3 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R7.2 million**. A variance of **R145 thousand** or **2%** is observed. The expenditure for the third quarter amounts to **R 2.4 Million** which is **25%** of the adjusted budget.

Variance is less than 5%

The municipality will make sure that the salary bill is kept within the limits of the monthly projections as it is within the 25% benchmark for the quarter.

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 **R18.8million** which is **42%** of the approved budget. the **R18.8 million** year to date actual is **below** the **nine months** baseline projection or year-to-date budget of **R33.2million**. A variance of **R14.4 million** or **43%** 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.

The expenditure for the third quarter amounts to **R 15 Million** which is **34%** of the adjusted budget, it's above the 25 % quarter benchmark.

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 **R74.6 million** which is **83%** of the approved adjusted budget. The **R74.6 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R67.5 million**. A variance of **R 7.1 million** or **11%** is observed.

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

The expenditure for the third quarter amounts to **R 41.5 Million** which is **46%** of the adjusted budget, it's above the 25 % quarter benchmark.

Finance charges

Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops.

The year-to-date actual is **R454 thousand** which is **45%** of the approved budget. The **R454 thousand** year to date actual is **below** the **nine months** baseline projection or year-to-date budget of **R750 thousand**. A variance of **R296 thousand** or **39%** 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. The expenditure for the third quarter amounts to **R 246 thousand** which is **25%** of the adjusted budget.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R227.9 million** which is **97%** of the approved budget. The **R227.9 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R160.9 million**. A variance of **R67 million** or **42%** is observed.

Reasons for variances can be attributed to current commitments beyond contracted services Budget. The municipality must review SLA's and try to minimise costs as low as possible in this line-item. The expenditure for the third quarter amounts to **R 79.2 Million** which is **34%** of the adjusted budget and it's above the 25 % quarter benchmark

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 **R2.7 million** year to date actual is **below** the **nine months** baseline projection or year-to-date budget of **R2.7 million**. A variance of **R17 thousand** or **1%** is observed. Reasons for variances can be attributed to the fact that this line item is for seasonal expenditure. The expenditure for the third quarter amounts to **R 525 thousand** which is **14%** of the adjusted budget, it's below the 25 % quarter benchmark.

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. The expenditure for the third quarter amounts to **0** which is **0** of the adjusted budget.

Operational costs

Operational costs are all other expenditure not classified above. The year-to-date actual is **142 million** which is **104%** of the approved budget. The **142 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **104.7 million**. A variance of **R37.3 million** or **36%** is observed.

The expenditure for the third quarter amounts to **R45 million** which is **33%** of the adjusted budget, it's above the 25 % quarter benchmark.

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 is 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	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 000.00	426 829.74	600 000	-173 170	-29%	36%
National Skills Fund	77 642 405.73	77 541 950.00	38 821 203	38 720 747	100%	100%
EPWP Incentive	7 077 000.00	7 077 000.00	3 538 500	3 538 500	100%	100%
Art centre Subsidies (Indonsa Grant)	1 385 000.00	203 000.00	692 500	-489 500	-71%	15%
Aviation Strategy	2 000 000.00	-	1 000 000	-1 000 000	-100%	0%
LGWS SETA Grant- MFMP	210 000.00	210 000.00	105 000	105 000	100%	100%
LGWS SETA Grant-Watse Water non-employees	110 000.00	110 000.00	55 000	55 000	100%	100%
LGWS SETA Grant-Fire & Rescue employees	55 000.00	55 000.00	27 500	27 500	100%	100%
LGWS SETA Grant-Fire & Rescue non employee	95 500.00	-	47 750	-47 750	-100%	0%
Amafa Kazulu Grant	200 000.00	198 000.00	100 000	98 000	98%	99%
Total Operating Grant Expenditure	89 974 905.73	85 821 779.74	44 987 452.87	-	-	0%

FMG **53%**, 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	532 165 753	580 140 983	-47 975 230	-8%	70
Total Capital Financing	790 424 351	757 883 826.00	532 165 753	580 140 983	-47 975 230	-8%	70

+

The capital expenditure amounts to **R532,1** which is **67%** of the capital approved budget, after a period of **nine months**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	2022/23	Budget Year 2023/24							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-		-
Vote 02 - Corporate Services		-	-	843	-	-	596	(596)	-100%	843
Vote 03 - Finance		-	250	250	-	-	188	(188)	-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 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	250	1 093	-	-	784	(784)	-100%	1 093
Single Year expenditure appropriation	2									
Vote 01 - Council		173	-	180	160	167	108	60	55%	180
Vote 02 - Corporate Services		833	2 250	2 320	618	1 228	1 760	(532)	-30%	2 320
Vote 03 - Finance		2 064	400	400	-	-	300	(300)	-100%	400
Vote 04 - Community Development		2 878	457	457	-	-	343	(343)	-100%	457
Vote 05 - Planning & Wsa		491 521	700 110	666 436	97 185	530 770	511 613	19 157	4%	666 436
Vote 06 - Technical Services		-	-	40	-	-	16	(16)	-100%	40
Vote 07 - Water Purification		474	-	-	-	-	-	-		-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	65 217	(65 217)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	497 942	790 174	756 790	97 963	532 166	579 357	(47 192)	-8%	756 790
Total Capital Expenditure		497 942	790 424	757 884	97 963	532 166	580 141	(47 975)	-8%	757 884
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 150	778	1 396	2 355	(960)	-41%	3 150
Executive and council		173	-	180	160	167	108	60	55%	180
Finance and administration		2 888	2 900	2 970	618	1 228	2 248	(1 019)	-45%	2 970
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		1 152	457	457	-	-	343	(343)	-100%	457
Community and social services		1 152	457	457	-	-	343	(343)	-100%	457
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		1 726	2 208	2 208	-	968	1 656	(688)	-42%	2 208
Planning and development		1 726	2 208	2 208	-	968	1 656	(688)	-42%	2 208
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		491 995	784 859	751 225	97 185	529 802	575 191	(45 389)	-8%	751 225
Energy sources		-	-	-	-	-	-	-		-
Water management		491 995	784 859	751 225	97 185	529 802	575 191	(45 389)	-8%	751 225
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		9	-	843	-	-	596	(596)	-100%	843
Total Capital Expenditure - Functional Classification	3	497 942	790 424	757 884	97 963	532 166	580 141	(47 975)	-8%	757 884
Funded by:										
National Government		490 152	700 110	665 179	97 185	530 770	511 110	19 660	4%	665 179
Provincial Government		2 797	457	2 558	-	-	1 442	(1 442)	-100%	2 558
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		492 948	700 568	667 737	97 185	530 770	512 552	18 218	4%	667 737
Borrowing	6	191	86 957	86 957	-	-	65 217	(65 217)	-100%	86 957
Internally generated funds		4 803	2 900	3 190	778	1 396	2 371	(976)	-41%	3 190
Total Capital Funding		497 942	790 424	757 884	97 963	532 166	580 141	(47 975)	-8%	757 884

Governance and administration

Governance and administration year-to-date actual are **1.3 Million** which is **44%** of the approved budget. the **1.3 million** year to date actual is **below** the **nine months** baseline projection or year-to-date budget of **R3.1 million**. A variance of **R960 thousand** or **41%** 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 **nine months** baseline projection or year-to-date budget of **R229 thousand**. A variance of **R229 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 budget. the **R968 thousand** year to date actual is above the **nine months** baseline projection or year-to-date budget of **R1.6million**. A variance of **R688 thousand** or **42%** is observed.

Trading services

Trading services year-to-date actual is **R529.8 million** which is **71%** of the approved budget. the **R529.8 million** year to date actual is **above** the **nine months** baseline projection or year-to-date budget of **R575.1 million**. A variance of **R453.8million** or **8%** 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	220 445 219.00	168 939 845	146 963 479	21 976 365.28	15%	77
Regional Bulk Infrastructure (RBIG)	374 700 000	359 917 391.30	281 274 452	239 944 928	41 329 524.63	17%	78
Water services infrastructure Grant (WSIG)	86 956 523	82 608 695.65	79 587 955	55 072 464	24 515 491.42	45%	96
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%	-
Art centre Subsisies (Indonsa Grant)	457 391	457 391	-	304 927	-304 927.33	-100%	-
Aviation Strategy		843 478.00	-	562 319	-562 318.67	-100%	-
Borehole intervention Programme		1 257 301.00					
Other Assets	2 900 000	3 190 000.00	1 395 511	2 126 667	-731 155.31	-34%	44
Total Operating Expenditure	790 424 351	757 883 823.95	532 165 753	504 417 682	27 748 071	6%	70

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	253 512 002	193 029 334	190 134 001	2 895 333	2%	76
Regional Bulk Infrastructure (RBIG)	430 905 000	413 905 000	321 503 537	310 428 750	11 074 787	4%	78
Water services infrastructure Grant (WSIG)	100 000 000	95 000 000	90 971 324	71 250 000	19 721 324	28%	96
Rural Roads Asset Managemnt Systems Grant	2 539 000	2 539 000	1 113 188	1 904 250	-791 062	-42%	44
Borrowings (Backup Generator)		100 000 000		75 000 000			
Indonsa Grant	526 000	526 000	-	394 500	-394 500	-100%	-
Aviation Strategy		970 000		727 500			
Borehole intervention Programme		1 445 896		1 084 422			
Other Assets	3 335 000	3 668 500	1 604 838	2 751 375	-1 146 537	-42%	44
Total Capital Grant Expenditure	808 988 000	871 566 398	608 222 221	653 674 798	31 359 345	5%	70

Overall capital grant expenditure inclusive of VAT is sitting at **70%** of the approved capital budget, **MIG** is sitting at **76%**, **RBIG** at **78%**, **WSIG** at **96%**, **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 - M09 March

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	2 282	52 855	51 424	1 431	3%	69 115
Investment revenue	7 433	3 000	7 500	4 484	10 645	4 050	6 595	163%	7 500
Transfers and subsidies - Operational	658 830	643 859	743 190	178 780	738 918	541 508	197 410		743 190
Other own revenue	10 521	3 451	3 396	(7)	2 433	2 566	(133)	-5%	–
Total Revenue (excluding capital transfers and contributions)	730 785	718 248	823 201	185 538	804 852	599 549	205 304	34%	823 201
Employee costs	286 176	290 728	293 616	25 567	224 972	219 203	5 769		293 616
Remuneration of Councillors	9 276	9 486	9 784	806	7 379	7 234	145		9 784
Depreciation and amortisation	100 249	90 000	90 000	24 407	74 651	67 500	7 151		90 000
Interest	553	1 000	1 000	11	454	750	(296)		1 000
Inventory consumed and bulk purchases	51 978	42 130	44 499	11 406	18 879	33 295	(14 416)		44 499
Transfers and subsidies	4 683	6 000	3 791	–	2 698	2 715	(17)	-1%	3 791
Other expenditure	537 668	282 758	382 556	57 744	370 506	273 113	97 393	36%	382 556
Total Expenditure	990 582	722 102	825 246	119 940	699 538	603 810	95 728	16%	825 246
Surplus/(Deficit)	(259 797)	(3 855)	(2 045)	65 598	105 314	(4 261)	109 576	-2572%	(2 045)
Transfers and subsidies - capital (monetary allocations)	610 502	805 127	766 402	110 748	606 617	588 355	18 262	3%	766 402
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	350 705	801 272	764 357	176 345	711 932	584 094	127 838	22%	764 357
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	350 705	801 272	764 357	176 345	711 932	584 094	127 838	22%	764 357
Capital expenditure & funds sources									
Capital expenditure	497 942	790 424	757 884	97 963	532 166	580 141	(47 975)	-8%	757 884
Capital transfers recognised	492 948	700 568	667 737	97 185	530 770	512 552	18 218	4%	667 737
Borrowing	191	86 957	86 957	–	–	65 217	(65 217)	-100%	86 957
Internally generated funds	4 803	2 900	3 190	778	1 396	2 371	(976)	-41%	3 190
Total sources of capital funds	497 942	790 424	757 884	97 963	532 166	580 141	(47 975)	-8%	757 884
Financial position									
Total current assets	166 344	480 492	355 949		390 117				355 949
Total non current assets	4 999 838	6 247 525	5 667 722		5 456 864				5 667 722
Total current liabilities	500 466	352 992	499 035		374 979				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		5 332 545				4 627 968
Cash flows									
Net cash from (used) operating	1 830 973	993 132	953 739	443 130	2 156 368	715 304	#####	-201%	953 739
Net cash from (used) investing	(496 168)	(789 967)	(757 386)	(97 963)	(532 166)	(568 040)	(35 874)	6%	(757 386)
Net cash from (used) financing	(1 091)	90 000	90 000	(944)	98 892	67 500	(31 392)	-47%	90 000
Cash/cash equivalents at the month/year end	1 354 182	466 282	313 779	–	1 750 521	242 191	#####	-623%	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	7 419	7 507	5 547	4 721	4 898	4 701	19 596	178 203	232 591
Creditors Age Analysis									
Total Creditors	16	–	–	–	–	–	–	–	16

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) - M09 March

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	183 082	743 793	538 586	205 207	38%	741 310
Executive and council	8	–	–	–	–	–	–	–	–	–
Finance and administration	665 312	637 831	741 310	183 082	743 793	538 586	205 207	38%		741 310
Internal audit	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		2 285	2 482	2 750	34	518	2 029	(1 511)	-74%	2 750
Community and social services	2 209	1 922	2 147	25	444	1 592	(1 148)	-72%		2 147
Sport and recreation	–	–	–	–	–	–	–	–	–	–
Public safety	–	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–	–
Health	76	560	603	8	74	437	(363)	-83%		603
<i>Economic and environmental services</i>		4 171	2 539	2 741	–	1 231	1 985	(754)	-38%	2 741
Planning and development	4 171	2 539	2 741	–	1 231	1 985	(754)	-38%		2 741
Road transport	–	–	–	–	–	–	–	–	–	–
Environmental protection	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		668 995	878 523	840 747	113 166	665 891	643 782	22 109	3%	840 747
Energy sources	–	–	–	–	–	–	–	–	–	–
Water management	654 093	862 087	824 845	112 878	654 808	631 668	23 139	4%		824 845
Waste water management	14 903	16 436	15 902	288	11 083	12 113	(1 030)	-9%		15 902
Waste management	–	–	–	–	–	–	–	–	–	–
<i>Other</i>	4	516	2 000	2 055	4	37	1 522	(1 485)	-98%	2 055
Total Revenue - Functional	2	1 341 287	1 523 375	1 589 603	296 285	1 411 470	1 187 904	223 566	19%	1 589 603
Expenditure - Functional										
<i>Governance and administration</i>		329 433	256 489	349 775	50 468	315 645	248 564	67 081	27%	349 775
Executive and council	63 257	45 360	46 694	3 392	47 394	34 235	13 159	38%		46 694
Finance and administration	266 177	176 201	267 892	42 365	230 902	188 063	42 839	23%		267 892
Internal audit	–	34 928	35 188	4 712	37 349	26 265	11 084	42%		35 188
<i>Community and public safety</i>		27 553	28 878	27 435	1 977	18 987	21 052	(2 066)	-10%	27 435
Community and social services	14 564	8 257	9 489	651	5 701	6 777	(1 076)	-16%		9 489
Sport and recreation	–	–	–	–	–	–	–	–	–	–
Public safety	–	5 887	5 887	575	5 364	4 415	949	21%		5 887
Housing	–	–	–	–	–	–	–	–	–	–
Health	12 989	14 734	12 059	750	7 921	9 860	(1 939)	-20%		12 059
<i>Economic and environmental services</i>		22 711	28 742	27 186	1 709	20 621	21 226	(605)	-3%	27 186
Planning and development	22 711	28 742	27 186	1 709	20 621	21 226	(605)	-3%		27 186
Road transport	–	–	–	–	–	–	–	–	–	–
Environmental protection	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		601 261	394 049	409 695	64 745	336 486	304 037	32 449	11%	409 695
Energy sources	–	–	–	–	–	–	–	–	–	–
Water management	602 876	386 071	401 717	64 059	330 069	298 053	32 016	11%		401 717
Waste water management	(1 616)	7 978	7 978	685	6 417	5 984	433	7%		7 978
Waste management	–	–	–	–	–	–	–	–	–	–
<i>Other</i>		9 624	13 944	11 155	1 041	7 799	8 931	(1 131)	-13%	11 155
Total Expenditure - Functional	3	990 582	722 102	825 246	119 940	699 538	603 810	95 728	16%	825 246
Surplus/ (Deficit) for the year		350 705	801 272	764 357	176 345	711 932	584 094	127 838	22%	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) - M09 March

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	20 902	99 901	60 415	39 486	65.4%	101 927
Vote 03 - Finance		604 660	637 481	641 438	162 184	643 929	479 693	164 236	34.2%	641 438
Vote 04 - Community Development		3 953	2 482	2 750	34	518	2 029	(1 511)	-74.5%	2 750
Vote 05 - Planning & Wsa		617 377	812 204	773 286	110 748	613 417	593 586	19 831	3.3%	773 286
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		39 245	52 422	54 300	2 130	42 621	40 068	2 554	6.4%	54 300
Vote 09 - Waste Water		14 903	16 436	15 902	288	11 083	12 113	(1 030)	-8.5%	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	296 285	1 411 470	1 187 904	223 566	18.8%	1 589 603
Expenditure by Vote	1									
Vote 01 - Council		63 257	53 791	55 486	4 332	53 992	40 746	13 245	32.5%	55 486
Vote 02 - Corporate Services		188 332	149 411	237 109	40 532	218 692	165 745	52 947	31.9%	237 109
Vote 03 - Finance		71 138	61 343	60 388	6 293	41 052	45 390	(4 338)	-9.6%	60 388
Vote 04 - Community Development		55 021	50 380	49 856	3 364	42 381	38 235	4 146	10.8%	49 856
Vote 05 - Planning & Wsa		61 591	21 391	23 703	1 625	15 129	16 948	(1 820)	-10.7%	23 703
Vote 06 - Technical Services		9 306	10 202	5 733	2 107	4 019	5 947	(1 927)	-32.4%	5 733
Vote 07 - Water Purification		52 109	43 820	43 820	4 187	37 461	32 867	4 594	14.0%	43 820
Vote 08 - Water Distribution		491 444	323 787	341 173	56 816	280 396	251 948	28 448	11.3%	341 173
Vote 09 - Waste Water		(1 616)	7 978	7 978	685	6 417	5 984	433	7.2%	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	119 940	699 538	603 810	95 728	15.9%	825 246
Surplus/ (Deficit) for the year	2	350 705	801 272	764 357	176 345	711 932	584 094	127 838	21.9%	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) - M09 March

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	2 076	42 054	39 443	2 610	7%	53 518
Service charges - Waste Water Management		14 831	16 406	15 597	206	10 802	11 981	(1 179)	-10%	15 597
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 426	1 001	755	20	720	652	68	10%	755
Agency services								-		
Interest								-		
Interest earned from Receivables		75	521	784	57	572	496	76	15%	784
Interest from Current and Non Current Assets		7 433	3 000	7 500	4 484	10 645	4 050	6 595	163%	7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		181	500	458	-	303	358	(55)	-15%	458
Licence and permits		88	60	103	8	74	62	12	20%	103
Operational Revenue		563	369	442	119	450	306	144	47%	442
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		910	1 000	853	84	314	691	(377)	-55%	853
Licence and permits								-		
Transfers and subsidies - Operational		658 830	643 859	743 190	178 780	738 918	541 508	197 410	36%	743 190
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		2 894	-	-	-	-	-	-		-
Other Gains		4 385	-	-	(296)	0	-	0	#DIV/0!	-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		730 785	718 248	823 201	185 538	804 852	599 549	205 304	34%	823 201
Expenditure By Type										
Employee related costs		286 176	290 728	293 616	25 567	224 972	219 203	5 769	3%	293 616
Remuneration of councillors		9 276	9 486	9 784	806	7 379	7 234	145	2%	9 784
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		51 978	42 130	44 499	11 406	18 879	33 295	(14 416)	-43%	44 499
Debt impairment		6 428	10 000	10 000	-	-	7 500	(7 500)	-100%	10 000
Depreciation and amortisation		100 249	90 000	90 000	24 407	74 651	67 500	7 151	11%	90 000
Interest		553	1 000	1 000	11	454	750	(296)	-39%	1 000
Contracted services		364 771	128 719	235 966	38 009	227 982	160 906	67 076	42%	235 966
Transfers and subsidies		4 683	6 000	3 791	-	2 698	2 715	(17)	-1%	3 791
Irrecoverable debts written off		2 192	-	-	-	28	-	28	#DIV/0!	-
Operational costs		163 288	144 039	136 590	19 735	142 007	104 707	37 300	36%	136 590
Losses on Disposal of Assets		679	-	-	-	489	-	489	#DIV/0!	-
Other Losses		309	-	-	-	-	-	-		-
Total Expenditure		990 582	722 102	825 246	119 940	699 538	603 810	95 728	16%	825 246
Surplus/(Deficit)		(259 797)	(3 855)	(2 045)	65 598	105 314	(4 261)	109 576	(0)	(2 045)
Transfers and subsidies - capital (monetary allocations)		610 502	805 127	766 402	110 748	606 617	588 355	18 262	0	766 402
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		350 705	801 272	764 357	176 345	711 932	584 094	127 838	0	764 357
Income Tax										
Surplus/(Deficit) after income tax		350 705	801 272	764 357	176 345	711 932	584 094			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	176 345	711 932	584 094			764 357
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		350 705	801 272	764 357	176 345	711 932	584 094			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) - M09 March

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	-	-	596	(596)	-100%	843
Vote 03 - Finance		-	250	250	-	-	188	(188)	-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 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	250	1 093	-	-	784	(784)	-100%	1 093
Single Year expenditure appropriation	2									
Vote 01 - Council		173	-	180	160	167	108	60	55%	180
Vote 02 - Corporate Services		833	2 250	2 320	618	1 228	1 760	(532)	-30%	2 320
Vote 03 - Finance		2 064	400	400	-	-	300	(300)	-100%	400
Vote 04 - Community Development		2 878	457	457	-	-	343	(343)	-100%	457
Vote 05 - Planning & Wsa		491 521	700 110	666 436	97 185	530 770	511 613	19 157	4%	666 436
Vote 06 - Technical Services		-	-	40	-	-	16	(16)	-100%	40
Vote 07 - Water Purification		474	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	86 957	86 957	-	-	65 217	(65 217)	-100%	86 957
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	497 942	790 174	756 790	97 963	532 166	579 357	(47 192)	-8%	756 790
Total Capital Expenditure		497 942	790 424	757 884	97 963	532 166	580 141	(47 975)	-8%	757 884
Capital Expenditure - Functional Classification										
Governance and administration		3 061	2 900	3 150	778	1 396	2 355	(960)	-41%	3 150
Executive and council		173	-	180	160	167	108	60	55%	180
Finance and administration		2 888	2 900	2 970	618	1 228	2 248	(1 019)	-45%	2 970
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 152	457	457	-	-	343	(343)	-100%	457
Community and social services		1 152	457	457	-	-	343	(343)	-100%	457
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		1 726	2 208	2 208	-	968	1 656	(688)	-42%	2 208
Planning and development		1 726	2 208	2 208	-	968	1 656	(688)	-42%	2 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		491 995	784 859	751 225	97 185	529 802	575 191	(45 389)	-8%	751 225
Energy sources		-	-	-	-	-	-	-	-	-
Water management		491 995	784 859	751 225	97 185	529 802	575 191	(45 389)	-8%	751 225
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		9	-	843	-	-	596	(596)	-100%	843
Total Capital Expenditure - Functional Classification	3	497 942	790 424	757 884	97 963	532 166	580 141	(47 975)	-8%	757 884
Funded by:										
National Government		490 152	700 110	665 179	97 185	530 770	511 110	19 660	4%	665 179
Provincial Government		2 797	457	2 558	-	-	1 442	(1 442)	-100%	2 558
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns,		-	-	-	-	-	-	-	-	-
Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		492 948	700 568	667 737	97 185	530 770	512 552	18 218	4%	667 737
Borrowing	6	191	86 957	86 957	-	-	65 217	(65 217)	-100%	86 957
Internally generated funds		4 803	2 900	3 190	778	1 396	2 371	(976)	-41%	3 190
Total Capital Funding		497 942	790 424	757 884	97 963	532 166	580 141	(47 975)	-8%	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 - M09 March

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	239 515	192 785
Trade and other receivables from exchange transactions		29 625	59 575	46 729	57 737	46 729
Receivables from non-exchange transactions		168	–	7 109	7 245	7 109
Current portion of non-current receivables		–	–	–	–	–
Inventory		2 824	2 556	2 824	4 851	2 824
VAT		80 813	50 650	80 813	51 721	80 813
Other current assets		25 486	22 422	25 688	29 047	25 688
Total current assets		166 344	480 492	355 949	390 117	355 949
Non current assets						
Investments						
Investment property						
Property, plant and equipment		4 991 970	6 247 523	5 659 854	5 449 013	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	34	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	5 456 864	5 667 722
TOTAL ASSETS		5 166 182	6 728 017	6 023 671	5 846 981	6 023 671
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		1 484	–	1 484	367	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	191 176	485 727
Trade and other payables from non-exchange transactions		1 560	–	–	167 881	–
Provision		2 154	2 378	2 154	2 154	2 154
VAT		3 921	8 073	6 050	9 772	6 050
Other current liabilities		–	–	–	–	–
Total current liabilities		500 466	352 992	499 035	374 979	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	519 668	631 346
NET ASSETS	2	4 621 027	6 246 684	5 392 325	5 327 313	5 392 325
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		4 707 986	5 445 412	4 627 968	5 332 545	4 627 968
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	4 707 986	5 445 412	4 627 968	5 332 545	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 31 March 2023 indicate a balance of **R239.5 million**.

Cash (R14.5) million

Call Investments Deposits R225 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 **R57.5 million**. Debtors age analysis as per section 2.2 debtors’ analysis is **R232.5 million**. The consumer debtors’ amount to **R225.6 million** and other receivables from exchange amount to **R7 million** which sums up to **R232.5** and included in R **232.5** is the balance of **R4.8 million** for shared services.

Gross Consumer debtors	R226.6 million
Debtors Impairment	(R168.9 million)
Net Consumer Debtors	R57.7 million

Classification of Consumer Debtors per Service type

Water Debtors	R36.3 million
Sanitation Debtors	R19.5 million
Property Rental	R109 thousand
Other Consumer debtors	R29 thousand
Other receivables from exchange	R1.8 million
Total	R57.7 million

➤ Water Debtors

Net Water debtors, after considering provision for bad debts, amount to **R36.2 million**

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

Gross Water Debtors	R177.5 million
Less Impairment	(141.2 million)
Net Water Debtors	R36.2 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R19.5 million**

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

Gross Sanitation Debtors	R46 million
Less Impairment	(R26.5 million)
Net Sanitation Debtors	R19.5 million

➤ **Property Rental**

Property rental debtors' amount to **R108.5 thousand**, these are sundry debtors.

Gross Other Debtors	R123.4 thousand
Less Impairment	(R15 thousand)
Net Other Debtors	R108.5 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R29.5 thousand**, these are sundry debtors.

➤ **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	R185.6 million
Commercial/Businesses (excl prepaid exp R1.8 mil)	R16.4 million
Organs of State (excl shared services of R5.01 mill)	R30.4 million
Total	R232.5 million

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

Gross Households debtors	R185.6 million
Gross Business	R16.4 million
Less Impairment	(R141.2 million)
Net Household and businesses debtors	R32.1 million

Receivables from non-exchange transactions

UIFW to be recovered amounting to **R7.2 million** resulted from a claim of standing time due to consultant negligence.

Inventory

The current level of inventory is **R4.8 million**. Inventories include water stock and consumable stores.

VAT Receivable

VAT Receivable amount to **R51.7 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 **R29.4 million**.

Deposits Made	R18.2 million
Refunds & under/over banking	R10.7 million
Overpayments/Accrued Income	R0
Salary suspense	R8.2 thousand
Total	R29.04 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 **R10.7 million**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking:

Under/over banking	R10.7 million
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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.

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment include current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R4.9 billion**

Opening balance	R4.9 billion
Additions	(R538.4 thousand)
Depreciation	(R74.6 million)
Closing Balance	R4.9 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 **R33.9 thousand**.

Opening balance	R51.8 thousand
Additions	(R0)
Depreciation	(R17 thousand)
Closing Balance	R33.9 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 **R36.7 thousand**

Opening balance	R1.4 million
Payment	(R1.1 thousand)
Closing Balance	R36 thousand

Consumer deposits

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

Trade and other payables 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 **R191.1 million**.

Trade Creditors	R34.1 million
Retention	R78.9 million
Department of Water & Sanitation	R32.7 million
Leave accrued	R21.7 million
Bonus	R5.7 million
Employee related cost	R1.7 million
Advance Payments	R1.8 million
Salary Suspense Accounts	R6.8 thousand
Other Suspense account	R1.2 thousand
Water tankers	R10.5 million
Zanamanzi	R3.3 million
Operating Lease Liability	R542.5 thousand
Finance Lease	R367.1 thousand
Closing Balance	R191.1 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 **R167.8 million**.

VAT Payables

VAT payable amount to **R9.7 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 R2.1 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	R2.1 million
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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 **R5.3 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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	2 832	21 971	39 749	(17 778)	-45%	52 998
Other revenue		1 393 314	162 144	170 175	367 912	1 800 913	127 631	1 673 282	1311%	170 175
Transfers and Subsidies - Operational		661 838	643 859	743 076	159 269	743 471	557 307	186 164	33%	743 076
Transfers and Subsidies - Capital		610 306	805 127	764 956	47 942	768 386	573 717	194 669	34%	764 956
Interest		6 722	3 000	7 500	238	5 400	5 625	(225)	-4%	7 500
Dividends								-		
Payments										
Suppliers and employees		(868 156)	(672 640)	(784 967)	(135 063)	(1 183 773)	(588 725)	595 048	-101%	(784 967)
Interest								-		
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 830 973	993 132	953 739	443 130	2 156 368	715 304	#####	-201%	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)	(97 963)	(532 166)	(568 040)	(35 874)	6%	(757 386)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(496 168)	(789 967)	(757 386)	(97 963)	(532 166)	(568 040)	(35 874)	6%	(757 386)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	100 000	100 000	-	100 000	75 000	25 000	33%	100 000
Increase (decrease) in consumer deposits		(1)	-	-	-	9	-	9	#DIV/0!	-
Payments										
Repayment of borrowing		(1 090)	(10 000)	(10 000)	(944)	(1 117)	(7 500)	(6 383)	85%	(10 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 091)	90 000	90 000	(944)	98 892	67 500	(31 392)	-47%	90 000
NET INCREASE/(DECREASE) IN CASH HELD		1 333 714	293 165	286 353	344 223	1 723 094	214 764			286 353
Cash/cash equivalents at beginning:		20 468	173 117	27 427	1 406 298	27 427	27 427			27 427
Cash/cash equivalents at month/year end:		1 354 182	466 282	313 779		1 750 521	242 191			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 **R21.2 million** to date. This is **41%** of budgeted collection and **41%** 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 **R738.9 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	R631.6 million
Indonsa Grant	R210 thousand
FMG	R630 thousand
EPWP	R6.68 thousand
NSF	R98.2 million
LG SETA	R1.1 million
Amafa Research	R198 thousand
Art Council	R34 thousand
TOTAL	R738.9 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 **R606.6 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 90.9 million
Water Services Infrastructure Grant	R 95 million

Régional Bulk Infrastructure Grant	R 321.5 million
Rural Road Asset Management Subsidy	R 1.1 million
TOTAL	R606.6 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 **R5.4 million**. Interest on investment revenue on table C4 is **R10.6 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 **R532.1 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 **R 239 million** in the financial position but in the cash flow it is **R1.7 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 30 March 2024

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description		Budget Year 2023/24											
NT Code		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
	1200	5 891	6 192	4 466	3 734	3 735	3 849	14 838	136 637	179 342	162 793	-	-
	1300									-	-		
	1400									-	-		
	1500	1 355	1 247	1 015	976	862	806	3 547	37 307	47 114	43 498	-	-
	1600									-	-		
	1700	114	11	11	11	11	11	52	25	244	109	-	-
	1810	59	57	55	-	288	34	121	443	1 057	886	-	-
	1820									-	-		
	1900	-	-	-	-	1	2	1 038	3 791	4 833	4 833	-	-
Total By Income Source	2000	7 419	7 507	5 547	4 721	4 898	4 701	19 596	178 203	232 591	212 119	-	-
2022/23 - totals only		5735944	5409197	4348772	2935092	3920964	3345942	17119690	156666551	199 482	183 988	0	138614150 4/7
Debtors Age Analysis By Customer Group													
	2200	2 439	2 741	1 624	1 691	1 597	1 275	3 944	15 184	30 495	23 691	-	-
	2300	1 281	1 121	667	398	404	382	1 577	10 606	16 436	13 367	-	-
	2400	3 698	3 644	3 256	2 632	2 897	3 044	14 075	152 414	185 661	175 062	-	-
	2500									-	-		
Total By Customer Group	2600	7 419	7 507	5 547	4 721	4 898	4 701	19 596	178 203	232 591	212 119	-	-

Total debtors' amount to **R232.5 million**, which is an increase of **R1.8 million** from the closing balance of **R230.7 million** in the previous month. The debtors over 90 days amount to **R212.1 million**. This is concerning and needs intervention since debtors above 60 days should be restricted in terms of the Municipality's credit control policy.

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 30 March 2024

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Supporting Table 001 Monthly Budget Statement - Age Creditors - 31st March											
Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	16	-	-	-	-	-	-	-	16	2 660
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	16	-	-	-	-	-	-	-	16	2 660

2.3 INVESTMENT PORTFOLIO

Investments as at 31 March 2024

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March 2024														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	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		0.76666667	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		1.36666667	CALL ACCOUNT	YES	VARIABLE	0.089			14 September 2023	174 800		(25 000)		149 800
ABSA CALL ACCOUNT		1.56666667	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		2.06666667	SHORT TERM	YES	VARIABLE	0.089	-	N/A	05 October 2023	135 800		(75 000)		60 800
ABSA SHORT TERM		3.06666667	SHORT TERM	YES	VARIABLE	0.089	-	N/A	19 October 2023	60 800		(10 000)		50 800
ABSA SHORT TERM		2.53333333	SHORT TERM	YES	VARIABLE	0.089	-	N/A	19 October 2023	50 800		(36 800)		14 000
STANDARD BANK				YES		9.175			05 December 2023	14 000			40 000	54 000
ABSA CALL ACCOUNT				YES		9.27			06 December 2023	54 000		(25 000)		29 000
ABSA CALL ACCOUNT				YES		0.089			07 December 2023	29 000			40 000	69 000
ABSA CALL ACCOUNT				YES		0.089			07 December 2023	69 000			75 000	144 000
ABSA CALL ACCOUNT				YES		9.44			07 December 2023	144 000			75 000	219 000
										219 000			25 000	244 000
										244 000			100 000	344 000
ABSA CALL ACCOUNT				YES		0.089			18 December 2023	344 000		(40 000)		304 000
ABSA CALL ACCOUNT				YES		0.089			22 December 2023	304 000		(30 000)		274 000
										274 000		(30 000)		244 000
										244 000		(20 000)		224 000
										224 000	3 339			227 339
										227 339		(40 000)		187 339
										187 339		(50 000)		137 339
										137 339	1 733	(75 000)		64 072
										64 072	260	(570)		63 762
										63 762	339	(5 000)		59 101
										59 101	1 914	(50 000)		11 015
										11 015			75 000	86 015
Municipality sub-total										4 622 966	10 260	(696 800)	225 000	225 000
Entities														
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									4 622 966		(696 800)	225 000	225 000

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

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	157 936	638 984	479 803	159 181	33.2%	639 553
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		586 391	631 671	631 671	157 918	631 671	473 753	157 918	33.3%	631 671
Expanded Public Works Programme Integrated Grant		8 517	7 077	6 682	–	6 682	5 150	1 532	29.8%	6 682
Local Government Financial Management Grant		1 200	1 200	1 200	18	631	900	(269)	-29.9%	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	25	443	3 087	(2 644)	-85.7%	4 145
Capacity Building and Other Grants		2 631	3 911	4 145	25	443	3 087	(2 644)	-85.7%	4 145
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		60 091	–	99 492	20 818	99 492	58 618	40 873	69.7%	99 492
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		478	–	1 132	–	1 132	626	506	80.9%	1 132
National Skills Fund		59 613	–	98 360	20 818	98 360	57 993	40 367	69.6%	98 360
Unspecified		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	658 830	643 859	743 190	178 780	738 918	541 508	197 410	36.5%	743 190
Capital Transfers and Grants										
National Government:		607 306	805 127	764 956	110 748	606 617	587 777	18 841	3.2%	764 956
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		259 530	271 683	253 512	48 546	193 029	196 494	(3 465)	-1.8%	253 512
Regional Bulk Infrastructure Grant		250 247	430 905	413 905	45 992	321 504	316 379	5 125	1.6%	413 905
Rural Road Asset Management Systems Grant		2 529	2 539	2 539	–	1 113	1 904	(791)	-41.5%	2 539
Water Services Infrastructure Grant		95 000	100 000	95 000	16 210	90 971	73 000	17 971	24.6%	95 000
Provincial Government:		3 196	–	1 446	–	–	578	(578)	-100.0%	1 446
Infrastructure Grant		3 196	–	1 446	–	–	578	(578)	-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	110 748	606 617	588 355	18 262	3.1%	766 402
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 269 332	1 448 986	1 509 592	289 527	1 345 536	1 129 864	215 672	19.1%	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 - M09 March

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	77 799	530 039	472 652	57 387	12.1%	631 829
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		774 422	618 990	623 947	77 619	522 726	466 602	56 124	12.0%	623 947
Expanded Public Works Programme Integrated Grant		8 532	7 077	6 682	162	6 682	5 150	1 532	29.8%	6 682
Local Government Financial Management Grant		1 200	1 200	1 200	18	631	900	(269)	-29.9%	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	7	443	1 819	(1 376)	-75.7%	2 475
Capacity Building and Other Grants		2 689	3 385	2 475	7	443	1 819	(1 376)	-75.7%	2 475
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		59 798	–	99 492	21 183	99 857	60 751	39 105	64.4%	99 492
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		478	–	1 132	–	1 132	633	498	78.7%	1 132
National Skills Fund		59 320	–	98 360	21 183	98 725	60 118	38 607	64.2%	98 360
Total operating expenditure of Transfers and Grants:		888 081	630 652	733 797	98 989	630 338	535 222	95 116	17.8%	733 797
Capital expenditure of Transfers and Grants										
National Government:		490 152	700 110	665 179	97 185	530 770	511 110	19 660	3.8%	665 179
Municipal Infrastructure Grant		194 387	236 246	220 445	42 667	168 940	170 864	(1 924)	-1.1%	220 445
Regional Bulk Infrastructure Grant		218 770	374 700	359 917	40 387	281 274	275 112	6 162	2.2%	359 917
Rural Road Asset Management Systems Grant		–	2 208	2 208	–	968	1 656	(688)	-41.5%	2 208
Water Services Infrastructure Grant		76 994	86 957	82 609	14 131	79 588	63 478	16 110	25.4%	82 609
Provincial Government:		2 797	457	2 558	–	–	1 442	(1 442)	-100.0%	2 558
Capacity Building and Other Grants		–	–	843	–	–	596	(596)	-100.0%	843
Infrastructure Grant		2 797	457	1 715	–	–	846	(846)	-100.0%	1 715
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		492 948	700 568	667 737	97 185	530 770	512 552	18 218	3.6%	667 737
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 381 030	1 331 220	1 401 534	196 174	1 161 109	1 047 775	113 334	10.8%	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 - M09 March

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:		1 446	-	-	1 446	100.0%
Water Services Operating Subsidy		1 446	-	-	(1 446)	-100.0%
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total operating expenditure of Approved Roll-overs		1 446	-	-	1 446	100.0%
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
					-	
Provincial Government:		1 642	-	-	1 642	100.0%
Other Departments		1 642	-	-	(1 642)	-100.0%
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total capital expenditure of Approved Roll-overs		1 642	-	-	1 642	100.0%

2.5 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

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
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		-	-	-	-	226	-	226	#DIV/0!	-
Pension and UIF Contributions		509	512	506	44	384	382	2	1%	506
Medical Aid Contributions		54	55	41	3	31	36	(5)	-13%	41
Motor Vehicle Allowance		1 889	1 962	2 214	170	1 593	1 572	21	1%	2 214
Cellphone Allowance		681	694	813	61	587	568	19	3%	813
Housing Allowances		360	180	180	15	135	135	-		180
Other benefits and allowances		5 782	6 084	6 030	512	4 424	4 541	(118)	-3%	6 030
Sub Total - Councillors		9 276	9 486	9 784	806	7 379	7 234	145	2%	9 784
% increase	4		2.3%	5.5%						5.5%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		6 237	6 191	8 050	595	5 816	5 387	429	8%	8 050
Pension and UIF Contributions		176	62	408	29	266	185	81	44%	408
Medical Aid Contributions		59	3	122	10	86	50	36	72%	122
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		650	-	-	-	-	-	-		-
Motor Vehicle Allowance		1 640	1 542	1 933	147	1 445	1 313	132	10%	1 933
Cellphone Allowance		257	238	313	23	227	208	19	9%	313
Housing Allowances		13	-	12	1	10	5	5	98%	12
Other benefits and allowances		309	195	195	18	241	146	94	64%	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	-	-	-	1	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		9 945	8 230	11 034	824	8 186	7 294	892	12%	11 034
% increase	4		-17.2%	10.9%						10.9%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		184 973	206 063	205 954	16 932	150 028	154 504	(4 476)	-3%	205 954
Pension and UIF Contributions		24 702	27 991	28 028	2 287	19 993	21 008	(1 015)	-5%	28 028
Medical Aid Contributions		14 860	15 496	15 500	1 484	12 436	11 624	812	7%	15 500
Overtime		6 703	5 448	5 448	626	5 546	4 086	1 460	36%	5 448
Performance Bonus		12 696	13 983	14 081	1 569	10 212	10 527	(314)	-3%	14 081
Motor Vehicle Allowance		10 357	10 682	10 776	964	8 473	8 049	424	5%	10 776
Cellphone Allowance		740	828	808	68	592	613	(21)	-3%	808
Housing Allowances		1 669	1 724	1 712	143	1 267	1 288	(21)	-2%	1 712
Other benefits and allowances		4 065	282	276	368	3 576	209	3 367	1609%	276
Payments in lieu of leave		5 523	-	-	-	2 722	-	2 722	#DIV/0!	-
Long service awards		3 358	-	-	214	1 551	-	1 551	#DIV/0!	-
Post-retirement benefit obligations	2	5 393	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		1 191	-	-	87	387	-	387	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		276 230	282 498	282 582	24 743	216 786	211 909	4 877	2%	282 582
% increase	4		2.3%	2.3%						2.3%
Total Parent Municipality		295 452	300 214	303 400	26 373	232 350	226 437	5 914	3%	303 400

The municipality has no active entity.

2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M09 March

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
	Service charges – Water revenue	7%	This is the amounts billed on customers for water used, the year-to-date actual is R42 million which is 79% of the approved adjusted budget. The R42 million year to date actual is above baseline projection or year-to-date budget of R39.4 million. A variance of R26 million or 7% is observed.	The municipality need to keep up billing and install meters where and when needed.
	Service charges – Sanitation revenue	-10%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R10.8 million which is 69% of the approved adjusted budget. The R10.8 million year to date actual is below the baseline projection or year-to-date budget of R11.9 million. A variance of R1.1 million or 10% is observed	
	Sale of goods and rendering of service	10%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R720 thousands which is 95% of the approved adjusted budget. The R720 thousands year to date actual is above the baseline projection or year-to-date budget of R652 thousand. A variance of R82 thousand or 10% is observed. There has been an improvement in sale of tender documents.	
	Interest earned - outstanding debtors	15%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. the year-to-date actual is R572 thousand which is 73% of the approved adjusted budget. The R572 thousand year to date actual is above the baseline projection or year-to-date budget of R496 thousand. A variance of R76 thousand or 15% 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	163%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R10.6 million which is 141% of the approved adjusted budget. The R10.6 million year to date actual is above the baseline projection or year-to-date budget of R4 million. A variance of R6.5 million or 163% is observed. Reasons for variances can be attributed to the availability of cash to be invested to date.	
	Rental from Fixed Assets	-15%	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 baseline projection or year-to-date budget of R358 thousand. A variance of R55 thousand or less than 15% is observed.	
	Licences and Permits	20%	Licences and permits year-to-date actual is R74 thousand which is 72% of the approved adjusted budget. The R74 thousand year to date actual is above the baseline projection or year-to-date budget of R62 thousand. A variance of R12 thousand or 20% is observed. Reasons for variances can be attributed to the increase in number of licence renewal.	
	Operational revenue	47%	Operational revenue year-to-date actual is R450 thousand which is 101% of the approved budget. The R450 thousand year to date actual is Above baseline projection or year-to-date budget of R306 thousand. A variance of R144 thousand or 47% is observed. The municipality received insurance refund and skills levy refund.	
	Fines, penalties, and forfeits	-55%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is R314 thousand which is 37% of the approved adjusted budget. The R314 thousand year to date actual is Below the baseline projection or year-to-date budget of R691 thousand. A variance of R377 thousand or 55% 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	36%	Transfers and subsidies year to date actual is R738.9 million which is 99% of the approved adjusted budget. The R738.9 million year to date actual is above the baseline projection or year-to-date budget of R541.5 million. A variance of R197.4 million or 36.5% 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.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M09 March

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 R224.9 million which is 76% of the approved adjusted budget. The R224.9 million year to date actual is above the baseline projection or year-to-date budget of R219.2 million. A variance of R5.7 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	2%	Remuneration of Councillors are amounts paid for councillors allowances, service-related benefits, and contributions. The year-to-date actual is R7.3 million which is 75% of the approved adjusted budget. The R7.3 million year to date actual is above the baseline projection or year-to-date budget of R7.2 million. A variance of R145 thousand or 2% 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.
	Inventory Consumed	-43%	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 R18.8 million which is 42% of the approved budget the R18.8 million year to date actual is below baseline projection or year-to-date budget of R33.2 million. A variance of R14.4 million or 43% is observed.	The municipality has started paying for bulk water service providers
	Depreciation	11%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R74.6 million which is 83% of the approved adjusted budget. The R74.6 million year to date actual is below the baseline projection or year-to-date budget of R67.5 million. A variance of R7.1 million or 11% is observed.	The municipality need to budget using depreciation method stipulated in the policy.
	Finance charges	-39%	Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is R454 thousand which is 45% of the approved adjusted budget. The R454 thousand year to date actual is below the baseline projection or year-to-date budget of R750 thousand. A variance of R296 thousand or 39% 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	42%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R227.9 million which is 97% of the approved adjusted budget. The R227.9 million year to date actual is above the baseline projection or year-to-date budget of R160.9 million. A variance of R67.07 million or 42% is observed. Reasons for variances can be attributed to current commitments beyond contracted services budget.	The municipality must review SLAs and try to minimise costs as low as possible in this line-item.
	Transfers and subsidies paid.	-1%	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 71% of the approved budget. The R2.6 million year to date actual is Below the Baseline projection or year-to-date budget of R2.7 million. A variance of R17 thousand or 1% 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	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. A variance of R28 thousand or 0% is observed.	
	Operational costs	36%	Operational costs are all other expenditure not classified above. The year-to-date actual is R142 million which is 104% of the approved budget. The R142 million year to date actual is above the baseline projection or year-to-date budget of R104.7 million. A variance of R37.3 million or 36% is observed. Reasons for variances can be attributed to the increase in the costs of running an organisation such as, Eskom.	The expenditure being monitored by the municipality to keep it within the budget.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M09 March

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	Capital Expenditure			
	Governance and administration	-41%	Governance and administration year-to-date actual are R1.3 million which is 44% of the approved adjusted budget. the R1.3 million year to date actual is below the baseline projection or year-to-date budget of R3.1 million. A variance of R960 thousand or 41% is observed.	
	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 baseline projection or year-to-date budget of R343 thousand. A variance of R343 thousand or 100% is observed.	
	Economic and environmental services	-42%	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 baseline projection or year-to-date budget of R1.6 million. A variance of R688 thousand or 42% is observed.	
	Trading services	-8%	Trading services year-to-date actual is R529.8 million which is 71% of the approved adjusted budget. the R529.8 million year to date actual is below the baseline projection or year-to-date budget of R575.1 million. A variance of R453.8 million or 8% is observed.	

2.7 ACTUAL AND REVISED TARGETS FOR CASH RECEIPTS

DC26 Zululand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M09 March

Description	Ref	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1															
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	2 073	3 341	3 341	16 982	40 092	47 222	49 394
Service charges - Waste Water Management		381	742	614	1 016	228	544	591	670	759	1 076	1 076	5 212	12 907	13 544	14 167
Service charges - Waste Management													-			
Rental of facilities and equipment		45	49	45	36	-	36	71	36	-	82	82	504	985	1 094	1 138
Interest earned - external investments		-	574	301	2 843	172	268	311	693	238	625	625	850	7 500	7 500	7 845
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	461	482
Dividends received													-			
Fines, penalties and forfeits		20	64	79	21	4	13	3	26	84	71	71	397	853	1 467	1 534
Licences and permits		5	11	8	9	14	4	6	9	8	9	9	12	103	176	184
Agency services													-			
Transfers and Subsidies - Operational		266 152	2 969	48 282	165	3 395	240 307	547	22 386	159 269	61 923	61 923	(124 241)	743 076	678 525	711 934
Other revenue		131 675	231 394	200 542	189 135	18 728	471 984	94 441	94 489	367 820	14 019	14 019	(1 660 013)	168 233	118 468	128 912
Cash Receipts by Source		399 204	237 683	251 934	196 673	22 856	714 968	97 857	120 329	530 251	81 146	81 146	(1 760 297)	973 750	868 457	915 593
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	47 942	63 746	63 746	(130 923)	764 956	576 195	651 991
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	(16 667)	100 000	-	-
Increase (decrease) in consumer deposits		(0)	7	1	1	(1)	0	0	1	-	-	-	(9)	-	(82)	-
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	578 193	153 225	153 225	(1 907 895)	1 838 706	1 444 570	1 567 584
Cash Payments by Type																
Employee related costs		26 127	26 418	26 816	26 778	26 586	18 434	36 638	25 094	26 063	24 572	24 572	6 764	294 861	322 345	337 062
Remuneration of councillors		-	-	-	-	-	-	-	743	735	829	829	6 809	9 944	9 465	9 901
Interest													-			
Bulk purchases - Electricity		12 282	4 787	13 201	5 143	16 800	3 774	7 765	5 911	6 930	-	-	(76 593)	-	-	-
Acquisitions - water & other inventory		7 556	-	-	-	191	-	-	2 160	12 885	4 226	4 226	19 464	50 707	46 368	48 501
Contracted services		131	(6 308)	(49 127)	(113 256)	(89 149)	(70 637)	(10 628)	(10 369)	(68 776)	21 854	21 854	636 657	262 246	179 822	186 342
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	144 295	13 851	13 851	(1 090 879)	166 209	202 103	173 937
Cash Payments by Type		285 385	109 364	97 659	71 332	114 870	178 946	85 436	85 958	122 131	65 331	65 331	(497 778)	783 967	760 103	755 743
Other Cash Flows/Payments by Type																
Capital assets		-	57 911	49 277	113 514	90 763	101 101	10 678	10 959	97 963	63 116	63 116	98 990	757 386	505 844	571 899
Repayment of borrowing		-	-	-	-	173	-	-	-	944	833	833	7 217	10 000	18 096	18 416
Other Cash Flows/Payments		-	2 690	8 299	1 429	615	6 337	354	35	12 931	83	83	(31 856)	1 000	2 000	3 000
Total Cash Payments by Type		285 385	169 965	155 234	186 275	206 421	286 385	96 468	96 952	233 970	129 363	129 363	(423 428)	1 552 353	1 286 044	1 349 057
NET INCREASE/(DECREASE) IN CASH HELD		217 819	218 525	182 701	52 176	(13 566)	602 584	1 389	117 245	344 223	23 863	23 863	(1 484 467)	286 353	158 525	218 526
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	1 750 521	1 774 383	1 798 246	27 427	313 779	472 304
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	1 750 521	1 774 383	1 798 246	313 779	313 779	472 304	690 831

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 - M09 March

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	97 963	97 963	580 141	482 178	83.1%	13%
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	532 166					

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 - M09 March

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	97 185	530 770	512 105	(18 665)	-3.6%	667 132
Roads Infrastructure		-	2 208	2 208	-	968	1 656	688	41.5%	2 208
Roads		-	2 208	2 208	-	968	1 656	688	41.5%	2 208
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		491 521	693 120	664 229	97 185	529 802	508 070	(21 732)	-4.3%	664 229
Boreholes		68 814	79 130	41 571	5 346	28 518	42 308	13 790	32.6%	41 571
Reservoirs		11 062	15 086	9 356	1 283	8 616	7 416	(1 199)	-16.2%	9 356
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		63 564	66 957	107 338	30 503	95 748	70 610	(25 138)	-35.6%	107 338
Bulk Mains		311 748	508 469	462 739	56 916	371 826	359 576	(12 250)	-3.4%	462 739
Distribution		36 333	23 478	43 223	3 137	25 094	28 159	3 064	10.9%	43 223
Distribution Points		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	4 783	696	-	-	2 379	2 379	100.0%	696
Reticulation		-	4 783	-	-	-	1 887	1 887	100.0%	-
Toilet Facilities		-	-	696	-	-	492	492	100.0%	696
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		51	-	-	-	-	-	-	-	-
Licences and Rights		51	-	-	-	-	-	-	-	-
Computer Software and Applications		51	-	-	-	-	-	-	-	-
Computer Equipment		2 158	2 350	2 385	759	918	1 805	887	49.1%	2 385
Computer Equipment		2 158	2 350	2 385	759	918	1 805	887	49.1%	2 385
Furniture and Office Equipment		1 085	550	718	19	207	519	312	60.1%	718
Furniture and Office Equipment		1 085	550	718	19	207	519	312	60.1%	718
Machinery and Equipment		1 210	87 414	87 414	-	-	65 560	65 560	100.0%	87 414
Machinery and Equipment		1 210	87 414	87 414	-	-	65 560	65 560	100.0%	87 414
Transport Assets		-	-	235	-	270	151	(119)	-78.4%	235
Transport Assets		-	-	235	-	270	151	(119)	-78.4%	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	97 963	532 166	580 141	47 975	8.3%	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 - M09 March

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	2 449	48 766	52 200	3 434	6.6%	69 500
Roads Infrastructure		-	-	-	-	-	-	-		-
Storm water Infrastructure		-	-	-	-	-	-	-		-
Electrical Infrastructure		-	-	-	-	-	-	-		-
Water Supply Infrastructure		131 760	70 000	69 500	2 449	48 766	52 200	3 434	6.6%	69 500
Bulk Mains		45 692	20 000	19 500	2 449	15 599	14 700	(899)	-6.1%	19 500
Distribution Points		86 067	50 000	50 000	-	33 167	37 500	4 333	11.6%	50 000
Sanitation Infrastructure		-	-	-	-	-	-	-		-
Waste Water Treatment Works		-	-	-	-	-	-	-		-
Solid Waste Infrastructure		-	-	-	-	-	-	-		-
Rail Infrastructure		-	-	-	-	-	-	-		-
Coastal Infrastructure		-	-	-	-	-	-	-		-
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
Community Assets		-	-	1 030	-	-	687	687	100.0%	1 030
Community Facilities		-	-	1 030	-	-	687	687	100.0%	1 030
Airports		-	-	1 030	-	-	687	687	100.0%	1 030
Sport and Recreation Facilities		-	-	-	-	-	-	-		-
Heritage assets		-	-	-	-	-	-	-		-
Investment properties		-	-	-	-	-	-	-		-
Revenue Generating		-	-	-	-	-	-	-		-
Non-revenue Generating		-	-	-	-	-	-	-		-
Other assets		1 420	3 200	1 291	170	690	1 348	659	48.8%	1 291
Operational Buildings		1 420	3 200	1 291	170	690	1 348	659	48.8%	1 291
Municipal Offices		1 420	3 200	1 291	170	690	1 348	659	48.8%	1 291
Housing		-	-	-	-	-	-	-		-
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Intangible Assets		-	-	-	-	-	-	-		-
Licences and Rights		-	-	-	-	-	-	-		-
Computer Equipment		20	-	-	-	-	-	-		-
Computer Equipment		20	-	-	-	-	-	-		-
Furniture and Office Equipment		40	200	166	-	-	118	118	100.0%	166
Furniture and Office Equipment		40	200	166	-	-	118	118	100.0%	166
Machinery and Equipment		29	-	50	-	-	35	35	100.0%	50
Machinery and Equipment		29	-	50	-	-	35	35	100.0%	50
Transport Assets		4 728	1 500	3 145	482	3 128	1 869	(1 259)	-67.4%	3 145
Transport Assets		4 728	1 500	3 145	482	3 128	1 869	(1 259)	-67.4%	3 145
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 Repairs and Maintenance Expenditure	1	137 997	74 900	75 182	3 102	52 584	56 257	3 673	6.5%	75 182

2.13 DEPRECIATION BY ASSET CLASS

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M09 March

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	21 574	68 592	60 658	(7 934)	-13.1%	80 877
Roads Infrastructure		587	718	718	–	–	538	538	100.0%	718
Roads		587	718	718	–	–	538	538	100.0%	718
Electrical Infrastructure		28	36	36	–	–	27	27	100.0%	36
LV Networks		28	36	36	–	–	27	27	100.0%	36
Water Supply Infrastructure		86 306	77 892	77 892	20 514	66 614	58 419	(8 196)	-14.0%	77 892
Dams and Weirs		2 197	2 285	2 285	1 113	1 673	1 714	41	2.4%	2 285
Boreholes		1 572	471	471	229	1 196	353	(843)	-239.0%	471
Reservoirs		7 184	7 026	7 026	2 051	5 559	5 270	(289)	-5.5%	7 026
Pump Stations		5 203	4 451	4 451	1 365	3 967	3 339	(628)	-18.8%	4 451
Water Treatment Works		7 060	6 502	6 502	3 084	5 811	4 876	(935)	-19.2%	6 502
Bulk Mains		39 339	34 795	34 795	6 181	30 455	26 096	(4 359)	-16.7%	34 795
Distribution		23 677	22 280	22 280	6 470	17 892	16 710	(1 182)	-7.1%	22 280
PRV Stations		74	81	81	22	60	61	1	1.0%	81
Sanitation Infrastructure		2 026	2 231	2 231	1 060	1 977	1 674	(304)	-18.2%	2 231
Pump Station		(174)	193	193	24	120	144	24	16.7%	193
Reticulation		1 686	1 717	1 717	838	1 264	1 288	23	1.8%	1 717
Waste Water Treatment Works		514	322	322	198	593	242	(351)	-145.4%	322
Community Assets		30	852	852	146	920	639	(281)	-43.9%	852
Community Facilities		(105)	622	622	135	819	466	(352)	-75.6%	622
Markets		143	–	–	29	258	–	(258)	#DIV/0!	–
Airports		(248)	622	622	106	561	466	(95)	-20.3%	622
Sport and Recreation Facilities		135	230	230	11	101	173	72	41.4%	230
Outdoor Facilities		135	230	230	11	101	173	72	41.4%	230
Heritage assets		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Other assets		2 904	1 366	1 366	644	974	1 024	51	4.9%	1 366
Operational Buildings		2 904	1 366	1 366	644	974	1 024	51	4.9%	1 366
Municipal Offices		2 904	1 312	1 312	644	974	984	11	1.1%	1 312
Stores		–	53	53	–	–	40	40	100.0%	53
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		18	–	–	3	18	–	(18)	#DIV/0!	–
Licences and Rights		18	–	–	3	18	–	(18)	#DIV/0!	–
Computer Software and Applications		18	–	–	3	18	–	(18)	#DIV/0!	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		2 770	992	992	297	993	744	(249)	-33.5%	992
Computer Equipment		2 770	992	992	297	993	744	(249)	-33.5%	992
Furniture and Office Equipment		505	555	555	139	285	417	132	31.6%	555
Furniture and Office Equipment		505	555	555	139	285	417	132	31.6%	555
Machinery and Equipment		717	368	368	161	443	276	(167)	-60.7%	368
Machinery and Equipment		717	368	368	161	443	276	(167)	-60.7%	368
Transport Assets		4 359	4 991	4 991	1 443	2 427	3 743	1 316	35.2%	4 991
Transport Assets		4 359	4 991	4 991	1 443	2 427	3 743	1 316	35.2%	4 991
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Poling and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Poling and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	100 249	90 000	90 000	24 407	74 651	67 500	(7 151)	-10.6%	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 : 2024/04/15