Zululand
District Municipality

INTERNAL MEMO

DATE	**:**	**10 OCTOBER 2024**
TO	**:**	**THE HONOURABLE MAYOR**
FROM	**:**	**MUNICIPAL MANAGER**
RE	**:**	**MONTHLY BUDGET STATEMENT**

Kindly find the attached monthly budget statement for your Review, in compliance with the S71 (1) of the Municipal Finance Management Act. The budget statement is for the period ending **30 September 2024.**

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully

N.S. MSIBI
Chief Financial Officer

R.N HLONGWA
Municipal Manager

ZULULAND DISTRICT MUNICIPALITY

MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

30 SEPTEMBER 2024

MFMA S71 REPORT

2024/2025 FINANCIAL YEAR

Table of Contents

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
Revenue and Expenditure

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	865 669 793	302 007 884	216 417 378	85 590 506	40%	35%
Total Operating Expenditure	767 636 300	168 955 380	190 668 544	-21 713 164	-11%	22%
Surplus/(Deficit)	**98 033 493**	**133 052 504**	**25 748 834**	**107 303 671**		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **30 September 2024** is **R302 million** which is **35%** of the approved operating revenue budget. The **R302 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R216.4 million**, a variance of **R85.5 million**.

Operating Expenditure Performance

Total Operating Expenditure as at **30 September 2024** is **R168.9 million** which is **22%** of the approved operating expenditure budget. The **R168.9 million** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R190.6 million**, a variance of **R21.7 million**.

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	500 594 868	216 644 164	126 390 254	90 253 910	71%	43%
Total Capital Financing	500 594 868	216 644 164	126 390 254	90 253 910	71%	43%

Total Capital Expenditure as at **30 September 2024** is **R216.6 million** which is **43%** of the approved capital budget. The **R216.6 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R126.3 million**, a variance of **R90.2 million**.

Grants receipts and expenditure

GRANTS RECIEPTS AND EXPENDITURE AS AT 31 JUly 2024	APPROVED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	259 542 000.00	116 714 000.00	136 343 409.31	123 198 590.69	53
Regional Bulk Infrastructure (RBIG)	214 000 000.00	125 000 000.00	66 250 748.49	147 749 251.51	31
Water services infrastructure Grant (WSIG)	100 000 000.00	40 000 000.00	44 297 246.02	55 702 753.98	44
Rural Roads Asset Managemnt Systems Grant	2 969 000.00	1 857 000.00	-	2 969 000.00	-
Indonsa Grant	1 911 000.00	955 500.00	1 892.00	1 909 108.00	0
FMG	1 200 000.00	1 200 000.00	228 618.83	971 381.17	19
EPWP	5 227 000.00	1 306 000.00	2 789 038.29	2 437 961.71	53
NSF	88 246 119.00	-	-	88 246 119.00	-
LGSETA Waste Water Employyes	443 800.00	165 000.00	-	443 800.00	-
LGSETA MFMP	210 000.00	210 000.00	-	210 000.00	-
LGSETA-Fire and Rescue- Non Employees	605 136.00	558 600.00	-	605 136.00	-
	674 354 055.00	287 966 100.00	249 910 952.94	424 443 102.06	87

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **30 September 2024** is **R302 million** which is **35%** of the approved operating revenue budget. The **R302 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R216.4 million**, a variance of **R85.5 million** or **40%** is observed.

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from exchange revenue is only **R19.3 million** which is **6%** of the total generated exchange revenue.

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

Reasons for variances can be attributed to Transfers and subsidies being received based on transfer schedule and cannot be benchmarked against year to date budget, interest on external investments, service charges water and sanitation revenue, interest on outstanding debtors, fines, penalties and forfeits and other revenue which are moving at a pace slower than year to date budget.

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

Operating Expenditure Performance
Total Operating Expenditure as at **30 September 2024** is **R168.9 million** which is **22%** of the approved operating expenditure budget. The **R168.9 million** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R190.6 million**, a variance of **R21.7 million** or **11%** is observed.

Major Variances between actuals and year to date budget on Operating Expenditure
Reasons for variances can be attributed to depreciation, contracted services and operational costs which are moving at a pace slower than year to date budget; transfers and subsidies is occasional; debt impairment and interest paid which has no movement yet. Employee related cost and councilors' remuneration are a bit higher than 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	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	500 594 868	216 644 164	126 390 254	90 253 910	71%	43%
Total Capital Financing	500 594 868	216 644 164	126 390 254	90 253 910	71%	43%

Total Capital Expenditure as at **30 September 2024** is **R216.6 million** which is **43%** of the approved capital budget. The **R216.6 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R126.3 million**, a variance of **R90.2 million**.

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

Major Variances between actuals and year to date budget on Capital expenditure
Reasons for variances can be attributed to capital grants not being spent at similar pace as year to date budget. **MIG** is at **51%, RBIG** is at **26%, WSIG** is at **47% RRAMG** is at **0%.**
Financial Position Framework
Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	YTD ACTUAL	%
Total current assets	612 157 378	223 025 385	36
Total non current assets	5 931 276 091	5 715 232 760	96
Total curent liabilities	468 128 948	392 818 499	84
Total non current liabilities	154 477 420	130 447 104	84
TOTAL COMMUNITY WEALTH/ EQUITY	**4 634 441 230**	**5 422 843 385**	**117.0%**

The current assets year to date actual is **R223.02 million** which is **36%** of the approved budget. **Non - Current assets** year to date actual is **R5.7 billion** which is **96%** of the approved budget. **Current Liabilities** year to date actual is **R392.8 million** which is **84%** of the approved budget. **Non - Current Liabilities** year to date is **R130.4 million** which is **84%** of the approved budget. **Accumulated surplus** year to date actual is **R5.4 billion** which is **117%** of the approved budget.

Current assets amount to **R223.02 million**, included in current assets is Cash of **R73.3 million**.

Current liabilities amount to **R392.8 million**, this includes unspent conditional grants amounting to **R45.6 million**.

The Current ratio is 0.56:1 **[223.02 million/392.8 million],** the current ratio norm is **2:1**

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

1.4. OPERATING REVENUE PERFORMANCE

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		58 877	68 294	68 294	5 841	14 681	17 074	(2 393)	-14%	68 294
Service charges - Waste Water Management		16 024	17 732	17 732	1 596	4 629	4 433	196	4%	17 732
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		760	578	578	0	0	145	(145)	-100%	578
Agency services								–		
Interest								–		
Interest earned from Receivables		691	823	823	63	204	206	(1)	-1%	823
Interest from Current and Non Current Assets		15 458	7 500	7 500	949	1 291	1 875	(584)	-31%	7 500
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		559	504	504	41	125	126	(1)	-1%	504
Licence and permits		107	176	176	16	43	44	(1)	-3%	176
Operational Revenue		594	565	565	6	89	141	(53)	-37%	565
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		875	1 467	1 467	93	195	367	(171)	-47%	1 467
Licence and permits								–		
Transfers and subsidies - Operational		746 444	768 030	768 030	107	280 748	192 008	88 741	46%	768 030
Interest		–	–	–	–	–	–	–		–
Fuel Levy								–		
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		680	–	–	–	–	–	–		–
Other Gains		5 704	–	–	3	3	–	3	#DIV/0!	–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**846 773**	**865 670**	**865 670**	**8 714**	**302 008**	**216 417**	**85 591**	**40%**	**865 670**

The year-to-date actual indicates operating revenue of **R302 million** for **three months**, The **R302 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R216.4 million**, a variance of **R85.5 million** or **40%** is observed. The total revenue to-date represents **35%** of the operating revenue budget.
Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

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

EXCHANGE REVENUE

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R14.6 million** which is **21%** of the approved budget. The **R14.6 million** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R17.07 million**. A variance of **R2.3 million** or **14%** is observed.

Service charges – Sanitation revenue
This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R4.6 million** which is **26%** of the approved budget. the **R4.6 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R4.4 million**. A variance of **R196 thousand** or **4%** is observed.

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 **R0 thousands** which is **0%** of the approved budget. the **R0 thousands** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R145 thousand**. A variance of **R145 thousand** or **100%** is observed.

There was no sale of tender documents in this period.

Interest earned - outstanding debtors
Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R204 thousand** which is **25%** of the approved budget. The **R204 thousand** year to date actual is **below** the **three** months baseline projection or year-to-date budget of **R206 thousand**. A variance of **R2 thousand** or **1%** is observed.

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

Interest on investment
Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R1.2 million** which is **17%** of the approved budget. The **R1.2 million** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R1.8 million**. A variance of **R584 thousand** or **31%** is observed.

The reason for variances can be attributed fact that there was no matured investment by end of reporting period.

Rent of facilities
Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R125 thousand** which is **25%** of the approved budget. the **R125 thousand** year to date actual is **below** the **three** months baseline projection or year-to-date budget of **R126 thousand**. A variance of **R1 thousand** or **1%** is observed.

Licences and Permits
Licences and permits year-to-date actual is **R43 thousand** which is **24%** of the approved budget. the **R43 thousand** year to date actual is **below three months** baseline projection or year-to-date budget of **R44 thousand**. A variance of less than **R1 thousand** or **3%** is observed. This line item depends on licences renewal and new issued permits.

Operational revenue
Operational revenue year-to-date actual is **R89 thousand** which is less than **16%** of the approved budget. the **R89 thousand** year to date actual is **below three months** baseline projection or year-to-date budget of **R141 thousand**. A variance of **R53** or **37%** is observed.
The variance to this line item can be attributed to the receipt of Skills Development Levy Refund.

NON EXCHANGE REVENUE
Fines, penalties, and forfeits
Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is **R195 thousand** which is **13%** of the approved budget. the **R195 thousand** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R367 thousand**. A variance of **R171 thousand** or **47%** is observed.

Reasons for variances highlight a negative indication that more consumers are illegally connected or a negative indication that some illegally connected consumers are not yet discovered.
Municipality must keep up the disconnection of illegal connections.

Transfers and subsidies
Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2024; 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 **R280.7 million** which is **37%** of the approved budget. The **R280.7 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R192 million**. A variance of **R88.7 million** or **46%** 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. Grants received to date is Equitable share, FMG, EPWP and Indonsa art centre.

1.5. OPERATING EXPENDITURE PERFORMANCE

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		315 050	310 172	310 172	28 680	82 435	77 544	4 892	6%	310 172
Remuneration of councillors		10 362	9 465	9 465	810	2 466	2 366	100	4%	9 465
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		45 330	25 226	24 626	934	428	6 197	(5 770)	-93%	24 626
Debt impairment		30 812	6 000	6 000	–	–	1 500	(1 500)	-100%	6 000
Depreciation and amortisation		115 013	91 315	91 315	6 667	20 000	22 829	(2 829)	-12%	91 315
Interest		8 113	7 013	7 013	1 979	1 979	1 753	226	13%	7 013
Contracted services		370 958	203 358	198 044	18 203	23 285	49 536	(26 251)	-53%	198 044
Transfers and subsidies		3 534	2 100	2 835	70	70	663	(593)	-90%	2 835
Irrecoverable debts written off		8 134	–	–	–	–	–	–		–
Operational costs		236 463	112 988	113 200	20 271	38 293	28 281	10 012	35%	113 200
Losses on Disposal of Assets		506	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 144 275**	**767 636**	**762 670**	**77 613**	**168 955**	**190 669**	**(21 713)**	**-11%**	**762 670**

The year-to-date actuals indicate spending of **R168.9 million** for **three months** which is **22%** of the approved operating expenditure budget. The **R168.9 million** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R190.6 million**, a variance of **R21.7 million** or **11%** 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 **R82.4 million** which is **27%** of the approved budget. the **R82.4 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R77.5 million**. A variance of **R4.8 million** or **6%** is observed.
The municipality will make sure that the salary bill is kept within the limits of the monthly projections.

Remuneration of Councillors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R2.4 million** which is **26%** of the approved budget. the **R2.4 million** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R2.3 million**. A variance of **R100 hundreds** or **4%** is observed.
This is the good indication that the municipality is trying to spend within the budget.

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 negative amount of **R428 thousand**. The **R428 thousand** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R6.1 million**. A variance of **R5.7 million** or **93%** is observed.

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 **R20 million** which is **22%** of the approved budget. The **R20 million** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R22.8 million**. A variance of **R2.8 million** or **12%** is observed.

Finance charges
Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is **R1.9 million** which is **28%** of the approved budget. the **R1.9 million** year to date actual is **below three months** baseline projection or year-to-date budget of **R1.7 million**. A variance of **R226 thousand** or **13%** is observed.

Contracted services
Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R23.2 million** which is **11%** of the approved budget. the **R23.2 million** year to date actual is **below two months** baseline projection or year-to-date budget of **R49.5 million**. A variance of **R26.2 million** or **53%** is observed.
The municipality has tried to minimise the cost of contracted service

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 **R69 thousand** which is **3%** of the approved budget. The **R69 thousand** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R663 thousand**. A variance of **R593 thousand** or **90%** is observed.

Operational costs
Operational costs are all other expenditure not classified above. The year-to-date actual is **R38.2 million** which is **34%** of the approved budget. the **R38.2 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R28.2 million**. A variance of **R10 million** or **35%** is observed.
The expenditure is monitored by the municipality and the expenditure is kept 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 VARIENCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 000	228 619	300 000	-71 381	-24%	19%
EPWP Incentive	5 227 000	2 789 038	1 306 750	1 482 288	113%	53%
Art centre Subsisies (Indonsa Grant)	1 911 000	1 892	477 750	-475 858	-100%	0%
National Skills Fund	88 246 119	-	22 061 530	-22 061 530	-100%	#DIV/0!
LG SETA	1 258 936		314 734	-314 734	-100%	#DIV/0!
Total Operating Grant Expenditure	**97 843 055**	**3 019 549**	**2 084 500**	**935 049**	**-0**	26%

FMG **19%**, EPWP Incentive **53%**, Art center subsidies (Indonsa Grant) **0%,** National skills Fund **0%** and LG SETA **0%**

Summary of Revenue and Operational Expenditure Performance

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		58 877	68 294	68 294	5 841	14 681	17 074	(2 393)	-14%	68 294
Service charges - Waste Water Management		16 024	17 732	17 732	1 596	4 629	4 433	196	4%	17 732
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		760	578	578	0	0	145	(145)	-100%	578
Agency services								–		
Interest								–		
Interest earned from Receivables		691	823	823	63	204	206	(1)	-1%	823
Interest from Current and Non Current Assets		15 458	7 500	7 500	949	1 291	1 875	(584)	-31%	7 500
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		559	504	504	41	125	126	(1)	-1%	504
Licence and permits		107	176	176	16	43	44	(1)	-3%	176
Operational Revenue		594	565	565	6	89	141	(53)	-37%	565
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		875	1 467	1 467	93	195	367	(171)	-47%	1 467
Licence and permits								–		
Transfers and subsidies - Operational		746 444	768 030	768 030	107	280 748	192 008	88 741	46%	768 030
Interest		–	–	–	–	–	–	–		–
Fuel Levy								–		
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		680	–	–	–	–	–	–		–
Other Gains		5 704	–	–	3	3	–	3	#DIV/0!	–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**846 773**	**865 670**	**865 670**	**8 714**	**302 008**	**216 417**	**85 591**	**40%**	**865 670**
Expenditure By Type										
Employee related costs		315 050	310 172	310 172	28 680	82 435	77 544	4 892	6%	310 172
Remuneration of councillors		10 362	9 465	9 465	810	2 466	2 366	100	4%	9 465
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		45 330	25 226	24 626	934	428	6 197	(5 770)	-93%	24 626
Debt impairment		30 812	6 000	6 000	–	–	1 500	(1 500)	-100%	6 000
Depreciation and amortisation		115 013	91 315	91 315	6 667	20 000	22 829	(2 829)	-12%	91 315
Interest		8 113	7 013	7 013	1 979	1 979	1 753	226	13%	7 013
Contracted services		370 958	203 358	198 044	18 203	23 285	49 536	(26 251)	-53%	198 044
Transfers and subsidies		3 534	2 100	2 835	70	70	663	(593)	-90%	2 835
Irrecoverable debts written off		8 134	–	–	–	–	–	–		–
Operational costs		236 463	112 988	113 200	20 271	38 293	28 281	10 012	35%	113 200
Losses on Disposal of Assets		506	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 144 275**	**767 636**	**762 670**	**77 613**	**168 955**	**190 669**	**(21 713)**	**-11%**	**762 670**
Surplus/(Deficit)		**(297 503)**	**98 033**	**102 999**	**(68 899)**	**133 053**	**25 749**	**107 304**	**0**	**102 999**
Transfers and subsidies - capital (monetary allocations)		768 386	576 195	576 195	62 476	242 019	144 049	97 970	**0**	576 195
Transfers and subsidies - capital (in-kind)		9	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**0**	**679 194**
Income Tax								–		
Surplus/(Deficit) after income tax		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**0**	**679 194**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	205 274	0	**679 194**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**0**	**679 194**

1.6. CAPITAL EXPENDITURE AND FUNDING

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

The summary report indicates the following: -

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	500 594 868	216 644 164	126 390 254	90 253 910	71%	43%
Total Capital Financing	500 594 868	216 644 164	126 390 254	90 253 910	71%	43%

The capital expenditure amounts to **R216.6 million** which is **43%** of the capital approved budget, after a period of **three months.**

C;apital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2023/24	Budget Year 2024/25							
		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		155	–	–	–	–	–	–		–
Vote 03 - Finance		–	–	–	–	–	–	–		–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	–	–	–	–	–		–
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**155**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Single Year expenditure appropriation	2									
Vote 01 - Council		167	–	–	–	–	–	–		–
Vote 02 - Corporate Services		1 551	3 478	3 478	–	–	580	(580)	-100%	3 478
Vote 03 - Finance		70	870	870	–	–	145	(145)	-100%	870
Vote 04 - Community Development		286	174	174	–	–	29	(29)	-100%	174
Vote 05 - Planning & Wsa		660 294	489 900	501 039	64 218	157 533	83 507	74 027	89%	501 039
Vote 06 - Technical Services		–	6 173	–	–	–	0	(0)	-100%	–
Vote 07 - Water Purification		20	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	662 388	500 595	505 561	64 218	157 533	84 260	**73 273**	**87%**	505 561
Total Capital Expenditure		**662 543**	**500 595**	**505 561**	**64 218**	**157 533**	**84 260**	**73 273**	**87%**	**505 561**
Capital Expenditure - Functional Classification										
Governance and administration		**1 943**	**4 348**	**4 348**	**–**	**–**	**725**	(725)	-100%	**4 348**
Executive and council		167	–	–	–	–	–	–		–
Finance and administration		1 621	4 348	4 348	–	–	725	(725)	-100%	4 348
Internal audit		155	–	–	–	–	–	–		–
Community and public safety		**286**	**174**	**174**	**–**	**–**	**29**	(29)	-100%	**174**
Community and social services		286	174	174	–	–	29	(29)	-100%	174
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**75**	**2 307**	**2 307**	**–**	**–**	**384**	(384)	-100%	**2 307**
Planning and development		75	2 307	2 307	–	–	384	(384)	-100%	2 307
Road transport								–		
Environmental protection								–		
Trading services		**660 239**	**493 766**	**498 732**	**64 218**	**157 533**	**83 122**	74 411	90%	**498 732**
Energy sources								–		
Water management		660 239	493 766	498 732	64 218	157 533	83 122	74 411	90%	498 732
Waste water management		–	–	–	–	–	–	–		–
Waste management								–		
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**662 543**	**500 595**	**505 561**	**64 218**	**157 533**	**84 260**	**73 273**	**87%**	**505 561**
Funded by:										
National Government		660 294	496 073	501 039	64 218	157 533	83 507	74 027	89%	501 039
Provincial Government		277	174	174	–	–	29	(29)	-100%	174
District Municipality								–		
(Nat / Prov Departm Agencies, Households, Non-profit		9	–	–	–	–	–	–		–
Transfers recognised - capital		**660 580**	**496 247**	**501 213**	**64 218**	**157 533**	**83 536**	**73 998**	**89%**	**501 213**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		1 963	4 348	4 348	–	–	725	(725)	-100%	4 348
Total Capital Funding		**662 543**	**500 595**	**505 561**	**64 218**	**157 533**	**84 260**	**73 273**	**87%**	**505 561**

Governance and administration

Governance and administration year-to-date actual is **R52 thousand** which is **1%** of the approved budget. the **R52 thousand** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R1.08 thousand**. A variance of **R1.03 thousand** or **95%** is observed.

Community and public safety

Community and public safety year-to-date actual is **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R43 thousand**. A variance of **R43 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R0 million** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **three months** baseline projection or year-to-date budget of **R577 thousand**. A variance of **R577 Thousand** or **100%** is observed.

Trading services

Trading services year-to-date actual is **R216.5 million** which is **44%** of the approved budget. the **R216.5 million** year to date actual is **above** the **three months** baseline projection or year-to-date budget of **R82.4 million**. A variance of **R73.2 million** or **87%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	225 688 696	119 672 681	56 422 174	63 250 506.93	112%	53%
Regional Bulk Infrastructure (RBIG)	186 086 957	58 203 380	46 521 739	11 681 640.53	25%	27%
Water services infrastructure Grant (WSIG)	86 956 522	38 716 232	21 739 130	16 977 101.72	78%	50%
Rural Roads Asset Managemnt Systems Grant	2 306 957	-	576 739	-576 739.13	-100%	0%
Art centre Subsisies (Indonsa Grant)	173 913	-	43 478	-43 478.25	-100%	0%
Other Assets	4 347 827	51 871	1 086 957	-1 035 085.74	-95%	1%
Total Operating Expenditure	**505 560 870**	**216 644 164**	**126 390 218**	**90 253 946**	**71%**	**40%**

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	259 542 000	136 343 409	64 885 500	71 457 909	110%	53%
Regional Bulk Infrastructure (RBIG)	214 000 000	66 250 748	53 500 000	12 750 748	24%	26%
Water services infrastructure Grant (WSIG)	100 000 000	44 297 246	25 000 000	19 297 246	77%	47%
Rural Roads Asset Managemnt Systems Grant	2 653 000	-	663 250	-663 250	-100%	0%
Indonsa Grant	200 000	-	50 000	-50 000	-100%	0%
Total Capital Grant Expenditure	**576 395 000**	**246 891 404**	**144 098 750**	**102 792 654**	**71%**	41%

Overall capital grant expenditure is sitting at **40%** of the approved capital budget, **MIG** is sitting at **53%**, **RBIG** at **27%, WSIG** at **50%, RAMS** at **0% and Indonsa Grant 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 **2024/2025** budget, actual financial performance, actual capital expenditure, actual financial position, and actual cashflow as implemented by the accounting officer in terms of S62 of the MFMA.

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

MBRR Table C1 – Monthly Budget Statement Summary

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

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	74 901	86 026	86 026	7 437	19 310	21 507	(2 197)	-10%	86 026
Investment revenue	15 458	7 500	7 500	949	1 291	1 875	(584)	-31%	7 500
Transfers and subsidies - Operational	746 444	768 030	768 030	107	280 748	192 008	88 741	0	768 030
Other own revenue	9 969	4 113	4 113	221	659	1 028	(369)	-36%	–
Total Revenue (excluding capital transfers and contributions)	**846 773**	**865 670**	**865 670**	**8 714**	**302 008**	**216 417**	**85 591**	**40%**	**865 670**
Employee costs	315 050	310 172	310 172	28 680	82 435	77 544	4 892	6%	310 172
Remuneration of Councillors	10 362	9 465	9 465	810	2 466	2 366	100	4%	9 465
Depreciation and amortisation	115 013	91 315	91 315	6 667	20 000	22 829	(2 829)	-12%	91 315
Interest	8 113	7 013	7 013	1 979	1 979	1 753	226	13%	7 013
Inventory consumed and bulk purchases	45 330	25 226	24 626	934	428	6 197	(5 770)	-93%	24 626
Transfers and subsidies	3 534	2 100	2 835	70	70	663	(593)	-90%	2 835
Other expenditure	646 873	322 345	317 244	38 474	61 578	79 317	(17 739)	-22%	317 244
Total Expenditure	**1 144 275**	**767 636**	**762 670**	**77 613**	**168 955**	**190 669**	**(21 713)**	**-11%**	**762 670**
Surplus/(Deficit)	**(297 503)**	**98 033**	**102 999**	**(68 899)**	**133 053**	**25 749**	**107 304**	**417%**	**102 999**
Transfers and subsidies - capital (monetary allocations)	768 386	576 195	576 195	62 476	242 019	144 049	97 970	68%	576 195
Transfers and subsidies - capital (in-kind)	9	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**121%**	**679 194**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**121%**	**679 194**
Capital expenditure & funds sources									
Capital expenditure	**662 543**	**500 595**	**505 561**	**59 111**	**216 644**	**126 390**	**90 254**	**71%**	**505 561**
Capital transfers recognised	660 580	496 247	501 213	59 059	216 592	125 303	91 289	73%	501 213
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**1 963**	**4 348**	**4 348**	**52**	**52**	**1 087**	**(1 035)**	**-95%**	**4 348**
Total sources of capital funds	**662 543**	**500 595**	**505 561**	**59 111**	**216 644**	**126 390**	**90 254**	**71%**	**505 561**
Financial position									
Total current assets	197 536	612 157	612 157		223 025				612 157
Total non current assets	5 526 439	5 319 119	5 324 085		5 723 084				5 324 085
Total current liabilities	547 789	468 129	468 129		392 818				468 129
Total non current liabilities	128 414	154 477	154 477		130 447				154 477
Community wealth/Equity	**5 194 408**	**4 634 441**	**4 634 441**		**5 422 843**				**4 634 441**
Cash flows									
Net cash from (used) operating	2 937 672	742 935	742 935	115 519	625 087	185 734	(439 353)	-237%	742 935
Net cash from (used) investing	(661 863)	(500 595)	(500 595)	(59 111)	(216 644)	(125 149)	91 495	-73%	(500 595)
Net cash from (used) financing	89 475	(18 093)	(18 093)	(138)	(289)	(4 523)	(4 235)	94%	(18 093)
Cash/cash equivalents at the month/year end	**2 337 857**	**31 462**	**31 462**	**465 225**	**465 225**	**(136 723)**	**(601 949)**	**440%**	**281 318**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	9 192	7 216	6 443	6 582	5 292	4 661	25 648	183 984	249 017
Creditors Age Analysis									
Total Creditors	12 988	697	31 275	–	–	–	–	–	44 960

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**759 290**	**769 935**	**769 935**	**1 194**	**281 048**	**192 484**	88 564	46%	**769 935**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		759 290	769 935	769 935	1 194	281 048	192 484	88 564	46%	769 935
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**2 285**	**3 215**	**3 215**	**16**	**45**	**804**	(759)	-94%	**3 215**
Community and social services		2 179	1 911	1 911	–	2	478	(476)	-100%	1 911
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		107	1 304	1 304	16	43	326	(283)	-87%	1 304
Economic and environmental services		**3 112**	**2 721**	**2 721**	**–**	**–**	**680**	(680)	-100%	**2 721**
Planning and development		3 112	2 721	2 721	–	–	680	(680)	-100%	2 721
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**848 437**	**665 936**	**665 936**	**69 976**	**262 928**	**166 484**	**96 444**	58%	**665 936**
Energy sources		–	–	–	–	–	–	–		–
Water management		832 056	647 830	647 830	68 372	258 192	161 957	96 234	59%	647 830
Waste water management		16 380	18 106	18 106	1 604	4 736	4 527	210	5%	18 106
Waste management		–	–	–	–	–	–	–		–
Other	4	**2 045**	**57**	**57**	**5**	**6**	**14**	**(8)**	**-55%**	**57**
Total Revenue - Functional	2	**1 615 168**	**1 441 865**	**1 441 865**	**71 190**	**544 027**	**360 466**	**183 560**	**51%**	**1 441 865**
Expenditure - Functional										
Governance and administration		**430 254**	**312 391**	**312 391**	**29 898**	**62 391**	**78 098**	(15 708)	-20%	**312 391**
Executive and council		70 641	35 144	35 112	3 231	9 506	8 784	722	8%	35 112
Finance and administration		306 758	248 883	248 915	17 681	39 296	62 223	(22 927)	-37%	248 915
Internal audit		52 855	28 364	28 364	8 987	13 588	7 091	6 497	92%	28 364
Community and public safety		**27 210**	**28 084**	**28 084**	**2 318**	**6 224**	**7 021**	(797)	-11%	**28 084**
Community and social services		9 284	9 176	9 176	563	1 599	2 294	(695)	-30%	9 176
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		7 301	6 234	6 234	847	2 052	1 558	494	32%	6 234
Housing		–	–	–	–	–	–	–		–
Health		10 625	12 674	12 674	908	2 573	3 168	(596)	-19%	12 674
Economic and environmental services		**29 375**	**22 960**	**22 960**	**1 738**	**4 901**	**5 740**	(839)	-15%	**22 960**
Planning and development		29 375	22 960	22 960	1 738	4 901	5 740	(839)	-15%	22 960
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**644 689**	**393 586**	**388 620**	**42 751**	**92 905**	**97 155**	**(4 250)**	-4%	**388 620**
Energy sources		–	–	–	–	–	–	–		–
Water management		632 073	378 362	374 396	41 836	90 413	93 449	(3 036)	-3%	374 396
Waste water management		12 616	15 224	14 224	915	2 492	3 706	(1 214)	-33%	14 224
Waste management		–	–	–	–	–	–	–		–
Other		**12 748**	**10 615**	**10 615**	**906**	**2 535**	**2 654**	**(119)**	**-4%**	**10 615**
Total Expenditure - Functional	3	**1 144 275**	**767 636**	**762 670**	**77 613**	**168 955**	**190 669**	**(21 713)**	**-11%**	**762 670**
Surplus/ (Deficit) for the year		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**1.2089314**	**679 194**

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 if 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.

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		105 559	89 962	89 962	5	87	22 491	(22 404)	-99.6%	89 962
Vote 03 - Finance		655 776	680 030	680 030	1 194	280 967	170 007	110 960	65.3%	680 030
Vote 04 - Community Development		2 285	3 215	3 215	16	45	804	(759)	-94.5%	3 215
Vote 05 - Planning & Wsa		775 606	581 490	581 490	62 476	243 325	145 372	97 952	67.4%	581 490
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		59 562	69 061	69 061	5 895	14 867	17 265	(2 398)	-13.9%	69 061
Vote 09 - Waste Water		16 380	18 106	18 106	1 604	4 736	4 527	210	4.6%	18 106
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1 615 168**	**1 441 865**	**1 441 865**	**71 190**	**544 027**	**360 466**	**183 560**	**50.9%**	**1 441 865**
Expenditure by Vote	1									
Vote 01 - Council		80 188	45 311	45 266	4 193	11 524	11 324	200	1.8%	45 266
Vote 02 - Corporate Services		273 176	211 286	211 286	20 513	39 767	52 822	(13 054)	-24.7%	211 286
Vote 03 - Finance		76 196	59 309	59 059	5 546	11 444	14 765	(3 321)	-22.5%	59 059
Vote 04 - Community Development		58 981	47 801	48 096	3 983	11 585	12 017	(432)	-3.6%	48 096
Vote 05 - Planning & Wsa		31 915	27 462	22 496	1 665	4 848	5 624	(776)	-13.8%	22 496
Vote 06 - Technical Services		5 354	5 758	5 750	311	932	1 438	(506)	-35.2%	5 750
Vote 07 - Water Purification		50 293	47 565	47 573	4 775	13 291	11 893	1 399	11.8%	47 573
Vote 08 - Water Distribution		555 557	307 920	308 920	35 711	73 072	77 080	(4 008)	-5.2%	308 920
Vote 09 - Waste Water		12 616	15 224	14 224	915	2 492	3 706	(1 214)	-32.8%	14 224
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 144 275**	**767 636**	**762 670**	**77 613**	**168 955**	**190 669**	**(21 713)**	**-11.4%**	**762 670**
Surplus/ (Deficit) for the year	2	**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**120.9%**	**679 194**

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

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

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

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		58 877	68 294	68 294	5 841	14 681	17 074	(2 393)	-14%	68 294
Service charges - Waste Water Management		16 024	17 732	17 732	1 596	4 629	4 433	196	4%	17 732
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		760	578	578	0	0	145	(145)	-100%	578
Agency services								–		
Interest								–		
Interest earned from Receivables		691	823	823	63	204	206	(1)	-1%	823
Interest from Current and Non Current Assets		15 458	7 500	7 500	949	1 291	1 875	(584)	-31%	7 500
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		559	504	504	41	125	126	(1)	-1%	504
Licence and permits		107	176	176	16	43	44	(1)	-3%	176
Operational Revenue		594	565	565	6	89	141	(53)	-37%	565
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		875	1 467	1 467	93	195	367	(171)	-47%	1 467
Licence and permits								–		
Transfers and subsidies - Operational		746 444	768 030	768 030	107	280 748	192 008	88 741	46%	768 030
Interest		–	–	–	–	–	–	–		–
Fuel Levy								–		
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		680	–	–	–	–	–	–		–
Other Gains		5 704	–	–	3	3	–	3	#DIV/0!	–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**846 773**	**865 670**	**865 670**	**8 714**	**302 008**	**216 417**	**85 591**	**40%**	**865 670**
Expenditure By Type										
Employee related costs		315 050	310 172	310 172	28 680	82 435	77 544	4 892	6%	310 172
Remuneration of councillors		10 362	9 465	9 465	810	2 466	2 366	100	4%	9 465
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		45 330	25 226	24 626	934	428	6 197	(5 770)	-93%	24 626
Debt impairment		30 812	6 000	6 000	–	–	1 500	(1 500)	-100%	6 000
Depreciation and amortisation		115 013	91 315	91 315	6 667	20 000	22 829	(2 829)	-12%	91 315
Interest		8 113	7 013	7 013	1 979	1 979	1 753	226	13%	7 013
Contracted services		370 958	203 358	198 044	18 203	23 285	49 536	(26 251)	-53%	198 044
Transfers and subsidies		3 534	2 100	2 835	70	70	663	(593)	-90%	2 835
Irrecoverable debts written off		8 134	–	–	–	–	–	–		–
Operational costs		236 463	112 988	113 200	20 271	38 293	28 281	10 012	35%	113 200
Losses on Disposal of Assets		506	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 144 275**	**767 636**	**762 670**	**77 613**	**168 955**	**190 669**	**(21 713)**	**-11%**	**762 670**
Surplus/(Deficit)		**(297 503)**	**98 033**	**102 999**	**(68 899)**	**133 053**	**25 749**	**107 304**	**0**	**102 999**
Transfers and subsidies - capital (monetary allocations)		768 386	576 195	576 195	62 476	242 019	144 049	97 970	**0**	576 195
Transfers and subsidies - capital (in-kind)		9	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**0**	**679 194**
Income Tax								–		
Surplus/(Deficit) after income tax		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**0**	**679 194**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	205 274	0	**679 194**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**470 893**	**674 228**	**679 194**	**(6 422)**	**375 071**	**169 798**	**205 274**	**0**	**679 194**

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

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

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

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		155	–	–	–	–	–	–		–
Vote 03 - Finance		–	–	–	–	–	–	–		–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	–	–	–	–	–		–
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**155**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Single Year expenditure appropriation	2									
Vote 01 - Council		167	–	–	–	–	–	–		–
Vote 02 - Corporate Services		1 551	3 478	3 478	24	24	870	(846)	-97%	3 478
Vote 03 - Finance		70	870	870	28	28	217	(189)	-87%	870
Vote 04 - Community Development		286	174	174	–	–	43	(43)	-100%	174
Vote 05 - Planning & Wsa		660 294	489 900	501 039	59 059	216 592	125 260	91 332	73%	501 039
Vote 06 - Technical Services		–	6 173	–	–	–	0	(0)	-100%	–
Vote 07 - Water Purification		20	–	–	–	–	–	–		–
Vote 08 - Water Distribution		–	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	662 388	500 595	505 561	59 111	216 644	126 390	**90 254**	**71%**	505 561
Total Capital Expenditure		**662 543**	**500 595**	**505 561**	**59 111**	**216 644**	**126 390**	**90 254**	**71%**	**505 561**
Capital Expenditure - Functional Classification										
Governance and administration		**1 943**	**4 348**	**4 348**	**52**	**52**	**1 087**	(1 035)	-95%	**4 348**
Executive and council		167	–	–	–	–	–	–		–
Finance and administration		1 621	4 348	4 348	52	52	1 087	(1 035)	-95%	4 348
Internal audit		155	–	–	–	–	–	–		–
Community and public safety		**286**	**174**	**174**	**–**	**–**	**43**	(43)	-100%	**174**
Community and social services		286	174	174	–	–	43	(43)	-100%	174
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**75**	**2 307**	**2 307**	**–**	**–**	**577**	(577)	-100%	**2 307**
Planning and development		75	2 307	2 307	–	–	577	(577)	-100%	2 307
Road transport								–		
Environmental protection								–		
Trading services		**660 239**	**493 766**	**498 732**	**59 059**	**216 592**	**124 683**	91 909	74%	**498 732**
Energy sources								–		
Water management		660 239	493 766	498 732	59 059	216 592	124 683	91 909	74%	498 732
Waste water management		–	–	–	–	–	–	–		–
Waste management								–		
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**662 543**	**500 595**	**505 561**	**59 111**	**216 644**	**126 390**	**90 254**	**71%**	**505 561**
Funded by:										
National Government		660 294	496 073	501 039	59 059	216 592	125 260	91 332	73%	501 039
Provincial Government		277	174	174	–	–	43	(43)	-100%	174
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		9	–	–	–	–	–	–		–
Transfers recognised - capital		**660 580**	**496 247**	**501 213**	**59 059**	**216 592**	**125 303**	**91 289**	**73%**	**501 213**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		1 963	4 348	4 348	52	52	1 087	(1 035)	-95%	4 348
Total Capital Funding		**662 543**	**500 595**	**505 561**	**59 111**	**216 644**	**126 390**	**90 254**	**71%**	**505 561**

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

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

DC26 Zululand - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description R thousands	Ref 1	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		57 071	417 029	417 029	73 329	417 029
Trade and other receivables from exchange transactions		36 516	79 729	79 729	48 258	79 729
Receivables from non-exchange transactions		5 696	7 109	7 109	5 579	7 109
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 966	2 824	2 824	5 952	2 824
VAT		64 744	80 813	80 813	60 627	80 813
Other current assets		29 542	24 653	24 653	29 281	24 653
Total current assets		**197 536**	**612 157**	**612 157**	**223 025**	**612 157**
Non current assets						
Investments						
Investment property						
Property, plant and equipment		5 518 585	5 311 270	5 316 236	5 715 233	5 316 236
Biological assets						
Living and non-living resources						
Heritage assets		7 817	7 817	7 817	7 817	7 817
Intangible assets		28	32	32	24	32
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		10	–	–	10	–
Total non current assets		**5 526 439**	**5 319 119**	**5 324 085**	**5 723 084**	**5 324 085**
TOTAL ASSETS		**5 723 975**	**5 931 276**	**5 936 242**	**5 946 109**	**5 936 242**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		18 789	1 556	1 556	18 512	1 556
Consumer deposits		3 381	3 702	3 702	3 366	3 702
Trade and other payables from exchange transactions		487 699	450 406	450 406	286 896	450 406
Trade and other payables from non-exchange transactions		1 446	–	–	45 680	–
Provision		34 940	2 154	2 154	34 940	2 154
VAT		1 535	10 311	10 311	3 424	10 311
Other current liabilities		–	–	–	–	–
Total current liabilities		**547 789**	**468 129**	**468 129**	**392 818**	**468 129**
Non current liabilities						
Financial liabilities		81 419	80 589	80 589	83 452	80 589
Provision		44 070	41 109	41 109	44 070	41 109
Long term portion of trade payables		2 925	32 779	32 779	2 925	32 779
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		**128 414**	**154 477**	**154 477**	**130 447**	**154 477**
TOTAL LIABILITIES		**676 203**	**622 606**	**622 606**	**523 266**	**622 606**
NET ASSETS	2	**5 047 772**	**5 308 670**	**5 313 636**	**5 422 843**	**5 313 636**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 194 408	4 634 441	4 634 441	5 422 843	4 634 441
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**5 194 408**	**4 634 441**	**4 634 441**	**5 422 843**	**4 634 441**

MBRR Table C6 - Monthly Budget Statement Financial Position

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

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

CURRENT ASSETS

Cash
Cashbook balance as at 30 September 2024 indicate bank overdraft of **R8.3 million**

Call Investments Deposits
Call investments as at 30 September 2024 is **R65 million**.

Consumer debtors
Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R48.2 million.** Debtors age analysis as per section 2.1 debtors' analysis is **R243.7 million.** Consumer debtors' amount to **R275.9 million** and the balance of **R5.6 million** is for shared services cast in Other Debtors.

Gross Consumer debtors	R275.9 million
Less Impairment	(R227.6 million)
Net Consumer Debtors	**R48.2 million**

Classification of Consumer Debtors per Service type

Water Debtors	R14.1 million
Sanitation Debtors	R3.5 million
Property Rentals Debtors	R60.4 thousand
Other Consumer debtors	R199.7 thousand
Receivables from non-exchange	R30.2 million
Total	**R48.2 million**

- **Water Debtors**
  Net Water debtors after considering provision for bad debts amount to **R14.1 million**. Water debtors are amounts owed by consumers for water services billed.

Gross Water Debtors	R195.02 million
Less Impairment	(R180.8 million)
Net Water Debtors	**R14.1 million**

- **Sanitation Debtors**
  Net Sanitation debtors after considering provision for bad debts amount to **R3.5 million**. Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R49.7 million
Less Impairment	(R46.2 million)
Net Sanitation Debtors	**R3.5 million**

- **Property Rentals Debtors**

  These are debtors accumulated from property rentals amounts to **R60.4 thousand**

Property Rental	R378.9 thousand
Less Impairment	(R318.4 thousand)
Net Property rental	**R60.4 thousand**

- **Other Consumer debtors**

  Other consumer debtors' amount to **R199.7 thousand**, these are sundry debtors.

Gross Other Debtors	R477.3 thousand
Less Impairment	(R277.5 thousand)
Net Other Debtors	**R199.7 thousand**

- **Other receivables from exchange**

  These are debtors accumulated from Eskom accounts, Training and Maintenance with credit balances amounts to **R30.2 million**

Other receivables from exchange	R28.4 million
Prepay/Adv: Recov emp: Opening balance	R1.8 million
Less Impairment	(R0)
Net other receivables from exchange	**R30.2 million**

Classification of Consumer Debtors per Customer group

Households	R193.8 million
Commercial/Businesses	R 18.2 million
Organs of State (excl shared services of R5.6 mill)	R 31.6 million
Total	**R243.7 million**

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

Gross Households debtors	R193.8 million
Commercial/Businesses	R 18.2 million
Less Impairment	(R227.6 million)
Net Household debtors	**R15.6 million**

Receivables from non – exchange

Fruitless expenditure

Amount to be recovered amounting to **R5.5 million** resulted from a claim of standing time due to consultant negligence.

Inventory
The current level of inventory is **R5.9 million**. Inventories include water stock and consumable stores.

VAT Receivable
VAT Receivable amounts to **R60.6 million**, this is the amount raised when input VAT is recognized as less output VAT collected as per VAT reconciliation.

Other debtors
Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R29.1 million.**

Deposits Made	R19.4 million
Refunds & under/over banking	R9.8 million
Salary advance	R35.6 thousand
Accrued interest	R13.3 thousand
Operating lease	R5 thousand
Total	**R29.1 million**

- **Deposits Made**
  Deposits made amount to **R19.4 million,** this amount includes Eskom deposits and Stowell Deposits.

Eskom Deposits	R19.2 million
Stowel 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, and the deposit for office space rented in Vryheid.

- **Refunds & under/over banking**
  Refunds & under/over banking amount to **R9.7 million**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

Shared services debtors	R3.8 million
Under/over banking	R5.9 million

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

- **Salary Advance and accrued interest**
  Salary advances amount to **R35.6 thousand**. This amount consists of advanced employee costs. Accrued interest amounts to **R13.3 thousand** and operating lease amounts to **R5 thousand.**

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 includes current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R5.7 million**.

Opening balance	**R5.6 billion**
Additions	R216.6 million
Depreciation	(R20 million)
Closing Balance	**R5.7 billion**

Heritage Assets

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

Intangible

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R24 thousand**

Opening balance	**R24 thousand**
Additions	R 0
Depreciation	(R0)
Closing Balance	**R24 thousand**

Other non-current assets

Other non-current assets amount to **R10 thousand.**

CURRENT LIABILITIES

Financial Liabilities

This is the current portion of the long term loan repayment and finance lease agreement the Municipality entered into to procure laptops. The current balance owed amount to **R18.6 million.**

Loan repayment	R17.7 million

Finance lease bcx	R800.2 thousand
Total Financial liabilities	**R18.6 million**

Opening balance	**R18.7 million**
Payment	**(**R276.6 thousand)
Closing Balance	**R18.5 million**

Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, the current balance is **R3.3 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 **R286.8 million**.

Trade Creditors	R63.5 million
Retention	R95.9 million
Department of Water & Sanitation	R91.4 million
Employee related cost	R1.5 million
Advance Payments	R1.8 million
Salary Suspense Accounts	R818 thousand
Other Suspense account	R993 thousand
Refund	R189 thousand
Leave accrual	R109 thousand
Unpaid cheque	R322 thousand
Water tankers	R290 thousand
Advance payment	R1.8 million
Makhongolo	R29.8 million
Closing Balance	**R286.8 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 **R45.6 million**.

Current Provision

Current provisions amount to **R34.9 million**, this provision is for post-retirement benefit (Medical aid), long service awards and Leave provision that is paid in the current financial year.

Post Retirement benefit (Medical aid)	R747 thousand
Long service awards and Bonus	R8.3 million
Leave Provision	R25.8 million

VAT Payables
VAT payable amount to **R3.4 million**, this is the amount paid when output VAT is recognized less input VAT paid as per VAT reconciliation.

NON-CURRENT LIABILITIES

Financial liabilities
This is the long-term portion of the finance lease agreement the Municipality entered into to procure laptops amounting to **R83.4 million.**

Long term loan	R82.4 million
Operating lease long term lumd	R836 thousand
Operating lease long term BCX	R149 thousand

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

Non - current Provisions
Non-current Provisions amounts to **R44.07 million**, this provision is for post-retirement benefit (Medical aid) and Long Service award.

Post Retirement benefit (Medical aid)	R30.7 million
Long Service award	R13.3 million

Non - current liability DWS

This is the long-term portion owed to Department of Water and Sanitation t amounting to **R2.9 million.**

Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R5.4 billion**

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–		
Service charges		32 466	60 766	60 766	2 523	8 616	15 192	(6 575)	-43%	60 766
Other revenue		2 051 105	121 898	121 898	157 323	496 719	30 474	466 244	1530%	121 898
Transfers and Subsidies - Operational		746 330	768 030	768 030	724	283 430	192 008	91 423	48%	768 030
Transfers and Subsidies - Capital		768 386	576 195	576 195	37 661	283 571	144 049	139 522	97%	576 195
Interest		18 397	7 995	7 995	979	1 335	1 999	(664)	-33%	7 995
Dividends								–		
Payments										
Suppliers and employees		(679 012)	(789 533)	(789 533)	(83 690)	(448 583)	(197 383)	251 200	-127%	(789 533)
Interest								–		
Transfers and Subsidies		–	(2 415)	(2 415)	–	–	(604)	(604)	100%	(2 415)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 937 672**	**742 935**	**742 935**	**115 519**	**625 087**	**185 734**	**(439 353)**	**-237%**	**742 935**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		680	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(662 543)	(500 595)	(500 595)	(59 111)	(216 644)	(125 149)	91 495	-73%	(500 595)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(661 863)**	**(500 595)**	**(500 595)**	**(59 111)**	**(216 644)**	**(125 149)**	**91 495**	**-73%**	**(500 595)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		100 000	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		(9)	3	3	–	(12)	1	(13)	-1547%	3
Payments										
Repayment of borrowing		(10 516)	(18 096)	(18 096)	(138)	(277)	(4 524)	(4 247)	94%	(18 096)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**89 475**	**(18 093)**	**(18 093)**	**(138)**	**(289)**	**(4 523)**	**(4 235)**	**94%**	**(18 093)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 365 284**	**224 247**	**224 247**	**56 270**	**408 155**	**56 062**			**224 247**
Cash/cash equivalents at beginning:		(27 427)	(192 785)	(192 785)	408 956	57 071	(192 785)			57 071
Cash/cash equivalents at month/year end:		2 337 857	31 462	31 462	465 225	465 225	(136 723)			281 318

MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

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

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R60.7 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 **R8.6 million** to date. This is **14%** of budgeted collection and **45%** 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 are to date **R283.4 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far under Transfers and subsidies – Operational.

Equitable share	R279.2 million
FMG	R1.2 million
EPWP	R1.3 million
Indonsa Grant	R955 thousand
LG SETA	R723.6 thousand
TOTAL	**R283.4 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 **R283.5 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	R116.7 million
Regional Bulk Infrastructure Grant	R125 million
Water Services Infrastructure Grant	R 40 million
Rural Road	R1.8 million
TOTAL	**R283.5 million**

Interest

Interest on the investment budget is at **R7.5 million**, this estimate is based on the approved budget interest income, the interest includes interest on investments made and interest on bank balance. Year to date actual Interest is **R1.2 million.** Interest on investment revenue on table C4 is **R1.3 million**.

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R216.6 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.

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 **R73.3 million** in the financial position but in the cash flow, it is **R465.2 million.**

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

PART 2 – SUPPORTING DOCUMENTATION

2.1. DEBTORS ANALYSIS

Debtors age analysis as of 30 SEPTEMBER 2024

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

Description	NT Code	Budget Year 2024/25											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	7 349	5 776	5 005	5 482	4 044	3 800	20 492	141 973	193 921	175 791	–	180 861
Trade and Other Receivables from Exchange Transactions - Electricity	1300									–	–		
Receivables from Non-exchange Transactions - Property Rates	1400									–	–		
Receivables from Exchange Transactions - Waste Water Management	1500	1 636	1 322	1 132	1 083	852	786	4 541	38 288	49 640	45 550	–	46 212
Receivables from Exchange Transactions - Waste Management	1600									–	–		
Receivables from Exchange Transactions - Property Rental Debtors	1700	18	17	48	18	18	18	132	72	340	256	–	318
Interest on Arrear Debtor Accounts	1810	63	62	80	–	58	56	481	540	1 340	1 135	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	126	39	178	–	320	2	2	3 110	3 777	3 434	–	278
Total By Income Source	**2000**	**9 192**	**7 216**	**6 443**	**6 582**	**5 292**	**4 661**	**25 648**	**183 984**	**249 017**	**226 166**	**–**	**227 669**
2023/24 - totals only		7572097	5530467	4426753	4286630	2924085	3261858	19040812	165359049	212 402	**194 872**	0	-154737598
Debtors Age Analysis By Customer Group													
Organs of State	2200	3 893	2 181	1 762	2 659	1 107	872	6 504	14 647	33 625	25 789	–	–
Commercial	2300	1 462	1 163	559	441	437	360	2 511	11 706	18 640	15 455	–	–
Households	2400	3 837	3 872	4 121	3 482	3 747	3 429	16 633	157 631	196 753	184 923	–	–
Other	2500									–	–		
Total By Customer Group	**2600**	**9 192**	**7 216**	**6 443**	**6 582**	**5 292**	**4 661**	**25 648**	**183 984**	**249 017**	**226 166**	**–**	**–**

Total debtors' amount to **R249.01 million**, the debtors over 90 days amount to **R226.1 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 September 2024

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

Description R thousands	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	
Bulk Water	0200									–	
PAYE deductions	0300									–	
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500									–	
Loan repayments	0600									–	
Trade Creditors	0700	12 988	697	31 275	–	–	–	–	–	**44 960**	55
Auditor General	0800									–	
Other	0900									–	
Medical Aid deductions										–	
Total By Customer Type	**1000**	**12 988**	**697**	**31 275**	**–**	**–**	**–**	**–**	**–**	**44 960**	55

2.3 INVESTMENT PORTFOLIO

Investments as at 30 September 2024

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
ABSA - 9389804742		0	nvestment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	N/A	–	0		90 000	**90 000**
Nedbank - 1766000029		2	nvestment Tracke	Yes	Variable interest rate	0.0908	N/A	N/A	05 September 2024	90 000	–		30 000	**120 000**
ABSA - 2081673418		4	nvestment Tracke	Yes	Variable interest rate	0.093	N/A	N/A	04 October 2024	120 000			30 000	**150 000**
ABSA - 9373372771			Investment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	N/A	150 000			79 053	**229 053**
ABSA - 9373372771			Investment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	19 July 2024	229 053		(11 500)	–	**217 553**
ABSA - 9373372771			Investment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	24 July 2024	217 553		(18 500)		**199 053**
ABSA - 9373372771			Investment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	30 July 2024	199 053		(40 000)		**159 053**
ABSA - 9373372771			Investment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	03 September 2024	159 053		(70 000)		**89 053**
ABSA - 9373372771			Investment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	03 September 2024	89 053		(9 053)		**80 000**
Nedbank - 1766000029		2	nvestment Tracke	Yes	Variable interest rate	0.0908	N/A	N/A	05 September 2024	80 000		(30 000)		**50 000**
ABSA - 9373372771			Investment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	06 September 2024	50 000		25 000		**75 000**
ABSA - 9373372771			Investment Tracke	Yes	Variable interest rate	0.089	N/A	N/A	11 September 2024	75 000		(10 000)		**65 000**
Municipality sub-total										**–**	**–**	**(164 053)**	**229 053**	**65 000**
Entities														
														–
Entities sub-total										**–**	**–**	**–**	**–**	**–**
TOTAL INVESTMENTS AND INTEREST	2									**–**	**–**	**(164 053)**	**229 053**	**65 000**

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		**639 948**	**676 614**	**676 614**	**107**	**280 746**	**169 153**	**111 593**	**66.0%**	**676 614**
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		631 671	670 187	670 187	–	279 245	167 547	111 698	66.7%	670 187
Expanded Public Works Programme Integrated Grant		7 077	5 227	5 227	–	1 306	1 307	(1)	-0.1%	5 227
Local Government Financial Management Grant		1 200	1 200	1 200	107	195	300	(105)	-35.0%	1 200
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant	3	–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–		–
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]								–		
Provincial Government:		**4 168**	**1 911**	**1 911**	**–**	**2**	**478**	**(476)**	**-99.6%**	**1 911**
Capacity Building and Other Grants		4 168	1 911	1 911	–	2	478	(476)	-99.6%	1 911
Other transfers and grants [insert description]								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
Other grant providers:		**102 328**	**89 505**	**89 505**	**–**	**–**	**22 376**	(22 376)	-100.0%	**89 505**
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		1 694	1 259	1 259	–	–	315	(315)	-100.0%	1 259
National Skills Fund		100 634	88 246	88 246	–	–	22 062	(22 062)	-100.0%	88 246
Unspecified		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	**746 444**	**768 030**	**768 030**	**107**	**280 748**	**192 008**	**88 741**	**46.2%**	**768 030**
Capital Transfers and Grants										
National Government:		768 386	576 195	576 195	62 476	242 019	144 049	97 970	**68.0%**	576 195
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		256 512	259 542	259 542	34 173	131 471	64 886	66 585	102.6%	259 542
Regional Bulk Infrastructure Grant		413 905	214 000	214 000	21 443	66 251	53 500	12 751	23.8%	214 000
Rural Road Asset Management Systems Grant		2 969	2 653	2 653	–	–	663	(663)	-100.0%	2 653
Water Services Infrastructure Grant		95 000	100 000	100 000	6 860	44 297	25 000	19 297	77.2%	100 000
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Infrastructure Grant		–	–	–	–	–	–	–		–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
Other grant providers:		**9**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
Unspecified		9	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	**768 395**	**576 195**	**576 195**	**62 476**	**242 019**	**144 049**	**97 970**	**68.0%**	**576 195**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 514 840	1 344 225	1 344 225	62 583	522 767	336 056	186 710	55.6%	1 344 225

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

GRANTS RECEIPTS AND EXPENDITURE

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

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		**894 315**	**587 778**	**582 812**	**71 370**	**150 644**	**145 704**	**4 940**	**3.4%**	**582 812**
								–		
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		873 439	576 385	576 385	70 875	147 682	144 097	3 585	2.5%	576 385
Expanded Public Works Programme Integrated Grant		7 077	5 227	5 227	414	2 792	1 307	1 485	113.7%	5 227
Local Government Financial Management Grant		1 200	1 201	1 201	82	170	300	(130)	-43.4%	1 201
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		10 017	4 966	–	–	–	0	(0)	-100.0%	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–		–
Rural Road Asset Management Systems Grant		2 582	–	–	–	–	–	–		–
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Provincial Government:		**3 630**	**1 711**	**1 711**	**(0)**	**2**	**428**	**(426)**	**-99.6%**	**1 711**
								–		
Capacity Building and Other Grants		3 630	1 711	1 711	(0)	2	428	(426)	-99.6%	1 711
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
								–		
Other grant providers:		**102 328**	**89 505**	**89 505**	**210**	**210**	**22 376**	(22 166)	-99.1%	**89 505**
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		1 694	1 259	1 259	210	210	315	(105)	-33.3%	1 259
National Skills Fund		100 634	88 246	88 246	–	–	22 062	(22 062)	-100.0%	88 246
Total operating expenditure of Transfers and Grants:		**1 000 272**	**678 995**	**674 029**	**71 580**	**150 856**	**168 508**	**(17 652)**	**-10.5%**	**674 029**
Capital expenditure of Transfers and Grants										
National Government:		660 294	496 073	501 039	59 059	216 592	125 260	91 332	**72.9%**	501 039
Municipal Infrastructure Grant		214 555	220 723	225 689	34 292	119 673	56 422	63 250	112.1%	225 689
Regional Bulk Infrastructure Grant		362 622	186 087	186 087	18 790	58 203	46 522	11 682	25.1%	186 087
Rural Road Asset Management Systems Grant		–	2 307	2 307	–	–	577	(577)	-100.0%	2 307
Water Services Infrastructure Grant		83 116	86 957	86 957	5 977	38 716	21 739	16 977	78.1%	86 957
Provincial Government:		**277**	**174**	**174**	**–**	**–**	**43**	(43)	-100.0%	**174**
Capacity Building and Other Grants		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Infrastructure Grant		**277**	**174**	**174**	**–**	**–**	**43**	(43)	-100.0%	**174**
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
								–		
Other grant providers:		**9**	**–**	**–**	**–**	**–**	**–**	–		**–**
Unspecified		**9**	**–**	**–**	**–**	**–**	**–**	–		**–**
Total capital expenditure of Transfers and Grants		**660 580**	**496 247**	**501 213**	**59 059**	**216 592**	**125 303**	**91 289**	**72.9%**	**501 213**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 660 852**	**1 175 242**	**1 175 242**	**130 639**	**367 448**	**293 811**	**73 637**	**25.1%**	**1 175 242**

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

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

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		517	563	563	48	145	141	5	3%	563
Medical Aid Contributions		41	41	41	3	8	10	(2)	-22%	41
Motor Vehicle Allowance		2 224	2 012	2 012	176	539	503	36	7%	2 012
Cellphone Allowance		859	483	483	61	191	121	70	58%	483
Housing Allowances		180	180	180	–	–	45	(45)	-100%	180
Other benefits and allowances		6 542	6 187	6 187	521	1 583	1 547	36	2%	6 187
Sub Total - Councillors		**10 362**	**9 465**	**9 465**	**810**	**2 466**	**2 366**	**100**	**4%**	**9 465**
% increase	4		**-8.7%**	**-8.7%**						**-8.7%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		8 273	8 555	8 555	635	1 943	2 139	(196)	-9%	8 555
Pension and UIF Contributions		356	444	444	34	95	111	(16)	-15%	444
Medical Aid Contributions		117	123	123	11	31	31	1	2%	123
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		707	166	166	–	–	42	(42)	-100%	166
Motor Vehicle Allowance		2 051	1 997	1 997	166	515	499	15	3%	1 997
Cellphone Allowance		296	317	317	23	76	79	(3)	-4%	317
Housing Allowances		13	13	13	1	3	3	0	1%	13
Other benefits and allowances		442	249	249	18	59	62	(4)	-6%	249
Payments in lieu of leave		255	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2							–		
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		41	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**12 551**	**11 865**	**11 865**	**889**	**2 721**	**2 966**	**(245)**	**-8%**	**11 865**
% increase	4		**-5.5%**	**-5.5%**						**-5.5%**
Other Municipal Staff										
Basic Salaries and Wages		201 024	221 924	221 924	18 252	52 309	55 481	(3 172)	-6%	221 924
Pension and UIF Contributions		27 014	24 008	24 008	2 651	7 370	6 002	1 368	23%	24 008
Medical Aid Contributions		16 898	17 029	17 029	1 516	4 528	4 257	271	6%	17 029
Overtime		8 782	5 780	5 780	823	2 418	1 445	973	67%	5 780
Performance Bonus		13 868	14 733	14 733	1 807	4 218	3 683	534	15%	14 733
Motor Vehicle Allowance		11 436	12 000	12 000	2 024	5 694	3 000	2 693	90%	12 000
Cellphone Allowance		801	821	821	69	209	205	4	2%	821
Housing Allowances		1 699	1 758	1 758	150	440	440	1	0%	1 758
Other benefits and allowances		5 465	253	253	214	856	63	792	1249%	253
Payments in lieu of leave		6 307	–	–	159	661	–	661	#DIV/0!	–
Long service awards		3 289	–	–	47	727	–	727	#DIV/0!	–
Post-retirement benefit obligations	2	5 352	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		562	–	–	80	283	–	283	#DIV/0!	–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**302 499**	**298 307**	**298 307**	**27 791**	**79 714**	**74 577**	**5 137**	**7%**	**298 307**
% increase	4		**-1.4%**	**-1.4%**						**-1.4%**
Total Parent Municipality		**325 412**	**319 637**	**319 637**	**29 490**	**84 901**	**79 910**	**4 991**	**6%**	**319 637**

The municipality has no active entity

ACTUAL AND REVISED TARGETS FOR RECEIPTS

DC26 Zululand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

Description	Ref	Budget Year 2024/25												2024/25 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousands	1	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	2024/25	+1 2025/26	+2 2026/27
Cash Receipts By Source																
Property rates													–			
Service charges - Electricity revenue													–			
Service charges - Water revenue		1 922	2 509	1 888	3 935	3 935	3 935	3 935	3 935	3 935	3 935	3 935	9 422	47 222	49 394	51 666
Service charges - Waste Water Management		850	812	635	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	2 217	13 544	14 167	14 819
Service charges - Waste Mangement													–			
													–			
Rental of facilities and equipment		37	45	45	90	90	90	90	90	90	90	90	234	1 084	1 133	1 186
Interest earned - external investments		13	328	949	625	625	625	625	625	625	625	625	1 209	7 500	7 845	8 206
Interest earned - outstanding debtors		5	10	30	41	41	41	41	41	41	41	41	121	495	517	541
Dividends received													–			
Fines, penalties and forfeits		60	42	93	122	122	122	122	122	122	122	122	294	1 467	1 534	1 605
Licences and permits		9	18	16	15	15	15	15	15	15	15	15	16	176	184	193
Agency services													–			
Transfers and Subsidies - Operational		280 201	2 506	724	64 003	64 003	64 003	64 003	64 003	64 003	64 003	64 003	(27 420)	768 030	711 934	751 994
Other revenue		309 866	29 319	157 169	9 931	9 931	9 931	9 931	9 931	9 931	9 931	9 931	(456 630)	119 171	115 870	152 732
Cash Receipts by Source		**592 963**	**35 589**	**161 548**	**79 891**	**79 891**	**79 891**	**79 891**	**79 891**	**79 891**	**79 891**	**79 891**	**(470 537)**	**958 689**	**902 580**	**982 942**
Other Cash Flows by Source													–			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		119 053	126 857	37 661	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	(91 506)	576 195	651 991	923 733
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans													–			
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		(12)	–	–	0	0	0	0	0	0	0	0	13	3	–	–
VAT Control (receipts)													–			
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments													–			
Total Cash Receipts by Source		**712 004**	**162 446**	**199 209**	**127 907**	**127 907**	**127 907**	**127 907**	**127 907**	**127 907**	**127 907**	**127 907**	**(562 030)**	**1 534 887**	**1 554 571**	**1 906 675**
Cash Payments by Type													–			
Employee related costs		28 229	27 563	28 353	25 848	25 848	25 848	25 848	25 848	25 848	25 848	25 848	19 245	310 172	324 440	339 364
Remuneration of councillors		994	803	833	789	789	789	789	789	789	789	789	526	9 465	9 901	10 356
Interest													–			
Bulk purchases - Electricity		7 119	17 024	11 255	–	–	–	–	–	–	–	–	(35 397)	–	–	–
Acquisitions - water & other inventory		–	–	2 095	2 417	2 417	2 417	2 417	2 417	2 417	2 417	2 417	7 575	29 010	30 344	31 740
Contracted services		(81 828)	(62 124)	(48 301)	25 765	25 765	25 765	25 765	25 765	25 765	25 765	25 765	295 314	309 181	216 969	258 482
Transfers and subsidies - other municipalities													–			
Transfers and subsidies - other		–	–	–	201	201	201	201	201	201	201	201	805	2 415	2 526	2 642
Other expenditure		300 056	118 530	87 702	10 809	10 809	10 809	10 809	10 809	10 809	10 809	10 809	(463 052)	129 706	135 672	141 913
Cash Payments by Type		**254 569**	**101 795**	**81 936**	**65 829**	**65 829**	**65 829**	**65 829**	**65 829**	**65 829**	**65 829**	**65 829**	**(174 984)**	**789 948**	**719 853**	**784 498**
Other Cash Flows/Payments by Type																
Capital assets		93 315	64 218	59 111	41 716	41 716	41 716	41 716	41 716	41 716	41 716	41 716	(49 779)	500 595	571 681	808 197
Repayment of borrowing		–	138	138	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	5 756	18 096	17 430	16 913
Other Cash Flows/Payments		4 705	3 825	1 754	167	167	167	167	167	167	167	167	(9 617)	2 000	3 000	4 000
Total Cash Payments by Type		**352 589**	**169 976**	**142 939**	**109 220**	**109 220**	**109 220**	**109 220**	**109 220**	**109 220**	**109 220**	**109 220**	**(228 624)**	**1 310 640**	**1 311 963**	**1 613 608**
NET INCREASE/(DECREASE) IN CASH HELD		**359 415**	**(7 531)**	**56 270**	**18 687**	**18 687**	**18 687**	**18 687**	**18 687**	**18 687**	**18 687**	**18 687**	**(333 405)**	**224 247**	**242 607**	**293 067**
Cash/cash equivalents at the month/year beginning:		57 071	416 486	408 956	465 225	483 913	502 600	521 287	539 974	558 662	577 349	596 036	614 723	57 071	281 318	523 925
Cash/cash equivalents at the month/year end:		416 486	408 956	465 225	483 913	502 600	521 287	539 974	558 662	577 349	596 036	614 723	281 318	281 318	523 925	816 993

2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	**Revenue**			
	Service charges – Water revenue	14%	This is the amounts billed on customers for water used, the year-to-date actual is R14.6 million which is 21% of the approved budget. The R14.6 million year to date actual is below the three months baseline projection or year-to-date budget of R17.07 million. A variance of R2.3 million or 14% is observed.	
	Service charges – Sanitation revenue	4%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R4.6 million which is 26% of the approved budget. the R4.6 million year to date actual is above the three months baseline projection or year-to-date budget of R4.4 million. A variance of R196 thousand or 4% is observed.	
	Sale of goods and rendering of service	100%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R0 thousands which is 0% of the approved budget. the R0 thousands year to date actual is below the one month baseline projection or year-to-date budget of R145 thousand. A variance of R145 thousand or 100% is observed.	
	Interest earned - outstanding debtors	1%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R204 thousand which is 25% of the approved budget. The R204 thousand year to date actual is below the three months baseline projection or year-to-date budget of R206 thousand. A variance of R2 thousand or 1% is observed. Reasons for variances can be attributed to businesses non adherence to payment terms	The municipality must implement stringent measures to ensure businesses pay on time.
	Interest on investment	31%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R1.2 million which is 17% of the approved budget. The R1.2 million year to date actual is below the three months baseline projection or year-to-date budget of R1.8 million. A variance of R584 thousand or 31% is observed. The reason for variances can be attributed fact that there was no matured investment by end of reporting period.	
	Rental from Fixed Assets	1%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R125 thousand which is 25% of the approved budget. the R125 thousand year to date actual is below the three months baseline projection or year-to-date budget of R126 thousand. A variance of R1 thousand or 1% is observed.	
	Licences and Permits	3%	Licences and permits year-to-date actual is R43 thousand which is 24% of the approved budget. the R43 thousand year to date actual is below three months baseline projection or year-to-date budget of R44 thousand. A variance of less than R1 thousand or 3% is observed. This line item depends on licences renewal and new issued permits.	
	Operational revenue	37%	Operational revenue year-to-date actual is R89 thousand which is less than 16% of the approved budget. the R89 thousand year to date actual is below three months baseline projection or year-to-date budget of R141 thousand. A variance of R53 or 37% is observed. The variance to this line item can be attributed to the receipt of Skills Development Levy Refund.	
	Fines, penalties, and forfeits	47%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. the year-to-date actual is R195 thousand which is 13% of the approved budget. the R195 thousand year to date actual is below the three months baseline projection or year-to-date budget of R367 thousand. A variance of R171 thousand or 47% is observed. Reasons for variances highlight a negative indication that more consumers are illegally connected or a negative indication that some illegally connected consumers are not yet discovered.	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	46%	Transfers and subsidies year to date actual is R280.7 million which is 37% of the approved budget. The R280.7 million year to date actual is above the three months baseline projection or year-to-date budget of R192 million. A variance of R88.7 million or 46% 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. Grants received to date is Equitable share, FMG, EPWP and Indonsa art centre.	

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	**Expenditure By Type**			
	Employee Related Costs	6%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R82.4 million which is 27% of the approved budget. the R82.4 million year to date actual is above the three months baseline projection or year-to-date budget of R77.5 million. A variance of R4.8 million or 6% is observed.	The municipality will make sure that the salary bill is kept within the limits of the monthly projections.
	Remuneration of Councillors	4%	Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is R2.4 million which is 26% of the approved budget. the R2.4 million year to date actual is below the three months baseline projection or year-to-date budget of R2.3 million. A variance of R100 hundreds or 4% is observed.	This is the good indication that the municipality is trying to spend within the budget.
	Inventory Consumed	93%	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 negative amount of R428 thousand. The R428 thousand year to date actual is below the three months baseline projection or year-to-date budget of R6.1 million. A variance of R5.7 million or 93% is observed.	
	Depreciation	12%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R20 million which is 22% of the approved budget. The R20 million year to date actual is below the three months baseline projection or year-to-date budget of R22.8 million. A variance of R2.8 million or 12% is observed.	
	Finance charges	13%	Finance charges are amounts for interest paid on overdue accounts and finance lease for laptops. The year-to-date actual is R1.9 million which is 28% of the approved budget. the R1.9 million year to date actual is below three months baseline projection or year-to-date budget of R1.7 million. A variance of R226 thousand or 13% is observed.	
	Contracted services	53%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R23.2 million which is 11% of the approved budget. the R23.2 million year to date actual is below two months baseline projection or year-to-date budget of R49.5 million. A variance of R26.2 million or 53% is observed.	The municipality has tried to minimise the cost of contracted service
	Transfers and subsidies paid.	90%	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 R69 thousand which is 3% of the approved budget. The R69 thousand year to date actual is below the three months baseline projection or year-to-date budget of R663 thousand. A variance of R593 thousand or 90% is observed.	
	Operational costs	35%	Operational costs are all other expenditure not classified above. The year-to-date actual is R38.2 million which is 34% of the approved budget. the R38.2 million year to date actual is above the three months baseline projection or year-to-date budget of R28.2 million. A variance of R10 million or 35% is observed.	The expenditure being monitored by the municipality to keep it within the budget.

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

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
3	**Capital Expenditure**			
	Governance and administration	95%	Governance and administration year-to-date actual is R52 thousand which is 1% of the approved budget. the R52 thousand year to date actual is below the three months baseline projection or year-to-date budget of R1.08 thousand. A variance of R1.03 thousand or 95% is observed.	
	Community and public safety	100%	Community and public safety year-to-date actual is R0 which is 0% of the approved budget. the R0 year to date actual is below the three months baseline projection or year-to-date budget of R43 thousand. A variance of R43 thousand or 100% is observed.	
	Economic and environmental services	100%	Economic and environmental services year-to-date actual is R0 million which is 0% of the approved budget. the R0 year to date actual is below the three months baseline projection or year-to-date budget of R577 thousand. A variance of R577 Thousand or 100% is observed.	
	Trading services	87%	Trading services year-to-date actual is R216.5 million which is 44% of the approved budget. the R216.5 million year to date actual is above the three months baseline projection or year-to-date budget of R82.4 million. A variance of R73.2 million or 87% is observed.	

2.7 PARENT MUNICIPALITY FINANCIAL PERFOMANCE

The Municipality does not have any entities.

2.8 MUNICIPAL ENTITY FINANCIAL PERFOMANCE

The Municipality does not have any active entities.

2.9 CAPITAL PROGRAMME PERFOMANCE

Capital Expenditure by month

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

Month	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	–	42 130	42 130	93 315	93 315	42 130	(51 185)	-121.5%	18%
August	57 911	42 130	42 130	64 218	64 218	84 260	20 042	23.8%	13%
September	49 277	42 130	42 130	59 111	59 111	126 390	67 279	53.2%	12%
October	113 514	42 130	42 130	–	–	168 520	168 520	100.0%	0%
November	90 763	42 130	42 130	–	–	210 650	210 650	100.0%	0%
December	101 101	42 130	42 130	–	–	252 781	252 781	100.0%	0%
January	10 678	42 130	42 130	–	–	294 911	294 911	100.0%	0%
February	10 959	42 130	42 130	–	–	337 041	337 041	100.0%	0%
March	97 963	42 130	42 130	–	–	379 171	379 171	100.0%	0%
April	53 993	42 130	42 130	–	–	421 301	421 301	100.0%	–
May	1 240	42 130	42 130	–	–	463 431	463 431	100.0%	–
June	74 867	42 130	42 130	–	–	505 561	505 561	100.0%	–
Total Capital expenditure	**662 266**	**505 561**	**505 561**	**216 644**					

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

Summary of Capital Expenditure by asset class and sub-class

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September										
Description	Ref	2023/24	Budget Year 2024/25							
		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		660 219	496 073	501 039	59 059	216 592	125 260	(91 332)	-72.9%	501 039
Roads Infrastructure		–	2 307	2 307	–	–	577	577	100.0%	2 307
Roads		–	2 307	2 307	–	–	577	577	100.0%	2 307
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection								–		
Electrical Infrastructure		–	–	–	–	–	–	–		–
Power Plants								–		
Water Supply Infrastructure		660 219	489 059	494 025	59 059	216 592	123 506	(93 086)	-75.4%	494 025
Dams and Weirs								–		
Boreholes		35 737	43 631	51 070	11 046	21 776	12 768	(9 008)	-70.6%	51 070
Reservoirs		9 197	1 593	4 965	575	3 266	1 241	(2 025)	-163.1%	4 965
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		123 018	97 849	98 146	9 853	65 913	24 536	(41 377)	-168.6%	98 146
Bulk Mains		450 780	294 587	299 074	28 671	105 278	74 769	(30 509)	-40.8%	299 074
Distribution		41 487	45 046	40 770	8 915	20 360	10 193	(10 167)	-99.8%	40 770
Distribution Points		–	6 354	–	–	–	0	0	100.0%	–
Capital Spares								–		
Sanitation Infrastructure		–	4 707	4 707	–	–	1 177	1 177	100.0%	4 707
Reticulation		–	4 707	4 707	–	–	1 177	1 177	100.0%	4 707
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites								–		
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines								–		
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps								–		
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres								–		
Community Assets		–	–	–	–	–	–	–		–
Community Facilities		–	–	–	–	–	–	–		–
Centres		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
								–		
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Unimproved Property								–		
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Other assets		–	–	–	–	–	–	–		–
Operational Buildings		–	–	–	–	–	–	–		–
Municipal Offices		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Staff Housing								–		
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets								–		
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes								–		
Licences and Rights		–	–	–	–	–	–	–		–
Computer Software and Applications		–	–	–	–	–	–	–		–
Computer Equipment		624	3 913	3 913	52	52	978	926	94.7%	3 913
Computer Equipment		624	3 913	3 913	52	52	978	926	94.7%	3 913
Furniture and Office Equipment		348	435	435	–	–	109	109	100.0%	435
Furniture and Office Equipment		348	435	435	–	–	109	109	100.0%	435
Machinery and Equipment		432	174	174	–	–	43	43	100.0%	174
Machinery and Equipment		432	174	174	–	–	43	43	100.0%	174
Transport Assets		920	–	–	–	–	–	–		–
Transport Assets		920	–	–	–	–	–	–		–
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	662 543	500 595	505 561	59 111	216 644	126 390	(90 254)	-71.4%	505 561

Expenditure on Repairs and Maintenance by Asset class

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September										
Description	Ref	2023/24	Budget Year 2024/25							
		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		**156 830**	**67 193**	**62 227**	**1 850**	**1 850**	**15 557**	13 706	**88.1%**	**62 227**
Roads Infrastructure		–	–	–	–	–	–	–		–
Capital Spares								–		
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection								–		
Electrical Infrastructure		–	–	–	–	–	–	–		–
Power Plants								–		
Water Supply Infrastructure		156 830	67 193	62 227	1 850	1 850	15 557	13 706	**88.1%**	62 227
Water Treatment Works								–		
Bulk Mains		79 800	19 966	15 000	1 850	1 850	3 750	1 900	**50.7%**	15 000
Distribution								–		
Distribution Points		77 029	47 227	47 227	–	–	11 807	11 807	**100.0%**	47 227
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers								–		
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites								–		
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines								–		
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps								–		
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres								–		
Community Assets		**1 739**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Community Facilities		1 739	–	–	–	–	–	–		–
Halls								–		
Airports		1 739	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Indoor Facilities								–		
Heritage assets		–	–	–	–	–	–	–		–
Monuments								–		
								–		
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Other assets		**974**	**2 000**	**2 000**	**27**	**27**	**500**	**473**	**94.6%**	**2 000**
Operational Buildings		974	2 000	2 000	27	27	500	473	**94.6%**	2 000
Municipal Offices		974	2 000	2 000	27	27	500	473	94.6%	2 000
Capital Spares								–		
Housing		–	–	–	–	–	–	–		–
Staff Housing								–		
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Biological or Cultivated Assets								–		
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Servitudes								–		
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights								–		
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		**–**	**300**	**300**	**–**	**–**	**75**	**75**	100.0%	**300**
Furniture and Office Equipment		–	300	300	–	–	75	75	100.0%	300
Machinery and Equipment		**–**	**100**	**93**	**73**	**73**	**24**	**(49)**	-207.4%	**93**
Machinery and Equipment		–	100	93	73	73	24	(49)	-207.4%	93
Transport Assets		**5 261**	**1 400**	**1 400**	**714**	**1 176**	**350**	**(826)**	-236.1%	**1 400**
Transport Assets		5 261	1 400	1 400	714	1 176	350	(826)	-236.1%	1 400
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	**164 805**	**70 993**	**66 020**	**2 664**	**3 127**	**16 506**	**13 379**	**81.1%**	**66 020**

Depreciation by Asset class

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M03 September

Description	Ref	2023/24 Audited Outcome	Budget Year 2024/25 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		103 854	81 902	81 902	5 990	17 969	20 475	2 506	12.2%	81 902
Roads Infrastructure		–	718	718	53	159	179	20	11.1%	718
Roads		–	718	718	53	159	179	20	11.1%	718
Storm water Infrastructure		–	–	–	–	–	–	–		–
Attenuation								–		
Electrical Infrastructure		–	36	36	3	8	9	1	11.2%	36
LV Networks		–	36	36	3	8	9	1	11.2%	36
Capital Spares								–		
Water Supply Infrastructure		101 179	78 916	78 916	5 769	17 306	19 729	2 423	12.3%	78 916
Dams and Weirs		2 231	2 785	2 785	169	508	696	189	27.1%	2 785
Boreholes		1 675	471	471	35	105	118	13	11.1%	471
Reservoirs		8 791	7 026	7 026	520	1 561	1 757	195	11.1%	7 026
Pump Stations		6 536	4 451	4 451	330	989	1 113	124	11.1%	4 451
Water Treatment Works		8 023	6 624	6 624	482	1 445	1 656	212	12.8%	6 624
Bulk Mains		48 217	35 197	35 197	2 577	7 731	8 799	1 069	12.1%	35 197
Distribution		25 626	22 280	22 280	1 650	4 950	5 570	620	11.1%	22 280
Distribution Points								–		
PRV Stations		80	81	81	6	18	20	2	11.1%	81
Capital Spares								–		
Sanitation Infrastructure		2 675	2 231	2 231	165	496	558	62	11.1%	2 231
Pump Station		199	193	193	14	43	48	5	11.1%	193
Reticulation		1 686	1 717	1 717	127	381	429	48	11.1%	1 717
Waste Water Treatment Works		790	322	322	24	72	81	9	11.1%	322
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites								–		
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines								–		
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps								–		
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres								–		
Community Assets		1 226	852	852	63	189	213	24	11.1%	852
Community Facilities		1 091	622	622	46	138	155	17	11.1%	622
Halls		–	–	–	–	–	–	–		–
Markets		344	–	–	–	–	–	–		–
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		748	622	622	46	138	155	17	11.1%	622
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		135	230	230	17	51	58	6	11.1%	230
Indoor Facilities								–		
Outdoor Facilities		135	230	230	17	51	58	6	11.1%	230
Capital Spares								–		
Heritage assets		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
								–		
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Other assets		1 608	1 366	1 366	101	303	341	38	11.1%	1 366
Operational Buildings		1 608	1 366	1 366	101	303	341	38	11.1%	1 366
Municipal Offices		1 608	1 312	1 312	97	292	328	37	11.1%	1 312
Stores		–	53	53	4	12	13	1	11.1%	53
Housing		–	–	–	–	–	–	–		–
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets								–		
Intangible Assets		24	20	20	1	4	5	1	21.8%	20
Servitudes								–		
Licences and Rights		24	20	20	1	4	5	1	21.8%	20
Solid Waste Licenses								–		
Computer Software and Applications		24	20	20	1	4	5	1	21.8%	20
Load Settlement Software Applications								–		
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		2 791	992	992	73	220	248	28	11.1%	992
Computer Equipment		2 791	992	992	73	220	248	28	11.1%	992
Furniture and Office Equipment		573	575	575	41	123	144	20	14.2%	575
Furniture and Office Equipment		573	575	575	41	123	144	20	14.2%	575
Machinery and Equipment		1 034	368	368	27	82	92	10	11.1%	368
Machinery and Equipment		1 034	368	368	27	82	92	10	11.1%	368
Transport Assets		3 903	5 241	5 241	370	1 109	1 310	201	15.4%	5 241
Transport Assets		3 903	5 241	5 241	370	1 109	1 310	201	15.4%	5 241
Land		–	–	–	–	–	–	–		–
Land								–		
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Immature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Total Depreciation	1	115 013	91 315	91 315	6 667	20 000	22 829	2 829	12.4%	91 315

2.10 OTHER SUPPORTING DOCUMENTS

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

2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES

The Municipality doesn’t have any entities.

2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

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

______________________________ Date: 2024/10/14

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