

# **ZULULAND DISTRICT MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED**

**31 DECEMBER 2024**

**MFMA S71 REPORT**

**2024/2025 FINANCIAL YEAR**

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## GLOSSARY

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

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

**AFS** – Annual Financial Statements.

**Budget** – the financial plan of the municipality.

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

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

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

**CFO** – Chief Financial Officer

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

**DWAF** – Department of Water Affairs

**EPWP** – Expanded Public Works Program

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

**FMG** – Financial Management Grant

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

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

**MSCOA** – Municipal Standard Chart of Accounts

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

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

**LED** – Local Economic Development

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

**MIG** – Municipal Infrastructure Grant

**MSIG** – Municipal Systems Improvement Grant

**WSIG** – Water services Infrastructure Grant

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

**MWIG** – Municipal Water Infrastructure Grant

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

**R & M** – Repairs and Maintenance

**SCM** - Supply Chain Management

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

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

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

**Virement** – transfer of budget

**ZDM** – Zululand District Municipality

## PART 1 – IN-YEAR REPORT

### 1.1. MAYORS REPORT

To be attached

### 1.2. COUNCIL RESOLUTION

The Monthly budget statement review be noted.

### 1.3. EXECUTIVE SUMMARY

#### BUDGET PERFORMANCE ANALYSIS

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

#### Summary Statement of Financial Performance 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	580 973 554	432 834 756	148 138 798	34%	67%
Total Operating Expenditure	767 636 300	439 111 112	381 842 660	57 268 452	15%	57%
Surplus/(Deficit)	98 033 493	141 862 442	50 992 096	90 870 346		

#### Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 December 2024** is **R580.9 million** which is **67%** of the approved operating revenue budget. The **R580.9 million** year to date Actual is **above** the **six months** baseline projection or year-to-date budget of **R432.8 million**, a variance of **R148.1 million** or **34%** 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 **R39.4 million** which is **45%** of the total generated exchange revenue.

#### Major Variances between actual 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, and operational revenue which are moving at a pace faster 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 31 December 2024 is 439.1 million which is 57% of the approved operating expenditure budget. The R439.1 million year to date actual is above the six months baseline projection or year-to-date budget of R381.8 million, a variance of R57.2 million or 15% is observed.

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

Reasons for variances can be attributed to depreciation, interest, contracted services and inventory consumed which are moving at a slower pace than year to date budget; transfers and subsidies is occasional; debt impairment which has no movement yet. Employee related cost, operational 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.

### Grants expenditure and receipts

GRANTS RECIEPTS AND EXPENDITURE AS AT 31 DECEMBER 2024	APPROVED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	259 542 000.00	181 706 000.00	226 694 611.41	32 847 388.59	87
Regional Bulk Infrastructure (RBIG)	214 000 000.00	205 000 000.00	160 786 403.78	53 213 596.22	75
Water services infrastructure Grant (WSIG)	100 000 000.00	75 000 000.00	84 608 953.36	15 391 046.64	85
Rural Roads Asset Managemnt Systems Grant	2 653 000.00	1 857 000.00	5 411.67	2 647 588.33	0
Indonsa Grant	1 911 000.00	955 500.00	1 645.22	1 909 354.78	0
FMG	1 200 000.00	1 200 000.00	499 544.81	700 455.19	42
EPWP	5 227 000.00	3 658 000.00	6 085 232.89	-858 232.89	116
NSF	88 246 119.00	28 295 504.99	28 247 900.00	59 998 219.00	32
LGSETA Waste Water Employees	443 800.00	165 000.00	165 000.00	278 800.00	37
LGSETA MFMP	210 000.00	-	210 000.00	-	100
LGSETA-Fire and Rescue- Non Employees	605 136.00	558 600.00	558 600.00	46 536.00	92
AMAFA		162 000.00			
	674 038 055.00	498 557 604.99	507 863 303.14	166 174 751.86	75

## Capital Expenditure and Funding

### Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	500 594 868	414 365 532	252 274 508	162 091 025	64%	83%
Total Capital Financing	500 594 868	414 365 532	252 274 508	162 091 025	64%	83%

### Capital expenditure

Total Capital Expenditure as at 31 December 2024 is R414.3 million which is 83% of the approved capital budget. The R414.3 million year to date actual is above the six months baseline projection or year-to-date budget of R252.2 million, a variance of R162 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 a similar pace as year to date budget. MIG is at 87%, RBIG is at 75%, WSIG is at 85% 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	218 001 651	36
Total non current assets	5 319 118 713	5 784 521 343	109
Total current liabilities	468 128 948	361 109 670	77
Total non current liabilities	154 477 420	133 568 386	86
<b>TOTAL COMMUNITY WEALTH/ EQUITY</b>	<b>6 553 882 459</b>	<b>6 497 201 050</b>	<b>99.1%</b>

The current assets year to date actual is R218 million which is 36% of the approved budget. Non - Current assets year to date actual is R5.7 billion which is 109% of the approved budget. Current Liabilities year to date actual is R361.1 million which is 77% of the approved budget. Non - Current Liabilities year to date is R133.5 million which is 86% of the approved budget. Accumulated surplus year to date actual is R6.4 billion which is 99.1% of the approved budget.

Current assets amount to R281. million, included in current assets is Cash of R40.4 million.

Current liabilities amount to R361.1 million, this includes unspent conditional grants amounting to R49.3 million.

The Current ratio is 0.60:1 [218. million/361.1 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) - M06 December

Duzo Zuriando - Table 04 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - two decades										
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										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water	58 877	68 294	68 294	5 431	30 318	34 147	(3 829)	-11%		68 294
Service charges - Waste Water Management	16 024	17 732	17 732	1 566	9 172	8 866	306	3%		17 732
Service charges - Waste management										
Sale of Goods and Rendering of Services	760	578	578	-	114	289	(175)	-60%		578
Agency services										
Interest								-		
Interest earned from Receivables	691	823	823	63	393	411	(19)	-5%		823
Interest from Current and Non Current Assets	15 468	7 500	7 500	153	3 961	3 750	211	6%		7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets	559	504	504	41	248	252	(4)	-2%		504
License and permits	107	176	176	27	144	88	56	64%		176
Operational Revenue	594	565	565	8	324	283	41	15%		565
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes	-	-	-	-	-	-	-	-		
Fines, penalties and forfeits	875	1 467	1 467	36	338	733	(395)	-54%		1 467
License and permits								-		
Transfers and subsidies - Operational	746 444	768 000	768 000	242 542	536 959	384 015	151 944	40%		768 000
Interest	-	-	-	-	-	-	-	-		
Fuel Levy								-		
Operational Revenue		-	-	-	-	-	-	-		
Gains on disposal of Assets	680	-	-	-	-	-	-	-		
Other Gains	5 704	-	-	-	-	3	-	3	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		846 773	865 670	865 670	249 667	680 974	432 835	148 139	34%	865 670

The year-to-date actual indicates operating revenue of **R580.9 million** which is **67%** of the approved Budget. The **R580.9 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R432.8 million**, a variance of **R148.1 million** or **34%** is observed.

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 **R30.3 million** which is **44%** of the approved budget. The **R30.3 million** year to date actual is **below** the **Six months** baseline projection or year-to-date budget of **R34.1 million**. A variance of **R3.8 million** or **11%** is observed.

The variance between approved and year to date actual result from the fact that there are customers that are billed with interim due to fault meters.

#### Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R9.1 million** which is **51%** of the approved budget. The **R9.1 million** year to date



actual is **above** the **Six months** baseline projection or year-to-date budget of **R8.8 million**. A variance of **R306 thousand** or **3%** is observed.

The Reason For the bill of sanitation being High is based on the fact that we charge businesses an Access charge-Sewerage of 40kl when they have used more than Basic sewer Charge.

#### **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 **R114 thousands** which is **20%** of the approved budget. The **R114 thousands** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R289 thousand**. A variance of **R175 thousand** or **60%** is observed.

There was no sale of tender documents in this period. The adjustment may be needed.

#### **Interest earned - outstanding debtors**

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R393 thousand**, which is **47%** of the approved budget. The **R393 thousand** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R411 thousand**. A variance of **R19 thousand** or **5%** 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 **R3.9 million** which is **52%** of the approved budget. The **R3.9 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R3.7 million**. A variance of **R211 thousand** or **6%** is observed.

The reason for variances on investments depends on the available investment during reporting period.

#### **Rent of facilities**

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R248 thousand** which is **49%** of the approved budget. The **R248 thousand** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R252 thousand**. A variance of **R4 thousand** or **2%** is observed. The reason For Variances is Based on the fact that there are tenants that vacated the building and there are new ones that came in at different rates charged. No Adjustment is required.

### Licences and Permits

Licences and permits year-to-date actual is **R114 thousand** which is **81%** of the approved budget. the **R114 thousand** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R88 thousand**. A variance of **R56 thousand** or **64%** is observed.

This line item depends on licences renewal and new issued permits. The adjustment may be needed

### Operational revenue

Operational revenue year-to-date actual is **R324 thousand** which is **57%** of the approved budget. the **R324 thousand** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R282 thousand**. A variance of **R41 thousands** or **15%** is observed.

The variance to this line item can be attributed to the receipt of Skills Development Levy Refund which is not benchmarked by year to date, But depends on the allocation by LGSETA.

### NON EXCHANGE REVENUE

#### Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is **R338 thousand** which is **23%** of the approved budget. The **R338 thousand** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R733 thousand**. A variance of **R395 thousand** or **54%** 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 **R535.9 million** which is **69%** of the approved budget. The **R535.9 million** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R384. million**. A variance of **R151.9 million** or **40%** 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) - M06 December

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									%	
Expenditure By Type										
Employee related costs		315 050	310 172	310 172	28 206	165 490	155 087	10 402	7%	310 172
Remuneration of councillors		10 362	9 465	9 465	875	5 442	4 733	709	15%	9 465
Bulk purchases - electricity		—	—	—	—	—	—	—		—
Inventory consumed		45 330	25 226	24 934	5 741	5 321	12 425	(7 104)	-57%	24 934
Debt impairment		30 812	6 000	6 000	—	—	3 000	(3 000)	-100%	6 000
Depreciation and amortisation		217 413	91 315	91 315	22 699	56 032	45 657	10 375	23%	91 315
Interest		7 149	7 013	7 013	4 032	6 022	3 507	2 516	72%	7 013
Contracted services		370 968	203 368	201 100	35 159	104 808	100 031	4 777	5%	201 100
Transfers and subsidies		3 534	2 100	2 365	24	116	1 280	(1 164)	-91%	2 365
Irrecoverable debts written off		8 134	—	—	—	—	—	—		—
Operational costs		236 463	112 988	111 821	18 711	95 879	56 123	39 756	71%	111 821
Losses on Disposal of Assets		506	—	—	—	—	—	—		—
Other Losses		—	—	—	—	—	—	—		—
Total Expenditure		1 245 711	767 636	764 185	115 445	439 111	381 843	57 268	15%	764 185

The year-to-date actuals indicate spending of **R439.1 million** for **Six months** which is **57%** of the approved operating expenditure budget. The **R439.1 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R318.1 million**, a variance of **R57.2 million** or **15%** 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 **R165.4 million** which is **53%** of the approved budget. The **R165.4 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R155. million**. A variance of **R10.4 million** or **7%** is observed.

The municipality will make sure that the salary bill is kept within the limits of the monthly projections. The reason for salaries being high is based on Contracts employees but now are permanent.

#### Remuneration of Councillors

Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R5.4 million** which is **57%** of the approved budget. The **R5.4 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R4.7 million**. A variance of **R709 hundreds** or **15%** is observed.

This is the indication that the municipality is trying to spend within the budget. The result for change in Remuneration of councillors is based on the upper limits gazette.

### **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 **R5.3 million**. The **R5.3 million** year to date actual is **below** the **six-month** baseline projection or year-to-date budget of **R12.4 million**. A variance of **R7.1 million** or **57%** is observed. This is the value we have issued from main stores. No Adjustment is needed since there is inventory in our stores to be issued.

### **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 **R56 million** which is **61%** of the approved budget. The **R56 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R45.6 million**. A variance of **R10.3 million** or **23%** is observed. This depends on the value of assets; an Adjustment may be needed.

### **Finance charges**

Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is **R6.02 million** which is **85%** of the approved budget. the **R6.02 million** year to date actual is **above** the **Six months** baseline projection or year-to-date budget of **R3.7 million**. A variance of **R2.5 million** or **72%** is observed. The variance result from the payment of loan in December, the interest is high since the loan is new.

### **Contracted services**

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R104.8 million** which is **51%** of the approved budget. The **R104.8 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R100. million**. A variance of **R4.7 million** or **5%** is observed.

The result for variance is that our Contractual commitments is higher than the budget provided.

### **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 **R116 thousand** which is **5%** of the approved budget. The **R116 thousand** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R1.2 million**. A variance of **R1.1 million** or **91%** is observe. It depends on the assistance given to community based on their requests.

## Operational costs

Operational costs are all other expenditure not classified above. The year-to-date actual is **R95.8 million** which is **84%** of the approved budget. the **R95.8 million** year to date actual is **above** the six months baseline projection or year-to-date budget of **R56.1 million**. A variance of **R39.7 million** or **71%** is observed.

The variance result from operation expenditure such as Eskom, municipal services, fuel etc. An Adjustment is needed

## Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 200 585.00	499 545	600 318	-100 773.19	-0.17	42%
EPWP Incentive	5 227 001.00	5 227 000	2 613 510	2 613 489.65	1.00	100%
Art centre Subsisies (Indonsa Grant)	1 911 000.00	1 645	855 558	-853 912.78	-1.00	0%
National Skills Fund	88 246 119.00	28 247 900	44 123 064	-15 875 164.00	-0.36	32%
LG SETA	1 258 936.00	935 245	629 472	305 773.00	0.49	74%
<b>Total Operating Grant Expenditure</b>	<b>97 843 641.00</b>	<b>34 911 335</b>	<b>48 821 922</b>	<b>-13 910 587.32</b>	<b>-</b>	<b>36%</b>

FMG 42%, EPWP Incentive 100%, Art center subsidies (Indonsa Grant) 0%, National skills Fund 32%, LG SETA – 74%

## Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description		Ref	2023/24	Budget Year 2024/25						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water		58 877	68 294	68 294	5 431	30 318	34 147	(3 829)	-11%	68 294
Service charges - Waste Water Management		16 024	17 732	17 732	1 566	9 172	8 866	306	3%	17 732
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		760	578	578	-	114	289	(175)	-60%	578
Agency services								-		
Interest								-		
Interest earned from Receivables		691	823	823	63	393	411	(19)	-5%	823
Interest from Current and Non Current Assets		15 458	7 500	7 500	153	3 961	3 750	211	6%	7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		559	504	504	41	248	252	(4)	-2%	504
Licence and permits		107	176	176	27	144	88	56	64%	176
Operational Revenue		594	565	565	8	324	283	41	15%	565
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		
Fines, penalties and forfeits		875	1 467	1 467	36	338	733	(395)	-54%	1 467
Licence and permits								-		
Transfers and subsidies - Operational		746 444	768 030	768 030	242 542	535 959	384 015	151 944	40%	768 030
Interest		-	-	-	-	-	-	-		
Fuel Levy		-	-	-	-	-	-	-		
Operational Revenue		-	-	-	-	-	-	-		
Gains on disposal of Assets		680	-	-	-	-	-	-		
Other Gains		5 704	-	-	-	3	-	3	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		846 773	865 670	865 670	249 867	580 974	432 835	148 139	34%	865 670
Expenditure By Type										
Employee related costs		315 050	310 172	310 172	28 206	165 490	155 087	10 402	7%	310 172
Remuneration of councillors		10 362	9 465	9 465	875	5 442	4 733	709	15%	9 465
Bulk purchases - electricity		-	-	-	-	-	-	-		
Inventory consumed		45 330	25 226	24 934	5 741	5 321	12 425	(7 104)	-57%	24 934
Debt impairment		30 812	6 000	6 000	-	-	3 000	(3 000)	-100%	6 000
Depreciation and amortisation		217 413	91 315	91 315	22 699	56 032	45 657	10 375	23%	91 315
Interest		7 149	7 013	7 013	4 032	6 022	3 507	2 516	72%	7 013
Contracted services		370 958	203 358	201 100	35 159	104 808	100 031	4 777	5%	201 100
Transfers and subsidies		3 534	2 100	2 365	24	116	1 280	(1 164)	-91%	2 365
Irrecoverable debts written off		8 134	-	-	-	-	-	-		
Operational costs		236 463	112 988	111 821	18 711	95 879	56 123	39 756	71%	111 821
Losses on Disposal of Assets		506	-	-	-	-	-	-		
Other Losses		-	-	-	-	-	-	-		
Total Expenditure		1 245 711	767 636	764 185	115 445	439 111	381 843	57 268	15%	764 185
Surplus/(Deficit)		(398 939)	98 033	101 484	134 421	141 862	50 992	90 870	0	101 484
Transfers and subsidies - capital (monetary allocations)		768 386	576 195	576 195	81 818	417 498	288 097	129 400	0	576 195
Transfers and subsidies - capital (in-kind)		9	-	-	-	-	-	-		
Surplus/(Deficit) after capital transfers & contributions		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0	677 679
Income Tax								-		
Surplus/(Deficit) after income tax		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0	677 679
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0	677 679
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions								-		
Surplus/(Deficit) for the year		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0	677 679

## 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 VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	500 594 868	414 365 532	252 274 508	162 091 025	64%	83%
Total Capital Financing	500 594 868	414 365 532	252 274 508	162 091 025	64%	83%

The capital expenditure amounts to **R414.3 million** which is **83%** of the capital approved budget, after a period of **six months**.

## Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

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 & V&a		-	-	-	-	-	-	-	-	-
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	1 739	(1 715)	-99%	3 478
Vote 03 - Finance		70	870	870	-	28	435	(407)	-94%	870
Vote 04 - Community Development		286	174	174	-	-	87	(87)	-100%	174
Vote 05 - Planning & V&a		660 294	489 900	499 521	68 273	414 314	250 014	164 300	66%	499 521
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	504 043	68 273	414 366	252 275	162 091	64%	504 043
Total Capital Expenditure		662 543	500 595	504 043	68 273	414 366	252 275	162 091	64%	504 043
Capital Expenditure - Functional Classification										
Governance and administration		1 943	4 348	4 348	-	52	2 174	(2 122)	-98%	4 348
Executive and council		167	-	-	-	-	-	-	-	-
Finance and administration		1 621	4 348	4 348	-	52	2 174	(2 122)	-98%	4 348
Internal audit		155	-	-	-	-	-	-	-	-
Community and public safety		286	174	174	-	-	87	(87)	-100%	174
Community and social services		286	174	174	-	-	87	(87)	-100%	174
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		75	2 307	2 289	-	-	1 147	(1 147)	-100%	2 289
Planning and development		75	2 307	2 289	-	-	1 147	(1 147)	-100%	2 289
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		660 239	493 766	497 232	68 273	414 314	248 866	165 448	66%	497 232
Energy sources		-	-	-	-	-	-	-	-	-
Water management		660 239	493 766	497 232	68 273	414 314	248 866	165 448	66%	497 232
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	662 543	500 595	504 043	68 273	414 366	252 275	162 091	64%	504 043
Funded by:										
National Government		660 294	496 073	499 521	68 273	414 314	250 014	164 300	66%	499 521
Provincial Government		277	174	174	-	-	87	(87)	-100%	174
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		9	-	-	-	-	-	-	-	-
Transfers recognised - capital		660 580	496 247	499 695	68 273	414 314	250 101	164 213	66%	499 695
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		1 963	4 348	4 348	-	52	2 174	(2 122)	-98%	4 348
Total Capital Funding		662 543	500 595	504 043	68 273	414 366	252 275	162 091	64%	504 043



### 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 **six months** baseline projection or year-to-date budget of **R2.1 million**. A variance of **R2.1 million** or **98%** is observed. The reason for variance is that procurement of Computers, ICT infrastructure and Furniture is still in progress, No acquisition to date. No Adjustment needed.

### 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 **six months** baseline projection or year-to-date budget of **R87 thousand**. A variance of **R87 thousand** or **100%** is observed. The procurement of Arts centre equipment is in progress. No Adjustment needed.

### 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 **six months** baseline projection or year-to-date budget of **R1.1 million**. A variance of **R1.1 million** or **100%** is observed.

The Procurement is still in progress and its at the adjudication stage. There is no Ajustment needed

### Trading services

Trading services year-to-date actual is **R414.3 million** which is **84%** of the approved budget. the **R414.3 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R248.8 million**. A variance of **R165.4 million** or **66%** is observed. This depends on grants spending and when each trench will be received.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	220 722 693	199 051 999	110 361 347	88 690 652.05	80%	90%
Regional Bulk Infrastructure (RBIG)	186 086 957	141 099 265	93 043 479	48 055 786.31	52%	76%
Water services infrastructure Grant (WSIG)	86 956 521	74 162 398	43 478 261	30 684 137.58	71%	85%
Rural Roads Asset Managemnt Systems Grant	2 306 957	-	1 153 479	-1 153 478.50	-100%	0%
Art centre Subsisies (Indonsa Grant)	173 913	-	86 957	-86 956.50	-100%	0%
Other Assets	4 347 827	51 871	2 173 914	-2 122 042.49	-98%	1%
<b>Total Operating Expenditure</b>	<b>500 594 868</b>	<b>414 365 532</b>	<b>250 297 434</b>	<b>164 068 098.45</b>	<b>66%</b>	<b>83%</b>

### 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 VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	259 542 000	226 694 611	129 771 000	96 923 611.41	75%	87%
Regional Bulk Infrastructure (RBIG)	214 000 000	160 786 404	106 999 998	53 786 405.78	50%	75%
Water services infrastructure Grant (WSIG)	100 000 000	84 608 953	50 000 000	34 608 953.36	69%	85%
Rural Roads Asset Managemnt Systems Grant	2 653 000	5 412	1 326 498	-1 321 086.33	-100%	0%
Indonsa Grant	200 000	-	100 000	-100 000.00	0%	0%
Other Assets	5 000 000	51 871	2 500 000	-2 448 128.99		
<b>Total Capital Grant Expenditure</b>	<b>581 395 000</b>	<b>472 147 251</b>	<b>290 697 496</b>	<b>181 449 755.23</b>	<b>62%</b>	<b>81%</b>

Overall capital grant expenditure is sitting at **81%** of the approved capital budget, **MIG** is sitting at **87%**, **RBIG** at **75%**, **WSIG** at **85%**, **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 - M06 December

Description	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									
<b>Financial Performance</b>									
Property rates	–	–	–	–	–	–	–		–
Service charges	74 901	86 026	86 026	6 997	39 489	43 013	(3 524)	-8%	86 026
Investment revenue	15 458	7 500	7 500	153	3 961	3 750	211	6%	7 500
Transfers and subsidies - Operational	746 444	768 030	768 030	242 542	535 959	384 015	151 944	0	768 030
Other own revenue	9 969	4 113	4 113	175	1 565	2 057	(492)	-24%	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>846 773</b>	<b>865 670</b>	<b>865 670</b>	<b>249 867</b>	<b>580 974</b>	<b>432 835</b>	<b>148 139</b>	<b>34%</b>	<b>865 670</b>
Employee costs	315 050	310 172	310 172	28 206	165 480	155 087	10 402	7%	310 172
Remuneration of Councillors	10 362	9 465	9 465	875	5 442	4 733	709	15%	9 465
Depreciation and amortisation	217 413	91 315	91 315	22 699	56 032	45 657	10 375	23%	91 315
Interest	7 149	7 013	7 013	4 032	6 022	3 507	2 516	72%	7 013
Inventory consumed and bulk purchases	45 330	25 226	24 934	5 741	5 321	12 425	(7 104)	-57%	24 934
Transfers and subsidies	3 534	2 100	2 365	24	116	1 280	(1 164)	-91%	2 365
Other expenditure	646 873	322 345	318 921	53 870	200 688	159 154	41 534	26%	318 921
<b>Total Expenditure</b>	<b>1 245 711</b>	<b>767 636</b>	<b>764 185</b>	<b>115 445</b>	<b>439 111</b>	<b>381 843</b>	<b>57 268</b>	<b>15%</b>	<b>764 185</b>
<b>Surplus/(Deficit)</b>	<b>(398 939)</b>	<b>98 033</b>	<b>101 484</b>	<b>134 421</b>	<b>141 862</b>	<b>50 992</b>	<b>90 870</b>	<b>178%</b>	<b>101 484</b>
Transfers and subsidies - capital (monetary allocations)	768 386	576 195	576 195	81 818	417 498	288 097	129 400	45%	576 195
Transfers and subsidies - capital (in-kind)	9	–	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>369 457</b>	<b>674 228</b>	<b>677 679</b>	<b>216 240</b>	<b>559 360</b>	<b>339 090</b>	<b>220 271</b>	<b>65%</b>	<b>677 679</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>369 457</b>	<b>674 228</b>	<b>677 679</b>	<b>216 240</b>	<b>559 360</b>	<b>339 090</b>	<b>220 271</b>	<b>65%</b>	<b>677 679</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	662 543	500 595	504 043	68 273	414 366	252 275	162 091	64%	504 043
Capital transfers recognised	660 580	496 247	499 695	68 273	414 314	250 101	164 213	66%	499 695
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	1 963	4 348	4 348	–	52	2 174	(2 122)	-98%	4 348
<b>Total sources of capital funds</b>	<b>662 543</b>	<b>500 595</b>	<b>504 043</b>	<b>68 273</b>	<b>414 366</b>	<b>252 275</b>	<b>162 091</b>	<b>64%</b>	<b>504 043</b>
<b>Financial position</b>									
Total current assets	197 536	612 157	612 157		218 002				612 157
Total non current assets	5 426 188	5 319 119	5 322 567		5 784 521				5 322 567
Total current liabilities	547 789	468 129	468 129		361 110				468 129
Total non current liabilities	127 450	154 477	154 477		133 568				154 477
Community wealth/Equity	5 049 921	4 634 441	4 634 441		5 507 845				4 634 441
<b>Cash flows</b>									
Net cash from/(used) operating	2 937 672	742 935	742 935	172 439	965 932	371 468	(594 464)	-160%	742 935
Net cash from/(used) investing	(661 863)	(500 595)	(500 595)	(68 273)	(414 366)	(250 297)	164 068	-66%	(500 595)
Net cash from/(used) financing	89 475	(18 093)	(18 093)	(8 856)	(9 419)	(9 047)	372	-4%	(18 093)
Cash/cash equivalents at the month/year end	2 337 857	31 462	31 462	599 219	599 219	(80 662)	(679 880)	843%	281 318
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	7 996	7 489	5 955	6 219	5 566	5 633	27 876	151 071	217 806
<b>Creditors Age Analysis</b>									
Total Creditors	4 802	12 064	15 260	–	–	–	–	–	32 126

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		759 290	769 935	769 935	242 775	537 170	384 967	152 202	40%	769 935
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		759 290	769 935	769 935	242 775	537 170	384 967	152 202	40%	769 935
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		2 285	3 215	3 215	27	146	1 608	(1 462)	-91%	3 215
Community and social services		2 179	1 911	1 911	—	2	956	(954)	-100%	1 911
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		107	1 304	1 304	27	144	652	(508)	-78%	1 304
<i>Economic and environmental services</i>		3 112	2 721	2 721	5	5	1 360	(1 355)	-100%	2 721
Planning and development		3 112	2 721	2 721	5	5	1 360	(1 355)	-100%	2 721
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		848 437	665 936	665 936	88 870	461 127	332 968	128 159	38%	665 936
Energy sources		—	—	—	—	—	—	—	—	—
Water management		832 056	647 830	647 830	87 297	451 815	323 915	127 900	39%	647 830
Waste water management		16 380	18 106	18 106	1 573	9 311	9 053	258	3%	18 106
Waste management		—	—	—	—	—	—	—	—	—
<i>Other</i>	4	2 045	57	57	8	23	29	(5)	-19%	57
<b>Total Revenue - Functional</b>	2	1 615 168	1 441 865	1 441 865	331 685	998 471	720 932	277 539	38%	1 441 865
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		430 254	312 391	313 396	49 220	171 873	156 455	15 418	10%	313 396
Executive and council		70 641	35 144	35 112	3 309	20 575	17 560	3 015	17%	35 112
Finance and administration		306 758	248 883	249 920	40 844	122 889	124 713	(1 824)	-1%	249 920
Internal audit		52 855	28 364	28 364	5 067	28 409	14 182	14 227	100%	28 364
<i>Community and public safety</i>		27 210	28 084	27 899	2 186	12 491	13 989	(1 497)	-11%	27 899
Community and social services		9 284	9 176	9 176	782	3 559	4 588	(1 029)	-22%	9 176
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		7 301	6 234	6 234	593	3 868	3 117	751	24%	6 234
Housing		—	—	—	—	—	—	—	—	—
Health		10 625	12 674	12 489	812	5 065	6 284	(1 219)	-19%	12 489
<i>Economic and environmental services</i>		29 375	22 960	22 588	1 682	10 242	11 389	(1 147)	-10%	22 588
Planning and development		29 375	22 960	22 588	1 682	10 242	11 389	(1 147)	-10%	22 588
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		746 125	393 586	390 117	61 689	239 651	194 810	44 841	23%	390 117
Energy sources		—	—	—	—	—	—	—	—	—
Water management		733 509	378 362	379 893	60 798	234 671	188 915	45 756	24%	379 893
Waste water management		12 616	15 224	10 224	891	4 980	5 895	(916)	-16%	10 224
Waste management		—	—	—	—	—	—	—	—	—
<i>Other</i>		12 748	10 615	10 185	668	4 854	5 200	(346)	-7%	10 185
<b>Total Expenditure - Functional</b>	3	1 245 711	767 636	764 185	115 445	439 111	381 843	57 268	15%	764 185
<b>Surplus/ (Deficit) for the year</b>		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0.6495943	677 679

## MBRR Table C2 – Monthly Budget Statement Financial Performance (revenue and expenditure by functional classification)

Table C2 is a view of the actual financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then

classified in terms of each of these functional and the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on table C4.

**DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December**

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										
Revenue by Vote	1									
Vote 01 - Council		—	—	—	—	—	—	—	—	—
Vote 02 - Corporate Services		105 559	89 962	89 962	19 080	29 219	44 981	(15 762)	-35.0%	89 962
Vote 03 - Finance		655 776	680 030	680 030	223 702	507 974	340 015	167 959	49.4%	680 030
Vote 04 - Community Development		2 285	3 215	3 215	27	146	1 608	(1 462)	-90.9%	3 215
Vote 05 - Planning & W&S		775 606	581 490	581 490	81 818	421 156	290 745	130 411	44.9%	581 490
Vote 06 - Technical Services		—	—	—	—	—	—	—	—	—
Vote 07 - Water Purification		—	—	—	—	—	—	—	—	—
Vote 08 - Water Distribution		59 562	69 061	69 061	5 485	30 665	34 530	(3 865)	-11.2%	69 061
Vote 09 - Waste Water		16 380	18 106	18 106	1 573	9 311	9 053	258	2.9%	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	331 685	998 471	720 932	277 539	38.5%	1 441 865
Expenditure by Vote	1									
Vote 01 - Council		80 188	45 311	45 266	4 267	26 244	22 638	3 606	15.9%	45 266
Vote 02 - Corporate Services		273 176	211 286	211 286	35 986	115 394	105 644	9 750	9.2%	211 286
Vote 03 - Finance		76 196	59 309	59 059	8 789	30 238	29 530	708	2.4%	59 059
Vote 04 - Community Development		58 981	47 801	48 046	4 126	23 872	24 031	(159)	-0.7%	48 046
Vote 05 - Planning & W&S		31 915	27 462	24 064	1 545	9 808	11 766	(1 958)	-16.6%	24 064
Vote 06 - Technical Services		5 354	5 758	5 750	525	2 079	2 875	(797)	-27.7%	5 750
Vote 07 - Water Purification		50 293	47 565	47 573	4 631	26 670	23 786	2 883	12.1%	47 573
Vote 08 - Water Distribution		656 993	307 920	312 917	54 686	199 828	155 677	44 151	28.4%	312 917
Vote 09 - Waste Water		12 616	15 224	10 224	891	4 980	5 895	(916)	-15.5%	10 224
Vote 10 - .		—	—	—	—	—	—	—	—	—
Vote 11 - .		—	—	—	—	—	—	—	—	—
Vote 12 - ,		—	—	—	—	—	—	—	—	—
Vote 13 - ,		—	—	—	—	—	—	—	—	—
Vote 14 - *		—	—	—	—	—	—	—	—	—
Vote 15 - Other		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	1 245 711	767 636	764 185	115 445	439 111	381 843	57 268	15.0%	764 185
Surplus/ (Deficit) for the year	2	369 457	674 228	677 679	216 240	559 360	339 090	220 271	65.0%	677 679

### **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) - M06 December

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										
Revenue										
Exchange Revenue										
Service charges - Electricity								—		
Service charges - Water		58 877	68 294	68 294	5 431	30 318	34 147	(3 829)	-11%	68 294
Service charges - Waste Water Management		16 024	17 732	17 732	1 566	9 172	8 866	306	3%	17 732
Service charges - Waste management								—		
Sale of Goods and Rendering of Services		760	578	578	—	114	289	(175)	-60%	578
Agency services								—		
Interest								—		
Interest earned from Receivables		691	823	823	63	393	411	(19)	-5%	823
Interest from Current and Non Current Assets		15 458	7 500	7 500	153	3 961	3 750	211	6%	7 500
Dividends								—		
Rent on Land								—		
Rental from Fixed Assets		559	504	504	41	248	252	(4)	-2%	504
Licence and permits		107	176	176	27	144	88	56	64%	176
Operational Revenue		594	565	565	8	324	283	41	15%	565
Non-Exchange Revenue								—		
Property rates								—		
Surcharges and Taxes		—	—	—	—	—	—	—		—
Fines, penalties and forfeits		875	1 467	1 467	36	338	733	(395)	-54%	1 467
Licence and permits								—		
Transfers and subsidies - Operational		746 444	768 030	768 030	242 542	535 959	384 015	151 944	40%	768 030
Interest		—	—	—	—	—	—	—		—
Fuel Levy								—		
Operational Revenue		—	—	—	—	—	—	—		—
Gains on disposal of Assets		680	—	—	—	—	—	—		—
Other Gains		5 704	—	—	—	3	—	3	#DIV/0!	—
Discontinued Operations								—		
Total Revenue (excluding capital transfers and contributions)		846 773	865 670	865 670	249 867	580 974	432 835	148 139	34%	865 670
Expenditure By Type										
Employee related costs		315 060	310 172	310 172	28 206	165 490	155 087	10 402	7%	310 172
Remuneration of councillors		10 362	9 465	9 465	875	5 442	4 733	709	15%	9 465
Bulk purchases - electricity		—	—	—	—	—	—	—		—
Inventory consumed		45 330	25 226	24 934	5 741	5 321	12 425	(7 104)	-57%	24 934
Debt impairment		30 812	6 000	6 000	—	—	3 000	(3 000)	-100%	6 000
Depreciation and amortisation		217 413	91 315	91 315	22 699	56 032	45 657	10 375	23%	91 315
Interest		7 149	7 013	7 013	4 032	6 022	3 507	2 516	72%	7 013
Contracted services		370 958	203 358	201 100	35 159	104 808	100 031	4 777	5%	201 100
Transfers and subsidies		3 534	2 100	2 365	24	116	1 280	(1 164)	-91%	2 365
Irrecoverable debts written off		8 134	—	—	—	—	—	—		—
Operational costs		236 463	112 988	111 821	18 711	95 879	56 123	39 756	71%	111 821
Losses on Disposal of Assets		506	—	—	—	—	—	—		—
Other Losses		—	—	—	—	—	—	—		—
Total Expenditure		1 245 711	767 636	764 185	115 445	439 111	381 843	57 268	15%	764 185
Surplus/(Deficit)		(398 939)	98 033	101 484	134 421	141 862	50 992	90 870	0	101 484
Transfers and subsidies - capital (monetary allocations)		768 386	576 195	576 195	81 818	417 498	288 097	129 400	0	576 195
Transfers and subsidies - capital (in-kind)		9	—	—	—	—	—	—		—
Surplus/(Deficit) after capital transfers & contributions		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0	677 679
Income Tax								—		
Surplus/(Deficit) after income tax		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0	677 679
Share of Surplus/Deficit attributable to Joint Venture								—		
Share of Surplus/Deficit attributable to Minorities								—		
Surplus/(Deficit) attributable to municipality		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0	677 679
Share of Surplus/Deficit attributable to Associate								—		
Intercompany/Parent subsidiary transactions								—		
Surplus/ (Deficit) for the year		369 457	674 228	677 679	216 240	559 360	339 090	220 271	0	677 679

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) - M06 December

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									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Council		-	-	-	-	-	-	-		-
Vote 02 - Corporate Services		155	-	-	-	-	-	-		-
Vote 03 - Finance		-	-	-	-	-	-	-		-
Vote 04 - Community Development		-	-	-	-	-	-	-		-
Vote 05 - Planning & M&A		-	-	-	-	-	-	-		-
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		-	-	-	-	-	-	-		-
<b>Total Capital Multi-year expenditure</b>	4,7	155	-	-	-	-	-	-		-
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Council		167	-	-	-	-	-	-		-
Vote 02 - Corporate Services		1 551	3 478	3 478	-	24	1 739	(1 715)	-99%	3 478
Vote 03 - Finance		70	870	870	-	28	435	(407)	-94%	870
Vote 04 - Community Development		286	174	174	-	-	87	(87)	-100%	174
Vote 05 - Planning & M&A		660 234	499 900	499 521	68 273	414 314	250 014	164 300	66%	499 521
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		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	662 368	500 595	504 043	68 273	414 366	252 275	162 091	64%	504 043
<b>Total Capital Expenditure</b>		662 543	500 595	504 043	68 273	414 366	252 275	162 091	64%	504 043
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		1 943	4 348	4 348	-	52	2 174	(2 122)	-95%	4 348
Executive and council		167	-	-	-	-	-	-		-
Finance and administration		1 621	4 348	4 348	-	52	2 174	(2 122)	-95%	4 348
Internal audit		155	-	-	-	-	-	-		-
<i>Community and public safety</i>		286	174	174	-	-	87	(87)	-100%	174
Community and social services		286	174	174	-	-	87	(87)	-100%	174
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		75	2 307	2 289	-	-	1 147	(1 147)	-100%	2 289
Planning and development		75	2 307	2 289	-	-	1 147	(1 147)	-100%	2 289
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		660 239	493 766	497 232	68 273	414 314	248 966	165 448	66%	497 232
Energy services		-	-	-	-	-	-	-		-
Water management		660 239	493 766	497 232	68 273	414 314	248 966	165 448	66%	497 232
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	3	662 543	500 595	504 043	68 273	414 366	252 275	162 091	64%	504 043
<b>Funded by:</b>										
National Government		660 234	496 073	499 521	68 273	414 314	250 014	164 300	66%	499 521
Provincial Government		277	174	174	-	-	87	(87)	-100%	174
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		9	-	-	-	-	-	-		-
Transfers recognised - capital		660 580	496 247	499 695	68 273	414 314	250 101	164 213	66%	499 695
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		1 953	4 348	4 348	-	52	2 174	(2 122)	-95%	4 348
<b>Total Capital Funding</b>		662 543	500 595	504 043	68 273	414 366	252 275	162 091	64%	504 043

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 - M06 December

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		57 071	417 029	417 029	40 497	417 029
Trade and other receivables from exchange transactions		36 516	79 729	79 729	61 413	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	15 720	2 824
VAT		64 744	80 813	80 813	66 008	80 813
Other current assets		29 542	24 653	24 653	28 783	24 653
<b>Total current assets</b>		<b>197 536</b>	<b>612 157</b>	<b>612 157</b>	<b>218 002</b>	<b>612 157</b>
<b>Non current assets</b>						
Investments						
Investment property						
Property, plant and equipment		5 418 333	5 311 270	5 314 718	5 776 678	5 314 718
Biological assets						
Living and non-living resources		7 817	7 817	7 817	7 817	7 817
Heritage assets		28	32	32	16	32
Intangible assets		—	—	—	—	—
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		10	—	—	10	—
<b>Total non current assets</b>		<b>5 426 188</b>	<b>5 319 119</b>	<b>5 322 567</b>	<b>5 784 521</b>	<b>5 322 567</b>
<b>TOTAL ASSETS</b>		<b>5 623 724</b>	<b>5 931 276</b>	<b>5 934 724</b>	<b>6 002 523</b>	<b>5 934 724</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Financial liabilities		18 789	1 556	1 556	9 380	1 556
Consumer deposits		3 381	3 702	3 702	3 369	3 702
Trade and other payables from exchange transactions		487 699	450 406	450 406	258 908	450 406
Trade and other payables from non-exchange transactions		1 448	—	—	49 375	—
Provision		34 940	2 154	2 154	34 940	2 154
VAT		1 535	10 311	10 311	5 139	10 311
Other current liabilities		—	—	—	—	—
<b>Total current liabilities</b>		<b>547 789</b>	<b>468 129</b>	<b>468 129</b>	<b>361 110</b>	<b>468 129</b>
<b>Non current liabilities</b>						
Financial liabilities		80 455	80 589	80 589	86 573	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		—	—	—	—	—
<b>Total non current liabilities</b>		<b>127 450</b>	<b>154 477</b>	<b>154 477</b>	<b>133 568</b>	<b>154 477</b>
<b>TOTAL LIABILITIES</b>		<b>675 239</b>	<b>622 606</b>	<b>622 606</b>	<b>494 678</b>	<b>622 606</b>
<b>NET ASSETS</b>	2	<b>4 948 485</b>	<b>5 308 670</b>	<b>5 312 118</b>	<b>5 507 845</b>	<b>5 312 118</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		5 049 921	4 634 441	4 634 441	5 507 845	4 634 441
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>5 049 921</b>	<b>4 634 441</b>	<b>4 634 441</b>	<b>5 507 845</b>	<b>4 634 441</b>

## 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

The cashbook balance as at 31 December 2024 indicates bank balance of **R10.4 million**

### Call Investments Deposits

Call investments as at 31 December 2024 is **R30 million**.

### Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R61.4 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R217.8 million**. Consumer debtors' amount to **R306.5 million** of this amount **R30.4 million** is for receivables from non exchange

Gross Consumer debtors	R289.08 million
Less Impairment	(R227.6 million)
<b>Net Consumer Debtors</b>	<b>R61.4 million</b>

### Classification of Consumer Debtors per Service type

Water Debtors	R24.3 million
Sanitation Debtors	R6.1 million
Property Rentals Debtors	R87.4 thousand
Other Consumer debtors	R350 thousand
Prepayments	R30.4 million
<b>Total</b>	<b>R61.4 million</b>

#### ➤ Water Debtors

Net Water debtors after considering provision for bad debts amount to **R24.3 million**. Water debtors amount owed by consumers for water services billed.

Gross Water Debtors	R205.2 million
Less Impairment	(R180.8 million)
<b>Net Water Debtors</b>	<b>R24.3 million</b>

#### ➤ Sanitation Debtors

Net Sanitation debtors after considering provision for bad debts amount to **R6.1 million**. Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R52.3 million
Less Impairment	(R46.2 million)
<b>Net Sanitation Debtors</b>	<b>R6.1 million</b>

➤ **Property Rentals Debtors**

These debtors accumulated from property rentals amount to **R87.4 thousand**

Property Rental	R405.9 thousand
Less Impairment	(R318.4 thousand)
<b>Net Property rental</b>	<b>R87.4 thousand</b>

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R312.6 thousand**, these are sundry debtors.

Gross Other Debtors	R627.5 thousand
Less Impairment	(R277.5 thousand)
<b>Net Other Debtors</b>	<b>R350 thousand</b>

➤ **Other receivables from exchange**

These are debtors accumulated from Eskom accounts, Training and Maintenance with credit balances amounts to **R30.4 million**

Prepay/Adv: Recov emp: Opening balance	R1.4 million
Other receivables from exchange	R28.4 million
Monthly Billing	R181 thousand
Less Impairment	(R0)
Closing Balance	R366 thousand
<b>Net other receivables from exchange</b>	<b>R30.4 million</b>

**Classification of Consumer Debtors per Customer group**

Households	R204.4 million
Commercial/Businesses	R 19.3 million
Organs of State (excl shared services of R3.9 mill)	R 38.1 million
<b>Total</b>	<b>R261.9 million</b>

**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 **R15.7 million**. Inventories include water stock and consumable stores.

**VAT Receivable**

VAT Receivable amounts to **R66 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 **R28.7 million**.

Deposits Made	R19.4 million
Refunds & under/over banking	R9.3 million
Salary advance	R44.9 thousand
Operating lease	R5.2 thousand
Accrued interest	R13.3 thousand
<b>Total</b>	<b>R28.7 million</b>

#### ➤ Deposits Made

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

Eskom Deposits	<b>R19.2 million</b>
Stowell Deposits	<b>R200 thousand</b>

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 **R9.3 million**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

Shared services debtors	<b>R3.3 million</b>
Under/over banking	<b>R5.9 million</b>
Refunds	<b>R46 thousand</b>

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.

#### ➤ Operating lease

Operating lease amounts to **R5.2 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 **R5.3 million**.

<b>Opening balance</b>	<b>R5.3 billion</b>
Additions	R414.3 million
Depreciation	(R56 million)
<b>Closing Balance</b>	<b>R5.7 billion</b>

### **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 **R16 thousand**

<b>Opening balance</b>	<b>R16 thousand</b>
Additions	R 0
Depreciation	(R0)
<b>Closing Balance</b>	<b>R16 thousand</b>

### **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 **R9.3 million**.

Loan repayment	R8.8 million
Finance lease BCX	R523.6 thousand
<b>Total Financial liabilities</b>	<b>R9.3 million</b>
<b>Opening balance</b>	<b>R18.7 million</b>
Payment	(R9.4 million)
<b>Closing Balance</b>	<b>R9.3 million</b>

### 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 **R258.9 million**.

Trade Creditors	R47.8 million
Retention	R104.3 million
Department of Water & Sanitation	R103.4 million
Employee related cost	R832.3 thousand
Advance Payments	R1.8 million
Salary Suspense Accounts	R200.1 thousand
Other Suspense account	R0
Refund	R738 thousand
Leave accrual	R109 thousand
Unpaid cheque	R434.6 thousand
Sessions	R596.6 thousand
Closing Balance	<b>R258.9 million</b>

### 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 **R49.3 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
<b>Total</b>	<b>R34.9 million</b>

### VAT Payables

VAT payable amount to **R5.1 million**, this is the amount paid when output VAT is recognized as 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 **R86.5 million**.

Long term loan	R85.5 million
Operating lease long term BCX	R165.1 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 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	R13.2 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 **R5.5 billion**

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates								-		
Service charges		32 466	60 766	60 766	2 881	18 292	30 383	(12 091)	-40%	60 766
Other revenue		2 051 105	121 898	121 898	40 958	734 688	60 949	673 740	1105%	121 898
Transfers and Subsidies - Operational		746 330	768 030	768 030	242 515	537 635	384 015	153 620	40%	768 030
Transfers and Subsidies - Capital		768 386	576 195	576 195	64 992	463 563	288 097	175 466	61%	576 195
Interest		18 397	7 995	7 995	160	4 022	3 997	24	1%	7 995
Dividends								-		
Payments										
Suppliers and employees		(679 012)	(789 533)	(789 533)	(179 067)	(792 268)	(394 767)	397 501	-101%	(789 533)
Interest								-		
Transfers and Subsidies		-	(2 415)	(2 415)	-	-	(1 208)	(1 208)	100%	(2 415)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		2 937 672	742 935	742 935	172 439	965 932	371 468	(594 464)	-160%	742 935
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
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)	(68 273)	(414 366)	(250 297)	164 068	-66%	(500 595)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		(661 863)	(500 595)	(500 595)	(68 273)	(414 366)	(250 297)	164 068	-66%	(500 595)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		100 000	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(9)	3	3	0	(10)	2	(11)	-687%	3
Payments										
Repayment of borrowing		(10 516)	(18 093)	(18 093)	(8 856)	(9 409)	(9 048)	361	-4%	(18 093)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		89 475	(18 093)	(18 093)	(8 856)	(9 419)	(9 047)	372	-4%	(18 093)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		2 365 284	224 247	224 247	95 310	542 148	112 124			224 247
Cash/cash equivalents at beginning:		(27 427)	(192 785)	(192 785)	503 909	57 071	(192 785)			57 071
Cash/cash equivalents at month/year end:		2 337 857	31 462	31 462	599 219	599 219	(80 662)			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 year's actual collection and initiatives the Municipality has taken to improve collection. The Municipality has collected **R18.2 million** to date, which is **30%** of the budgeted collection. From the year-to-date billing of **R39.4 million** on table C4 **46%** has been collected to date.

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

- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality has a revised revenue enhancement strategy
- The municipality has an external debt collector to assist with the collection
- The Municipality has replaced and installed new meters to ensure billing is accurate and not estimated.
- Municipality has adopted an indigent policy and is in a process to write off indigent households.
- The municipality has 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 **R537.6 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far under Transfers and subsidies – Operational.

Equitable share	R502.6 million
FMG	R1.2 million
EPWP	R3.6 million
AMAFA Research	R162 thousand
Indonsa Grant	R955 thousand
LG SETA	R723.6 thousand
NSF	R28.2 million
<b>TOTAL</b>	<b>R537.6 million</b>



### 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 **R463.5 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	R181.7 million
Regional Bulk Infrastructure Grant	R205 million
Water Services Infrastructure Grant	R 75 million
Rural Road	R1.8 million
<b>TOTAL</b>	<b>R463.5 million</b>

### 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 **R4 million**. Interest on investment revenue on table C4 is **R3.9 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 **R414.3 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 the 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 **R40.4 million** in the financial position but in the cash flow, it is **R599.2 million**.

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

## PART 2 – SUPPORTING DOCUMENTATION

## 2.1. DEBTORS ANALYSIS

### Debtors age analysis as of 31 December 2024

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description		NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water		1200	6 303	6 051	4 736	4 979	4 470	4 501	22 677	150 150	203 808	186 776	—	194 421
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	1 612	1 359	1 140	1 161	1 018	1 004	4 742	—	12 035	7 925	—	50 000
Receivables from Exchange Transactions - Waste Management		1600	—	—	—	—	—	—	—	—	—	—	—	—
Receivables from Exchange Transactions - Property Rental Debtors		1700	18	17	17	17	17	46	183	74	390	338	—	357
Interest on Arrears Debtor Accounts		1810	63	64	62	63	62	80	274	848	1 515	1 326	—	—
Recoverable unauthorised, irregular, fruitless and wasteful expenditure		1820	—	—	—	—	—	—	—	—	—	—	—	—
Other		1900	—	—	—	—	—	—	—	—	—	—	—	343
Total By Income Source		2000	7 986	7 489	5 955	6 219	5 586	5 633	27 876	151 071	217 806	198 365	—	245 121
2023/24 - totals only			12931316	5475972	4421086	3537151	3700432	3652088	17571846	186787095	221 377	198 549	0	107876161
Debtors Age Analysis By Customer Group														
Organs of State		2200	2 864	2 993	2 207	2 761	1 597	1 341	6 627	17 761	36 150	30 087	—	—
Commercial		2300	1 289	829	587	533	472	606	2 597	12 429	19 342	16 637	—	—
Households		2400	3 860	3 686	3 273	3 037	3 531	3 668	18 973	164 170	204 418	193 570	—	—
Other		2500	—	—	—	—	—	—	—	—	—	—	—	—
Total By Customer Group		2600	8 043	7 507	6 067	6 331	5 600	5 605	28 197	194 360	261 910	240 294	—	—

Total debtors' amount to R221.3 million, which is an increase of R3 million from the closing balance of R218.3 million. The debtors over 90 days amount to R198.5 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 31 December 2024

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	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	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	4 802	12 064	15 260	-	-	-	-	-	32 126	
Auditor General	0800									-	
Other	0900									-	
Medical Aid deductions										-	
Total By Customer Type	1000	4 802	12 064	15 260	-	-	-	-	-	32 126	-

## 2.3 INVESTMENT PORTFOLIO

### Investments as at 31 December 2024

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of Institution & Investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
<b>Municipality</b>														
ABSA - 9389804742			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	N/A	-	-	-	80 000	80 000
Nedbank - 1766000020			Investment Tracker	Yes	Variable interest rate	0.0908	N/A	N/A	05 September 2024	80 000	-	-	30 000	120 000
ABSA - 2081673418			Investment Tracker	Yes	Variable interest rate	0.083	N/A	N/A	04 October 2024	120 000	-	-	30 000	150 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	N/A	150 000	-	-	79 053	229 053
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	19 July 2024	229 053	-	(11 500)	-	217 553
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	24 July 2024	217 553	-	(18 500)	-	199 053
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	30 July 2024	199 053	-	(40 000)	-	159 053
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	03 September 2024	159 053	-	(70 000)	-	89 053
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	03 September 2024	89 053	-	(9 053)	-	80 000
Nedbank - 1766000020			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	05 September 2024	80 000	-	(30 000)	-	50 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	05 September 2024	50 000	-	-	25 000	75 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	11 September 2024	75 000	-	(10 000)	-	65 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	1.089	N/A	N/A	01 October 2024	65 000	-	(10 000)	-	55 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	2.089	N/A	N/A	02 October 2024	55 000	-	(5 000)	-	50 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	1.089	N/A	N/A	04 October 2024	50 000	-	(30 000)	-	20 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	2.089	N/A	N/A	07 October 2024	20 000	-	-	20 000	40 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	2.089	N/A	N/A	09 October 2024	40 000	-	(11 000)	-	29 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	3.089	N/A	N/A	17 October 2024	29 000	-	(3 000)	-	26 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	4.089	N/A	N/A	23 October 2024	26 000	-	(6 000)	-	20 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	5.089	N/A	N/A	24 October 2024	20 000	-	(20 000)	-	-
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	9.08	N/A	N/A	21 November 2024	30 000	-	(30 000)	30 000	-
Standard-348485874			Investment Tracker	Yes	Variable interest rate	8.05	N/A	N/A	20 January 2024	30 000	-	(30 000)	30 000	-
Municipality sub-total										-	-	(334 053)	334 053	-
<b>Entities</b>														
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									-	-	(334 053)	334 053	-

## 2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

### Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

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										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		639 948	676 614	676 614	223 470	506 798	338 307	168 491	49.8%	676 614
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		631 671	670 187	670 187	223 395	502 640	335 093	167 547	50.0%	670 187
Expanded Public Works Programme Integrated Grant		7 077	5 227	5 227	-	3 658	2 613	1 045	40.0%	5 227
Local Government Financial Management Grant		1 200	1 200	1 200	75	500	600	(100)	-16.7%	1 200
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		4 168	1 911	1 911	-	190	956	(766)	-80.2%	1 911
Capacity Building and Other Grants		4 168	1 911	1 911	-	190	956	(766)	-80.2%	1 911
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		102 328	89 505	89 505	19 072	28 972	44 753	(15 781)	-35.3%	89 505
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwaZulu Natal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Services SETA		1 694	1 259	1 259	-	724	629	94	15.0%	1 259
National Skills Fund		100 634	88 246	88 246	19 072	28 248	44 123	(15 875)	-36.0%	88 246
Unspecified		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	<b>746 444</b>	<b>768 030</b>	<b>768 030</b>	<b>242 542</b>	<b>535 959</b>	<b>384 015</b>	<b>151 944</b>	<b>39.6%</b>	<b>768 030</b>
<b>Capital Transfers and Grants</b>										
National Government:		768 386	576 195	576 195	81 818	417 498	288 097	129 400	44.9%	576 195
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		256 512	259 542	259 542	50 235	181 706	129 771	51 935	40.0%	259 542
Regional Bulk Infrastructure Grant		413 905	214 000	214 000	29 545	160 786	107 000	53 786	50.3%	214 000
Rural Road Asset Management Systems Grant		2 969	2 653	2 653	5	5	1 326	(1 321)	-99.6%	2 653
Water Services Infrastructure Grant		95 000	100 000	100 000	2 032	75 000	50 000	25 000	50.0%	100 000
Provincial Government:		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		9	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Unspecified		9	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	<b>768 386</b>	<b>576 195</b>	<b>576 195</b>	<b>81 818</b>	<b>417 498</b>	<b>288 097</b>	<b>129 400</b>	<b>44.9%</b>	<b>576 195</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>1 514 840</b>	<b>1 344 225</b>	<b>1 344 225</b>	<b>324 360</b>	<b>953 456</b>	<b>672 113</b>	<b>281 344</b>	<b>41.9%</b>	<b>1 344 225</b>

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 - M06 December

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		893 351	587 778	584 327	74 252	357 640	291 914	65 726	22.5%	584 327
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		872 475	576 385	576 382	73 068	351 048	288 194	62 854	21.8%	576 382
Expanded Public Works Programme Integrated Grant		7 077	5 227	5 227	1 111	6 088	2 614	3 475	133.0%	5 227
Local Government Financial Management Grant		1 200	1 201	1 201	74	490	600	(110)	-18.4%	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		–	–	1 500	–	9	500	(491)	-98.3%	1 500
Rural Road Asset Management Systems Grant		2 582	–	18	–	5	6	(1)	-21.6%	18
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		3 630	1 711	1 711	–	2	856	(854)	-99.8%	1 711
Capacity Building and Other Grants		3 630	1 711	1 711	–	2	856	(854)	-99.8%	1 711
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		102 328	89 505	89 505	19 071	29 182	44 753	(15 571)	-34.8%	89 505
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
KwaZulu Natal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		1 694	1 259	1 259	73	934	629	304	48.3%	1 259
National Skills Fund		100 634	88 246	88 246	18 998	28 248	44 123	(15 875)	-36.0%	88 246
Total operating expenditure of Transfers and Grants:		999 309	678 995	675 544	93 323	386 823	337 522	49 301	14.6%	675 544
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		660 294	496 073	499 521	68 273	414 314	250 014	164 300	65.7%	499 521
Municipal Infrastructure Grant		214 555	220 723	225 689	32 166	199 052	112 844	86 208	76.4%	225 689
Regional Bulk Infrastructure Grant		362 622	186 087	184 587	25 895	141 099	92 543	48 556	52.5%	184 587
Rural Road Asset Management Systems Grant		–	2 307	2 289	–	–	1 147	(1 147)	-100.0%	2 289
Water Services Infrastructure Grant		83 116	86 957	86 957	10 212	74 162	43 478	30 684	70.6%	86 957
Provincial Government:		277	174	174	–	–	87	(87)	-100.0%	174
Capacity Building and Other Grants		–	–	–	–	–	–	–	–	–
Infrastructure Grant		277	174	174	–	–	87	(87)	-100.0%	174
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		9	–	–	–	–	–	–	–	–
Unspecified		9	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		660 580	496 247	499 695	68 273	414 314	250 101	164 213	65.7%	499 695
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 659 888	1 175 242	1 175 239	161 596	801 137	587 622	213 514	36.3%	1 175 239

Most conditional grants actual year-to-date expenditure are below year-to-date budget , with exception of EPWP and RBIG year-to-date actual expenditure is above year to year-to-date budget.

### Grants Roll over

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



## 2.5 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SO6 Monthly Budget Statement - councillor and staff benefits - M09 December

Summary of Employee and Councillor remuneration	Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		517	503	503	49	293	281	12	4%	503
Medical Aid Contributions		41	41	41	6	24	21	3	17%	41
Motor Vehicle Allowance		2 224	2 012	2 012	188	1 193	1 006	187	10%	2 012
Cellphone Allowance		869	483	483	65	302	241	161	63%	483
Housing Allowances		160	180	180	—	—	90	(90)	-100%	180
Other benefits and allowances		8 542	8 187	8 187	557	3 839	3 094	445	14%	8 187
Sub Total - Councillors		10 932	9 485	9 485	875	6 442	4 733	709	18%	9 485
% Increase	4		-6.7%	-6.7%						-6.7%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		8 273	8 555	8 555	630	3 814	4 278	(464)	-11%	8 555
Pension and UIF Contributions		350	444	444	17	174	222	(48)	-22%	444
Medical Aid Contributions		117	123	123	10	83	81	1	2%	123
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		707	108	108	—	—	83	(83)	-100%	108
Motor Vehicle Allowance		2 051	1 997	1 997	161	1 009	969	10	1%	1 997
Cellphone Allowance		296	317	317	23	145	168	(13)	-6%	317
Housing Allowances		13	13	13	1	7	6	0	3%	13
Other benefits and allowances		442	249	249	22	117	125	(7)	-6%	249
Payments in lieu of leave		268	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Security		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		12 661	11 855	11 855	894	5 329	5 933	(604)	-10%	11 855
% Increase	4		-6.6%	-6.6%						-6.6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		201 024	221 624	221 624	18 190	106 428	110 962	(4 534)	-4%	221 624
Pension and UIF Contributions		27 014	24 008	24 008	2 479	14 773	12 004	2 760	23%	24 008
Medical Aid Contributions		16 886	17 029	17 029	1 603	9 045	8 515	531	6%	17 029
Overtime		6 762	5 760	5 760	724	4 768	2 860	1 878	65%	5 760
Performance Bonus		13 606	14 733	14 733	1 154	7 514	7 367	148	2%	14 733
Motor Vehicle Allowance		11 436	12 000	12 000	2 135	11 727	6 000	5 728	95%	12 000
Cellphone Allowance		801	821	821	70	419	410	8	2%	821
Housing Allowances		1 600	1 758	1 758	148	879	879	(0)	0%	1 758
Other benefits and allowances		5 465	253	253	233	1 844	1 27	1 417	1117%	253
Payments in lieu of leave		6 307	—	—	27	1 052	—	1 052	#DIV/0!	—
Long service awards		3 289	—	—	371	1 263	—	1 263	#DIV/0!	—
Post-retirement benefit obligations		5 352	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Security		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		562	—	—	311	730	—	730	#DIV/0!	—
Sub Total - Other Municipal Staff		302 469	296 307	296 307	27 842	160 160	149 164	11 008	7%	296 307
% Increase	4		-1.4%	-1.4%						-1.4%
<b>Total Parent Municipality</b>		325 412	319 637	319 637	29 081	170 932	159 820	11 112	7%	319 637
% Increase			-1.8%	-1.8%						-1.8%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Board Members of Entities</b>										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Board Fees		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Security		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Executive members Board		—	—	—	—	—	—	—	—	—
% Increase	4									
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Security		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities		—	—	—	—	—	—	—	—	—
% Increase	4									
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Security		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Staff of Entities		—	—	—	—	—	—	—	—	—
% Increase	4									
<b>Total Municipal Entities</b>		—	—	—	—	—	—	—	—	—
% Increase										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		325 412	319 637	319 637	29 081	170 932	159 820	11 112	7%	319 637
% Increase	4		-1.8%	-1.8%						-1.8%
<b>TOTAL MANAGERS AND STAFF</b>		315 060	310 172	310 172	28 206	165 460	155 087	10 402	7%	310 172

The municipality has no active entity

# ACTUAL AND REVISED TARGETS FOR RECEIPTS

DC26 Zululand - Supporting Table SO9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
<b>Cash Receipts By Source</b>																
Property rates													-			
Service charges - Electricity revenue													-			
Service charges - Water revenue		1 922	2 509	1 888	3 379	1 628	2 126	3 935	3 935	3 935	3 935	3 935	13 895	47 222	49 394	51 668
Service charges - Waste Water Management		660	812	635	876	713	755	1 129	1 129	1 129	1 129	1 129	3 260	13 544	14 167	14 819
Service charges - Waste Management													-			
Rental of facilities and equipment		37	45	45	41	41	41	90	90	90	90	90	382	1 084	1 133	1 186
Interest earned - external investments		13	328	949	2 473	44	163	625	625	625	625	625	414	7 500	7 845	8 205
Interest earned - outstanding debtors		5	10	30	3	7	7	41	41	41	41	41	228	495	517	541
Dividends received													-			
Fines, penalties and forfeits		60	42	93	98	9	36	122	122	122	122	122	517	1 467	1 534	1 605
Licences and permits		9	18	16	16	58	27	15	15	15	15	15	(41)	178	184	193
Agency services													-			
Transfers and Subsidies - Operational		280 201	2 506	724	9 176	2 514	242 515	64 003	64 003	64 003	64 003	64 003	(89 617)	788 030	711 934	751 694
Other revenue		308 666	29 319	157 169	129 358	67 379	40 854	9 931	9 931	9 931	9 931	9 931	(654 439)	119 171	115 670	152 732
<b>Cash Receipts by Source</b>		<b>592 993</b>	<b>35 599</b>	<b>161 548</b>	<b>145 430</b>	<b>72 593</b>	<b>288 514</b>	<b>79 891</b>	<b>79 891</b>	<b>79 891</b>	<b>79 891</b>	<b>79 891</b>	<b>(735 402)</b>	<b>958 669</b>	<b>902 580</b>	<b>982 942</b>
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		119 053	128 857	37 661	35 000	80 000	64 982	48 016	48 016	48 016	48 016	48 016	(127 448)	576 195	651 991	923 733
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparm/Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(12)	-	-	2	0	0	0	0	0	0	0	12	3	-	-
VAT Control (receipts)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>		<b>712 004</b>	<b>162 446</b>	<b>199 209</b>	<b>180 431</b>	<b>152 594</b>	<b>351 506</b>	<b>127 907</b>	<b>127 907</b>	<b>127 907</b>	<b>127 907</b>	<b>127 907</b>	<b>(662 640)</b>	<b>1 534 887</b>	<b>1 554 571</b>	<b>1 906 675</b>
<b>Cash Payments by Type</b>																
Employee related costs		28 229	27 583	26 353	29 018	29 396	29 059	25 848	25 848	25 848	25 848	25 848	9 315	310 172	324 440	339 364
Remuneration of councillors		994	803	833	1 071	784	900	789	789	789	789	789	137	9 465	9 901	10 356
Interest													-			
Bulk purchases - Electricity		7 119	17 024	11 255	13 098	10 123	12 073	-	-	-	-	-	(70 692)	-	-	-
Acquisitions - water & other inventory		-	-	2 095	1 215	-	1 311	2 417	2 417	2 417	2 417	2 417	12 301	29 010	30 344	31 740
Contracted services		(81 628)	(82 124)	(48 301)	(58 251)	(25 088)	(30 035)	25 765	25 765	25 765	25 765	25 765	486 983	309 181	216 989	258 482
Transfers and subsidies - other municipalities		-	-	-	-	-	-	201	201	201	201	201	-	2 415	2 526	2 642
Transfers and subsidies - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		300 058	118 530	87 702	95 281	63 109	165 450	10 809	10 809	10 809	10 809	10 809	(754 406)	129 708	135 672	141 913
<b>Cash Payments by Type</b>		<b>254 599</b>	<b>101 795</b>	<b>81 936</b>	<b>80 432</b>	<b>78 325</b>	<b>178 759</b>	<b>85 829</b>	<b>85 829</b>	<b>85 829</b>	<b>85 829</b>	<b>85 829</b>	<b>(315 013)</b>	<b>789 948</b>	<b>719 853</b>	<b>784 488</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		93 315	64 218	59 111	74 889	54 560	68 273	41 716	41 716	41 716	41 716	41 716	(122 352)	500 505	571 681	608 197
Repayment of borrowing		-	138	138	277	-	8 856	1 508	1 508	1 508	1 508	1 508	1 147	18 096	17 430	16 913
Other Cash Flows/Payments		4 705	3 825	1 754	5 282	578	308	167	167	167	167	167	(15 265)	2 000	3 000	4 000
<b>Total Cash Payments by Type</b>		<b>352 599</b>	<b>169 976</b>	<b>142 999</b>	<b>160 879</b>	<b>133 463</b>	<b>258 196</b>	<b>108 220</b>	<b>108 220</b>	<b>108 220</b>	<b>108 220</b>	<b>108 220</b>	<b>(451 503)</b>	<b>1 310 640</b>	<b>1 311 983</b>	<b>1 613 608</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>359 415</b>	<b>(7 531)</b>	<b>56 270</b>	<b>19 552</b>	<b>19 131</b>	<b>95 310</b>	<b>18 687</b>	<b>18 687</b>	<b>18 687</b>	<b>18 687</b>	<b>18 687</b>	<b>(411 337)</b>	<b>224 247</b>	<b>242 607</b>	<b>293 067</b>
Cash/cash equivalents at the month/year beginning		57 071	416 486	408 956	465 225	484 777	503 909	599 219	617 906	636 593	655 280	673 968	692 655	57 071	281 318	523 925
Cash/cash equivalents at the month/year end:		416 486	408 956	465 225	484 777	503 909	599 219	617 906	636 593	655 280	673 968	692 655	281 318	281 318	523 925	816 993

## 2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
	Service charges – Water revenue	11%	This is the amounts billed on customers for water used, the year-to-date actual is R30.3 million which is 44% of the approved budget. The R30.3 million year to date actual is below the Six months baseline projection or year-to-date budget of R34.1 million. A variance of R3.8 million or 11% is observed. The variance between approved and year to date actual result from the fact that there are customers that are billed with interim due to fault meters.	
	Service charges – Sanitation revenue	3%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R9.1 million which is 51% of the approved budget. The R9.1 million year to date actual is above the Six months baseline projection or year-to-date budget of R8.8 million. A variance of R306 thousand or 3% is observed. The Reason For the bill of sanitation being High is based on the fact that we charge businesses an Access charge-Sewerage of 40K when they have used more than Basic sewer Charge.	
	Sale of goods and rendering of service	60%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R114 thousands which is 20% of the approved budget. The R114 thousands year to date actual is below the six months baseline projection or year-to-date budget of R289 thousand. A variance of R175 thousand or 60% is observed.	There was no sale of tender documents in this period. The adjustment may be needed.
	Interest earned - outstanding debtors	5%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R393 thousand, which is 47% of the approved budget. The R393 thousand year to date actual is below the six months baseline projection or year-to-date budget of R411 thousand. A variance of R18 thousand or 5% 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	6%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R3.9 million which is 52% of the approved budget. The R3.9 million year to date actual is above the six months baseline projection or year-to-date budget of R3.7 million. A variance of R211 thousand or 6% is observed. The reason for variances on investments depends on the available investment during reporting period.	
	Rental from Fixed Assets	2%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R248 thousand which is 49% of the approved budget. The R248 thousand year to date actual is above the six months baseline projection or year-to-date budget of R252 thousand. A variance of R4 thousand or 2% is observed. The reason For Variances is Based on the fact that there are tenants that vacated the building and there are new ones that came in at different rates charged.	
	Licences and Permits	64%	Licences and permits year-to-date actual is R114 thousand which is 81% of the approved budget, the R114 thousand year to date actual is above the six months baseline projection or year-to-date budget of R88 thousand. A variance of R56 thousand or 64% is observed.	This line item depends on licences renewal and new issued permits. The adjustment may be needed
	Operational revenue	15%	Operational revenue year-to-date actual is R324 thousand which is 57% of the approved budget, the R324 thousand year to date actual is above the six months baseline projection or year-to-date budget of R282 thousand. A variance of R41 thousands or 15% is observed. The variance to this line item can be attributed to the receipt of Skills Development Levy Refund which is not benchmarked by year to date, But depends on the allocation by LGSETA.	
	Fines, penalties, and forfeits	54%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is R338 thousand which is 23% of the approved budget. The R338 thousand year to date actual is below the six months baseline projection or year-to-date budget of R733 thousand. A variance of R395 thousand or 54% 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	40%	Transfers and subsidies year to date actual is R536.9 million which is 69% of the approved budget. The R536.9 million year to date actual is below the six months baseline projection or year-to-date budget of R984. million. A variance of R151.9 million or 40% 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 tranches as per approved transfer schedule. Grants received to date is Equitable share, FMG, EPWP and Indosana art centre.	



Expenditure By Type		
Employee Related Costs	7%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R165.4 million which is 53% of the approved budget. The R165.4 million year to date actual is above the six months baseline projection or year-to-date budget of R155. million. A variance of R10.4 million or 7% is observed. The reason for salaries being high is based on Contracts employees but now are permanent.
Remuneration of Councilors	15%	Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is R5.4 million which is 57% of the approved budget. The R5.4 million year to date actual is above the six months baseline projection or year-to-date budget of R4.7 million. A variance of R709 hundreds or 15% is observed. This is the indication that the municipality is trying to spend within the budget. The result for change in Remuneration of councilors is based on the upper limits gazette.
Inventory Consumed	82%	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 R5.3 million. The R5.3 million year to date actual is below the six-month baseline projection or year-to-date budget of R12.4 million. A variance of R7.1 million or 57% is observed. This is the value we have issued from main stores. No Adjustment is needed since there is inventory in our stores to be issued.
Depreciation	23%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R56 million which is 61% of the approved budget. The R56 million year to date actual is above the six months baseline projection or year-to-date budget of R45.6 million. A variance of R10.3 million or 23% is observed. This depends on the value of assets, an Adjustment may be needed.
Finance charges	72%	Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is R6.02 million which is 85% of the approved budget, the R6.02 million year to date actual is above the Six months baseline projection or year-to-date budget of R3.7 million. A variance of R2.5 million or 72% is observed. The variance result from the payment of loan in December, the interest is high since the loan is new.
Contracted services	5%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R104.8 million which is 51% of the approved budget. The R104.8 million year to date actual is above the six months baseline projection or year-to-date budget of R100. million. A variance of R4.7 million or 5% is observed. The result for variance is that our Contractual commitments is higher than the budget provided.
Transfers and subsidies paid.	91%	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 R116 thousand which is 5% of the approved budget. The R116 thousand year to date actual is below the six months baseline projection or year-to-date budget of R1.2 million. A variance of R1.1 million or 91% is observe. It depends on the assistance given to community based on their requests.
Operational costs	71%	Operational costs are all other expenditure not classified above. The year-to-date actual is R95.8 million which is 84% of the approved budget, the R95.8 million year to date actual is above the six months baseline projection or year-to-date budget of R56.1 million. A variance of R39.7 million or 71% is observed. The variance result from operation expenditure such as Eskom municipal services, fuel etc. An Adjustment is needed

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

Capital Expenditure		
Governance and administration	98%	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 six months baseline projection or year-to-date budget of R2.1 million. A variance of R2.1 million or 98% 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 six months baseline projection or year-to-date budget of R87 thousand. A variance of R87 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 six months baseline projection or year-to-date budget of R1.1 million. A variance of R1.1 million or 100% is observed.
Trading services	66%	Trading services year-to-date actual is R414.3 million which is 84% of the approved budget. The R414.3 million year to date actual is above the six months baseline projection or year-to-date budget of R248.8 million. A variance of R165.4 million or 66% is observed.

## 2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

## 2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any active entities.

## 2.9 CAPITAL PROGRAMME PERFORMANCE

### Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	—	42 130	42 130	93 315	93 315	42 130	(51 185)	-121.5%	19%
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	41 961	41 961	74 889	74 889	168 352	93 463	55.5%	15%
November	90 763	41 961	41 961	54 560	54 560	210 313	155 754	74.1%	11%
December	101 101	41 961	41 961	68 273	68 273	252 275	184 001	72.9%	14%
January	10 678	41 961	41 961	—	—	294 236	294 236	100.0%	0%
February	10 959	41 961	41 961	—	—	336 197	336 197	100.0%	0%
March	97 963	41 961	41 961	—	—	378 159	378 159	100.0%	0%
April	53 993	41 961	41 961	—	—	420 120	420 120	100.0%	—
May	1 240	41 961	41 961	—	—	462 082	462 082	100.0%	—
June	74 867	41 961	41 961	—	—	504 043	504 043	100.0%	—
Total Capital expenditure	662 266	504 043	504 043	414 366					

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 - M06 December

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									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		660 219	496 073	499 521	66 273	414 314	250 014	(164 300)	-65.7%	499 521
Roads Infrastructure		-	2 307	2 289	-	-	1 147	1 147	100.0%	2 289
Roads		-	2 307	2 289	-	-	1 147	1 147	100.0%	2 289
Stormwater Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		660 219	499 059	497 232	66 273	414 314	247 185	(167 129)	-67.6%	497 232
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		35 737	43 631	32 670	2 531	26 755	22 258	(4 496)	-20.2%	32 670
Reservoirs		9 197	1 563	4 905	114	3 379	2 482	(997)	-36.1%	4 905
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		123 018	97 849	135 230	23 587	124 179	56 543	(67 636)	-119.0%	135 230
Bulk Mains		450 780	294 587	290 528	36 660	228 668	148 031	(80 636)	-54.5%	290 528
Distribution		41 487	45 048	33 840	5 401	31 331	17 671	(13 459)	-75.3%	33 840
Distribution Points		-	6 354	-	-	-	0	0	100.0%	-
Sanitation Infrastructure		-	4 707	-	-	-	1 681	1 681	100.0%	-
Pump Station		-	-	-	-	-	-	-	-	-
Retreatment		-	4 707	-	-	-	1 681	1 681	100.0%	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spaces		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licences		-	-	-	-	-	-	-	-	-
Solid Waste Licences		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Local Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		624	3 913	3 913	-	52	1 957	1 905	97.3%	3 913
Computer Equipment		624	3 913	3 913	-	52	1 957	1 905	97.3%	3 913
<b>Furniture and Office Equipment</b>		348	435	435	-	-	217	217	100.0%	435
Furniture and Office Equipment		348	435	435	-	-	217	217	100.0%	435
<b>Machinery and Equipment</b>		432	174	174	-	-	87	87	100.0%	174
Machinery and Equipment		432	174	174	-	-	87	87	100.0%	174
<b>Transport Assets</b>		620	-	-	-	-	-	-	-	-
Transport Assets		620	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Polking and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Polking and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	662 543	500 565	504 043	66 273	414 366	252 275	(162 091)	-64.3%	504 043

## Expenditure on Repairs and Maintenance by Asset class

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

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									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		156 830	67 193	62 227	9 199	30 123	31 114	991	3.2%	62 227
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Stormwater Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		156 830	67 193	62 227	9 199	30 123	31 114	991	3.2%	62 227
Bulk Mains		79 800	19 966	15 000	870	4 073	7 500	3 427	45.7%	15 000
Distribution Points		77 029	47 227	47 227	8 329	26 050	23 614	(2 436)	-10.3%	47 227
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		1 739	-	-	-	-	-	-	-	-
Airports		1 739	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		974	2 000	2 000	7	233	1 000	767	76.7%	2 000
Operational Buildings		974	2 000	2 000	7	233	1 000	767	76.7%	2 000
Municipal Offices		974	2 000	2 000	7	233	1 000	767	76.7%	2 000
Housing		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	300	300	-	-	150	150	100.0%	300
Furniture and Office Equipment		-	300	300	-	-	150	150	100.0%	300
<b>Machinery and Equipment</b>		-	100	165	16	101	65	(36)	-55.8%	165
Machinery and Equipment		-	100	165	16	101	65	(36)	-55.8%	165
<b>Transport Assets</b>		5 261	1 400	4 300	192	4 076	1 529	(2 548)	-166.7%	4 300
Transport Assets		5 261	1 400	4 300	192	4 076	1 529	(2 548)	-166.7%	4 300
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Poling and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Poling and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	164 805	70 993	68 992	9 415	34 533	33 857	(676)	-2.0%	68 992

## Depreciation by Asset class

DC28 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	2023/24		Budget Year 2024/25						Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		208 254	81 902	81 902	20 790	80 736	40 951	(9 767)	-23.9%	81 902
Roads Infrastructure		—	718	718	(206)	—	309	309	100.0%	718
Roads		—	718	718	(206)	—	309	309	100.0%	718
Stormwater Infrastructure		—	—	—	—	—	—	—	—	—
Electric Infrastructure		—	38	38	(14)	—	18	18	100.0%	38
LV Networks		—	38	38	(14)	—	18	18	100.0%	38
Water Supply Infrastructure		203 581	78 918	78 918	20 556	40 369	39 456	(9 941)	-25.2%	78 918
Dams and Weirs		2 231	2 785	2 785	329	1 115	1 363	277	19.5%	2 785
Boreholes		1 688	471	471	660	634	235	(599)	-254.7%	471
Reservoirs		25 236	7 028	7 028	1 638	4 240	3 513	(725)	-24.6%	7 028
Pump Stations		7 627	4 481	4 481	1 657	3 218	2 238	(980)	-20.0%	4 481
Water Treatment Works		9 141	8 834	8 834	1 557	3 574	3 912	(653)	-20.0%	8 834
Bulk Mains		122 833	35 197	35 197	10 428	23 311	17 509	(5 712)	-32.6%	35 197
Distribution		34 665	22 280	22 280	4 419	12 069	11 140	(1 528)	-13.7%	22 280
PRV Stations		80	81	81	10	40	41	0	1.0%	81
Sewerage Infrastructure		2 674	2 231	2 231	613	1 340	1 116	(224)	-20.1%	2 231
Pump Station		107	103	103	30	102	88	(15)	1.6%	103
Rehabilitation		1 666	1 717	1 717	207	843	858	15	-145.2%	1 717
Waste Water Treatment Works		790	322	322	378	305	161	(234)	—	322
Outfall Sewers		—	—	—	—	—	—	—	—	—
Tidal Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
<b>Community Assets</b>		1 226	622	622	291	606	420	(180)	-42.9%	622
Community Facilities		1 091	622	622	308	639	311	(228)	-73.9%	622
Halls		—	—	—	—	—	—	—	—	—
Centres		—	—	—	—	—	—	—	—	—
Crèches		—	—	—	—	—	—	—	—	—
Clinical Care Centres		—	—	—	—	—	—	—	—	—
Fire/Police Stations		—	—	—	—	—	—	—	—	—
Trading Stations		—	—	—	—	—	—	—	—	—
Museums		—	—	—	—	—	—	—	—	—
Galleries		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Gymnasiums/Community		—	—	—	—	—	—	—	—	—
Public		—	—	—	—	—	—	—	—	—
Public Open Space		—	—	—	—	—	—	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Abolition Facilities		—	—	—	—	—	—	—	—	—
Markets		344	—	—	172	172	—	(172)	#DIV/0!	—
Stalls		—	—	—	—	—	—	—	—	—
Airports		—	—	—	—	—	—	—	—	—
Travel/Rail/Bus Terminals		746	622	622	127	307	311	(56)	-15.0%	622
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		135	230	230	(16)	67	115	46	41.4%	230
Outdoor Facilities		135	230	230	(16)	67	115	46	41.4%	230
<b>Heritage Assets</b>		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment Properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
<b>Other Assets</b>		1 908	1 306	1 306	334	840	663	(167)	-23.0%	1 306
Operational Buildings		1 908	1 306	1 306	334	840	663	(167)	-23.0%	1 306
Municipal Offices		1 908	1 312	1 312	334	840	666	(164)	-23.0%	1 312
Play/Shop/Points		—	—	—	—	—	—	—	—	—
Building Ren Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	—	—	—
Stores		—	53	53	(20)	—	27	27	100.0%	53
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Geological or Cultivated Assets		—	—	—	—	—	—	—	—	—
<b>Intangible Assets</b>		24	20	20	5	12	10	(2)	-19.5%	20
Services		—	—	—	—	—	—	—	—	—
Leases and Rights		24	20	20	5	12	10	(2)	-19.5%	20
Water Rights		—	—	—	—	—	—	—	—	—
Effluent Licenses		—	—	—	—	—	—	—	—	—
Solid Waste Licenses		—	—	—	—	—	—	—	—	—
Computer Software and Applications		24	20	20	5	12	10	(2)	-19.5%	20
Land Settlement Software Applications		—	—	—	—	—	—	—	—	—
Unspecified		—	—	—	—	—	—	—	—	—
<b>Computer Equipment</b>		2 791	992	992	930	1 297	486	(601)	-161.6%	992
Computer Equipment		2 791	992	992	930	1 297	486	(601)	-161.6%	992
<b>Furniture and Office Equipment</b>		678	678	678	64	269	269	(2)	-0.5%	678
Furniture and Office Equipment		678	678	678	64	269	269	(2)	-0.5%	678
<b>Machinery and Equipment</b>		1 034	308	308	426	665	164	(361)	-207.2%	308
Machinery and Equipment		1 034	308	308	426	665	164	(361)	-207.2%	308
<b>Transport Assets</b>		3 903	5 241	5 241	(193)	1 665	2 621	835	35.7%	5 241
Transport Assets		3 903	5 241	5 241	(193)	1 665	2 621	835	35.7%	5 241
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
<b>Hydro Resources</b>		—	—	—	—	—	—	—	—	—
Hydro Resources		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Poling and Protection		—	—	—	—	—	—	—	—	—
Zoological plants and animals		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Poling and Protection		—	—	—	—	—	—	—	—	—
Zoological plants and animals		—	—	—	—	—	—	—	—	—
<b>Total Depreciation</b>	1	217 413	91 315	91 315	22 690	56 032	45 657	(10 575)	-22.7%	91 315

## 2.10 OTHER SUPPORTING DOCUMENTS

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

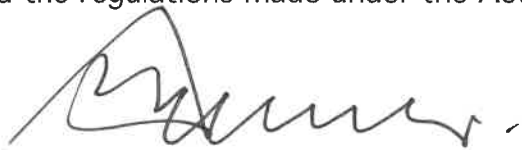
## 2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES

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.



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

Date: 2025/01/15