



INTERNAL MEMO

DATE : 14 JUNE 2025
TO : THE HONOURABLE MAYOR
FROM : MUNICIPAL MANAGER
RE : MONTHLY BUDGET STATEMENT


Kindly find the attached monthly budget statement for your Review, in compliance with the S71 (1) of the Municipal Finance Management Act. The budget statement is for the period ending **30 June 2025**.

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully


N.S. MSIBI
Chief Financial Officer


R.N HLONGWA
Municipal Manager

"Service Delivery through Integrity"

ZULULAND DISTRICT MUNICIPALITY



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

30 JUNE 2025

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	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	865 669 793	821 163 490	806 314 944,48	821 163 490	-14 848 545,52	-2%	0,98
Total Operating Expenditure	767 636 300	987 441 734	936 625 014,52	987 372 347	-50 816 719,48	-5%	0,95
Surplus/(Deficit)	98 033 493	-166 278 244	-130 310 070,04	-166 208 857	35 968 173,96		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **30 June 2025** is **R806.3 million**, which is **98%** of the approved adjustment operating revenue budget. The **R806.3 million** year to date Actual is **Below** the **Twelve months** baseline projection or year-to-date budget of **R821.1 million**, a variance of **R14.8 million or 2% 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 **R73.5 million** which is **85%** 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, transfers and subsidies, service charges water and sanitation 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 **30 June 2025** is **R936.6 million** which is **95%** of the approved adjustment operating expenditure budget. The **R936.6 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R987.3 million**, a variance of **R50.8 million or 5% is observed**.

Major Variances between actual and year-to-date budget on Operating Expenditure

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

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

Grants expenditure and receipts

GRANTS RECEIPTS AND EXPENDITURE AS AT 30 JUNE 2025	APPROVED BUDGET	ADJUSTED BUDGET	RECEIPTS	YTD ACTUAL	VARIANCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	259 542 000	262 939 000,00	262 939 000,00	260 971 677,98	1 967 322,02	99
Regional Bulk Infrastructure (RBIG)	214 000 000	431 247 000,00	431 247 000,00	431 247 000,00	-	100
Water services infrastructure Grant (WSIG)	100 000 000	155 434 000,00	155 434 000,00	153 857 947,33	1 576 052,67	99
Rural Roads Asset Management Systems Grant	2 653 000	1 857 000,00	1 857 000,00	1 857 000,00	-	100
Indonsa Grant	1 911 000	1 911 000	955 500,00	375 101,11	1 535 898,89	20
FMG	1 200 000	1 200 000	1 200 000,00	763 075,62	436 924,38	64
EPWP	5 227 000	5 227 000	5 227 000,00	5 227 000,00	-	100
NSF	88 246 119	42 036 584	42 036 584,18	42 105 300,00	-68 715,82	100
LGSETA Waste Water Employees	443 800	165 000	165 000,00	165 000,00	-	100
LGSETA MFMP	210 000	-	-	-	-	-
LGSETA-Fire and Rescue- Non Employees	605 136	558 600	558 600,00	558 600,00	-	100
AMAFA	-	162 000,00	162 000,00	140 000,00	22 000,00	86
PG KZN CAP Disaster Management	-	9 085 000,00	9 085 000,00	-	9 085 000,00	-
	674 038 055	911 822 184	910 866 684	897 267 702	14 554 482	98

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	500 594 868	777 592 437	751 911 245,94	777 592 437	-25 681 191,06	-3%	97%
Total Capital Financing	500 594 868	777 592 437	751 911 245,94	777 592 437	-25 681 191,06	-3%	97%

Grants receipts and expenditure

Total Capital Expenditure as at **30 June 2025** is **R751.9 million** which is **97%** of the approved adjustment capital budget. The **R751.9 million** year to date actual is **Below** the **Twelve months** baseline projection or year-to-date budget of **R777.5 million**, a variance of **R25.6 million**.

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

Commented [ZN1]: Topic ?? Include variance percentage

Major Variances between actual 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 the year-to date budget but rather spent according to the project's cash flows. **MIG** is at **99%**, **RBIG** is at **100%**, **WSIG** is at **99%** **RRAMG** is at **100%**.

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	%
Total current assets	612 157 378	189 367 781	171 518 357,01	91
Total non current assets	5 319 118 713	6 112 466 094	6 175 017 707,37	101
Total current liabilities	468 128 948	549 261 739	449 716 535,71	82
Total non current liabilities	154 477 420	116 837 619	139 386 585,69	119
TOTAL COMMUNITY WEALTH/ EQUITY	6 553 882 459	4 948 466 374	5 769 179 644,26	116,6%

The current assets year to date actual is **R171.5 million**, which is **91%** of the approved adjustment budget. **Non - Current assets** year to date actual is **R6.1 billion**, which is **101%** of the approved adjustment budget. **Current Liabilities** year to date actual is **R449.7 million** which is **82%** of the approved adjustment budget. **Non- Current Liabilities** year to date is **R139.3 million** which is **119%** of the approved adjustment budget. **Accumulated surplus** year to date actual is **R5.7 billion** which is **116.6%** of the approved adjustment budget.

Current assets amount to **R171.5 million**, included in the current assets is a **bank balance of R23.1 million**.

Current liabilities amount to **R449.7 million**, this includes unspent conditional grants amounting to **R11.1 million**.

The Current ratio is 0.38:1 [**171.5 million/449.7 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) - M12 June

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	61 317	5 813	55 414	61 317	(5 903)	-10%	61 317
Service charges - Waste Water Management		16 024	17 732	17 732	1 341	18 129	17 732	397	2%	17 732
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		760	578	230	(7)	620	230	389	169%	230
Agency services								-		
Interest								-		
Interest earned from Receivables		691	823	823	55	746	823	(77)	-9%	823
Interest from Current and Non Current Assets		15 458	7 500	7 500	2 960	8 087	7 500	587	8%	7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		559	504	504	38	468	504	(36)	-7%	504
Licence and permits		107	176	283	47	276	283	(6)	-2%	283
Operational Revenue		594	565	1 288	194	1 524	1 288	235	18%	1 288
Non-Exchange Revenue								-		
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		875	1 467	580	17	449	580	(131)	-23%	580
Licence and permits								-		
Transfers and subsidies - Operational		746 444	768 030	730 906	545	720 602	730 906	(10 304)	-1%	730 906
Interest		-	-	-	-	-	-	-		-
Fuel Levy								-		
Operational Revenue			-	-	-	-	-	-		-
Gains on disposal of Assets		680	-	-	-	-	-	-		-
Other Gains		5 704	-	-	(3)	0	-	0	#DIV/0!	-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		846 773	865 670	821 163	10 998	806 315	821 163	(14 849)	-2%	821 163

The year-to-date actual indicates operating revenue of **R806.3 million** for **Twelve months**, The **R806.3 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R821.1 million**, a variance of **R14.8 million** or **2%** 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 **R55.4 million** which is **90%** of the approved adjustment budget. The **R55.4 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R61.3 million**. A variance of **R5.9 million** or **10%** is observed.

The municipality will monitor this line item to keep in track with the budget year forecast.

Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R18.1 million** which is **102.24%** of the approved adjustment budget. The **R18.1 million** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R17.7 million**. A variance of **R397 thousand** or **2%** is observed. The variance is 5% which is an acceptable trend

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 **R620 thousands** which is **268.92%** of the approved adjustment budget. The **R620 thousands** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R230 thousand**. A variance of **R389 thousand** or **169%** is observed. There was sale tender documents in this period. A movement **of R626 thousand**.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R746 thousand**, which is **91%** of the approved adjustment budget. The **R746 thousand** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R823 thousand**. A variance of **R77 thousand** or **9%** is observed. Reasons for variances can be attributed to businesses' nonadherence 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 **R8 million** which is **107.82%** of the approved adjustment budget. The **R8 million** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R7.5 million**. A variance of **R587 thousand** or **8%** is observed. The reason for variances can be attributed to the fact that there was no new matured investment that matured by the end of the reporting period.

Rent of facilities

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R468 thousand** which is **93%** of the approved adjustment budget. The **R468 thousand** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R504 thousand**. A variance of **R36 thousand** or less than **7%** is observed. The municipality will review and reconcile rent with the lease agreements for future forecast.

Licences and Permits

Licences and permits year-to-date actual is **R276 thousand** which is **98%** of the approved adjustment budget. the **R276 thousand** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R283 thousand**. A variance of **R6 thousand** or **2%** is observed.

This line item depends on licences renewal and new issued permits.

Operational revenue

Operational revenue year-to-date actual is **R1.5 million** which is **118.27%** of the approved adjustment budget. the **R1.5 million** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R1.2 million**. A variance of **R235 thousands** or **18%** is observed.

The variance to this line item can be attributed to the receipt of Insurance Refund, Registration Fees & Transaction handling Fees which is not benchmarked by year to date.

NON-EXCHANGE REVENUE

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is **R449 thousand**, which is **77%** of the approved adjustment budget. The **R449 thousand** year to date is **below** the **Twelve months** baseline projection or year-to-date budget of **R580 thousand**. A variance of **R131 thousand** or less than **23%** 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 conditions have been met, except for equitable share which is not a conditional grant.

Transfers and subsidies year to date actual is **R720.6 million** which is **99%** of the approved adjustment budget. The **R720.6 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R730.9 million**. A variance of **R10.3 million** or **1%** 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, Amafa AkwaZulu Grant, Disaster management Grant, LGSETA Grant and Indonsa art centre.

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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		315 068	310 172	327 422	29 583	336 610	327 422	9 188	3%	327 422
Remuneration of councillors		10 362	9 465	10 755	853	10 539	10 755	(216)	-2%	10 755
Bulk purchases - electricity		—	—	—	—	—	—	—	—	—
Inventory consumed		45 332	25 226	32 405	13 838	25 387	32 405	(7 019)	-22%	32 405
Debt impairment		30 812	6 000	6 000	—	—	6 000	(6 000)	-100%	6 000
Depreciation and amortisation		114 269	91 315	91 315	(1 373)	106 220	91 315	14 906	16%	91 315
Interest		8 113	7 013	11 996	2	10 858	11 996	(1 138)	-9%	11 996
Contracted services		374 946	203 358	310 012	15 608	214 318	310 012	(95 694)	-31%	310 012
Transfers and subsidies		3 534	2 100	2 357	7 225	8 732	2 357	6 376	271%	2 357
Irrecoverable debts written off		8 134	—	—	1 355	1 355	—	1 355	#DIV/0!	—
Operational costs		244 092	112 988	195 180	41 220	222 599	195 180	27 419	14%	195 180
Losses on Disposal of Assets		506	—	—	6	6	—	6	#DIV/0!	—
Other Losses		—	—	—	—	—	—	—	—	—
Total Expenditure		1 155 168	767 636	987 442	108 317	936 625	987 442	(50 817)	-5%	987 442

The year-to-date actuals indicate spending of **R936.6 million** for **Twelve months**, which is **95%** of the approved adjustment operating expenditure budget. The **R936.6 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R987.4 million**, a variance of **R50.8 million** or less than **5%** 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 **R336.6 million** which is **102.81** of the approved adjustment budget. The **R336.6 million** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R327.4 million**. A variance of **R9.1 million** or **3%** is observed.

The variance is less than 5%.

Remuneration of Councillors

Remuneration of Councillors is paid for councillors allowances, service-related benefits and contributions. The year-to-date actual is **R10.5 million** which is **98%** of the approved adjustment budget. The **R10.5 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R10.7 million**. A variance of **R216 hundreds** or **2%** is observed. The variance is less than 5%

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 **R25.3 million** which is **R78%** of the approved adjustment budget. The **R25.3 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R32.4 million**. A variance of **R7 million** or **17%** is observed.

The municipality will consider the requisitions if any and debit the expense as the transaction occurs.

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 **R106.2 million** which is **116.32%** of the approved adjustment budget. The **R106.2 million** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R91.3 million**. A variance of **R14.9 million** or **16%** is observed.

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 **R10.8 million** which is **91%** of the approved adjustment budget. The **R10.5 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R11.9 million**. A variance of **R1.1 million** or **9%** is observed.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R214.3 million** which is **69%** of the approved adjustment budget. The **R214.3 million** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R310 million**. A variance of **R95.6 million** or **31%** is observed.

The municipality has tried to minimise the cost of contracted service based on the funding plan.

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 **R8.7 million** which is **370.55%** of the approved adjustment budget. The **R8.7 million** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R2.3 million**. A variance of **R6.3 million** or **271%** is observed.

Operational cost

Operational costs are all other expenditure not classified above. The year-to-date actual is **R222.5 million** which is **114.05%** of the approved adjustment budget. the **R222.5 million** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R195.1 million**. A variance of **R27.4 million** or **14%** is observed.

The expenditure is monitored by the municipality and the expenditure is kept within the budget.

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
EXPENDITURE							
Finance Management grant (FMG)	1 200 585	1 200 000	763 075.62	1 100 000	-336 924.38	-31%	64%
EPWP Incentive	5 227 000	5 227 000.00	5 227 000.00	4 791 417	435 583.33	9%	100%
Art centre Subsidies (Indonsa Grant)	1 911 000	1 911 000	375 101.11	1 751 750	-1 376 648.89	-79%	20%
National Skills Fund	88 246 119	88 246 119.00	42 105 300.00	80 892 276	-38 786 975.75	-48%	48%
LG SETA	1 258 936	1 258 936.00	723 600.00	1 154 025	-430 424.67	-37%	57%
Amafa Kazulu Grant		180 000	140 000.00	165 000	-25 000.00	-15%	78%
Total Operating Grant Expenditure	97 843 640	98 023 055.00	49 334 076.73	89 854 467.08	-40 520 390.35	-0.45	50%

FMG **64%**, EPWP Incentive **100%**, Art center subsidies (Indonsa Grant) **20%**, National skills Fund **48%**, LG SETA – **57%**, Amafa Akwazulu **78%**

Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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	61 317	5 813	55 414	61 317	(5 903)	-10%	61 317
Service charges - Waste Water Management		16 024	17 732	17 732	1 341	18 129	17 732	397	2%	17 732
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		760	578	230	(7)	620	230	389	169%	230
Agency services								-		
Interest								-		
Interest earned from Receivables		691	823	823	55	746	823	(77)	-9%	823
Interest from Current and Non Current Assets		15 458	7 500	7 500	2 960	8 087	7 500	587	8%	7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		559	504	504	38	468	504	(36)	-7%	504
Licence and permits		107	176	283	47	276	283	(6)	-2%	283
Operational Revenue		594	565	1 288	194	1 524	1 288	235	18%	1 288
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		875	1 467	580	17	449	580	(131)	-23%	580
Licence and permits								-		
Transfers and subsidies - Operational		746 444	768 030	730 906	545	720 602	730 906	(10 304)	-1%	730 906
Interest		-	-	-	-	-	-	-		-
Fuel Levy								-		
Operational Revenue		-	-	-	-	-	-	-		-
Gains on disposal of Assets		680	-	-	-	-	-	-		-
Other Gains		5 704	-	-	(3)	0	-	0	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		846 773	865 670	821 163	10 998	806 315	821 163	(14 849)	-2%	821 163
Expenditure By Type										
Employee related costs		315 068	310 172	327 422	29 583	336 610	327 422	9 188	3%	327 422
Remuneration of councillors		10 362	9 465	10 755	853	10 539	10 755	(216)	-2%	10 755
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		45 332	25 226	32 405	13 838	25 387	32 405	(7 019)	-22%	32 405
Debt impairment		30 812	6 000	6 000	-	6 000	(6 000)	-	-100%	6 000
Depreciation and amortisation		114 269	91 315	91 315	(1 373)	106 220	91 315	14 906	16%	91 315
Interest		8 113	7 013	11 996	2	10 858	11 996	(1 138)	-9%	11 996
Contracted services		374 946	203 358	310 012	15 608	214 318	310 012	(95 694)	-31%	310 012
Transfers and subsidies		3 534	2 100	2 357	7 225	8 732	2 357	6 376	271%	2 357
Irrecoverable debts written off		8 134	-	-	1 355	1 355	-	1 355	#DIV/0!	-
Operational costs		244 092	112 988	195 180	41 220	222 599	195 180	27 419	14%	195 180
Losses on Disposal of Assets		506	-	-	6	6	-	6	#DIV/0!	-
Other Losses		-	-	-	-	-	-	-		-
Total Expenditure		1 155 168	767 636	987 442	108 317	936 625	987 442	(50 817)	-5%	987 442
Surplus/(Deficit)		(308 396)	98 033	(166 278)	(97 319)	(130 310)	(166 278)	35 968	(0)	(166 278)
Transfers and subsidies - capital (monetary allocations)		768 386	576 195	851 477	72 792	851 477	851 477	-		851 477
Transfers and subsidies - capital (in-kind)		9	-	-	8	8	-	8	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0	685 199
Income Tax								-		
Surplus/(Deficit) after income tax		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0	685 199
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0	685 199
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions								-		
Surplus/ (Deficit) for the year		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0	685 199

1.6. CAPITAL EXPENDITURE AND FUNDING

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

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	500 594 868	777 592 437	751 911 245,94	777 592 437	-25 681 191,06	-3%	97%
Total Capital Financing	500 594 868	777 592 437	751 911 245,94	777 592 437	-25 681 191,06	-3%	97%

The capital expenditure amounts to **R751.9 million**, which is **97%** of the capital approved adjustment budget, after a period of **Twelve months**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June										
Vote Description	Ref	2023/24	Budget Year 2024/25					YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		155	-	-	(2 400)	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	155	-	-	(2 400)	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 01 - Council		167	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		1 551	3 478	3 478	8	37	3 478	(3 441)	-99%	3 478
Vote 03 - Finance		70	870	870	136	164	870	(706)	-81%	870
Vote 04 - Community Development		286	174	174	-	-	174	(174)	-100%	174
Vote 05 - Planning & Wsa		660 294	489 900	740 897	30 987	713 587	740 897	(27 310)	-4%	740 897
Vote 06 - Technical Services		-	6 173	-	-	-	-	-	-	-
Vote 07 - Water Purification		20	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	32 174	-	38 124	32 174	5 950	18%	32 174
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	777 592	31 131	751 911	777 592	(25 681)	-3%	777 592
Total Capital Expenditure		662 543	500 595	777 592	28 731	751 911	777 592	(25 681)	-3%	777 592
Capital Expenditure - Functional Classification										
Governance and administration		1 943	4 348	4 348	(2 256)	201	4 348	(4 147)	-95%	4 348
Executive and council		167	-	-	-	-	-	-	-	-
Finance and administration		1 621	4 348	4 348	(2 256)	201	4 348	(4 147)	-95%	4 348
Internal audit		155	-	-	-	-	-	-	-	-
Community and public safety		286	174	174	-	-	174	(174)	-100%	174
Community and social services		286	174	174	-	-	174	(174)	-100%	174
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		75	2 307	1 597	870	994	1 597	(603)	-38%	1 597
Planning and development		75	2 307	1 597	870	994	1 597	(603)	-38%	1 597
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		660 239	493 766	771 474	30 117	750 717	771 474	(20 757)	-3%	771 474
Energy sources		-	-	-	-	-	-	-	-	-
Water management		660 239	493 766	771 474	30 117	750 717	771 474	(20 757)	-3%	771 474
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	662 543	500 595	777 592	28 731	751 911	777 592	(25 681)	-3%	777 592
Funded by:										
National Government		660 294	496 073	740 897	30 987	713 526	740 897	(27 370)	-4%	740 897
Provincial Government		277	174	174	-	-	174	(174)	-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		660 590	496 247	741 071	30 987	713 526	741 071	(27 544)	-4%	741 071
Borrowing	6	-	-	32 174	-	38 124	32 174	5 950	18%	32 174
Internally generated funds		1 963	4 348	4 348	(2 256)	261	4 348	(4 087)	-94%	4 348
Total Capital Funding		662 543	500 595	777 592	28 731	751 911	777 592	(25 681)	-3%	777 592

Governance and administration

Governance and administration year-to-date actual is **R201 thousand** which is **5%** of the approved adjustment budget. The **R201 thousand** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R4.3 million**. A variance of **R4.1 million** or **95%** is observed.

Community and public safety

Community and public safety year-to-date actual is **R0** which is **0%** of the approved adjustment budget. the **R0** year to date actual is **below** the **Eleven months** baseline projection or year-to-date budget of **R159 thousand**. A variance of **R159 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R994 thousand** which is **62%** of the approved adjustment budget. the **R994 thousand** year to date actual is **below** the **Twelve months** baseline projection or year-to-date budget of **R1.5 million**. A variance of **R603 thousand** or **38%** is observed.

The municipality will look at the where the processes are on rural road management subsidy and try to push for the spending of this subsidy.

Trading services

Trading services year-to-date actual is **R750.7 million** which is **97%** of the approved adjustment budget. the **R750.7 million** year to date actual is **above** the **Twelve months** baseline projection or year-to-date budget of **R771.4 million**. A variance of **R20.7 million** or **3%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	220 722 693	228 642 609	228 987 194.96	228 642 609	344 586.26	0%	100%
Regional Bulk Infrastructure (RBIG)	186 986 957	374 997 391	377 829 865.41	374 997 391	2 832 474.11	1%	101%
Water services Infrastructure Grant (WSIG)	86 956 521	135 160 000	134 848 078.07	135 160 000	-311 921.93	0%	100%
Rural Roads Asset Managemnt Systems Grant	2 306 957	1 614 783	1 623 092.64	1 614 783	8 310.03	1%	101%
Art centre Subsisies (Indonsa Grant)	173 913	173 913	-	173 913	-173 913.04	-100%	0%
Other Assets	4 347 827	4 347 826	2 517 271.50	4 347 826	-1 830 554.59	-42%	58%
Total Operating Expenditure	500 594 868	744 936 522	745 805 502.58	744 936 522	868 980.84	0%	100%

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	259 542 000	262 939 000	260 971 677.98	262 939 000	-1 967 322.02	-1%	99%
Regional Bulk Infrastructure (RBIG)	214 000 000	431 247 000	431 247 000.00	431 247 000	-	0%	100%
Water services Infrastructure Grant (WSIG)	100 000 000	155 434 000	153 857 947.33	155 434 000	-1 576 052.67	-1%	99%
Rural Roads Asset Managemnt Systems Grant	2 653 000	1 857 000	1 857 000.00	1 857 000	-	0%	100%
Indonsa Grant	200 000	200 000	-	200 000	-200 000.00	-100%	0%
Other Assets	5 000 000	5 000 000	2 517 271.50	5 000 000	-2 482 728.50	-50%	50%
Total Capital Grant Expenditure	581 395 000	856 677 000	850 450 897	856 677 000	-6 226 103	-1%	99%

Overall capital grant expenditure is sitting at **99%** of the approved adjusted capital budget, **MIG** is sitting at **99%**, **RBIG** at **10%**, **WSIG** at **99%**, **RAMS** at **100%** and **Indonsa Grant 0%**, **Other assets 50%**.

1.7. IN-YEAR BUDGET TABLES

The following part of in-year reporting presented below focuses on the 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 - M12 June									
Description	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									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	74 901	86 026	79 049	7 154	73 543	79 049	(5 506)	-7%	79 049
Investment revenue	15 458	7 500	7 500	2 960	8 087	7 500	587	8%	7 500
Transfers and subsidies - Operational	746 444	768 030	730 906	545	720 602	730 906	(10 304)	(0)	730 906
Other own revenue	9 969	4 113	3 708	340	4 082	3 708	374	10%	-
Total Revenue (excluding capital transfers and contributions)	846 773	865 670	821 163	10 998	806 315	821 163	(14 849)	-2%	821 163
Employee costs	315 068	310 172	327 422	29 583	336 610	327 422	9 188	3%	327 422
Remuneration of Councillors	10 362	9 465	10 755	853	10 539	10 755	(216)	-2%	10 755
Depreciation and amortisation	114 269	91 315	91 315	(1 373)	106 220	91 315	14 906	16%	91 315
Interest	8 113	7 013	11 996	2	10 858	11 996	(1 138)	-9%	11 996
Inventory consumed and bulk purchases	45 332	25 226	32 405	13 838	25 387	32 405	(7 019)	-22%	32 405
Transfers and subsidies	3 534	2 100	2 357	7 225	8 732	2 357	6 376	271%	2 357
Other expenditure	658 490	322 345	511 192	58 189	438 278	511 192	(72 914)	-14%	511 192
Total Expenditure	1 155 168	767 636	987 442	108 317	936 625	987 442	(50 817)	-5%	987 442
Surplus/(Deficit)	(308 396)	98 033	(166 279)	(97 319)	(130 310)	(166 278)	35 968	-22%	(166 278)
Transfers and subsidies - capital (monetary allocations)	768 386	576 195	851 477	72 752	851 477	851 477	-	-	851 477
Transfers and subsidies - capital (in-kind)	9	-	-	8	8	-	8	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions	460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	5%	685 199
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	5%	685 199
Capital expenditure & funds sources									
Capital expenditure	662 543	500 595	777 592	28 731	751 911	777 592	(25 681)	-3%	777 592
Capital transfers recognised	660 580	496 247	741 071	30 987	713 526	741 071	(27 544)	-4%	741 071
Borrowing	-	-	32 174	-	38 124	32 174	5 950	18%	32 174
Internally generated funds	1 963	4 348	4 348	(2 256)	281	4 348	(4 067)	-94%	4 348
Total sources of capital funds	662 543	500 595	777 592	28 731	751 911	777 592	(25 681)	-3%	777 592
Financial position									
Total current assets	199 465	612 157	189 368		171 518				189 368
Total non current assets	5 529 332	5 319 119	6 112 466		6 175 018				6 112 466
Total current liabilities	564 126	468 129	549 262		449 717				549 262
Total non current liabilities	128 414	154 477	116 838		139 387				116 838
Community wealth/Equity	5 047 151	4 634 441	4 948 466		5 756 290				4 948 466
Cash flows									
Net cash from (used) operating	2 937 672	742 935	761 728	126 874	2 008 742	761 728	#####	-164%	761 728
Net cash from (used) investing	(661 863)	(500 595)	(775 592)	(28 731)	(751 911)	(775 592)	(23 681)	3%	(775 592)
Net cash from (used) financing	89 475	(18 093)	(18 093)	(9 086)	(19 156)	(18 093)	1 062	-6%	(18 093)
Cash/cash equivalents at the month/year end	2 392 711	417 032	25 114	81 686	1 294 747	25 114	#####	-5056%	25 114
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

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									
Revenue - Functional										
<i>Governance and administration</i>		759 290	769 935	724 194	3 644	725 788	724 194	1 593	0%	724 194
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		759 290	769 935	724 194	3 644	725 788	724 194	1 593	0%	724 194
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		2 285	3 215	11 636	155	900	11 636	(10 736)	-92%	11 636
Community and social services		2 179	1 911	11 253	108	623	11 253	(10 630)	-94%	11 253
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		107	1 304	383	47	276	383	(106)	-28%	383
<i>Economic and environmental services</i>		3 112	2 721	1 857	1 781	1 850	1 857	(7)	0%	1 857
Planning and development		3 112	2 721	1 857	1 781	1 850	1 857	(7)	0%	1 857
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		848 437	665 936	934 896	78 211	929 225	934 896	(5 671)	-1%	934 896
Energy sources		—	—	—	—	—	—	—	—	—
Water management		832 056	647 830	916 931	76 863	910 913	916 931	(6 018)	-1%	916 931
Waste water management		16 380	18 106	17 965	1 348	18 312	17 965	347	2%	17 965
Waste management		—	—	—	—	—	—	—	—	—
<i>Other</i>	4	2 045	57	57	8	38	57	(19)	-33%	57
Total Revenue - Functional	2	1 615 168	1 441 865	1 672 640	83 798	1 657 800	1 672 640	(14 840)	-1%	1 672 640
Expenditure - Functional										
<i>Governance and administration</i>		435 743	312 391	348 333	70 895	385 729	348 333	37 397	11%	348 333
Executive and council		73 100	35 144	40 873	53 110	88 869	40 873	47 996	117%	40 873
Finance and administration		309 789	248 883	247 045	15 999	242 171	247 045	(4 874)	-2%	247 045
Internal audit		52 855	28 364	60 415	1 786	54 689	60 415	(5 725)	-9%	60 415
<i>Community and public safety</i>		27 210	28 084	38 703	2 392	26 150	38 703	(12 553)	-32%	38 703
Community and social services		9 284	9 176	19 063	637	8 021	19 063	(11 042)	-58%	19 063
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		7 301	6 234	7 405	582	7 394	7 405	(11)	0%	7 405
Housing		—	—	—	—	—	—	—	—	—
Health		10 625	12 674	12 235	1 173	10 735	12 235	(1 499)	-12%	12 235
<i>Economic and environmental services</i>		29 375	22 960	23 566	2 170	21 935	23 566	(1 631)	-7%	23 566
Planning and development		29 375	22 960	23 566	2 170	21 935	23 566	(1 631)	-7%	23 566
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		650 031	393 586	566 025	32 290	493 793	566 025	(72 232)	-13%	566 025
Energy sources		—	—	—	—	—	—	—	—	—
Water management		637 415	378 362	554 944	31 093	483 472	554 944	(71 472)	-13%	554 944
Waste water management		12 616	15 224	11 082	1 197	10 322	11 082	(760)	-7%	11 082
Waste management		—	—	—	—	—	—	—	—	—
<i>Other</i>		12 810	10 815	10 815	570	9 017	10 815	(1 798)	-17%	10 815
Total Expenditure - Functional	3	1 155 168	767 636	987 442	108 317	936 625	987 442	(50 817)	-5%	987 442
Surplus/ (Deficit) for the year		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0,0525055	685 199

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) - M12 June

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	43 496	16	43 316	43 496	(180)	-0.4%	43 496
Vote 03 - Finance			655 776	680 030	680 755	3 635	682 510	680 755	1 754	0.3%	680 755
Vote 04 - Community Development			2 285	3 215	11 636	155	900	11 636	(10 736)	-92.3%	11 636
Vote 05 - Planning & Wsa			775 606	581 490	856 704	72 784	856 697	856 704	(7)	0.0%	856 704
Vote 06 - Technical Services			-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification			-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution			59 562	69 061	62 084	5 860	56 066	62 084	(6 018)	-9.7%	62 084
Vote 09 - Waste Water			16 380	18 106	17 965	1 348	18 312	17 965	347	1.9%	17 965
Vote 10 - .			-	-	-	-	-	-	-	-	-
Vote 11 - .			-	-	-	-	-	-	-	-	-
Vote 12 - .			-	-	-	-	-	-	-	-	-
Vote 13 - .			-	-	-	-	-	-	-	-	-
Vote 14 - *			-	-	-	-	-	-	-	-	-
Vote 15 - Other			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	1 615 168	1 441 865	1 672 640	83 798	1 657 800	1 672 640	(14 840)	-0.9%	1 672 640
Expenditure by Vote		1									
Vote 01 - Council			82 703	45 311	53 018	54 441	100 627	53 018	47 609	89.8%	53 018
Vote 02 - Corporate Services			276 025	211 286	237 460	11 631	224 385	237 460	(13 075)	-5.5%	237 460
Vote 03 - Finance			76 383	59 309	60 588	4 222	53 049	60 588	(7 539)	-12.4%	60 588
Vote 04 - Community Development			58 981	47 801	60 512	4 850	57 100	60 512	(3 412)	-5.6%	60 512
Vote 05 - Planning & Wsa			31 915	27 462	23 789	1 859	19 889	23 789	(3 900)	-16.4%	23 789
Vote 06 - Technical Services			5 404	5 758	5 609	327	5 080	5 609	(530)	-9.4%	5 609
Vote 07 - Water Purification			50 293	47 565	50 610	4 562	53 459	50 610	2 849	5.6%	50 610
Vote 08 - Water Distribution			560 849	307 920	484 774	25 227	412 715	484 774	(72 060)	-14.9%	484 774
Vote 09 - Waste Water			12 616	15 224	11 082	1 197	10 322	11 082	(760)	-6.9%	11 082
Vote 10 - .			-	-	-	-	-	-	-	-	-
Vote 11 - .			-	-	-	-	-	-	-	-	-
Vote 12 - .			-	-	-	-	-	-	-	-	-
Vote 13 - .			-	-	-	-	-	-	-	-	-
Vote 14 - *			-	-	-	-	-	-	-	-	-
Vote 15 - Other			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	1 155 168	767 636	987 442	108 317	936 625	987 442	(50 817)	-5.1%	987 442
Surplus/ (Deficit) for the year		2	460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	5.3%	685 199

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) - M12 June

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	61 317	5 813	55 414	61 317	(5 903)	-10%	61 317
Service charges - Waste Water Management		16 024	17 732	17 732	1 341	18 129	17 732	397	2%	17 732
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		760	578	230	(7)	620	230	389	169%	230
Agency services								-		
Interest								-		
Interest earned from Receivables		691	823	823	55	746	823	(77)	-9%	823
Interest from Current and Non Current Assets		15 458	7 500	7 500	2 960	8 087	7 500	587	8%	7 500
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		559	504	504	38	468	504	(36)	-7%	504
Licence and permits		107	176	283	47	276	283	(6)	-2%	283
Operational Revenue		594	565	1 288	194	1 524	1 288	235	18%	1 288
Non-Exchange Revenue										
Property rates		-	-	-	-	-	-	-		-
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		875	1 467	580	17	449	580	(131)	-23%	580
Licence and permits								-		
Transfers and subsidies - Operational		746 444	768 030	730 906	545	720 602	730 906	(10 304)	-1%	730 906
Interest		-	-	-	-	-	-	-		-
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue		-	-	-	-	-	-	-		-
Gains on disposal of Assets		680	-	-	-	-	-	-		-
Other Gains		5 704	-	-	(3)	0	-	0	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		846 773	865 670	821 163	10 998	806 315	821 163	(14 849)	-2%	821 163
Expenditure By Type										
Employee related costs		315 068	310 172	327 422	29 583	336 610	327 422	9 188	3%	327 422
Remuneration of councillors		10 362	9 465	10 755	853	10 539	10 755	(216)	-2%	10 755
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		45 332	25 226	32 405	13 838	25 387	32 405	(7 019)	-22%	32 405
Debt impairment		30 812	6 000	6 000	-	-	6 000	(6 000)	-100%	6 000
Depreciation and amortisation		114 269	91 315	91 315	(1 373)	106 220	91 315	14 906	16%	91 315
Interest		8 113	7 013	11 996	2	10 858	11 996	(1 138)	-9%	11 996
Contracted services		374 946	203 358	310 012	15 608	214 318	310 012	(95 694)	-31%	310 012
Transfers and subsidies		3 534	2 100	2 357	7 225	8 732	2 357	6 376	271%	2 357
Irrecoverable debts written off		8 134	-	-	1 355	1 355	-	1 355	#DIV/0!	-
Operational costs		244 092	112 988	195 180	41 220	222 599	195 180	27 419	14%	195 180
Losses on Disposal of Assets		506	-	-	6	6	-	6	#DIV/0!	-
Other Losses		-	-	-	-	-	-	-		-
Total Expenditure		1 155 168	767 636	987 442	108 317	936 625	987 442	(50 817)	-5%	987 442
Surplus/(Deficit)		(308 396)	98 033	(166 278)	(97 319)	(130 310)	(166 278)	35 968	(0)	(166 278)
Transfers and subsidies - capital (monetary allocations)		768 386	576 195	851 477	72 792	851 477	851 477	-		851 477
Transfers and subsidies - capital (in-kind)		9	-	-	8	8	-	8	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0	685 199
Income Tax								-		
Surplus/(Deficit) after income tax		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0	685 199
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0	685 199
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions								-		
Surplus/ (Deficit) for the year		460 000	674 228	685 199	(24 518)	721 175	685 199	35 977	0	685 199

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) - M12 June

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	-	-	(2 400)	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & W&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	-	-	(2 400)	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 01 - Council		167	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		1 551	3 478	3 478	8	37	3 478	(3 441)	-99%	3 478
Vote 03 - Finance		70	870	870	136	164	870	(706)	-81%	870
Vote 04 - Community Development		286	174	174	-	-	174	(174)	-100%	174
Vote 05 - Planning & W&a		660 294	489 900	740 897	30 987	713 587	740 897	(27 310)	-4%	740 897
Vote 06 - Technical Services		-	6 173	-	-	-	-	-	-	-
Vote 07 - Water Purification		20	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	32 174	-	38 124	32 174	5 950	18%	32 174
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	777 592	31 131	751 911	777 592	(25 681)	-3%	777 592
Total Capital Expenditure		662 543	500 595	777 592	28 731	751 911	777 592	(25 681)	-3%	777 592
Capital Expenditure - Functional Classification										
Governance and administration		1 943	4 348	4 348	(2 256)	201	4 348	(4 147)	-95%	4 348
Executive and council		167	-	-	-	-	-	-	-	-
Finance and administration		1 621	4 348	4 348	(2 256)	201	4 348	(4 147)	-95%	4 348
Internal audit		155	-	-	-	-	-	-	-	-
Community and public safety		286	174	174	-	-	174	(174)	-100%	174
Community and social services		286	174	174	-	-	174	(174)	-100%	174
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		75	2 307	1 597	870	994	1 597	(603)	-38%	1 597
Planning and development		75	2 307	1 597	870	994	1 597	(603)	-38%	1 597
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		660 239	493 766	771 474	30 117	750 717	771 474	(20 757)	-3%	771 474
Energy sources		-	-	-	-	-	-	-	-	-
Water management		660 239	493 766	771 474	30 117	750 717	771 474	(20 757)	-3%	771 474
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	662 543	500 595	777 592	28 731	751 911	777 592	(25 681)	-3%	777 592
Funded by:										
National Government		660 294	496 073	740 897	30 987	713 526	740 897	(27 370)	-4%	740 897
Provincial Government		277	174	174	-	-	174	(174)	-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	741 071	30 987	713 526	741 071	(27 544)	-4%	741 071
Borrowing	6	-	-	32 174	-	38 124	32 174	5 950	18%	32 174
Internally generated funds		1 963	4 348	4 348	(2 256)	261	4 348	(4 087)	-94%	4 348
Total Capital Funding		662 543	500 595	777 592	28 731	751 911	777 592	(25 681)	-3%	777 592

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 - M12 June

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		57 071	417 029	25 070	23 103	25 070
Trade and other receivables from exchange transactions		36 516	79 729	66 307	47 823	66 307
Receivables from non-exchange transactions		5 696	7 109	5 696	6 734	5 696
Current portion of non-current receivables		—	—	—	—	—
Inventory		3 966	2 824	3 966	11 840	3 966
VAT		66 673	80 813	64 744	53 083	64 744
Other current assets		29 542	24 653	23 584	28 935	23 584
Total current assets		199 465	612 157	189 368	171 518	189 368
Non current assets						
Investments						
Investment property						
Property, plant and equipment		5 521 478	5 311 270	6 104 631	6 167 179	6 104 631
Biological assets						
Living and non-living resources						
Heritage assets		7 817	7 817	7 817	7 817	7 817
Intangible assets		28	32	8	12	8
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		10	—	10	10	10
Total non current assets		5 529 332	5 319 119	6 112 466	6 175 018	6 112 466
TOTAL ASSETS		5 728 797	5 931 276	6 301 834	6 346 536	6 301 834
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		18 789	1 556	18 318	(358)	18 318
Consumer deposits		3 381	3 702	3 463	3 372	3 463
Trade and other payables from exchange transactions		504 035	450 406	485 717	393 888	485 717
Trade and other payables from non-exchange transactions		1 446	—	1 446	11 174	1 446
Provision		34 940	2 154	34 940	34 940	34 940
VAT		1 535	10 311	5 378	6 701	5 378
Other current liabilities		—	—	—	—	—
Total current liabilities		564 126	468 129	549 262	449 717	549 262
Non current liabilities						
Financial liabilities		81 419	80 589	69 843	92 392	69 843
Provision		44 070	41 109	44 070	44 070	44 070
Long term portion of trade payables		2 925	32 779	2 925	2 925	2 925
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		128 414	154 477	116 838	139 387	116 838
TOTAL LIABILITIES		692 540	622 606	666 099	589 103	666 099
NET ASSETS	2	5 036 258	5 308 670	5 635 735	5 757 433	5 635 735
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 047 151	4 634 441	4 948 466	5 756 290	4 948 466
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	5 047 151	4 634 441	4 948 466	5 756 290	4 948 466

MBRR Table C6 - Monthly Budget Statement Financial Position

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

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

CURRENT ASSETS

Cash and Cash Equivalents

Cash and cash Equivalents balance as at 30 June 2025 indicates a Bank Balance of **R23.1 million**
Bank balance **R23.1 million**

Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R47.8 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R273.6 million**. Consumer debtors' amount to **R275.4 million** and **R2.2 million** is for shared services cast in Other Debtors.

Gross Consumer debtors	R275.4 million
Less Impairment	(R227.6 million)
Net Consumer Debtors	R47.8 million

Classification of Consumer Debtors per Service type

Water Debtors	R34.1 million
Sanitation Debtors	R7.9 million
Property Rentals Debtors	R437.8 thousand
Other Consumer debtors	R873.2 thousand
Receivables from non-exchange	R5.2 million
Total	R47.8 million

➤ **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R34.1 million**.
Water debtors amount owed by consumers for water services billed.

Gross Water Debtors	R214.9 million
Less Impairment	(R180.8 million)
Net Water Debtors	R34.1 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R7.9 million**.
Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R54.1 million
Less Impairment	(R46.2 million)
Net Sanitation Debtors	R7.9 million

➤ **Property Rentals Debtors**

These debtors accumulated from property rentals amount to **R132 thousand**

Property Rental	R756.2 million
Less Impairment	(R318.4 thousand)
Net Property rental	R437.8 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R873.2 thousand**, these are sundry debtors.

Gross Other Debtors	R876.3 thousand
Less Impairment	(R277.5 thousand)
Net Other Debtors	R873.2 thousand

➤ **Other receivables from exchange**

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

Opening Balance	R30.2 million
Other receivables from exchange: monthly bill	R28 million
Less Impairment	(R0)
Net other receivables from exchange	R2.2 million

Classification of Consumer Debtors per Customer group

Households	R214.8 million
Commercial/Businesses	R 19.1 million
Organs of State (excl shared services of R3.3 mill)	R 39.6 million
Total	R273.6 million

Household and commercial consumer debtors are impaired as per council policy. The breakdown is as follows:

Gross Households debtors	R214.8 million
Commercial/Businesses	R 19.1 million
Less Impairment	(R227.6 million)
Net Household debtors	R6.3 million

Receivables from non – exchange

Fruitless expenditure

Amount to be recovered amounting to **R6.7 million** resulted from a claim of standing time due to consultant negligence.

Inventory

The current level of inventory is **R11.8 million**. Inventories include water stock and consumable stores.

VAT Receivable

VAT Receivable amounts to **R53 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 **R28.9 million**.

Deposits Made	R19.4 million
Refunds & under/over banking	R9.2 million
Operating lease	R5 thousand
Salary Advance	R273.8 thousand
Total	R28.9 million

➤ **Deposits Made**

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

Eskom Deposits	R19.2 million
Stowell Deposits	R200 thousand

Eskom deposits are amounts held by Eskom as security for all accounts the Municipality has with Eskom. Security deposits are paid when the Municipality opens a new electricity account. Stowell Deposit is the amount paid as a security deposit when Stowell was first contracted, 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	R3.4 million
Under/over banking	R5.9 million

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

➤ **Operating lease**

Operating lease amounts to **R5 thousand**.

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment includes current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R6.1 million**.

Opening balance	R5.5 billion
Additions	R751.9 million
Depreciation	(R107.5 million)
Closing Balance	R6.1 billion

Heritage Assets

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

Intangible

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R12 thousand**

Opening balance	R12 thousand
Additions	R 0
Depreciation	(R)
Closing Balance	R12 thousand

Other non-current assets

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

CURRENT LIABILITIES

Financial Liabilities

This is the current portion of the long-term loan repayment and finance lease agreement the Municipality entered to procure laptops. The current balance owed amount to **R357 thousand**.

Loan repayment	R8.8 million
Finance lease BCX	(R128 thousand)
Total Financial liabilities	R357 thousand

Opening balance	R8.8 million
Payment	(R128 thousand)
Closing Balance	R357 thousand

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 **R393.9 million**.

Trade Creditors	R275.6 million
Retention	R114.2 million
Session	R596 thousand
Department of Water & Sanitation	R106.5 million
Employee related cost	R4 thousands
Advance Payments	R2.1 million
Salary Suspense Accounts	R184 rand
Unallocated Deposits	R242 thousand
Other Suspense accounts	R500 hundreds
Leave accrual	R109 thousand
Stock Adjustments and refunds	R542 thousand
Other Creditors	R159.7 million
Closing Balance	R393.9 million

Trade and other payables from non-exchange transactions

This is the amount of unspent conditional grants which will be recognized when the conditions are met. Unspent conditional grants amount to **R11.1 million**.

Current Provision

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

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

VAT Payables

VAT payable amount to **R6.7 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 **R92.3 million**.

Long term loan	R91.3 million
Operating lease LUMD	R949 thousand
Operating lease long term BCX	R181.6 thousand

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

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

Non-current Provisions

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

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

Non - current liability DWS

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

Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R5.7 billion**

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.

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges		32 466	60 766	56 066	3 794	42 772	56 066	(13 294)	-24%	56 066
Other revenue		2 051 105	121 898	146 045	126 593	1 569 444	146 045	1 423 399	975%	146 045
Transfers and Subsidies - Operational		746 330	768 030	776 756	54	729 726	776 756	(47 030)	-6%	776 756
Transfers and Subsidies - Capital		768 386	576 195	852 273	-	851 477	852 273	(796)	0%	852 273
Interest		18 397	7 995	7 995	83	5 345	7 995	(2 650)	-33%	7 995
Dividends								-		
Payments										
Suppliers and employees		(679 012)	(789 533)	(1 074 687)	(3 650)	(1 190 021)	(1 074 687)	115 335	-11%	(1 074 687)
Interest								-		
Transfers and Subsidies		-	(2 415)	(2 720)	-	-	(2 720)	(2 720)	100%	(2 720)
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 937 672	742 935	761 728	126 874	2 008 742	761 728	#####	-164%	761 728
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		680	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(662 543)	(500 595)	(775 592)	(28 731)	(751 911)	(775 592)	(23 681)	3%	(775 592)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(661 863)	(500 595)	(775 592)	(28 731)	(751 911)	(775 592)	(23 681)	3%	(775 592)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		100 000	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(9)	3	3	-	(9)	3	(12)	-369%	3
Payments										
Repayment of borrowing		(10 516)	(18 096)	(18 096)	(9 086)	(19 147)	(18 096)	1 050	-6%	(18 096)
NET CASH FROM/(USED) FINANCING ACTIVITIES		89 475	(18 093)	(18 093)	(9 086)	(19 156)	(18 093)	1 062	-6%	(18 093)
NET INCREASE/ (DECREASE) IN CASH HELD		2 365 284	224 247	(31 957)	89 057	1 237 676	(31 957)			(31 957)
Cash/cash equivalents at beginning:		27 427	192 785	57 071	(7 371)	57 071	57 071			57 071
Cash/cash equivalents at month/year end:		2 392 711	417 032	25 114	81 686	1 294 747	25 114			25 114

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R56.06 million** on service charges, the estimated collection amount is based on the 60% collection rate. The collection rate is also based on previous years actual collection and the initiatives the Municipality has taken to improve collection. The Municipality has collected **R42.7 million** to date. This is **76%** of budgeted collection and **58%** of year-to-date billing.

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

- 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 the 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 strategies 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 operational subsidies are to date **R729.5 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far under Transfers and subsidies – Operational.

Equitable share	R670.1 million
FMG	R1.2 million
EPWP	R5.2 million
Indonsa Grant	R955 thousand
LG SETA	R723.6 thousand
NSF	R42.03 million
Amafa Akwazulu	R180 thousand
Disaster Management Grant	R9.08 million
TOTAL	R729.5 million

Transfers and subsidies – Capital

Transfers and subsidies - Capital is expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **R851.4 million**. This amount includes RBIG, MIG, RRAMS, TSUCM_COGTA Boreholes and WSIG which were received thus far under Transfers and subsidies - Capital.

Municipal Infrastructure Grant	R262.9 million
Regional Bulk Infrastructure Grant	R431.2 million

Water Services Infrastructure Grant	R 155.4 million
Rural Road	R1.8 million
TOTAL	R851.4 million

Interest

Interest on the investment budget is **R7.9 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 **R5.3 million**. Interest in investment revenue on table C4 is **R8 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 **R751.9 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 are **R23.1 million** in the financial position but in the cash flow, it is **R1.2 billion**.

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 30 June 2025

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June												
Description	NT Code	Budget Year 2024/25									Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.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		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	6 438	3 752	4 375	3 852	3 875	4 120	23 397	163 497	213 336	198 741	180 861
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	1 352	987	851	1 005	932	933	5 356	42 533	53 949	50 759	462 118
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	30	11	11	11	16	17	132	184	413	360	-
Interest on Arrear Debtor Accounts	1810	56	58	56	60	59	61	376	1 095	1 823	1 652	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	7 877	4 839	5 294	4 928	4 883	5 130	29 261	207 310	269 521	251 512	642 879
2023/24 - totals only		9157639	6236379	5194971	4875282	5073790	4465765	22479144	163806877	238 296	217 705	192197797.12
Debtors Age Analysis By Customer Group												
Organs of State	2200	2 818	1 119	1 105	1 458	1 307	1 520	9 284	21 036	39 649	34 606	-
Commercial	2300	1 100	605	872	612	597	513	2 485	12 405	19 189	16 612	-
Households	2400	3 980	3 290	3 335	2 909	3 002	3 100	17 950	177 281	214 645	204 241	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	7 898	5 014	5 313	4 980	4 906	5 133	29 719	210 722	273 683	255 459	-

Total debtors’ amount to **R273.6 million**, the debtors over 90 days amount to **R255.4 million**. This is concerning and needs intervention since debtors above 60 days should be restricted in terms of the Municipality’s credit control policy.

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 30 June 2025

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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	14 665	66 794	6 637	5 297	8 918	4 958	31 756	1 704	140 729	867
Auditor General	0800									-	
Other	0900									-	
Medical Aid deductions										-	
Total By Customer Type	1000	14 665	66 794	6 637	5 297	8 918	4 958	31 756	1 704	140 729	867

2.3 INVESTMENT PORTFOLIO
Investments as at 30 June 2025

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June 2025														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
ABSA - 9389804742			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	N/A	-	0		90 000	90 000
Nedbank - 1766000029			Investment Tracker	Yes	Variable interest rate	0.0908	N/A	N/A	05 September 2024	90 000	-		30 000	120 000
ABSA - 2081673418			Investment Tracker	Yes	Variable interest rate	0.093	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	463	(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 - 1766000029			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	06 September 2024	50 000	255		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	0.089	N/A	N/A	01 October 2024	65 000		(10 000)		55 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	02 October 2024	55 000		(5 000)		50 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	04 October 2024	50 000		(30 000)		20 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	07 October 2024	20 000	706		20 000	40 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	09 October 2024	40 000		(11 000)		29 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	17 October 2024	29 000		(3 000)		26 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	23 October 2024	26 000		(6 000)		20 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.089	N/A	N/A	24 October 2024	20 000	1 605	(20 000)		-
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.08	N/A	N/A	08 November 2024	-		-	30 000	30 000
Standard-348465874			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	02 November 2024	30 000		(30 000)	-	-
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	30 January 2025				10 000	10 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	31 January 2025	10 000		(10 000)		-
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	05 February 2025	-	287		10 000	10 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	06 February 2025	10 000		(10 000)		-
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	20 March 2025	-			80 000	80 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	27 March 2025	80 000			217 247	297 247
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	28 March 2025	297 247			20 000	317 247
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	1.085	N/A	N/A	31 March 2025	317 247		(10 000)		307 247
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	2.085	N/A	N/A	31 March 2025	307 247		(20 000)		287 247
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	06 June 2025	1 000	3	1 000	1 000	
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	19 June 2025	8 000		8 000	8 000	24 000
ABSA - 9373372771			Investment Tracker	Yes	Variable interest rate	0.085	N/A	N/A	27 June 2025	900		900	900	
Municipality sub-total										-	5 985	(695 285)	(695 285)	(1 390 571)
Entities														
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									-	5 985	(695 285)	(695 285)	(1 390 571)

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		639 948	676 614	685 699	437	676 614	685 699	(9 085)	-1,3%	685 699
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		631 671	670 187	670 187	–	670 187	670 187	–	0,0%	670 187
Expanded Public Works Programme Integrated Grant		7 077	5 227	5 227	–	5 227	5 227	–	0,0%	5 227
Local Government Financial Management Grant		1 200	1 200	1 200	437	1 200	1 200	–	0,0%	1 200
Municipal Disaster Relief Grant		–	–	9 085	–	–	9 085	(9 085)	-100,0%	9 085
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	2 168	108	1 228	2 168	(940)	-43,4%	2 168
Capacity Building and Other Grants		4 168	1 911	2 168	108	1 228	2 168	(940)	-43,4%	2 168
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		102 328	89 505	43 039	–	42 760	43 039	(279)	-0,6%	43 039
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
KwaZulu/Natal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		1 694	1 259	1 002	–	724	1 002	(279)	-27,8%	1 002
National Skills Fund		100 634	88 246	42 037	–	42 037	42 037	(0)	0,0%	42 037
Unspecified		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	746 444	768 030	730 906	545	720 602	730 906	(10 304)	-1,4%	730 906
Capital Transfers and Grants										
National Government:		768 386	576 195	851 477	72 792	851 477	851 477	–	0,0%	851 477
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		256 512	259 542	262 939	3 989	262 939	262 939	–	0,0%	262 939
Regional Bulk Infrastructure Grant		413 905	214 000	431 247	52 203	431 247	431 247	–	0,0%	431 247
Rural Road Asset Management Systems Grant		2 969	2 653	1 857	1 788	1 857	1 857	–	0,0%	1 857
Water Services Infrastructure Grant		95 000	100 000	155 434	14 812	155 434	155 434	–	0,0%	155 434
Provincial Government:		–	–	–	–	–	–	–	–	–
Infrastructure Grant		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		9	–	–	8	8	–	8	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Unspecified		9	–	–	8	8	–	8	–	–
Total Capital Transfers and Grants	5	768 395	576 195	851 477	72 800	851 485	851 477	8	0,0%	851 477
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 514 840	1 344 225	1 582 383	73 345	1 572 088	1 582 383	(10 295)	-0,7%	1 582 383

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 when the condition is met.

GRANTS RECEIPTS AND EXPENDITURE

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

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										
Operating expenditure of Transfers and Grants										
National Government:		906 002	587 778	853 793	107 909	792 003	853 793	(61 790)	-7.2%	853 793
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share	885 126	576 385	836 763	107 472	785 574	836 763	(51 189)	-6.1%	836 763	
Expanded Public Works Programme Integrated Grant	7 077	5 227	5 227	–	5 227	5 227	–	–	–	5 227
Local Government Financial Management Grant	1 200	1 201	1 200	437	1 189	1 200	(11)	-0.9%	1 200	
Municipal Disaster Relief Grant	–	–	9 085	–	–	9 085	(9 085)	-100.0%	9 085	
Municipal Infrastructure Grant	10 017	4 966	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant	–	–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant	–	–	1 500	–	9	1 500	(1 491)	-99.4%	1 500	
Rural Road Asset Management Systems Grant	2 582	–	18	–	5	18	(13)	-73.9%	18	
Water Services Infrastructure Grant	–	–	–	–	–	–	–	–	–	–
Provincial Government:		3 630	1 711	1 968	103	618	1 968	(1 350)	-68.6%	1 968
Capacity Building and Other Grants		3 630	1 711	1 968	103	618	1 968	(1 350)	-68.6%	1 968
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		102 328	89 505	43 039	0	42 760	43 039	(279)	-0.6%	43 039
Electricity Distribution Industry Holdings	–	–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission	–	–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA	1 694	1 259	1 002	–	724	1 002	(279)	-27.8%	1 002	
National Skills Fund	100 634	88 246	42 037	0	42 037	42 037	–	–	–	42 037
Total operating expenditure of Transfers and Grants:		1 011 960	678 995	898 800	108 012	835 382	898 800	(63 418)	-7.1%	898 800
Capital expenditure of Transfers and Grants										
National Government:		660 294	496 073	740 897	30 987	713 526	740 897	(27 370)	-3.7%	740 897
Municipal Infrastructure Grant	214 555	220 723	230 643	1 758	228 987	230 643	(1 655)	-0.7%	230 643	
Regional Bulk Infrastructure Grant	362 622	186 087	373 497	22 021	353 997	373 497	(19 500)	-5.2%	373 497	
Rural Road Asset Management Systems Grant	–	2 307	1 597	870	933	1 597	(664)	-41.6%	1 597	
Water Services Infrastructure Grant	83 116	86 957	135 160	6 338	129 609	135 160	(5 551)	-4.1%	135 160	
Provincial Government:		277	174	174	–	174	(174)	-100.0%	174	
Capacity Building and Other Grants	–	–	–	–	–	–	–	–	–	–
Infrastructure Grant	277	174	174	–	–	174	(174)	-100.0%	174	
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		9	–	–	–	–	–	–	–	–
Unspecified		9	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		660 580	496 247	741 071	30 987	713 526	741 071	(27 544)	-3.7%	741 071
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 672 539	1 175 242	1 639 871	138 999	1 548 908	1 639 871	(90 963)	-5.5%	1 639 871

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	Ref	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands		A	B	C					
Councillors (Political Office Bearers plus Other)	1								
Basic Salaries and Wages		—	—	—	—	—	—	—	—
Pension and UIF Contributions		517	563	587	49	588	587	2	0%
Medical Aid Contributions		41	41	51	6	58	51	7	14%
Motor Vehicle Allowance		2 224	2 012	2 368	188	2 322	2 368	(46)	-2%
Cellphone Allowance		859	483	784	65	781	784	(3)	0%
Housing Allowances		180	180	180	—	—	180	(180)	-100%
Other benefits and allowances		6 542	6 187	6 785	545	6 789	6 785	4	0%
Sub Total - Councillors		10 362	9 465	10 755	853	10 539	10 755	(216)	-2%
% increase	4		-8,7%	3,8%					
Senior Managers of the Municipality	3								
Basic Salaries and Wages		8 273	8 555	8 185	636	7 629	8 185	(556)	-7%
Pension and UIF Contributions		356	444	492	17	275	492	(217)	-44%
Medical Aid Contributions		117	123	130	6	97	130	(33)	-25%
Overtime		—	—	—	—	—	—	—	—
Performance Bonus		707	166	166	35	121	166	(45)	-27%
Motor Vehicle Allowance		2 051	1 997	2 678	161	1 981	2 678	(698)	-26%
Cellphone Allowance		296	317	317	23	284	317	(33)	-10%
Housing Allowances		13	13	13	1	13	13	—	4%
Other benefits and allowances		442	249	249	21	263	249	14	5%
Payments in lieu of leave		255	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—
Entertainment	2	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—
Acting and post related allowance		41	—	—	—	13	—	13	#DIV/0!
In kind benefits		—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		12 551	11 865	12 230	899	10 675	12 230	(1 555)	-13%
% increase	4		-5,5%	-2,6%					
Other Municipal Staff									
Basic Salaries and Wages		201 042	221 924	216 671	18 681	217 145	216 671	474	0%
Pension and UIF Contributions		27 014	24 008	30 574	2 667	30 151	30 574	(423)	-1%
Medical Aid Contributions		16 898	17 029	18 301	1 701	18 984	18 301	683	4%
Overtime		8 782	5 780	5 780	772	9 677	5 780	3 897	67%
Performance Bonus		13 868	14 733	15 267	1 937	14 391	15 267	(876)	-6%
Motor Vehicle Allowance		11 436	12 000	22 844	2 093	23 937	22 844	1 093	5%
Cellphone Allowance		801	821	821	88	861	821	41	5%
Housing Allowances		1 699	1 758	1 758	146	1 750	1 758	(9)	0%
Other benefits and allowances		5 465	253	3 176	244	3 641	3 176	466	15%
Payments in lieu of leave		6 307	—	—	149	1 963	—	1 963	#DIV/0!
Long service awards		3 289	—	—	138	2 532	—	2 532	#DIV/0!
Post-retirement benefit obligations		5 352	—	—	—	—	—	—	—
Entertainment	2	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—
Acting and post related allowance		562	—	—	68	903	—	903	#DIV/0!
In kind benefits		—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		302 517	298 307	315 192	28 684	325 935	315 192	10 743	3%
% increase	4		-1,4%	4,2%					
Total Parent Municipality		325 430	319 637	338 177	30 436	347 149	338 177	8 972	3%
			-1,8%	3,9%					
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Board Fees	5	—	—	—	—	—	—	—	—
Sub Total - Executive members Board	2	—	—	—	—	—	—	—	—
% increase	4								
Senior Managers of Entities									
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities		—	—	—	—	—	—	—	—
% increase	4								
Other Staff of Entities									
Sub Total - Other Staff of Entities		—	—	—	—	—	—	—	—
% increase	4								
Total Municipal Entities		—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS									
		325 430	319 637	338 177	30 436	347 149	338 177	8 972	3%
% increase	4		-1,8%	3,9%					
TOTAL MANAGERS AND STAFF		315 068	310 172	327 422	29 583	336 610	327 422	9 188	3%

The municipality has no active entity

ACTUAL AND REVISED TARGETS FOR RECEIPTS

DC26 Zululand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M12 June

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	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Receipts By Source																
Property rates													-			
Service charges - Electricity revenue													-			
Service charges - Water revenue		1 922	2 509	1 888	3 379	1 828	2 126	2 476	4 638	2 169	2 110	3 670	13 807	42 522	44 350	46 390
Service charges - Waste Water Management		850	812	635	876	713	755	895	1 221	1 070	1 148	1 289	3 281	13 544	14 127	14 777
Service charges - Waste Management													-			
Rental of facilities and equipment		37	45	45	41	41	41	41	1	69	39	39	643	1 084	580	580
Interest earned - external investments		13	328	949	2 473	44	153	356	358	132	194	127	2 373	7 500	8 000	8 368
Interest earned - outstanding debtors		5	10	30	3	7	7	6	10	28	13	16	360	495	516	540
Dividends received													-			
Fines, penalties and forfeits		60	42	93	98	9	36	-	1	8	-	85	148	580	605	633
Licences and permits		9	18	16	16	58	27	17	20	21	16	11	53	283	295	308
Agency services													-			
Transfers and Subsidies - Operational		280 201	2 506	724	9 176	2 514	242 515	-	-	178 201	13 759	77	47 084	776 756	720 384	757 969
Other revenue		309 866	29 319	157 169	129 368	67 379	40 854	57 153	43 198	363 656	164 154	89 633	(1 267 650)	144 099	124 523	131 585
Cash Receipts by Source		592 963	35 589	161 548	145 430	72 593	286 514	60 946	49 446	535 356	181 434	94 946	(1 229 094)	986 862	913 379	961 150
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		119 053	126 857	37 661	35 000	80 000	64 992	-	-	306 681	81 233	-	796	852 273	916 219	756 953
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(12)	-	-	2	0	0	1	0	(0)	-	0	12	3	-	-
VAT Control (receipts)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		712 004	162 446	199 209	180 431	152 594	351 506	60 946	49 446	842 036	262 667	94 946	(1 229 094)	1 839 138	1 829 598	1 718 103
Cash Payments by Type																
Employee related costs		28 229	27 563	28 353	29 018	29 396	29 059	29 090	16 509	41 239	29 818	29 101	10 049	327 423	302 013	315 906
Remuneration of councillors		994	803	833	1 071	784	900	955	860	947	914	928	767	10 755	11 640	12 176
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity		7 119	17 024	11 255	13 098	10 123	12 073	7 276	6 841	11 134	5 971	12 502	(114 415)	-	-	-
Acquisitions - water & other inventory		-	-	2 086	1 215	-	1 311	2 561	426	1 363	3 481	1 138	14 928	28 548	11 788	12 311
Contracted services		(81 828)	(62 124)	(48 301)	(59 251)	(25 088)	(30 035)	1 425	(14 709)	(32 631)	(142 660)	(59 755)	1 036 683	481 726	212 260	172 013
Transfers and subsidies - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other		-	-	-	-	-	-	-	-	-	-	-	2 720	2 720	-	-
Other expenditure		300 056	118 530	87 702	95 281	63 109	165 450	13 660	33 061	70 420	210 762	106 138	(1 039 933)	224 235	40 953	42 736
Cash Payments by Type		254 569	101 795	81 936	80 432	78 325	178 759	54 965	42 988	92 500	108 286	90 051	(89 291)	1 075 406	578 653	555 142
Other Cash Flows/Payments by Type																
Capital assets		93 315	64 218	59 111	74 889	54 560	68 273	-	14 786	32 878	181 413	79 738	52 412	775 592	854 309	747 707
Repayment of borrowing		-	138	138	277	-	8 856	415	(150)	462	(75)	-	8 035	18 096	17 712	17 712
Other Cash Flows/Payments		4 705	3 825	1 754	5 282	578	308	284	-	970	1 446	2 613	(19 764)	2 000	-	-
Total Cash Payments by Type		352 589	169 976	142 939	160 879	133 463	256 196	55 664	57 624	126 811	291 670	172 402	(48 518)	1 871 095	1 450 674	1 326 581
NET INCREASE/DECREASE IN CASH HELD		359 415	(7 530)	56 270	19 552	19 131	95 310	5 282	(8 178)	715 225	(28 409)	(77 456)	(31 957)	378 924	397 542	391 542
Cash/cash equivalents at the month/year beginning:		57 071	416 486	408 956	465 225	484 777	503 909	599 219	604 501	596 323	1 311 548	1 283 145	1 205 689	57 071	25 114	404 038
Cash/cash equivalents at the month/year end:		416 486	408 956	465 225	484 777	503 909	599 219	604 501	596 323	1 311 548	1 283 145	1 205 689	25 114	25 114	404 038	801 580

2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M12 June

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
	Service charges – Water revenue	10%	This is the amounts billed on customers for water used, the year-to-date actual is R55.4 million which is 90% of the approved adjustment budget. The R55.4 million year to date actual is below the Twelve months baseline projection or year-to-date budget of R61.3 million. A variance of R5.9 million or 10% is observed.	The municipality will monitor this line item to keep in track with the budget year forecast.
	Service charges – Sanitation revenue	2%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R18.1 million which is 1.02% of the approved adjustment budget. The R18.1 million year to date actual is above the Twelve months baseline projection or year-to-date budget of R16.2 million. A variance of R397 thousand or 2% is observed.	
	Sale of goods and rendering of service	169%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R620 thousands which is 2.69% of the approved adjustment budget. The R620 thousands year to date actual is above the Twelve months baseline projection or year-to-date budget of R230 thousand. A variance of R389 thousand or 169% is observed.	There was sale tender documents in this period. A movement of R626 thousand.
	Interest earned - outstanding debtors	9%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R746 thousand, which is 91% of the approved adjustment budget. The R746 thousand year to date actual is below the Twelve months baseline projection or year-to-date budget of R823 thousand. A variance of R77 thousand or 9% is observed. Reasons for variances can be attributed to businesses' nonadherence to payment terms.	The municipality must implement stringent measures to ensure businesses pay on time.
	Interest on investment	8%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R8 million which is 1.08% of the approved adjustment budget. The R8 million year to date actual is below the Twelve months baseline projection or year-to-date budget of R7.5 million. A variance of R587 thousand or 8% is observed. The reason for variances can be attributed to the fact that there was no new matured investment that matured by the end of the reporting period.	
	Rental from Fixed Assets	7%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R468 thousand which is 93% of the approved adjustment budget. The R468 thousand year to date actual is below the Twelve months baseline projection or year-to-date budget of R504 thousand. A variance of R36 thousand or less than 7% is observed.	The municipality will review and reconcile rent with the lease agreements for future forecast.
	Licences and Permits	2%	Licences and permits year-to-date actual is R276 thousand which is 98% of the approved adjustment budget. The R276 thousand year to date actual is below the Twelve months baseline projection or year-to-date budget of R283 thousand. A variance of R6 thousand or 2% is observed.	This line item depends on licences renewal and new issued permits.
	Operational revenue	15%	Operational revenue year-to-date actual is R1.5 million which is 1.18% of the approved adjustment budget. The R1.5 million year to date actual is above the Twelve months baseline projection or year-to-date budget of R1.2 million. A variance of R235 thousands or 18% is observed. The variance to this line item can be attributed to the receipt of Insurance Refund, Registration Fees & Transaction handling Fees which is not benchmarked by year to date.	
	Fines, penalties, and forfeits	23%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is R449 thousand, which is 77% of the approved adjustment budget. The R449 thousand year to date is below the Twelve months baseline projection or year-to-date budget of R580 thousand. A variance of R131 thousand or less than 23% 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	1%	Transfers and subsidies year to date actual is R720.6 million which is 99% of the approved adjustment budget. The R720.6 million year to date actual is above the Twelve months baseline projection or year-to-date budget of R730.9 million. A variance of R10.3 million or 1% 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, Amatsi AkwaZulu Grant, Disaster management Grant, LGSETA Grant and Indonsa art centre.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M12 June

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	Expenditure By Type			
	Employee Related Costs	3%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R336.6 million which is 1.03% of the approved adjustment budget. The R336.6 million year to date actual is above the Twelve months baseline projection or year-to-date budget of R327.4 million. A variance of R9.1 million or 3% is observed.	
	Remuneration of Councillors	2%	Remuneration of Councillors is paid for councillors allowances, service-related benefits and contributions. The year-to-date actual is R10.5 million which is 98% of the approved adjustment budget. The R10.5 million year to date actual is below the Twelve months baseline projection or year-to-date budget of R10.7 million. A variance of R216 hundreds or 2% is observed.	
	Inventory Consumed	17%	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 R25.3 million which is R78% of the approved adjustment budget. The R25.3 million year to date actual is below the Twelve months baseline projection or year-to-date budget of R32.4 million. A variance of R7 million or 17% is observed.	The municipality will consider the requisitions if any and debit the expense as the transaction occurs.
	Depreciation	16%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R106.2 million which is 1.16% of the approved adjustment budget. The R106.2 million year to date actual is above the Twelve months baseline projection or year-to-date budget of R91.3 million. A variance of R14.9 million or 16% is observed.	
	Finance charges	9%	Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is R10.8 million which is 91% of the approved adjustment budget. The R10.5 million year to date actual is above the Twelve months baseline projection or year-to-date budget of R11.9 million. A variance of R1.1 million or 9% is observed.	
	Contracted services	31%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R214.3 million which is 69% of the approved adjustment budget. The R214.3 million year to date actual is below the Twelve months baseline projection or year-to-date budget of R310 million. A variance of R95.6 million or 31% is observed.	The municipality has tried to minimise the cost of contracted service based on the funding plan
	Transfers and subsidies paid.	271%	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 R8.7 million which is 3.71% of the approved adjustment budget. The R8.7 million year to date actual is below the Twelve months baseline projection or year-to-date budget of R2.3 million. A variance of R6.3 million or 271% is observed.	
	Operational costs	14%	Operational costs are all other expenditure not classified above. The year-to-date actual is R222.5 million which is 1.14% of the approved adjustment budget. The R222.5 million year to date actual is above the Twelve months baseline projection or year-to-date budget of R195.1 million. A variance of R27.4 million or 14% is observed.	The expenditure is monitored by the municipality and the expenditure is kept within the budget.

DC26 Zululand - Supporting Table SC1 Material variance explanations - M12 June

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	Capital Expenditure			
	Governance and administration	95%	Governance and administration year-to-date actual is R201 thousand which is 5% of the approved adjustment budget. The R201 thousand year to date actual is below the Twelve months baseline projection or year-to-date budget of R4.3 million. A variance of R4.1 million or 95% is observed.	The municipality will look at the where the processes are on rural road management subsidy and try to push for the spending of this subsidy.
	Community and public safety	100%	Community and public safety year-to-date actual is R0 which is 0% of the approved adjustment budget, the R0 year to date actual is below the Eleven months baseline projection or year-to-date budget of R159 thousand. A variance of R159 thousand or 100% is observed.	
	Economic and environmental services	38%	Economic and environmental services year-to-date actual is R994 thousand which is 62% of the approved adjustment budget, the R994 thousand year to date actual is below the Twelve months baseline projection or year-to-date budget of R1.5 million. A variance of R603 thousand or 38% is observed.	
	Trading services	3%	Trading services year-to-date actual is R750.7 million which is 97% of the approved adjustment budget, the R750.7 million year to date actual is above the Twelve months baseline projection or year-to-date budget of R771.4 million. A variance of R20.7 million or 3% 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 - M12 June

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									
Monthly expenditure performance trend									
July	-	42 130	42 130	93 315	93 315	42 130	(51 185)	-121.5%	12%
August	57 911	42 130	42 130	64 218	64 218	84 260	20 042	23.8%	8%
September	49 277	42 130	42 130	59 111	59 111	126 390	67 279	53.2%	8%
October	113 514	41 961	41 961	74 889	74 889	168 352	93 463	55.5%	10%
November	90 763	41 961	41 961	54 560	54 560	210 313	155 754	74.1%	7%
December	101 101	41 961	41 961	68 273	68 273	252 275	184 001	72.9%	9%
January	10 678	41 961	41 961	-	-	294 236	294 236	100.0%	0%
February	10 959	47 944	47 944	14 786	14 786	342 179	327 393	95.7%	2%
March	97 963	47 944	47 944	32 878	32 878	390 123	357 245	91.6%	4%
April	53 993	128 721	128 721	181 413	181 413	518 844	337 431	65.0%	0
May	1 240	128 375	128 375	79 738	181 413	647 218	465 805	72.0%	0
June	74 867	130 374	130 374	28 731	28 731	777 592	748 862	96.3%	0
Total Capital expenditure	662 266	777 592	777 592	751 911					

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 - M12 June										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		660 219	496 073	740 897	30 987	713 526	740 897	27 370	3,7%	740 897
Roads Infrastructure		-	2 307	1 597	870	933	1 597	664	41,6%	1 597
Roads		-	2 307	1 597	870	933	1 597	664	41,6%	1 597
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		660 219	489 059	739 300	30 117	712 593	739 300	26 707	3,6%	739 300
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		35 737	43 631	33 115	-	32 100	33 115	1 015	3,1%	33 115
Reservoirs		9 197	1 593	3 379	-	3 379	3 379	0	0,0%	3 379
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		123 018	97 849	136 178	-	136 178	136 178	0	0,0%	136 178
Bulk Mains		450 780	294 587	533 685	30 117	508 338	533 685	25 347	4,7%	533 685
Distribution		41 487	45 046	32 943	-	32 597	32 943	345	1,0%	32 943
Distribution Points		-	6 354	-	-	-	-	-	-	-
Sanitation Infrastructure		-	4 707	-	-	-	-	-	-	-
Reticalulation		-	4 707	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	(2 400)	-	-	-	-	-
Operational Buildings		-	-	-	(2 400)	-	-	-	-	-
Municipal Offices		-	-	-	(2 400)	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		624	3 913	3 913	136	224	3 913	3 689	94,3%	3 913
Computer Equipment		624	3 913	3 913	136	224	3 913	3 689	94,3%	3 913
Furniture and Office Equipment		348	435	435	8	37	435	398	91,5%	435
Furniture and Office Equipment		348	435	435	8	37	435	398	91,5%	435
Machinery and Equipment		432	174	32 348	-	38 124	32 348	(5 776)	-17,9%	32 348
Machinery and Equipment		432	174	32 348	-	38 124	32 348	(5 776)	-17,9%	32 348
Transport Assets		920	-	-	-	-	-	-	-	-
Transport Assets		920	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Poling and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Poling and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	662 543	500 595	777 592	28 731	751 911	777 592	25 681	3,3%	777 592

Expenditure on Repairs and Maintenance by Asset class

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 June										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		159 097	67 193	132 161	888	61 061	132 161	71 100	53,8%	132 161
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Stormwater Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		159 097	67 193	132 161	888	61 061	132 161	71 100	53,8%	132 161
Bulk Mains		82 068	19 966	23 875	888	12 846	23 875	11 029	46,2%	23 875
Distribution Points		77 029	47 227	108 286	-	48 215	108 286	60 072	55,5%	108 286
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		1 739	-	-	-	-	-	-	-	-
Community Facilities		1 739	-	-	-	-	-	-	-	-
Airports		1 739	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		978	2 000	1 338	34	461	1 338	877	65,6%	1 338
Operational Buildings		978	2 000	1 338	34	461	1 338	877	65,6%	1 338
Municipal Offices		978	2 000	1 338	34	461	1 338	877	65,6%	1 338
Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	300	300	-	-	300	300	100,0%	300
Furniture and Office Equipment		-	300	300	-	-	300	300	100,0%	300
Machinery and Equipment		-	100	245	29	188	245	57	23,2%	245
Machinery and Equipment		-	100	245	29	188	245	57	23,2%	245
Transport Assets		5 508	1 400	9 167	285	8 966	9 167	201	2,2%	9 167
Transport Assets		5 508	1 400	9 167	285	8 966	9 167	201	2,2%	9 167
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Poling and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Poling and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	167 322	70 993	143 211	1 236	70 676	143 211	72 535	50,6%	143 211

Depreciation by Asset class

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M12 June										
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									
Depreciation by Asset Class/Sub-class										
Infrastructure		103 110	81 902	81 902	(328)	96 234	81 902	(16 332)	-19.9%	81 902
Roads Infrastructure		—	718	718	—	—	718	718	100.0%	718
Roads		—	718	718	—	—	718	718	100.0%	718
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	36	36	—	—	36	36	100.0%	36
LV Networks		—	36	36	—	—	36	36	100.0%	36
Capital Spares		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		100 436	78 916	78 916	(328)	95 778	78 916	(16 862)	-21.4%	78 916
Dams and Weirs		2 231	2 785	2 785	(6)	2 039	2 785	746	26.8%	2 785
Boreholes		1 669	471	471	(17)	1 513	471	(1 042)	-221.5%	471
Reservoirs		8 694	7 026	7 026	16	8 395	7 026	(1 369)	-19.5%	7 026
Pump Stations		6 447	4 451	4 451	(88)	5 870	4 451	(1 418)	-31.9%	4 451
Water Treatment Works		8 007	6 624	6 624	63	7 428	6 624	(804)	-12.1%	6 624
Bulk Mains		47 727	35 197	35 197	(140)	46 641	35 197	(11 444)	-32.5%	35 197
Distribution		25 582	22 280	22 280	(150)	23 824	22 280	(1 545)	-6.9%	22 280
PRV Stations		80	81	81	(6)	68	81	13	16.3%	81
Capital Spares		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		2 674	2 231	2 231	(0)	2 456	2 231	(224)	-10.1%	2 231
Pump Station		197	193	193	—	187	193	6	3.1%	193
Reticalation		1 686	1 717	1 717	—	1 545	1 717	171	10.0%	1 717
Waste Water Treatment Works		790	322	322	(0)	724	322	(402)	-124.8%	322
Outfall Sewers		—	—	—	—	—	—	—	—	—
Toilet Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Community Assets		1 226	852	852	(1)	1 109	852	(257)	-30.1%	852
Community Facilities		1 091	622	622	(1)	985	622	(363)	-58.5%	622
Markets		344	—	—	—	315	—	(315)	#DIV/0!	—
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		748	622	622	(1)	670	622	(48)	-7.8%	622
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		135	230	230	—	124	230	107	46.3%	230
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		135	230	230	—	124	230	107	46.3%	230
Capital Spares		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Other assets		1 608	1 366	1 366	(15)	1 523	1 366	(157)	-11.5%	1 366
Operational Buildings		1 608	1 366	1 366	(15)	1 523	1 366	(157)	-11.5%	1 366
Municipal Offices		1 608	1 312	1 312	(15)	1 523	1 312	(211)	-16.1%	1 312
Stores		—	53	53	—	—	53	53	100.0%	53
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		24	20	20	(6)	16	20	4	21.0%	20
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		24	20	20	(6)	16	20	4	21.0%	20
Computer Software and Applications		24	20	20	(6)	16	20	4	21.0%	20
Unspecified		—	—	—	—	—	—	—	—	—
Computer Equipment		2 791	992	992	(287)	1 777	992	(785)	-79.2%	992
Computer Equipment		2 791	992	992	(287)	1 777	992	(785)	-79.2%	992
Furniture and Office Equipment		579	575	575	(55)	469	575	106	18.5%	575
Furniture and Office Equipment		579	575	575	(55)	469	575	106	18.5%	575
Machinery and Equipment		1 034	368	368	(85)	931	368	(564)	-153.3%	368
Machinery and Equipment		1 034	368	368	(85)	931	368	(564)	-153.3%	368
Transport Assets		3 903	5 241	5 241	(596)	2 162	5 241	3 079	58.8%	5 241
Transport Assets		3 903	5 241	5 241	(596)	2 162	5 241	3 079	58.8%	5 241
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Living resources		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Polking and Protection		—	—	—	—	—	—	—	—	—
Zoological plants and animals		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Polking and Protection		—	—	—	—	—	—	—	—	—
Zoological plants and animals		—	—	—	—	—	—	—	—	—
Total Depreciation	1	114 269	91 315	91 315	(1 373)	106 220	91 315	(14 906)	-16.3%	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.



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

Date: 14/07/2025