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**INTERNAL MEMO**

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**DATE** : **15 JANUARY 2025**  
**TO** : **THE HONOURABLE MAYOR**  
**FROM** : **MUNICIPAL MANAGER**  
**RE** : **MONTHLY BUDGET STATEMENT**

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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 **31 December 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

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**N.S. MSIBI**  
**Chief Financial Officer**

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**R.N HLONGWA**  
**Municipal Manager**

**"Service Delivery through Integrity"**

# **ZULULAND DISTRICT MUNICIPALITY**



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

**31 DECEMBER 2025**

**MFMA S71 REPORT**

**2025/2026 FINANCIAL YEAR**

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## **GLOSSARY**

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

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

**AFS** – Annual Financial Statements.

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

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

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

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

**CFO** – Chief Financial Officer

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

**DWAF** – Department of Water Affairs

**EPWP** – Expanded Public Works Program

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

**FMG** – Financial Management Grant

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

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

**MSCOA** – Municipal Standard Chart of Accounts

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

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

**LED** – Local Economic Development

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

**MIG** – Municipal Infrastructure Grant

**MSIG** – Municipal Systems Improvement Grant

**WSIG** – Water services Infrastructure Grant

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

**MWIG** – Municipal Water Infrastructure Grant

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

**R & M** – Repairs and Maintenance

**SCM** - Supply Chain Management

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

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

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

**Virement** – transfer of budget

**ZDM** – Zululand District Municipality

## **PART 1 – IN-YEAR REPORT**

### **1.1. MAYORS REPORT**

To be attached

### **1.2. COUNCIL RESOLUTION**

The Monthly budget statement review be noted.

### **1.3. EXECUTIVE SUMMARY**

#### **BUDGET PERFORMANCE ANALYSIS**

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

#### **Summary Statement of Financial Performance**

##### **Revenue and Expenditure**

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	815 238 444	594 781 904.44	414 382 992	180 398 912.46	44%	73%
Total Operating Expenditure	553 766 368	442 694 437.27	285 312 598	157 381 838.83	55%	80%
Surplus/(Deficit)	261 472 076	152 087 467.17	129 070 394	23 017 073.63		

#### **Operating Revenue Performance**

Total operating revenue generated by the Municipality as at **31 December 2025** is **R594.7 million**, which is **73%** of the approved operating revenue budget. The **R594.7 million** year to date Actual is **above** the **Six months** baseline projection or year-to-date budget of **R414.3 million**, a variance of **R180.3 million or 44% 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 **R33.3 million** which is **40%** of the total generated service charges from 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 which is moving at a pace faster than year to date budget.

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

## Operating Expenditure Performance

Total Operating Expenditure as at **31 December 2025** is **R442.6 million** which is **80%** of the approved operating expenditure budget. The **R442.6 million** year to date actual is **above** the **Six months** baseline projection or year-to-date budget of **R285.3 million**, a variance of **R157.3 million or 55% is observed**.

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

Reasons for variances can be attributed to contracted services moving at higher pace, and inventory consumed which are moving at a slower pace than year-to-date budget; debt impairment which has no movement yet. Employee-related cost is moving at higher pace, interest and operational cost 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 31 DECEMBER 2025	APPROVED BUDGET	RECEIPTS	YTD ACTUAL	VARIENCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	268 969 000	245 000 000.00	139 726 337.37	129 242 662.63	52
Regional Bulk Infrastructure (RBIG)	544 478 000	382 700 000.00	225 864 754.52	318 613 245.48	41
Water services infrastructure Grant (WSIG)	100 000 000	70 000 000.00	30 293 898.85	69 706 101.15	30
Rural Roads Asset Management Systems Grant	2 772 000	1 940 000.00	-	2 772 000.00	-
Indonsa Grant	1 719 000	2 675 000.00	-	1 719 000.00	-
FMG	1 300 000	1 300 000.00	698 003.66	601 996.34	54
EPWP	6 406 000	4 485 000.00	6 767 717.64	-361 717.64	106
LGSETA Waste Water Employees	-	99 606.00	99 000.00	-99 000.00	-
TS O M PG KZN CAP BLD AVIATION	500 000	1 000 000.00	-	500 000.00	-
NSF		12 199 851.30	12 019 000.00	-	-
Disaster Management Grant	7 125 285		6 043 987.73	-	85
AMAFA		160 000.00	160 000.00	-	-
	926 144 000	721 459 851	415 529 712	522 694 288	283

## Capital Expenditure and Funding

### Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	742 877 267	330 607 167.66	374 341 898	-43 734 730.67	-12%	45%
Total Capital Financing	742 877 267	330 607 167.66	374 341 898	-43 734 730.67	-12%	45%

## Grants receipts and expenditure

Total Capital Expenditure as at **31 Decem 2025** is **R330.6 million** which is **45%** of the approved capital budget. The **R330.6 million** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R374.3 million**, a variance of **R43.7 million or 12%**.

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

### **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 **52%**, **RBIG** is at **41%**, **WSIG** is at **30%** **RRAMG** is at **0%** and **Indonsa** is at **0%**.

### **Financial Position Framework**

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	YTD ACTUAL	%
Total current assets	677 146 297	405 332 946.91	60
Total non current assets	5 982 750 926	6 378 485 271.31	107
Total current liabilities	406 164 039	765 557 148.27	188
Total non current liabilities	254 145 896	131 768 232.63	52
<b>TOTAL COMMUNITY WEALTH/ EQUITY</b>	<b>4 821 896 212</b>	<b>7 515 260 691.20</b>	<b>155.9%</b>

The **current assets** year to date actual is **R405.3 million**, which is **60%** of the approved budget. **Non - Current assets** year to date actual is **R6.3 billion**, which is **107%** of the approved budget. **Current Liabilities** year to date actual is **R765.5 million** which is **188%** of the approved budget. **Non- Current Liabilities** year to date is **R131.7 million** which is **52%** of the approved budget. **Accumulated surplus** year to date actual is **R7.5 billion** which is **155.9%** of the approved budget.

Current assets amount to **R405.3 million**, included in the current assets is an investment of **R140 million**.

Current liabilities amount to **R765.5 million**, this includes unspent conditional grants amounting to **R557.4 million**.

The Current ratio is 0.53:1 [**405.3 million/765.5 million**], the current ratio norm is **2:1**

The municipality approved the funded budget, in the budget there was inclusion of debt relief from DWS, the main condition was to make sure that the municipality pays the current month expenditure.

Since the signing of agreement, the municipality has started to pay even though there is an issue that DWS does not put all invoices on time in their portal, that results to inconsistent payments.

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

## 1.4. OPERATING REVENUE PERFORMANCE

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

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		55 414	63 954	63 954	3 675	24 982	31 977	—		
Service charges - Water		18 129	18 494	18 494	1 450	8 410	9 247	(6 995) (837)	-22% -9%	
Service charges - Waste Water Management								—	18 494	
Service charges - Waste management								—		
Sale of Goods and Rendering of Services		627	800	800	200	540	400	140	35%	
Agency services								—	800	
Interest								—		
Interest earned from Receivables		746	858	858	57	320	429	(109) (1 620)	-25% -41%	
Interest from Current and Non Current Assets		8 129	8 000	8 000	118	2 380	4 000	—	8 000	
Dividends								—		
Rent on Land								—		
Rental from Fixed Assets		463	504	504	49	242	252	(10) (53)	504	
Licence and permits		277	295	295	7	95	147	—	295	
Special rating levies								—		
Operational Revenue		1 542	1 344	1 344	11	211	672	(460)	-69%	
<b>Non-Exchange Revenue</b>								—		
Property rates								—		
Surcharges and Taxes		—	—	—	—	—	—	—	—	
Fines, penalties and forfeits		449	605	605	3	148	303	(155)	-51%	
Licence and permits								—	605	
Transfers and subsidies - Operational		680 583	720 384	740 965	239 898	557 454	366 956	190 498	52%	
Interest		—	—	—	—	—	—	—	—	
Fuel Levy		—	—	—	—	—	—	—	—	
Operational Revenue		—	—	—	—	—	—	—	—	
Gains on disposal of Assets		—	—	—	—	—	—	—	—	
Other Gains		1 706	—	—	—	—	—	—	—	
<b>Discontinued Operations</b>										
<b>Total Revenue (excluding capital transfers and contributions)</b>		768 065	815 238	835 819	245 468	594 782	414 383	180 399	44%	835 819

The year-to-date actual indicates operating revenue of **R594.7 million for December**, The **R594.7 million** year to date actual is **above the six months** baseline projection or year-to-date budget of **R414.3 million**, a variance of **R180.3 million** or **44%** 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 the 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 **R24.9 million** which is **39 %** of the approved budget. The **R24.9 million** year to date actual is **below the Six months** baseline projection or year-to-date budget of **R31.9 million**. A variance of **R6.9 million** or **22%** is observed. the municipality started the process of replacing estimates with prepaid meters, and for the month of December, the municipality have installed More prepaid meters that's why our monthly Actual is **R3.6 million**.

### **Service charges – Sanitation revenue**

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R8.4 million** which is **46%** of the approved budget. The **R8.4 million** year to date actual is **below the six months** baseline projection or year-to-date budget of **R9.2 million**. A variance of **R837 thousand** or **9%** is observed. Sanitation for the period will have an effect since **Business have an excess charge** and it also affect our sanitation since we have changed billing from **estimates to Actual** for the month of **December**.

### **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 **R540 thousands** which is **67%** of the approved budget. The **R540 thousands** year to date actual is **below the six months** baseline projection or year-to-date budget of **R400 thousand**. A variance of **140 thousand** or **35%** is observed.

There was a huge sale of tender documents for the month of **December 2025**.

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

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R320 thousand**, which is **37%** of the approved budget. The **R320 thousand** year-to-date actual is **below the six months** baseline projection or year-to-date budget of **R429 thousand**. A variance of **R109 thousand** or **25%** is observed.

Reasons for variances can be attributed to businesses' adherence to payment terms; the municipality has implemented stringent measures for the Month of **December since** we have an **Actual of R57 thousand**, we must ensure that 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 **R2.3 million** which is **29%** of the approved budget. The **R2.3 million** year-to-date actual is **below the Six-month** baseline projection or year-to-date budget of **R4 million**. A variance of **R1.6 million** or **41%** is observed.

The reason for variance can be attributed to the fact that there were some investments which were not 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 **R242 thousand** which is **48%** of the approved budget. The **R242 thousand** year-to-date actual is **below the six months** baseline projection or year-to-date budget of **R252 thousand**. A variance of **R10 thousand** or **4%** is observed

The municipality will review and reconcile rent with the lease agreements for future forecast. The Rent on Facilities is Fixed

## **Licences and Permits**

Licences and permits year-to-date actual is **R95 thousand** which is **32%** of the approved budget. The **R95 thousand** year to date actual is **below the six months** baseline projection or year-to-date budget of **R147 thousand**. A variance of **R53 thousand** or **36%** is observed. In the Month of **December** there were only health certificate issued, which is a movement of **R7 thousand**.

## **Operational revenue**

Operational revenue year-to-date actual is **R211 thousand** which is **16%** of the approved budget. The **R211 thousand** year to date actual is **below the six months** baseline projection or year-to-date budget of **R672 thousand**. A variance of **R460 thousands** or **69%** is observed.

The variance to this line item can be attributed the non-receipt of Skills Development Refund, Registration Fees, Handling Fees which is not benchmarked by year to date, which is a movement of **R11 thousand**.

## **NON-EXCHANGE REVENUE**

### **Fines, penalties, and forfeits**

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is **R148 thousand**, which is **25%** of the approved budget. The **R148 thousand** year to date is **below the six-month** baseline projection or year-to-date budget of **R303 thousand**. A variance of **R155 thousand** or **51%** is observed, which is a movement of **R3 thousand**.

Reasons for variances highlight an indication that less consumers are illegally connected or an indication that some illegally connected consumers have been 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), 20252; 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 **R557.4 million** which is **77%** of the approved budget. The **R557.4 million** year to date actual is **above the six months** baseline projection or year-to-date budget of **R366.9 million**. A variance of **R190.4 million** or **52%** 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, Aviation Grant, LGSETA Grant and Indonsa art centre.

## 1.5. OPERATING EXPENDITURE PERFORMANCE

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

Description	Ref	Budget Year 2025/26									
		2024/25	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>											
<b>Expenditure By Type</b>											
Employee related costs		343 349	302 013	302 013	28 086	178 918	151 008	27 910	18%	302 013	
Remuneration of councillors		10 539	11 840	11 840	1 128	5 359	5 820	(461)	-6%	11 640	
Bulk purchases - electricity		—	—	—	—	—	—	—	—	—	
Inventory consumed		57 950	10 250	10 351	(663)	(5 296)	5 094	(10 390)	-204%	10 351	
Debt impairment		30 773	4 000	4 000	—	—	2 000	(2 000)	-100%	4 000	
Depreciation and amortisation		120 749	95 000	95 000	19 882	59 575	47 500	12 075	25%	95 000	
Interest		18 091	7 575	7 335	925	5 511	3 689	1 842	50%	7 335	
Contracted services		276 563	87 677	107 262	37 353	98 108	52 010	46 088	89%	107 262	
Transfers and subsidies		9 064	—	—	—	2	—	2	#DIV/0!	—	
Irrecoverable debts written off		2 724	—	—	—	—	—	—	—	—	
Operational costs		335 440	35 611	36 646	16 611	100 516	18 211	82 305	452%	38 646	
Losses on Disposal of Assets		6	—	—	—	—	—	—	—	—	
Other Losses		272	—	—	—	—	—	—	—	—	
<b>Total Expenditure</b>		<b>1 205 521</b>	<b>553 786</b>	<b>574 247</b>	<b>103 432</b>	<b>442 694</b>	<b>285 313</b>	<b>157 382</b>	<b>55%</b>	<b>574 247</b>	

The year-to-date actuals indicate spending of **R442.6 million for six months**, which is **80%** of the approved operating expenditure budget. The **R442.6 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R285.3 million**, a variance of **R157.3 million** or less than **55%** 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 **R178.9 million** which is **59%** of the approved budget. The **R178.9 million** year to date actual is **above** the **six-month** baseline projection or year-to-date budget of **R151 million**. A variance of **R27.9 million** or **18%** is observed. The expenditure for the month is **R28 million**.

### Remuneration of Councillors

Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R5.3 million** which is **46%** of the approved budget. The **R5.3 million** year-to-date actual is **below** the **six-month** baseline projection or year-to-date budget of **R5.8 million**. A variance of **R461 thousand** or **8%** is observed. The Expenditure for the Month is **R1.1 million**.

### 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 a negative amount (**-R5.2 million**), which means there were transaction performed incorrectly.

The municipality will prepare a journal to correct the error.

### **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 **R59.5 million** which is **63%** of the approved budget. The **R59.5 million** year-to-date actual is **above the six month** baseline projection or year-to-date budget of **R47.5 million**. A variance of **12 million** or **25%** is observed. The movement for the month is **R19.9 million**.

### **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 **R5.5 million** which is **73%** of the approved budget. The **R5.5 million** year-to-date actual is **above the six-month** baseline projection or year-to-date budget of **R3.6 million**. A variance of **R1.8 million** or **50%** is observed. The movement for the month is **R925 thousand** resulting from interest on loan.

### **Contracted services**

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R98 million** which is **112%** of the approved budget. The **R98 million** year to date actual is **above the six-month** baseline projection or year-to-date budget of **R52 million**. A variance of **46 million** or **89%** is observed. The movement for the month is **R37.3 million**, the major movements are noted in water tankers, Security services & Bulk maintenance.

### **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 year-to-date actual is **R2 thousand** which is **0%**

of the approved budget. the **R0** year to date actual is **above the six months** baseline projection or year-to-date budget of **R0 thousand**. A variance of **R2 thousand** is observed.

### Operational cost

Operational costs are all other expenditure not classified above. The year-to-date actual is **R100.5 million** which is **282%** of the approved budget. the **R100.5 million** year-to-date actual is **above the six months** baseline projection or year-to-date budget of **R18.2 million**. A variance of **R82.3 million** or **452%** is observed. The movement for the month is **R16.6 million**. Major movements are from Eskom & wet fuel.

### Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 300 000	698 003.66	650 000	48 003.66	7%	54%
EPWP Incentive	6 406 000	6 767 717.64	3 203 000	3 564 717.64	111%	106%
Art centre Subsidies (Indonsa Grant)	1 719 000	-	859 500	-859 500.00	-100%	0%
Aviation Grant	500 000	-	250 000	-250 000.00	-100%	0%
LG SETA	99 606	-	49 803	-49 803.00	-100%	0%
Disaster Management Grant	7 125 285	6 043 987.73	3 562 643	2 481 345.23		
<b>Total Operating Grant Expenditure</b>	<b>17 149 891</b>	<b>13 609 709.03</b>	<b>8 574 945.60</b>	<b>4 934 763.63</b>	<b>58%</b>	<b>79%</b>

**FMG 54%, EPWP Incentive 106%, Art center subsidies (Indonsa Grant) 0% LG SETA 0%, Aviation Grant 0% and NSF 0%**

### Grants Rollovers

ROLLED OVER GRANTS FROM 2024/2025	APPROVED ROLLOVER	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %
TSUCM_COGTA BOREHOLES:OPEN/B	1 445 896	-	481 965	-481 965.32	-
Disaster Management Grant	7 125 285	6 043 987.73	2 375 095	3 668 892.73	85%
<b>Total Operating Grant Expenditure</b>	<b>8 571 181</b>	<b>6 043 987.73</b>	<b>2 857 060</b>	<b>3 186 927.41</b>	<b>85%</b>

**COGTA Boreholes Grant 0% and Disaster Management Grant 85%**

## Summary of Revenue and Operational Expenditure Performance

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

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
Exchange Revenue										
Service charges - Electricity		55 414	63 954	63 954	3 675	24 982	31 977	(6 995)	-22%	63 954
Service charges - Water		18 129	18 494	18 494	1 450	8 410	9 247	(837)	-9%	18 494
Service charges - Waste Water Management										
Service charges - Waste management										
Sale of Goods and Rendering of Services		627	800	800	200	540	400	140	35%	800
Agency services										
Interest										
Interest earned from Receivables		746	858	858	57	320	429	(109)	-25%	858
Interest from Current and Non Current Assets		8 129	8 000	8 000	118	2 380	4 000	(1 620)	-41%	8 000
Dividends										
Rent on Land										
Rental from Fixed Assets		463	504	504	49	242	252	(10)	-4%	504
Licence and permits		277	295	295	7	95	147	(53)	-36%	295
Special rating levies										
Operational Revenue		1 542	1 344	1 344	11	211	672	(460)	-69%	1 344
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		449	605	605	3	148	303	(155)	-51%	605
Licence and permits										
Transfers and subsidies - Operational		680 583	720 384	740 965	239 898	557 454	366 956	190 498	52%	740 965
Interest		—	—	—	—	—	—	—	—	—
Fuel Levy										
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		1 706	—	—	—	—	—	—	—	—
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>768 065</b>	<b>815 238</b>	<b>835 819</b>	<b>245 468</b>	<b>594 782</b>	<b>414 383</b>	<b>180 399</b>	<b>44%</b>	<b>835 819</b>
<b>Expenditure By Type</b>										
Employee related costs		343 349	302 013	302 013	28 086	178 918	151 008	27 910	18%	302 013
Remuneration of councillors		10 539	11 640	11 640	1 128	5 359	5 820	(461)	-8%	11 640
Bulk purchases - electricity		—	—	—	—	—	—	—	—	—
Invenbry consumed		57 950	10 250	10 351	(663)	(5 296)	5 094	(10 390)	-204%	10 351
Debt impairment		30 773	4 000	4 000	—	—	2 000	(2 000)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 000	19 992	59 575	47 500	12 075	25%	95 000
Interest		18 091	7 575	7 335	925	5 511	3 669	1 842	50%	7 335
Contracted services		276 563	87 677	107 262	37 353	98 108	52 010	46 098	89%	107 262
Transfers and subsidies		9 064	—	—	—	2	—	2	#DIV/0!	—
Irrecoverable debts written off		2 724	—	—	—	—	—	—	—	—
Operational costs		335 440	35 611	36 646	16 611	100 516	18 211	82 305	452%	36 646
Losses on Disposal of Assets		6	—	—	—	—	—	—	—	—
Other Losses		272	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>1 205 521</b>	<b>553 766</b>	<b>574 247</b>	<b>103 432</b>	<b>442 694</b>	<b>285 313</b>	<b>157 382</b>	<b>55%</b>	<b>574 247</b>
<b>Surplus/(Deficit)</b>		<b>(437 456)</b>	<b>261 472</b>	<b>261 572</b>	<b>142 037</b>	<b>152 087</b>	<b>129 070</b>	<b>23 017</b>	<b>0</b>	<b>261 572</b>
Transfers and subsidies - capital (monetary allocations)		851 477	916 219	916 219	40 670	395 885	458 109	(62 225)	(0)	916 219
Transfers and subsidies - capital (in-kind)		8	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>(0)</b>	<b>1 177 791</b>
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>(0)</b>	<b>1 177 791</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>(0)</b>	<b>1 177 791</b>
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
<b>Surplus/ (Deficit) for the year</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>(0)</b>	<b>1 177 791</b>

## 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 VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	742 877 267	742 964 224	330 607 167.66	374 341 898	-43 734 730.67	-12%	45%
Total Capital Financing	742 877 267	742 877 267	330 607 167.66	374 341 898	-43 734 730.67	-12%	45%

The capital expenditure amounts to **R330.6 million**, which is **45%** of the capital approved budget, after a period of **six months**.

## Capital budget summary

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

Vote Description	Ref	2024/25		Original Budget	Adjusted Budget	Monthly actual	Budget Year 2025/26			
		Audited Outcome	YearTD actual				YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Multi-Year expenditure appropriation</u>	2									
Vote 01 - Council		—	—	—	—	—	—	—	—	—
Vote 02 - Corporate Services		—	—	—	—	—	—	—	—	—
Vote 03 - Finance		511	—	—	—	—	—	—	—	—
Vote 04 - Community Development		—	—	—	—	—	—	—	—	—
Vote 05 - Planning & Wsa		—	—	15 670	2 109	4 268	11 585	(7 317)	-63%	15 670
Vote 06 - Technical Services		—	—	—	—	—	—	—	—	—
Vote 07 - Water Purification		—	—	—	—	—	—	—	—	—
Vote 08 - Water Distribution		—	—	—	—	—	—	—	—	—
Vote 09 - Waste Water		—	—	—	—	—	—	—	—	—
Vote 10 - .		—	—	—	—	—	—	—	—	—
Vote 11 - .		—	—	—	—	—	—	—	—	—
Vote 12 - .		—	—	—	—	—	—	—	—	—
Vote 13 - .		—	—	—	—	—	—	—	—	—
Vote 14 - *		—	—	—	—	—	—	—	—	—
Vote 15 - Other		—	—	—	—	—	—	—	—	—
<b>Total Capital Multi-year expenditure</b>	4,7	<b>511</b>	<b>—</b>	<b>15 670</b>	<b>2 109</b>	<b>4 268</b>	<b>11 585</b>	<b>(7 317)</b>	<b>-63%</b>	<b>15 670</b>
<u>Single Year expenditure appropriation</u>	2									
Vote 01 - Council		—	—	—	—	—	—	—	—	—
Vote 02 - Corporate Services		37	—	—	—	—	—	—	—	—
Vote 03 - Finance		164	—	—	—	—	—	—	—	—
Vote 04 - Community Development		—	87	174	—	—	65	(65)	-100%	174
Vote 05 - Planning & Wsa		732 582	742 790	727 120	25 249	326 339	362 691	(36 353)	-10%	727 120
Vote 06 - Technical Services		—	—	—	—	—	—	—	—	—
Vote 07 - Water Purification		—	—	—	—	—	—	—	—	—
Vote 08 - Water Distribution		48 200	—	—	—	—	—	—	—	—
Vote 09 - Waste Water		—	—	—	—	—	—	—	—	—
Vote 10 - .		—	—	—	—	—	—	—	—	—
Vote 11 - .		—	—	—	—	—	—	—	—	—
Vote 12 - .		—	—	—	—	—	—	—	—	—
Vote 13 - .		—	—	—	—	—	—	—	—	—
Vote 14 - *		—	—	—	—	—	—	—	—	—
Vote 15 - Other		—	—	—	—	—	—	—	—	—
<b>Total Capital single-year expenditure</b>	4	<b>780 983</b>	<b>742 877</b>	<b>727 294</b>	<b>25 249</b>	<b>326 339</b>	<b>362 757</b>	<b>(36 418)</b>	<b>-10%</b>	<b>727 294</b>
<b>Total Capital Expenditure</b>		<b>781 494</b>	<b>742 877</b>	<b>742 964</b>	<b>27 358</b>	<b>330 607</b>	<b>374 342</b>	<b>(43 735)</b>	<b>-12%</b>	<b>742 964</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>712</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		712	—	—	—	—	—	—	—	—
Internal audit		—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		<b>—</b>	<b>87</b>	<b>174</b>	<b>—</b>	<b>—</b>	<b>65</b>	<b>(65)</b>	<b>-100%</b>	<b>174</b>
Community and social services		—	87	174	—	—	65	(65)	-100%	174
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>61</b>	<b>2 410</b>	<b>2 410</b>	<b>789</b>	<b>789</b>	<b>1 205</b>	<b>(416)</b>	<b>-35%</b>	<b>2 410</b>
Planning and development		61	2 410	2 410	789	789	1 205	(416)	-35%	2 410
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		<b>780 722</b>	<b>740 380</b>	<b>740 380</b>	<b>26 569</b>	<b>329 818</b>	<b>373 071</b>	<b>(43 253)</b>	<b>-12%</b>	<b>740 380</b>
Energy sources		780 722	740 380	740 380	26 569	329 818	373 071	(43 253)	-12%	740 380
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—
<b>Other</b>		—	—	—	—	—	—	—	—	—
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>781 494</b>	<b>742 877</b>	<b>742 964</b>	<b>27 358</b>	<b>330 607</b>	<b>374 342</b>	<b>(43 735)</b>	<b>-12%</b>	<b>742 964</b>
<b>Funded by:</b>										
National Government		732 522	742 790	742 790	27 358	330 607	374 277	(43 670)	-12%	742 790
Provincial Government		—	87	174	—	—	65	(65)	-100%	174
District Municipality		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparlm		—	—	—	—	—	—	—	—	—
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		—	—	—	—	—	—	—	—	—
<b>Transfers recognised - capital</b>		<b>732 522</b>	<b>742 877</b>	<b>742 964</b>	<b>27 358</b>	<b>330 607</b>	<b>374 342</b>	<b>(43 735)</b>	<b>-12%</b>	<b>742 964</b>
<b>Borrowing</b>	6	<b>48 200</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Internally generated funds</b>		<b>772</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Funding</b>		<b>781 494</b>	<b>742 877</b>	<b>742 964</b>	<b>27 358</b>	<b>330 607</b>	<b>374 342</b>	<b>(43 735)</b>	<b>-12%</b>	<b>742 964</b>

## Governance and administration

The municipality did not budget for Governance and administration.

## Community and public safety

Community and public safety year-to-date actual is **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below the six months** baseline projection or year-to-date budget of **R65 thousand**. A variance of **R65 thousand** or **100%** is observed.

## Economic and environmental services

Economic and environmental services year-to-date actual is **R789** which is **33%** of the approved budget. the **R789** year to date actual is **below six-month** baseline projection or year-to-date budget of **R1.2 million**. A variance of **R416 thousand** or **35%** is observed.

## Trading services

Trading services year-to-date actual is **R329.8 million** which is **45%** of the approved budget. the **R329.8 million** year-to-date actual is **below the six months** baseline projection or year-to-date budget of **R373 million**. A variance of **R43.2 million** or **12%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	233 886 087	121 995 912.31	116 943 043	5 052 868.83	4%	52%
Regional Bulk Infrastructure (RBIG)	473 459 130	197 632 762.09	236 729 565	-39 096 803.13	-17%	42%
Water services infrastructure Grant (WSIG)	86 956 522	26 638 097.82	43 478 261	-16 840 163.05	-39%	31%
Rural Roads Asset Management Systems Grant	2 410 435	-	1 205 217	-1 205 217.39	-100%	0%
Art centre Subsidies (Indonsa Grant)	86 957	-	43 479	-43 478.50	-100%	0%
<b>Total Operating Expenditure</b>	<b>796 799 131</b>	<b>346 266 772.22</b>	<b>398 399 565</b>	<b>-52 132 793.24</b>	<b>-13%</b>	<b>43%</b>

## Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	268 969 000	139 726 337.37	134 484 500	5 241 837.37	4%	52%
Regional Bulk Infrastructure (RBIG)	544 478 000	225 864 754.52	272 239 000	-46 374 245.48	-17%	41%
Water services infrastructure Grant (WSIG)	100 000 000	30 293 898.85	50 000 000	-19 706 101.15	-39%	30%
Rural Roads Asset Management Systems Grant	2 772 000	-	1 386 000	-1 386 000.00	-100%	0%
Indonsa Grant	100 001	-	50 000	-50 000.28	-100%	0%
<b>Total Capital Grant Expenditure</b>	<b>916 319 001</b>	<b>395 884 991</b>	<b>458 159 500</b>	<b>-62 274 510</b>	<b>-14%</b>	<b>43%</b>

Overall capital grant expenditure is sitting at **43%** of the approved capital budget, **MIG** is sitting at **52%**, **RBIG** at **41%**, **WSIG** at **30%**, **RAMS** at **0%** and **Indonsa Grant 0%**

## **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 **2025/2026** budget, actual financial performance, actual capital expenditure, actual financial position, and actual cashflow as implemented by the accounting officer in terms of S62 of the MFMA.

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

## MBRR Table C1 – Monthly Budget Statement Summary

DC26 Zululand - Table C1 Monthly Budget Statement Summary - M06 December

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	73 543	82 448	82 448	5 125	33 392	41 224	(7 832)	-19%	82 448
Investment revenue	8 129	8 000	8 000	118	2 380	4 000	(1 620)	-41%	8 000
Trade and business - Operational	680 583	720 384	740 965	239 898	557 454	366 956	190 498	0	740 965
Other own revenue	5 810	4 406	4 406	327	1 556	2 203	(647)	-29%	4 406
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>768 065</b>	<b>815 238</b>	<b>835 819</b>	<b>245 488</b>	<b>594 782</b>	<b>414 383</b>	<b>180 399</b>	<b>44%</b>	<b>835 819</b>
Employee costs	343 349	302 013	302 013	28 086	178 918	151 008	27 910	18%	302 013
Remuneration of Councillors	10 539	11 640	11 640	1 128	5 359	5 820	(461)	-8%	11 640
Interest	120 749	95 000	95 000	19 992	59 575	47 500	12 075	25%	95 000
Inventory consumed and bulk purchases	18 091	7 575	7 335	925	5 511	3 669	1 842	50%	7 335
Other expenditure	57 950	10 250	10 351	(663)	(5 296)	5 094	(10 390)	-204%	10 351
<b>Total Expenditure</b>	<b>1 205 521</b>	<b>553 786</b>	<b>574 247</b>	<b>103 432</b>	<b>442 694</b>	<b>285 313</b>	<b>157 382</b>	<b>55%</b>	<b>574 247</b>
<b>Surplus/(Deficit)</b>	<b>(437 456)</b>	<b>261 472</b>	<b>261 572</b>	<b>142 037</b>	<b>152 087</b>	<b>129 070</b>	<b>23 017</b>	<b>18%</b>	<b>261 572</b>
Transfers and subsidies - capital (monetary)	851 477	916 219	916 219	40 670	395 885	458 109	##	-14%	916 219
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>-7%</b>	<b>1 177 791</b>
<b>Share of surplus/ (deficit) of associates</b>	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>-7%</b>	<b>1 177 791</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>781 494</b>	<b>742 877</b>	<b>742 964</b>	<b>27 358</b>	<b>330 607</b>	<b>374 342</b>	<b>(43 735)</b>	<b>-12%</b>	<b>742 964</b>
<b>Capital transfers recognised</b>	<b>732 522</b>	<b>742 877</b>	<b>742 964</b>	<b>27 358</b>	<b>330 607</b>	<b>374 342</b>	<b>(43 735)</b>	<b>-12%</b>	<b>742 964</b>
<b>Borrowing</b>	<b>48 200</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>	<b>772</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total sources of capital funds</b>	<b>781 494</b>	<b>742 877</b>	<b>742 964</b>	<b>27 358</b>	<b>330 607</b>	<b>374 342</b>	<b>(43 735)</b>	<b>-12%</b>	<b>742 964</b>
<b>Financial position</b>									
Total current assets	169 179	677 146	677 146			405 333			677 146
Total non current assets	6 107 453	5 982 751	5 982 838			6 378 485			5 982 838
Total current liabilities	811 894	406 164	406 164			765 557			406 164
Total non current liabilities	126 218	254 146	254 146			131 768			254 146
Community wealth/Equity	5 844 524	4 821 896	4 821 896			5 885 579			4 821 896
<b>Cash flows</b>									
Net cash from (used) operating	2 817 051	1 250 945	1 250 945	279 399	1 224 506	625 472	(599 033)	-96%	1 250 945
Net cash from (used) investing	(780 983)	(854 309)	(854 309)	(27 358)	(330 607)	(427 154)	(96 547)	23%	(854 309)
Net cash from (used) financing	(18 304)	(17 712)	(17 712)	(8 746)	(9 002)	(8 856)	146	-2%	(17 712)
<b>Cash/cash equivalents at the month/year end</b>	<b>2 074 834</b>	<b>367 748</b>	<b>367 748</b>	<b>908 000</b>	<b>908 000</b>	<b>178 288</b>	<b>(729 714)</b>	<b>-408%</b>	<b>402 027</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Ds</b>	<b>151-180 Ds</b>	<b>181 Ds-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	6 110	6 681	4 688	4 567	4 798	4 433	26 464	226 733	284 474
<b>Creditors Age Analysis</b>									
Total Creditors	618	3 496	18	4 808	12 194	–	–	–	21 134

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

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		685 556	722 663	734 963	237 388	549 430	365 431	183 999	50%	
Executive and council		—	—	—	—	—	—	—	—	
Finance and administration		685 556	722 663	734 963	237 388	549 430	365 431	183 999	50%	
Internal audit		—	—	—	—	—	—	—	—	
<i>Community and public safety</i>		2 874	2 118	10 399	7	7 118	3 723	3 395	91%	
Community and social services		2 578	1 719	10 000	—	7 023	3 524	3 500	99%	
Sport and recreation		—	—	—	—	—	—	—	—	
Public safety		—	—	—	—	—	—	—	—	
Housing		—	—	—	—	—	—	—	—	
Health		296	399	399	7	95	200	(105)	-53%	
<i>Economic and environmental services</i>		1 857	2 772	2 772	—	—	1 386	(1 386)	-100%	
Planning and development		1 857	2 772	2 772	—	—	1 386	(1 386)	-100%	
Road transport		—	—	—	—	—	—	—	—	
Environmental protection		—	—	—	—	—	—	—	—	
<i>Trading services</i>		929 225	1 003 344	1 003 344	48 733	434 070	501 672	(67 602)	-13%	
Energy sources		—	—	—	—	—	—	—	—	
Water management		910 913	984 607	984 607	47 276	425 618	492 303	(66 686)	-14%	
Waste water management		18 312	18 738	18 738	1 457	8 452	9 369	(917)	-10%	
Waste management		—	—	—	—	—	—	—	—	
<i>Other</i>	4	38	560	560	11	49	280	(231)	-82%	
<b>Total Revenue - Functional</b>	2	<b>1 619 550</b>	<b>1 731 457</b>	<b>1 752 038</b>	<b>286 139</b>	<b>990 667</b>	<b>872 492</b>	<b>118 174</b>	<b>14%</b>	<b>1 752 038</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		427 053	157 805	170 215	27 739	158 642	83 856	74 786	89%	
Executive and council		136 913	32 580	32 682	3 436	21 178	16 315	4 863	30%	
Finance and administration		231 667	114 888	127 699	12 273	108 660	62 625	46 035	74%	
Internal audit		58 473	10 338	9 834	12 030	28 804	4 916	23 888	486%	
<i>Community and public safety</i>		28 017	26 183	34 364	1 840	18 419	16 594	1 824	11%	
Community and social services		9 732	13 973	22 154	760	10 117	10 489	(372)	-4%	
Sport and recreation		—	—	—	—	—	—	—	—	
Public safety		7 663	—	—	261	3 259	—	3 259	#DIV/0!	
Housing		—	—	—	—	—	—	—	—	
Health		10 622	12 210	12 210	819	5 042	6 105	(1 063)	-17%	
<i>Economic and environmental services</i>		23 672	20 747	20 747	1 830	11 399	10 373	1 025	10%	
Planning and development		23 672	20 747	20 747	1 830	11 399	10 373	1 025	10%	
Road transport		—	—	—	—	—	—	—	—	
Environmental protection		—	—	—	—	—	—	—	—	
<i>Trading services</i>		717 698	339 990	339 880	71 569	249 800	169 968	79 832	47%	
Energy sources		—	—	—	—	—	—	—	—	
Water management		701 701	326 178	329 054	70 703	244 595	164 557	80 037	49%	
Waste water management		15 997	13 812	10 826	867	5 205	5 411	(206)	-4%	
Waste management		—	—	—	—	—	—	—	—	
<i>Other</i>		9 079	9 041	9 041	453	4 435	4 521	(86)	-2%	
<b>Total Expenditure - Functional</b>	3	<b>1 205 521</b>	<b>553 766</b>	<b>574 247</b>	<b>103 432</b>	<b>442 694</b>	<b>285 313</b>	<b>157 382</b>	<b>55%</b>	<b>574 247</b>
<b>Surplus/ (Deficit) for the year</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>-0.066772</b>	<b>1 177 791</b>

## 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 areas and the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on table C4.

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

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Council		-	-	-	-	-	-	-	-	
Vote 02 - Corporate Services		1 279	977	13 277	11	12 325	4 588	7 736	168.6%	
Vote 03 - Finance		684 315	722 246	722 246	237 388	537 155	361 123	176 032	48.7%	
Vote 04 - Community Development		2 874	2 118	10 399	7	7 118	3 723	3 395	91.2%	
Vote 05 - Planning & Wsa		856 704	922 625	922 625	43 553	400 370	461 312	(60 942)	-13.2%	
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	
Vote 08 - Water Distribution		56 066	64 754	64 754	3 723	25 248	32 377	(7 129)	-22.0%	
Vote 09 - Waste Water		18 312	18 738	18 738	1 457	8 452	9 369	(917)	-9.8%	
Vote 10 - .		-	-	-	-	-	-	-	-	
Vote 11 - .		-	-	-	-	-	-	-	-	
Vote 12 - .		-	-	-	-	-	-	-	-	
Vote 13 - .		-	-	-	-	-	-	-	-	
Vote 14 - *		-	-	-	-	-	-	-	-	
Vote 15 - Other		-	-	-	-	-	-	-	-	
<b>Total Revenue by Vote</b>	2	1 619 550	1 731 457	1 752 038	286 139	990 667	872 492	118 174	13.5%	1 752 038
<b>Expenditure by Vote</b>	1									
Vote 01 - Council		149 244	39 008	39 118	4 078	24 898	19 531	5 366	27.5%	39 118
Vote 02 - Corporate Services		196 759	70 945	83 245	19 557	104 151	40 398	63 752	157.8%	83 245
Vote 03 - Finance		73 307	45 795	45 795	3 522	28 237	22 898	5 340	23.3%	45 795
Vote 04 - Community Development		59 143	49 235	57 416	3 919	30 979	28 120	2 859	10.2%	57 416
Vote 05 - Planning & Wsa		33 818	75 338	75 338	8 077	27 487	37 669	(10 182)	-27.0%	75 338
Vote 06 - Technical Services		4 208	6 413	6 413	(408)	4 074	3 207	867	27.0%	6 413
Vote 07 - Water Purification		53 728	48 672	48 672	4 538	28 084	24 336	3 748	15.4%	48 672
Vote 08 - Water Distribution		619 316	204 548	207 424	59 282	189 579	103 742	85 837	82.7%	207 424
Vote 09 - Waste Water		15 997	13 812	10 826	867	5 205	5 411	(206)	-3.8%	10 826
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	1 205 521	553 766	574 247	103 432	442 694	285 313	157 382	55.2%	574 247
<b>Surplus/ (Deficit) for the year</b>	2	414 029	1 177 691	1 177 791	182 707	547 972	587 180	(39 207)	-6.7%	1 177 791

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

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

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

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue</b>										
Exchange Revenue										
Service charges - Electricity		55 414	63 954	63 954	3 675	24 982	31 977	(6 995)	-22%	
Service charges - Water		18 129	18 494	18 494	1 450	8 410	9 247	(837)	-9%	
Service charges - Waste Water Management										
Service charges - Waste management										
Sale of Goods and Rendering of Services		627	800	800	200	540	400	140	35%	
Agency services										
Interest										
Interest earned from Receivables		746	858	858	57	320	429	(109)	-25%	
Interest from Current and Non Current Assets		8 129	8 000	8 000	118	2 380	4 000	(1 620)	-41%	
Dividends										
Rent on Land										
Rental from Fixed Assets		463	504	504	49	242	252	(10)	-4%	
Licence and permits		277	295	295	7	95	147	(53)	-36%	
Special rating levies										
Operational Revenue		1 542	1 344	1 344	11	211	672	(460)	-69%	
<b>Non-Exchange Revenue</b>										
Property rates										
Surcharges and Taxes		—	—	—	—	—	—	—	—	
Fines, penalties and forfeits		449	605	605	3	148	303	(155)	-51%	
Licence and permits										
Transfers and subsidies - Operational		680 583	720 384	740 965	239 898	557 454	366 956	190 498	52%	
Interest		—	—	—	—	—	—	—	—	
Fuel Levy		—	—	—	—	—	—	—	—	
Operational Revenue		—	—	—	—	—	—	—	—	
Gains on disposal of Assets		—	—	—	—	—	—	—	—	
Other Gains		1 706	—	—	—	—	—	—	—	
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>768 065</b>	<b>815 238</b>	<b>835 819</b>	<b>245 468</b>	<b>594 782</b>	<b>414 383</b>	<b>180 399</b>	<b>44%</b>	<b>835 819</b>
<b>Expenditure By Type</b>										
Employee related costs		343 349	302 013	302 013	28 086	178 918	151 008	27 910	18%	302 013
Remuneration of councillors		10 539	11 640	11 640	1 128	5 359	5 820	(461)	-8%	11 640
Bulk purchases - electricity		—	—	—	—	—	—	—	—	—
Inventory consumed		57 950	10 250	10 351	(663)	(5 296)	5 094	(10 390)	-204%	10 351
Debt impairment		30 773	4 000	4 000	—	—	2 000	(2 000)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 000	19 992	59 575	47 500	12 075	25%	95 000
Interest		18 091	7 575	7 335	925	5 511	3 669	1 842	50%	7 335
Contracted services		276 563	87 677	107 262	37 353	98 108	52 010	46 098	89%	107 262
Transfers and subsidies		9 064	—	—	—	2	—	2	#DIV/0!	—
Irrecoverable debts written off		2 724	—	—	—	—	—	—	—	—
Operational costs		335 440	35 611	36 646	16 611	100 516	18 211	82 305	452%	36 646
Losses on Disposal of Assets		6	—	—	—	—	—	—	—	—
Other Losses		272	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>1 205 521</b>	<b>553 766</b>	<b>574 247</b>	<b>103 432</b>	<b>442 894</b>	<b>285 313</b>	<b>157 382</b>	<b>55%</b>	<b>574 247</b>
<b>Surplus/(Deficit)</b>		<b>(437 456)</b>	<b>261 472</b>	<b>261 572</b>	<b>142 037</b>	<b>152 087</b>	<b>129 070</b>	<b>23 017</b>	<b>0</b>	<b>261 572</b>
Transfers and subsidies - capital (monetary allocations)		<b>851 477</b>	<b>916 219</b>	<b>916 219</b>	<b>40 670</b>	<b>395 885</b>	<b>458 109</b>	<b>(62 225)</b>	<b>(0)</b>	<b>916 219</b>
Transfers and subsidies - capital (in-kind)		<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>(0)</b>	<b>1 177 791</b>
Income Tax										
<b>Surplus/(Deficit) after Income tax</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>(0)</b>	<b>1 177 791</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>(0)</b>	<b>1 177 791</b>
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
<b>Surplus/(Deficit) for the year</b>		<b>414 029</b>	<b>1 177 691</b>	<b>1 177 791</b>	<b>182 707</b>	<b>547 972</b>	<b>587 180</b>	<b>(39 207)</b>	<b>(0)</b>	<b>1 177 791</b>

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

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

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

Vote Description	Ref	2024/25		Monthly actual	Budget Year 2025/26				
		Audited Outcome	Original Budget		YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
<u>Multi-Year expenditure appropriation</u>	2								
Vote 01 - Council		—	—	—	—	—	—	—	—
Vote 02 - Corporate Services		—	—	—	—	—	—	—	—
Vote 03 - Finance		511	—	—	—	—	—	—	—
Vote 04 - Community Development		—	—	—	—	—	—	—	—
Vote 05 - Planning & Wsa		—	—	15 670	2 109	4 268	11 585	(7 317)	-63% 15 670
Vote 06 - Technical Services		—	—	—	—	—	—	—	—
Vote 07 - Water Purification		—	—	—	—	—	—	—	—
Vote 08 - Water Distribution		—	—	—	—	—	—	—	—
Vote 09 - Waste Water		—	—	—	—	—	—	—	—
Vote 10 - .		—	—	—	—	—	—	—	—
Vote 11 - .		—	—	—	—	—	—	—	—
Vote 12 - .		—	—	—	—	—	—	—	—
Vote 13 - .		—	—	—	—	—	—	—	—
Vote 14 - *		—	—	—	—	—	—	—	—
Vote 15 - Other		—	—	—	—	—	—	—	—
<b>Total Capital Multi-year expenditure</b>	4,7	511	—	15 670	2 109	4 268	11 585	(7 317)	-63% 15 670
<u>Single Year expenditure appropriation</u>	2								
Vote 01 - Council		—	—	—	—	—	—	—	—
Vote 02 - Corporate Services		37	—	—	—	—	—	—	—
Vote 03 - Finance		164	—	—	—	—	—	—	—
Vote 04 - Community Development		—	87	174	—	—	65	(65)	-100% 174
Vote 05 - Planning & Wsa		732 582	742 790	727 120	25 249	326 339	362 691	(36 353)	-10% 727 120
Vote 06 - Technical Services		—	—	—	—	—	—	—	—
Vote 07 - Water Purification		—	—	—	—	—	—	—	—
Vote 08 - Water Distribution		48 200	—	—	—	—	—	—	—
Vote 09 - Waste Water		—	—	—	—	—	—	—	—
Vote 10 - .		—	—	—	—	—	—	—	—
Vote 11 - .		—	—	—	—	—	—	—	—
Vote 12 - .		—	—	—	—	—	—	—	—
Vote 13 - .		—	—	—	—	—	—	—	—
Vote 14 - *		—	—	—	—	—	—	—	—
Vote 15 - Other		—	—	—	—	—	—	—	—
<b>Total Capital single-year expenditure</b>	4	780 983	742 877	727 294	25 249	326 339	382 757	(38 418)	-10% 727 294
<b>Total Capital Expenditure</b>		781 494	742 877	742 964	27 358	330 607	374 342	(43 735)	-12% 742 964
<u>Capital Expenditure - Functional Classification</u>									
<i>Governance and administration</i>		712	—	—	—	—	—	—	—
Executive and council		—	—	—	—	—	—	—	—
Finance and administration		712	—	—	—	—	—	—	—
Internal audit		—	—	—	—	—	—	—	—
<i>Community and public safety</i>		—	87	174	—	—	65	(65)	-100% 174
Community and social services		—	87	174	—	—	65	(65)	-100% 174
Sport and recreation		—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		61	2 410	2 410	789	789	1 205	(416)	-35% 2 410
Planning and development		61	2 410	2 410	789	789	1 205	(416)	-35% 2 410
Road transport		—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—
<i>Trading services</i>		780 722	740 380	740 380	26 569	329 818	373 071	(43 253)	-12% 740 380
Energy sources		780 722	740 380	740 380	26 569	329 818	373 071	(43 253)	-12% 740 380
Water management		—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—
<i>Other</i>		—	—	—	—	—	—	—	—
<b>Total Capital Expenditure - Functional Classification</b>	3	781 494	742 877	742 964	27 358	330 607	374 342	(43 735)	-12% 742 964
<u>Funded by:</u>									
National Government		732 522	742 790	742 790	27 358	330 607	374 277	(43 670)	-12% 742 790
Provincial Government		—	87	174	—	—	65	(65)	-100% 174
District Municipality		—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Net / Prov Depenm		—	—	—	—	—	—	—	—
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		—	—	—	—	—	—	—	—
<i>Transfers recognised - capital</i>		732 522	742 877	742 964	27 358	330 607	374 342	(43 735)	-12% 742 964
<i>Borrowing</i>		48 200	—	—	—	—	—	—	—
<i>Internally generated funds</i>		772	—	—	—	—	—	—	—
<b>Total Capital Funding</b>		781 494	742 877	742 964	27 358	330 607	374 342	(43 735)	-12% 742 964

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

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

**DC26 Zululand - Table C6 Monthly Budget Statement - Financial Position - M06 December**

Description	Ref	2024/25		Budget Year 2025/26		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		23 103	479 180	479 180	231 535	479 180
Trade and other receivables from exchange transactions		16 131	99 976	99 976	30 993	99 976
Receivables from non-exchange transactions		1 012	5 696	5 696	589	5 696
Current portion of non-current receivables		—	—	—	—	—
Inventory		3 013	3 966	3 966	21 589	3 966
VAT		99 250	64 744	64 744	94 182	64 744
Other current assets		26 669	23 584	23 584	26 446	23 584
<b>Total current assets</b>		<b>169 179</b>	<b>677 146</b>	<b>677 146</b>	<b>405 333</b>	<b>677 146</b>
<b>Non current assets</b>						
Investments						
Investment property						
Property, plant and equipment		6 099 628	5 974 921	5 975 008	6 370 665	5 975 008
Biological assets						
Living and non-living resources						
Heritage assets		7 817	7 817	7 817	7 817	7 817
Intangible assets		8	3	3	3	3
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		1	10	10	1	10
<b>Total non current assets</b>		<b>6 107 453</b>	<b>5 982 751</b>	<b>5 982 838</b>	<b>6 378 485</b>	<b>5 982 838</b>
<b>TOTAL ASSETS</b>		<b>6 276 632</b>	<b>6 659 897</b>	<b>6 659 984</b>	<b>6 783 818</b>	<b>6 659 984</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Financial liabilities		17 951	18 318	18 318	8 952	18 318
Consumer deposits		3 372	3 463	3 463	3 371	3 463
Trade and other payables from exchange transactions		741 342	345 272	345 272	400 088	345 272
Trade and other payables from non-exchange transactions		9 219	1 446	1 446	310 570	1 446
Provision		37 937	27 940	27 940	37 937	27 940
VAT		2 073	9 725	9 725	4 639	9 725
Other current liabilities		—	—	—	—	—
<b>Total current liabilities</b>		<b>811 894</b>	<b>406 164</b>	<b>406 164</b>	<b>765 557</b>	<b>406 164</b>
<b>Non current liabilities</b>						
Financial liabilities		75 704	59 706	59 706	81 254	59 706
Provision		50 514	51 070	51 070	50 514	51 070
Long term portion of trade payables		—	143 370	143 370	—	143 370
Other non-current liabilities		—	—	—	—	—
<b>Total non current liabilities</b>		<b>126 218</b>	<b>254 146</b>	<b>254 146</b>	<b>131 768</b>	<b>254 146</b>
<b>TOTAL LIABILITIES</b>		<b>938 112</b>	<b>660 310</b>	<b>660 310</b>	<b>897 325</b>	<b>660 310</b>
<b>NET ASSETS</b>	<b>2</b>	<b>5 338 520</b>	<b>5 999 587</b>	<b>5 999 674</b>	<b>5 886 493</b>	<b>5 999 674</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		5 644 524	4 821 896	4 821 896	5 885 579	4 821 896
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>5 644 524</b>	<b>4 821 896</b>	<b>4 821 896</b>	<b>5 885 579</b>	<b>4 821 896</b>

**MBRR Table C6 - Monthly Budget Statement Financial Position**

Table A6 is consistent with international standards of good financial management practice and improves the understanding ability of Councilors and management of the impact of the budget on the statement of financial position (balance sheet). This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth.

## **CURRENT ASSETS**

### **Cash and Cash Equivalents**

Cash and cash Equivalents balance as at **31 December 2025** indicates a Bank balance of **R91.5 million**

### **Call Investments Deposits**

Call investments as at **31 December 2025** is **R140 million**.

### **Consumer debtors**

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R30.9 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R288.9 million**. Consumer debtors' amount to **R288.9 million** and **R2.2 million** is for shared services cast in Other Debtors.

Gross Consumer debtors	R290.9 million
Less Impairment	(R259.6 million)
<b>Net Consumer Debtors</b>	<b>R30.9 million</b>

### **Classification of Consumer Debtors per Service type**

Water Debtors	R20.6 million
Sanitation Debtors	R3.9 million
Property Rentals Debtors	R449.5 thousand
Other Consumer debtors	R37.7 thousand
Receivables from non-exchange	R5.4 million
<b>Total</b>	<b>R30.9 million</b>

#### ➤ **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R20.6 million**.  
Water debtors amount owed by consumers for water services billed.

Gross Water Debtors	R226.6 million
Less Impairment	(R206 million)
<b>Net Water Debtors</b>	<b>R20.6 million</b>

#### ➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R4.8 million**.  
Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R57.5 million
Less Impairment	(R52.7 million)
<b>Net Sanitation Debtors</b>	<b>R4.8 million</b>
➤ <b>Property Rentals Debtors</b>	
These debtors accumulated from property rentals amounted to <b>R50.6 thousand</b>	
Property Rental	R451.2 thousand
Less Impairment	(R400.8 thousand)
<b>Net Property rental</b>	<b>R50.6 thousand</b>
➤ <b>Other Consumer debtors</b>	
Other consumer debtors' amount to <b>R873.8 thousand</b> , these are sundry debtors.	
Gross Other Debtors	R1.3 million
Less Impairment	(R925.7 thousand)
<b>Net Other Debtors</b>	<b>R873.8 thousand</b>
➤ <b>Other receivables from exchange</b>	
<b>Opening Balance</b>	<b>R5.4 million</b>
Other receivables from exchange: collections	R4 thousand
Less Impairment	(R0)
Net other receivables from exchange	<b>R5.4 million</b>
<b>Classification of Consumer Debtors per Customer group</b>	
Households	R224.9 million
Commercial/Businesses	R 20.5 million
Organs of State (excl shared services of R3.3 mill)	R 43.8 million
<b>Total</b>	<b>R288.9 million</b>
Household and commercial consumer debtors are impaired as per council policy. The breakdown is as follows:	
Gross Households debtors	R288.9 million
Commercial/Businesses	R 20.4 million
Less Impairment	(R259.9 million)
<b>Net Household debtors</b>	<b>R49.2 million</b>

### **Receivables from non – exchange**

### **Fruitless expenditure**

Amount to be recovered amounting to **R589 thousand** resulted from a claim of standing time and amount that is still to be recovered from fraudulently withdrawal from municipality bank account.

### **Inventory**

The current level of inventory is **R21.5 million**. Inventories include water stock and consumable stores.

### **VAT Receivable**

VAT Receivable amounts to **R94.1 million**, this is the amount raised when input VAT is recognized as less output VAT collected as VAT reconciliation.

### **Other debtors**

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R26.4 million**.

Deposits Made	R26.2 million
Refunds & under/over banking	R115 thousand
Overpayment/Accrued income/UIFW	R873 thousand
Operating lease	R8 thousand
Salary Advance	R29 thousand
Insurance claims	R284 thousand
<b>Total</b>	<b>R26.4 million</b>

#### ➤ **Deposits Made**

Deposits made amount to **R26.2 million**, this amount includes Eskom deposits and Stowell Deposits.

Eskom Deposits	R26 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 **R115 thousand**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

➤ **Operating lease and Insurance claim**

Operating lease amounts to **R8 thousand** and Insurance claim amounts to **R284 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 **R6.3 billion**

<b>Opening balance</b>	<b>R6 billion</b>
Additions	R330.6 million
Depreciation	(R0)
<b>Closing Balance</b>	<b>R6.3 billion</b>

### **Heritage Assets**

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

### **Intangible**

Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R3 thousand**

<b>Opening balance</b>	<b>R3 thousand</b>
Additions	R 0
Depreciation	(R)
<b>Closing Balance</b>	<b>R3 thousand</b>

### **Other non-current assets**

Other non-current assets amount to **R1 thousand**.

## **CURRENT LIABILITIES**

### **Financial Liabilities**

This is the current portion of the long-term loan repayment and finance lease agreement. The current balance owed amount to **R17.6 million**.

Current portion of Long Term Loan	R17.4 million
Current portion of Finance lease BCX	R206.3 thousand
<b>Total Financial liabilities</b>	<b>R17.6 million</b>

### **Consumer deposits**

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

### **Trade and other payables from exchange transactions**

Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R400 million**.

Trade Creditors	R94.1 million
Retention	R130.8 million
Department of Water & Sanitation	R91.4 million
Employee related cost	R0 million
Advance Payments	R1.9 million
Salary Suspense Accounts	R21 thousand
Leave accrual	R0 thousand
Other Suspense	R2419 thousand
Unpaid cheques	R3.4 million
Refund	R145 thousand
Over/Under Banking	R603 Rands
Inventory	R300 thousand
Other Creditors	R557 thousand
Fleet Horizon	R9.6 Million
WSSA	R67.3 million
<b>Closing Balance</b>	<b>R400 million</b>

### **Trade and other payables from non-exchange transactions**

This is the amount of unspent conditional grants which will be recognized when the conditions are met. Unspent conditional grants amount to **R310.5 million**.

## **Current Provision**

Current provisions amount to **R37.9 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)	R1.1 million
Long service awards and Bonus	R7.9 million
Leave Provision	R28.8 million

## **VAT Payables**

VAT payable amount to **R4.6 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 **R81.2 million**.

Long term loan	R80 million
Operating lease LUMD	R100 thousand
Operating lease long term BCX	R149 thousand

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

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

### **Non-current Provisions**

Non-current Provisions amounts to **R50.5 million**, this provision is for post-retirement benefit (Medical aid) and Long Service award.

Post Retirement benefit (Medical aid)	R34.9 million
Long Service award	R15.5 million

## **Accumulated surplus**

Accumulated surplus is the net worth of the Municipality, sitting at **R5.8 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 - M06 December

Description	Ref	2024/25 Audited Outcome	Budget Year 2025/26							Full Year Forecast
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		42 771	58 477	58 477	2 640	21 563	29 239	(7 676)	-26%	58 477
Service charges		1 568 934	126 002	126 002	161 511	876 005	63 001	613 004	1290%	126 002
Other revenue										
Transfers and Subsidies - Operational		729 726	720 384	720 384	237 163	554 763	360 192	194 571	54%	720 384
Transfers and Subsidies - Capital		851 477	916 219	916 219	66 000	699 640	458 109	241 531	53%	916 219
Interest		5 345	8 516	8 516	131	2 481	4 258	(1 777)	-42%	8 516
Dividends										
<b>Payments</b>										
Suppliers and employees		(381 202)	(578 653)	(578 653)	(188 046)	(929 946)	(289 327)	640 619	-221%	(578 653)
Interest										
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>2 817 051</b>	<b>1 250 945</b>	<b>1 250 945</b>	<b>279 399</b>	<b>1 224 506</b>	<b>625 472</b>	<b>(599 033)</b>	<b>-96%</b>	<b>1 250 945</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(780 983)	(854 309)	(854 309)	(27 358)	(330 607)	(427 154)	(96 547)	23%	(854 309)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(780 983)</b>	<b>(854 309)</b>	<b>(854 309)</b>	<b>(27 358)</b>	<b>(330 607)</b>	<b>(427 154)</b>	<b>(96 547)</b>	<b>23%</b>	<b>(854 309)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing		511	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(8)	-	-	0	(3)	-	(3)	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		(18 807)	(17 712)	(17 712)	(8 746)	(8 999)	(8 856)	143	-2%	(17 712)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(18 304)</b>	<b>(17 712)</b>	<b>(17 712)</b>	<b>(8 746)</b>	<b>(9 002)</b>	<b>(8 856)</b>	<b>146</b>	<b>-2%</b>	<b>(17 712)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>2 017 763</b>	<b>378 924</b>	<b>378 924</b>	<b>243 294</b>	<b>884 897</b>	<b>189 462</b>			<b>378 924</b>
Cash/cash equivalents at beginning:		57 071	(11 176)	(11 176)	864 705	23 103	(11 176)			23 103
Cash/cash equivalents at month/year end		2 074 834	367 748	367 748	908 000	908 000	178 286			402 027

## CASHFLOW FROM OPERATING ACTIVITIES

### Service charges

The Municipality has budgeted to collect **R58.4 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 **R21.5 million** to date. This is **37%** of budgeted collection and **57%** 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 **R554.7 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far under Transfers and subsidies – Operational.

Equitable share	R296.02 million
Indonsa Grant	R2.3 million
LG SETA	R99 thousand
Aviation Grant	R1 million
NSF	R12 million
<b>TOTAL</b>	<b>R554.7 million</b>

## Transfers and subsidies – Capital

Transfers and subsidies - Capital is expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **R699.6 million**. This amount includes MIG, RBIG and WSIG which were received thus far under Transfers and subsidies - Capital.

Regional Infrastructure Grant	R382.7 million
Municipal Infrastructure Grant	R245 million
Water Services Infrastructure Grant	R70 million
Rural Road Asset Management Systems Grant	R1.9 million
<b>TOTAL</b>	<b>R699.6 million</b>

## Interest

Interest on the investment budget is **R2.4 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 **R57 thousand**. Interest in investment revenue on table C4 is **R118 thousand**.

## **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 **R330.6 million**, the capital expenditure excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed. The Municipality is in 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 **R231.5 million** in the financial position but in the cash flow, it is **R908 million**.

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

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1. DEBTORS ANALYSIS

#### Debtors age analysis as of 31 December 2025

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

Description	NT Code	Budget Year 2025/26										
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors
<b>R thousands</b>												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water	1200	4 538	5 213	3 564	3 630	3 849	3 530	21 232	178 966	224 522	211 207	-
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	1 496	1 399	1 054	867	880	837	4 809	46 053	57 396	53 447	-
Receivables from Exchange Transactions - Waste Management	1600									-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	18	12	12	12	12	11	78	316	473	430	-
Interest on Arrear Debtor Accounts	1810	57	58	57	58	57	55	345	1 397	2 083	1 912	-
Recoverable unauthorised, irregular, futile and wasteful expenditure	1820									-	-	
Other	1900									-	-	
<b>Total By Income Source</b>	<b>2000</b>	<b>6 110</b>	<b>6 681</b>	<b>4 688</b>	<b>4 567</b>	<b>4 798</b>	<b>4 433</b>	<b>26 454</b>	<b>226 733</b>	<b>284 474</b>	<b>266 995</b>	<b>-</b>
<b>2024/25 - totals only</b>		7996368	7489494	5954619	6219315	5566411	5632506	27875999	151070978	217 806	196 365	0
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	1 948	2 964	1 193	762	873	906	6 445	28 743	43 834	37 730	-
Commercial	2300	954	596	473	432	381	436	2 874	14 106	20 251	18 228	-
Households	2400	3 219	3 131	3 247	3 389	3 595	3 209	17 390	187 720	224 900	215 303	-
Other	2500									-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>6 122</b>	<b>6 691</b>	<b>4 913</b>	<b>4 583</b>	<b>4 849</b>	<b>4 551</b>	<b>26 709</b>	<b>230 569</b>	<b>288 986</b>	<b>271 260</b>	<b>-</b>

Total debtors' amount to **R288.9 million**, the debtors over 90 days amount to **R271.2 million**. This is concerning and needs intervention since debtors above 60 days should be restricted in terms of the Municipality's credit control policy.

## 2.2 CREDITORS ANALYSIS

### Creditors age analysis as at 31 December 2025

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

Description R thousands	NT Code	Budget Year 2025/26								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	
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	618	3 496	18	4 808	12 194	-	-	-	21 134
Auditor General	0800									-
Other	0900									-
Medical Aid deductions	0950									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>618</b>	<b>3 496</b>	<b>18</b>	<b>4 808</b>	<b>12 194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 134</b>
										<b>32 126</b>

## 2.3 INVESTMENT PORTFOLIO

### Investments as at 31 December 2025

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December 2025

Investments by maturity Name of institution & Investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarante (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Com missi on Paid (Ran ds)	Com missi on Recipie nt	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>Municipality</b>														
ABSA - 9378134528		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	02 August 2025	-	57 750.00	-	9 000	9 058
ABSA - 9373372771		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	15 August 2025	9 000 000.00	628 833.33		98 000	107 629
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	26 August 2025	107 000 000.00			40 000	147 000
ABSA - 9373372771		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	30 September 2025				50 000	50 000
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	09 October 2025		60 000.00		60	120
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	10 October 2025		50 000.00		50	100
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	23 October 2025		20 000.00		20	40
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	24 November 2025	35 000 000.00				
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	25 November 2025	2 000 000.00	16 876.71			
STANDARD-348485874		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	19 December 2025		30 000.00			
STANDARD-348485874		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	20 December 2025		30 000.00			
<b>Municipality sub-total</b>										-	817 560.80	-	140 000	140 000
<b>Entities</b>														
<b>Entities sub-total</b>										-	-	-	-	-
<b>TOTAL INVESTMENTS A</b>	<b>2</b>									-	817 560.80	-	140 000	140 000

## 2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

### Grants Receipts

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

Description	Ref	2024/25		Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>									
<b>RECEIPTS:</b>	1,2								
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>									
Energy Efficiency and Demand Side Management Grant		678 574	718 165	725 290	239 839	545 050	361 458	183 593	50.8%
Equitable Share		670 187	710 459	710 459	236 819	532 844	355 229	177 615	50.0%
Expanded Public Works Programme Integrated Grant		5 227	6 406	6 406	2 883	4 485	3 203	1 282	40.0%
Local Government Financial Management Grant		1 200	1 300	1 300	137	698	650	48	7.4%
Municipal Disaster Relief Grant		1 960	—	7 125	—	7 023	2 375	4 648	195.7%
Municipal Infrastructure Grant	3	—	—	—	—	—	—	—	—
Municipal Systems Improvement Grant		—	—	—	—	—	—	—	—
Rural Road Asset Management Systems Grant		—	—	—	—	—	—	—	—
Water Services Infrastructure Grant		—	—	—	—	—	—	—	—
Other transfers and grants [insert description]		—	—	—	—	—	—	—	—
<b>Provincial Government:</b>		1 285	2 219	3 375	60	286	1 398	(1 112)	-79.5%
Capacity Building and Other Grants		1 285	2 219	3 375	60	286	1 398	(1 112)	-79.5%
Other transfers and grants [insert description]		—	—	—	—	—	—	—	—
<b>District Municipality:</b>		—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—
<b>Other grant providers:</b>		724	—	12 299	—	12 118	4 100	8 018	195.6%
Electricity Distribution Industry Holdings		—	—	—	—	—	—	—	—
KwazuluNatal Provincial Planning and Development Commission		—	—	—	—	—	—	—	—
Local Government Water and Related Service SETA		724	—	100	—	99	33	66	198.2%
National Skills Fund		(0)	—	12 200	—	12 019	4 067	7 952	195.6%
Unspecified		—	—	—	—	—	—	—	—
<b>Total Operating Transfers and Grants</b>	5	680 583	720 384	740 965	239 898	557 454	366 956	190 498	51.9%
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>									
Municipal Disaster Relief Grant		851 477	916 219	916 219	40 670	395 885	458 109	(62 225)	-13.6%
Municipal Infrastructure Grant		—	—	—	—	—	—	—	—
Regional Bulk Infrastructure Grant		262 939	268 969	268 969	28 086	139 726	134 484	5 242	3.9%
Rural Road Asset Management Systems Grant		431 247	544 478	544 478	8 165	225 865	272 239	(46 374)	-17.0%
Water Services Infrastructure Grant		1 857	2 772	2 772	—	—	1 386	(1 386)	-100.0%
		155 434	100 000	100 000	4 419	30 294	50 000	(19 706)	-39.4%
<b>Provincial Government:</b>		—	—	—	—	—	—	—	—
Infrastructure Grant		—	—	—	—	—	—	—	—
<b>District Municipality:</b>		—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—
<b>Other grant providers:</b>		8	—	—	—	—	—	—	—
[insert description]		8	—	—	—	—	—	—	—
<b>Total Capital Transfers and Grants</b>	5	851 485	916 219	916 219	40 670	395 885	458 109	(62 225)	-13.6%
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	1 532 068	1 636 603	1 657 184	280 569	953 339	825 065	128 274	15.5%
									1 657 184

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 - M06 December

Description	Ref	2024/25		Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>											
<b>EXPENDITURE</b>											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:		1 060 047	461 848	468 973	80 741	372 136	234 164	137 972	58.9%	468 973	
Energy Efficiency and Demand Side Management Grant		—	—	—	—	—	—	—	—	—	
Equitable Share		1 038 068	400 220	400 220	73 261	342 148	200 111	142 037	71.0%	400 220	
Expanded Public Works Programme Integrated Grant		5 227	6 406	6 406	1 117	6 768	3 203	3 565	111.3%	6 406	
Local Government Financial Management Grant		1 189	1 300	1 300	81	664	650	14	2.2%	1 300	
Municipal Disaster Relief Grant		1 704	—	7 125	—	6 107	3 239	2 868	88.6%	7 125	
Municipal Infrastructure Grant		12 233	53 922	53 922	6 281	16 449	26 961	(10 512)	-39.0%	53 922	
Municipal Systems Improvement Grant		—	—	—	—	—	—	—	—	—	
Regional Bulk Infrastructure Grant		9	—	—	—	—	—	—	—	—	
Rural Road Asset Management Systems Grant		1 618	—	—	—	—	—	—	—	—	
Water Services Infrastructure Grant		—	—	—	—	—	—	—	—	—	
Provincial Government:		618	2 119	3 175	53	53	1 324	(1 270)	-96.0%	3 175	
Capacity Building and Other Grants		618	2 119	3 175	53	53	1 324	(1 270)	-96.0%	3 175	
District Municipality:		—	—	—	—	—	—	—	—	—	
Other grant providers:		724	—	12 299	434	12 552	4 925	7 627	154.9%	12 299	
Electricity Distribution Industry Holdings		—	—	—	—	—	—	—	—	—	
KwazuluNatal Provincial Planning and Development Commission		—	—	—	—	—	—	—	—	—	
Local Government Water and Related Service SETA		724	—	100	—	99	45	54	118.7%	100	
National Skills Fund		—	—	12 200	434	12 453	4 880	7 573	155.2%	12 200	
<b>Total operating expenditure of Transfers and Grants:</b>		<b>1 061 389</b>	<b>463 967</b>	<b>484 448</b>	<b>81 229</b>	<b>384 741</b>	<b>240 413</b>	<b>144 329</b>	<b>60.0%</b>	<b>484 448</b>	
<u>Capital expenditure of Transfers and Grants</u>											
National Government:		732 522	742 790	742 790	27 358	330 607	374 277	(43 670)	-11.7%	742 790	
Municipal Infrastructure Grant		218 473	179 964	179 964	18 220	105 547	92 864	12 684	13.7%	179 964	
Regional Bulk Infrastructure Grant		377 830	473 459	473 459	4 484	197 633	236 730	(39 097)	-16.5%	473 459	
Rural Road Asset Management Systems Grant		—	2 410	2 410	789	789	1 205	(416)	-34.5%	2 410	
Water Services Infrastructure Grant		136 219	86 957	86 957	3 865	26 638	43 478	(16 840)	-38.7%	86 957	
Provincial Government:		—	87	174	—	—	65	(65)	-100.0%	174	
Capacity Building and Other Grants		—	—	—	—	—	—	—	—	—	
Infrastructure Grant		—	87	174	—	—	65	(65)	-100.0%	174	
District Municipality:		—	—	—	—	—	—	—	—	—	
Other grant providers:		—	—	—	—	—	—	—	—	—	
Unspecified		—	—	—	—	—	—	—	—	—	
<b>Total capital expenditure of Transfers and Grants</b>		<b>732 522</b>	<b>742 877</b>	<b>742 964</b>	<b>27 358</b>	<b>330 607</b>	<b>374 342</b>	<b>(43 735)</b>	<b>-11.7%</b>	<b>742 964</b>	
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>1 793 911</b>	<b>1 206 844</b>	<b>1 227 412</b>	<b>108 587</b>	<b>715 349</b>	<b>614 755</b>	<b>100 594</b>	<b>16.4%</b>	<b>1 227 412</b>	

## 2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		588	—	—	50	296	—	296	#DIV/0!	—
Medical Aid Contributions		58	—	—	30	61	—	61	#DIV/0!	—
Motor Vehicle Allowance		2 322	2 257	2 257	266	1 192	1 129	63	6%	2 257
Cellphone Allowance		781	778	778	61	377	389	(12)	-3%	778
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		6 789	8 605	8 605	721	3 432	4 303	(870)	-20%	8 605
<b>Sub Total - Councillors</b>		10 539	11 640	11 640	1 128	5 359	5 820	(461)	-8%	11 640
<b>% increase</b>	4		10.4%	10.4%						10.4%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		7 612	7 986	7 986	640	3 840	3 993	(153)	-4%	7 986
Pension and UIF Contributions		275	275	275	18	108	138	(30)	-22%	275
Medical Aid Contributions		97	71	71	6	35	36	(0)	-1%	71
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		628	381	381	(507)	—	190	(190)	-100%	381
Motor Vehicle Allowance		1 981	1 934	1 934	161	967	967	(0)	0%	1 934
Cellphone Allowance		284	277	277	23	139	139	—	—	277
Housing Allowances		13	14	14	1	7	7	(0)	0%	14
Other benefits and allowances		263	249	249	27	161	125	36	29%	249
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2									
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and postrelated allowance		20	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>	4	11 173	11 188	11 188	369	5 257	5 594	(337)	-6%	11 188
<b>% increase</b>		0.1%	0.1%							0.1%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		217 141	193 530	193 530	19 840	117 154	96 765	20 388	21%	193 530
Pension and UIF Contributions		30 151	32 031	32 031	2 816	16 457	16 016	441	3%	32 031
Medical Aid Contributions		18 984	19 155	19 155	1 699	10 324	9 578	747	8%	19 155
Overtime		10 127	5 314	5 314	333	4 370	2 657	1 713	64%	5 314
Performance Bonus		14 860	15 389	15 389	1 132	7 843	7 695	148	2%	15 389
Motor Vehicle Allowance		23 937	22 652	22 652	2 216	12 924	11 326	1 598	14%	22 652
Cellphone Allowance		861	827	827	74	445	414	32	8%	827
Housing Allowances		1 750	1 772	1 772	149	893	886	7	1%	1 772
Other benefits and allowances		3 899	155	155	3	1 325	78	1 247	1609%	155
Payments in lieu of leave		5 645	—	—	(613)	760	—	760	#DIV/0!	—
Long service awards		1 961	—	—	70	882	—	882	#DIV/0!	—
Post-retirement benefit obligations	2	1 899	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and postrelated allowance		961	—	—	(2)	283	—	283	#DIV/0!	—
In kind benefits		—	—	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>	4	332 176	290 825	290 825	27 717	173 661	145 413	28 247	19%	290 825
<b>% increase</b>		—12.4%	—12.4%							—12.4%
<b>Total Parent Municipality</b>		353 888	313 653	313 653	29 213	184 277	156 828	27 449	18%	313 653

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 - M06 December

Description	Ref	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework			
		July R thousands	Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Cash Receipts By Source</u>																	
Property rates															—		
Service charges - Electricity revenue															—		
Service charges - Water revenue	1 927	2 564	2 862	2 974	3 526	1 891	3 696	3 696	3 696	3 696	3 696	3 696	10 127	44 350	46 390	48 432	
Service charges - Waste Water Management	733	929	1 082	1 103	1 222	749	1 177	1 177	1 177	1 177	1 177	1 177	2 422	14 127	14 777	15 427	
Service charges - Waste Management														—			
Rental of facilities and equipment	41	40	40	40	40	50	48	48	48	48	48	48	88	580	580	580	
Interest earned - external investments	—	552	582	246	882	118	667	667	667	667	667	667	2 287	8 000	8 368	8 736	
Interest earned - outstanding debtors	21	22	12	14	19	13	43	43	43	43	43	43	200	516	540	563	
Dividends received													—				
Fines, penalties and forfeits	85	25	14	11	8	3	50	50	50	50	50	50	205	605	633	661	
Licences and permits	29	17	14	12	16	7	25	25	25	25	25	25	77	295	308	322	
Agency services													—				
Transfers and Subsidies - Operational	298 080	15 102	—	1 536	2 883	237 163	60 032	60 032	60 032	60 032	60 032	(134 539)	720 384	757 969	792 384		
Other revenue	153 072	31 983	62 669	150 257	316 080	161 451	10 377	10 377	10 377	10 377	10 377	(802 874)	124 523	131 585	154 075		
<u>Cash Receipts by Source</u>	453 989	51 233	67 276	156 193	324 676	401 445	76 115	76 115	76 115	76 115	76 115	(922 007)	913 379	961 158	1 021 179		
<u>Other Cash Flows by Source</u>													—				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	138 000	217 700	81 000	31 940	165 000	88 000	76 352	76 352	76 352	76 352	76 352	####	916 219	756 953	800 198		
Transfers and subsidies - capital (monetary allocations) (Net / Prov Deparlm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)												####	—				
Proceeds on Disposal of Fixed and Intangible Assets													—			4 000	
Short term loans													—				
Borrowing long term/refinancing													—				
Increase (decrease) in consumer deposits	—	—	(4)	0	1	0	—	—	—	—	—	3	—	—	—	—	
VAT Control (receipts)	—	—	—	—	—	—	10 315	10 315	10 315	10 315	10 315	72 203	123 776	106 387	114 681		
Decrease (increase) in non-current receivables												—	—	—	—		
Decrease (increase) in non-current investments												—	—	—	—		
<b>Total Cash Receipts by Source</b>	<b>591 989</b>	<b>268 933</b>	<b>148 272</b>	<b>188 133</b>	<b>489 677</b>	<b>467 445</b>	<b>162 781</b>	<b>162 781</b>	<b>162 781</b>	<b>162 781</b>	<b>162 781</b>	<b>(1 014 980)</b>	<b>1 953 374</b>	<b>1 824 489</b>	<b>1 940 059</b>		
<u>Cash Payments by Type</u>													—				
Employee related costs	31 133	31 157	31 664	30 803	30 642	31 157	25 168	25 168	25 168	25 168	25 168	(10 382)	302 013	315 906	329 805		
Remuneration of councillors	899	908	976	874	1 022	1 034	970	970	970	970	970	1 078	11 640	12 176	12 711		
Interest													—				
Bulk purchases - Electricity	23 855	3 627	12 967	58 694	7 218	13 843	—	—	—	—	—	(120 203)	—	—	—		
Aquisitions - water & other inventory	—	1 559	5 183	423	4 853	1 820	982	982	982	982	982	(6 962)	11 788	12 311	12 835		
Contracted services	(4 648)	(27 782)	(6 675)	(55 000)	(83 257)	(8 115)	17 688	17 688	17 688	17 688	17 688	309 295	212 260	172 013	187 345		
Transfers and subsidies - other municipalities												—					
Transfers and subsidies - other												—					
Other expenditure	220 420	102 347	74 771	70 983	165 916	146 771	3 413	3 413	3 413	3 413	3 413	(757 319)	40 953	42 736	44 569		
<b>Cash Payments by Type</b>	<b>271 658</b>	<b>111 816</b>	<b>118 886</b>	<b>106 777</b>	<b>126 394</b>	<b>186 510</b>	<b>48 221</b>	<b>48 221</b>	<b>48 221</b>	<b>48 221</b>	<b>48 221</b>	<b>(584 493)</b>	<b>578 653</b>	<b>555 142</b>	<b>587 266</b>		
<u>Other Cash Flows/Payments by Type</u>																	
Capital assets	51 836	34 131	35 136	73 570	108 576	27 358	71 192	71 192	71 192	71 192	71 192	167 740	854 309	747 707	803 584		
Repayment of borrowing	—	63	190	—	—	8 746	1 476	1 476	1 476	1 476	1 476	1 333	17 712	17 712	17 712		
Other Cash Flows/Payments							—	—	—	—	—	(7 905)	—	—	—		
<b>Total Cash Payments by Type</b>	<b>323 493</b>	<b>146 612</b>	<b>154 526</b>	<b>181 997</b>	<b>238 773</b>	<b>224 151</b>	<b>120 889</b>	<b>120 889</b>	<b>120 889</b>	<b>120 889</b>	<b>120 889</b>	<b>(423 325)</b>	<b>1 450 674</b>	<b>1 320 561</b>	<b>1 408 561</b>		
<b>NET INCREASE(DECREASE) IN CASH HELD</b>	<b>268 495</b>	<b>122 321</b>	<b>(6 254)</b>	<b>6 137</b>	<b>250 904</b>	<b>243 294</b>	<b>41 892</b>	<b>41 892</b>	<b>41 892</b>	<b>41 892</b>	<b>41 892</b>	<b>(591 655)</b>	<b>502 700</b>	<b>503 929</b>	<b>531 497</b>		
Cash/cash equivalents at the monthly year beginning	23 103	291 598	413 919	407 664	413 801	664 705	908 000	949 892	991 783	1 033 675	1 075 567	1 117 458	23 103	525 803	1 029 732	1 561 229	
Cash/cash equivalents at the monthly year end	291 598	413 919	407 664	413 801	664 705	908 000	949 892	991 783	1 033 675	1 075 567	1 117 458	525 803	525 803	1 029 732	1 561 229		

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

DC26 Zululand - Supporting Table SC1 Material variance explanations - M04 October

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<u>Revenue</u>			
	Service charges - Water revenue	15%	This is the amounts billed on customers for water used, the year-to-date actual is R18.1 million which is 28 % of the approved budget. The R18.1 million year to date actual is below the Four months baseline projection or year-to-date budget of R21.3 million. A variance of R3.1 million or 15% is observed. For the month of October, the municipality started the process of replacing estimates with prepaid meters, and for the month of October, the municipality have installed More prepaid meters that's why our monthly Actual is R5.5 million.	
	Service charges - Sanitation revenue	10%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R5.5 million which is 29% of the approved budget. The R5.5 million year to date actual is below the four months baseline projection or year-to-date budget of R6.1 million. A variance of R647 thousand or 10% is observed. Sanitation will for the month of October will have an effect since Business have an excess charge and it also affect our sanitation since we have changed billing from estimates to Actual for the month of October	
	Sale of goods and rendering of service	27%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R340 thousands which is 43% of the approved budget. The R340 thousands year to date actual is above the four months baseline projection or year-to-date budget of R287 thousand. A variance of 73 thousand or 27% is observed	There was a Huge sale of tender documents for the month of October 2025 in this period
	Interest earned - outstanding debtors	28%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R340 thousands which is 43% of the approved budget. The R340 thousands year to date actual is above the four months baseline projection or year-to-date budget of R287 thousand. A variance of 73 thousand or 27% is observed. Interest on investment is interest received when the Municipality makes cash investments. The R1.3 million year-to-date actual is below the four-month baseline projection or year-to-date budget of R2.6 million. A variance of R1.3 million or 48% is observed.	we must ensure that businesses Pay on time
	Interest on investment	48%		The reason for variance can be attributed to the fact that there were some investments which were not matured by the end of the reporting period.
	Rent of facilities	8%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R154 thousand which is 30% of the approved budget. The R154 thousand year-to-date actual is below the four months baseline projection or year-to-date budget of R168 thousand. A variance of R14 thousand or 8% is observed	
	Licences and Permits	27%	Licences and permits year-to-date actual is R71 thousand which is 24% of the approved budget. The R71 thousand year to date actual is below the four months baseline projection or year-to-date budget of R98 thousand. A variance of R27 thousand or 27% is observed. In the Month of October there were only health certificate issued	
	Operational revenue	56%	Operational revenue year-to-date actual is R196 thousand which is 15% of the approved budget. The R196 thousand year to date actual is below the four months baseline projection or year-to-date budget of R448 thousand. A variance of R252 thousand or 56% is observed. The variance to this line item can be attributed the non-receipt of Insurance Refund, Registration Fees, Handling Fees which is not benchmarked by year to date.	
	Fines, penalties, and forfeits	32%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is R136 thousand, which is 23% of the approved budget. The R136 thousand year to date is below the four-month baseline projection or year-to-date budget of R202 thousand. A variance of R65 thousand or 32% is observed	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	31%	Transfers and subsidies year to date actual is R317.4 million which is 44 of the approved budget. The R317.4 million year to date actual is above the four months baseline projection or year-to-date budget of R242.2 million. A variance of R75.2 million or 31% is observed	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M04 October

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	<u>Expenditure By Type</u>			
	Employee Related Costs	21%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R121.4 million which is 40% of the approved budget. The R121.4 million year to date actual is above the four-month baseline projection or year-to-date budget of R100.6 million. A variance of R20.7 million or 21% is observed. The expenditure for the month is R30.2 million.	
	Remuneration of Councillors	13%	Remuneration of Councillors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is R3.3 million which is 29% of the approved budget. The R3.3 million year-to-date actual is below the four-month baseline projection or year-to-date budget of R3.8 million. A variance of R504 thousand or 13% is observed. The Expenditure for the Month is R812 thousand.	
	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 a negative amount (-R3.8 million), which means there were transaction performed incorrectly. The municipality will prepare a journal to correct the error.	
	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 R31.6 million which is 33% of the approved budget. The R31.6 million year-to-date actual equals the four month baseline projection or year-to-date budget of R31.6 million. A variance of R0 or 0% is observed. The movement for the month is R7.9 million.	
	Finance charges	49%	Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is R3.6 million which is 48% of the approved budget. The R3.6 million year-to-date actual is above the four-month baseline projection or year-to-date budget of R2.4 million. A variance of R1.1 million or 49% is observed. The movement for the month is R923 thousand resulting from interest on loan.	
	Contracted services	56%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R52.5 million which is 60% of the approved budget. The R52.5 million year to date actual is above the four-month baseline projection or year-to-date budget of R33.5 million. A variance of R18.9 million or 56% is observed. The movement for the month is R5.9 million, the major movements are noted in non employees training funded by NSF, Security services & Bulk maintenance.	
	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 municipality did not budget for this line item.	
	Operational costs	419%	Operational costs are all other expenditure not classified above. The year-to-date actual is R62.5 million which is 176% of the approved budget, the R62.5 million year-to-date actual is above the four months baseline projection or year-to-date budget of R12 million. A variance of R50.5 million or 419% is observed. The movement for the month is R19.6 million. Major movements are from Eskom, lease	

## DC26 Zululand - Supporting Table SC1 Material variance explanations - M04 October

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	<u>Capital Expenditure</u>			
	Governance and administration		The municipality did not budget for Governance and administration. Community and public safety year-to-date actual is R0 which is 0% of the approved budget. the R0 year to date actual is below the three months baseline projection or year-to-date budget of R29 thousand. A variance of R29 thousand or 100% is observed.	
	Community and public safety	100%	Economic and environmental services year-to-date actual is R0 which is 0% of the approved budget. the R0 year to date actual is below three-month baseline projection or year-to-date budget of R803 thousand. A variance of R803 thousand or 100% is observed.	
	Economic and environmental services	100%	Trading services year-to-date actual is R194.6 million which is 26% of the approved budget. the R194.6 million year-to-date actual is below the four months baseline projection or year-to-date budget of R250.6 million. A variance of R55.9 million or 22% is observed.	
	Trading services	22%		

## 2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

## 2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any active entities.

## 2.9 CAPITAL PROGRAMME PERFORMANCE

### Capital Expenditure by month

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

Month	R thousands	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>Monthly expenditure performance trend</b>										
<i>July</i>										
August	93 315	61 906	61 906	51 836	51 836	61 906	10 071	16.3%	7%	
September	64 218	64 068	64 068	34 131	34 131	125 974	91 843	72.9%	5%	
October	59 111	64 068	64 068	35 136	35 136	190 042	154 906	81.5%	5%	
November	74 889	61 426	61 426	73 570	73 570	251 468	177 898	70.7%	10%	
December	54 560	61 437	61 437	108 576	108 576	312 905	204 328	65.3%	15%	
January	68 273	61 437	61 437	27 358	27 358	374 342	346 984	92.7%	4%	
February	—	61 437	61 437	—	—	435 779	435 779	100.0%	0%	
March	14 786	61 437	61 437	—	—	497 216	497 216	100.0%	0%	
April	32 878	61 437	61 437	—	—	558 653	558 653	100.0%	0%	
May	181 413	61 437	61 437	—	—	620 090	620 090	100.0%	—	
June	79 738	61 437	61 437	—	—	681 527	681 527	100.0%	—	
<b>Total Capital expenditure</b>	<b>751 911</b>	<b>742 964</b>	<b>742 964</b>	<b>330 607</b>						

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

## Summary of Capital Expenditure by asset class and sub-class

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
<b>Infrastructure</b>		732 522	742 790	742 790	27 358	330 607	374 277	43 670	11.7%	742 790
Roads Infrastructure		—	2 410	2 410	789	789	1 205	416	34.5%	2 410
Roads		—	2 410	2 410	789	789	1 205	416	34.5%	2 410
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		732 522	740 380	740 380	26 569	329 818	373 071	43 253	11.6%	740 380
Dams and Weirs		—	—	—	—	—	—	—	—	—
Boreholes		32 532	28 016	37 077	3 837	23 910	20 291	(3 619)	-17.8%	37 077
Reservoirs		3 379	—	—	—	—	—	—	—	—
Pump Stations		—	—	—	—	—	—	—	—	—
Water Treatment Works		136 848	101 224	83 024	10 167	51 202	47 974	(3 228)	-6.7%	83 024
Bulk Mains		526 548	568 552	568 752	8 349	225 008	284 343	59 335	20.9%	568 752
Distribution		33 215	31 526	51 526	4 216	29 699	18 620	(11 078)	-59.5%	51 526
Distribution Points		—	11 061	—	—	—	1 844	1 844	100.0%	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Reticulation		—	—	—	—	—	—	—	—	—
Toilet Facilities		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
<b>Community Assets</b>		—	—	—	—	—	—	—	—	—
Community Facilities		—	—	—	—	—	—	—	—	—
Centres		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
<b>Heritage assets</b>		—	—	—	—	—	—	—	—	—
Works of Art		—	—	—	—	—	—	—	—	—
<b>Investment Properties</b>		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
<b>Other assets</b>		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	—	—	—	—	—	—
Municipal Offices		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
<b>Intangible Assets</b>		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Computer Software and Applications		—	—	—	—	—	—	—	—	—
<b>Computer Equipment</b>		735	—	—	—	—	—	—	—	—
Computer Equipment		735	—	—	—	—	—	—	—	—
<b>Furniture and Office Equipment</b>		37	—	—	—	—	—	—	—	—
Furniture and Office Equipment		37	—	—	—	—	—	—	—	—
<b>Machinery and Equipment</b>		48 200	87	174	—	—	65	65	100.0%	174
Machinery and Equipment		48 200	87	174	—	—	65	65	100.0%	174
<b>Transport Assets</b>		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
<b>Land</b>		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
<b>Living resources</b>		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
<b>Total Capital Expenditure on new assets</b>	1	781 494	742 877	742 964	27 358	330 607	374 342	43 735	11.7%	742 964

## Expenditure on Repairs and Maintenance by Asset class

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

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		169 973	45 389	51 640	13 291	33 375	25 558	(7 816)	-30.6%	51 640
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		169 973	45 389	51 640	13 291	33 375	25 558	(7 816)	-30.8%	51 640
<b>Bulk Mains</b>		64 246	30 389	36 640	4 248	15 303	18 058	2 755	15.3%	36 640
<b>Distribution Points</b>		105 727	15 000	15 000	9 043	18 071	7 500	(10 571)	-141.0%	15 000
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		435	-	-	-	-	-	-	-	-
Community Facilities		435	-	-	-	-	-	-	-	-
<b>Airports</b>		435	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		62	-	-	-	-	-	-	-	-
Operational Buildings		62	-	-	-	-	-	-	-	-
<b>Municipal Offices</b>		62	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	200	200	-	-	100	100	100.0%	200
Furniture and Office Equipment		-	200	200	-	-	100	100	100.0%	200
<b>Machinery and Equipment</b>		-	-	-	-	38	-	(38)	#DIV/0!	-
Machinery and Equipment		-	-	-	-	38	-	(38)	#DIV/0!	-
<b>Transport Assets</b>		10 988	-	-	682	3 636	-	(3 636)	#DIV/0!	-
Transport Assets		10 988	-	-	682	3 636	-	(3 636)	#DIV/0!	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	181 458	45 589	51 840	13 972	37 049	25 658	(11 390)	-44.4%	51 840

## Depreciation by Asset class

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	2024/25		Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual		YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
						YearTD actual	YearTD budget					
R thousands	1											
<b>Depreciation by Asset Class/Sub-class</b>												
<b>Infrastructure</b>												
Roads Infrastructure		111 632	85 014	85 014	20 851	56 273	42 607	(13 766)	-32.4%	85 014		
Roads		—	762	762	(318)	—	381	381	100.0%	762		
Storm water Infrastructure		—	—	—	—	—	—	—	—	—		
Electrical Infrastructure		—	—	39	39	(16)	—	19	19	100.0%	39	
LV Networks		—	—	39	39	(16)	—	19	19	100.0%	39	
Water Supply Infrastructure		110 950	81 842	81 842	21 508	55 608	40 921	(14 687)	-35.9%	81 842		
Dams and Works		1 988	2 959	2 959	(254)	979	1 479	501	33.9%	2 959		
Boreholes		1 833	500	500	666	874	250	(824)	-249.7%	500		
Reservoirs		9 438	7 438	7 438	1 580	4 659	3 719	(940)	-28.3%	7 438		
Pump Stations		6 613	4 729	4 729	1 342	3 312	2 364	(947)	-40.1%	4 729		
Water Treatment Works		7 419	7 037	7 037	802	3 734	3 519	(215)	-6.1%	7 037		
Bulk Mains		56 690	36 425	36 425	13 935	29 112	18 212	(10 899)	-59.8%	36 425		
Distribution		28 614	22 668	22 668	3 460	12 905	11 334	(1 571)	-13.9%	22 668		
PRV Stations		75	88	88	(1)	35	43	9	19.6%	88		
Sanitation Infrastructure		683	2 371	2 371	(323)	665	1 185	521	43.9%	2 371		
Pump Station		203	205	205	17	102	102	1	0.5%	205		
Reticulation		(311)	1 824	1 824	(592)	166	912	744	81.6%	1 824		
Waste Water Treatment Works		790	342	342	252	395	171	(224)	-130.8%	342		
Outfall Sewers		—	—	—	—	—	—	—	—	—		
Toilet Facilities		—	—	—	—	—	—	—	—	—		
Capital Spares		—	—	—	—	—	—	—	—	—		
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—		
Rail Infrastructure		—	—	—	—	—	—	—	—	—		
Coastal Infrastructure		—	—	—	—	—	—	—	—	—		
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—		
<b>Community Assets</b>		1 210	905	905	228	505	452	(152)	-33.7%	905		
Community Facilities		1 075	680	680	262	538	330	(207)	-52.8%	680		
Halls		—	—	—	—	—	—	—	—	—		
Centres		—	—	—	—	—	—	—	—	—		
Crèches		—	—	—	—	—	—	—	—	—		
Clinics/Care Centres		—	—	—	—	—	—	—	—	—		
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—		
Testing Stations		—	—	—	—	—	—	—	—	—		
Museums		—	—	—	—	—	—	—	—	—		
Galleries		—	—	—	—	—	—	—	—	—		
Theatres		—	—	—	—	—	—	—	—	—		
Libraries		—	—	—	—	—	—	—	—	—		
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—		
Police		—	—	—	—	—	—	—	—	—		
Parks		—	—	—	—	—	—	—	—	—		
Public Open Space		—	—	—	—	—	—	—	—	—		
Nature Reserves		—	—	—	—	—	—	—	—	—		
Public Abolition Facilities		—	—	—	—	—	—	—	—	—		
Markets		344	—	—	172	172	—	(172)	#DIV/0!	—		
Stalls		—	—	—	—	—	—	—	—	—		
Abattoirs		—	—	—	—	—	—	—	—	—		
Airports		731	660	660	91	366	330	(36)	-10.6%	660		
Taxi Rank/Bus Terminals		—	—	—	—	—	—	—	—	—		
Capital Spares		—	—	—	—	—	—	—	—	—		
Sport and Recreation Facilities		135	244	244	(34)	67	122	55	44.9%	244		
Outdoor Facilities		135	244	244	(34)	67	122	55	44.9%	244		
<b>Heritage assets</b>		—	—	—	—	—	—	—	—	—		
Other Heritage		—	—	—	—	—	—	—	—	—		
<b>Investment properties</b>		—	—	—	—	—	—	—	—	—		
Revenue Generating		—	—	—	—	—	—	—	—	—		
Non-revenue Generating		—	—	—	—	—	—	—	—	—		
<b>Other assets</b>		1 246	1 451	1 451	222	627	728	(101)	-14.0%	1 451		
Operational Buildings		1 246	1 451	1 451	222	827	725	(101)	-14.0%	1 451		
Municipal Offices		1 246	1 384	1 384	246	827	697	(130)	-18.6%	1 384		
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—		
Building Plan Offices		—	—	—	—	—	—	—	—	—		
Workshops		—	—	—	—	—	—	—	—	—		
Yards		—	—	—	—	—	—	—	—	—		
Stores		—	57	57	(24)	—	28	28	100.0%	57		
Laboratories		—	—	—	—	—	—	—	—	—		
Training Centres		—	—	—	—	—	—	—	—	—		
Manufacturing Plant		—	—	—	—	—	—	—	—	—		
Depots		—	—	—	—	—	—	—	—	—		
Capital Spares		—	—	—	—	—	—	—	—	—		
Housing		—	—	—	—	—	—	—	—	—		
Staff Housing		—	—	—	—	—	—	—	—	—		
Social Housing		—	—	—	—	—	—	—	—	—		
Capital Spares		—	—	—	—	—	—	—	—	—		
<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—		
<b>Intangible Assets</b>		20	21	21	(4)	5	11	6	50.2%	21		
Servitudes		20	21	21	(4)	5	11	6	50.2%	21		
Licences and Rights		18	21	21	(4)	5	11	6	50.2%	21		
Computer Software and Applications		2	—	—	—	—	—	—	—	—		
Unspecified		1 368	1 045	1 045	195	634	623	(111)	-21.3%	1 045		
Computer Equipment		1 368	1 045	1 045	195	634	623	(111)	-21.3%	1 045		
Computer Equipment		556	609	609	(69)	185	304	119	39.3%	609		
Furniture and Office Equipment		1 812	388	388	161	342	194	(145)	-76.4%	388		
Machinery and Equipment		1 812	388	388	181	342	194	(145)	-76.4%	388		
Transport Assets		2 898	5 568	5 568	(1 615)	705	2 784	2 079	74.7%	5 568		
Land		—	—	—	—	—	—	—	—	—		
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—		
Living resources		—	—	—	—	—	—	—	—	—		
Mature		—	—	—	—	—	—	—	—	—		
Immature		—	—	—	—	—	—	—	—	—		
Total Depreciation	1	120 749	95 000	95 000	19 992	59 575	47 500	(12 076)	-25.4%	95 000		

## 2.10 OTHER SUPPORTING DOCUMENTS

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

## **2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES**

The Municipality doesn't have any entities.

## **2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION**

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



Date: 15/01/2026

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