



INTERNAL MEMO

DATE : **11 FEBRUARY 2025**
TO : **THE HONOURABLE MAYOR**
FROM : **MUNICIPAL MANAGER**
RE : **MONTHLY BUDGET STATEMENT**

Kindly find the attached monthly budget statement for your Review, in compliance with the S71 (1) of the Municipal Finance Management Act. The budget statement is for the period ending **31 January 2025**.

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully

N.S. MSIBI

Chief Financial Officer

S.P MOSIA

Acting Municipal Manager

"Service Delivery through Integrity"

ZULULAND DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 JANUARY 2026

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	590 915 318.48	484 622 310	106 293 008.84	22%	72%
Total Operating Expenditure	553 766 368	504 750 460.82	333 468 828	171 281 632.87	51%	91%
Surplus/(Deficit)	261 472 076	86 164 857.66	151 153 482	-64 988 624.03		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 January 2026** is **R590.9 million**, which is **72%** of the approved operating revenue budget. The **R590.9 million** year to date Actual is **above** the **Seven months** baseline projection or year-to-date budget of **R484.6 million**, a variance of **R106.2 million or 22% 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 **R29.8 million** which is **47%** 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 January 2026** is **R504.7 million** which is **91%** of the approved operating expenditure budget. The **R504.7 million** year to date actual is **above** the **Seven months** baseline projection or year-to-date budget of **R333.4 million**, a variance of **R171.2 million or 51% 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 JANUARY 2026	APPROVED BUDGET	RECEIPTS	YTD ACTUAL	VARIANCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	268 969 000	245 000 000	172 667 085	96 301 915	64
Regional Bulk Infrastructure (RBIG)	544 478 000	382 700 000	289 433 894	255 044 106	53
Water services infrastructure Grant (WSIG)	100 000 000	70 000 000	38 716 477	61 283 523	39
Rural Roads Asset Management Systems Grant	2 772 000	1 940 000	1 617 000	1 155 000	58
Indonsa Grant	1 719 000	2 675 000	53 250	1 665 750	3
FMG	1 300 000	1 300 000	767 723	532 277	59
EPWP	6 406 000	4 485 000	4 485 000	1 921 000	70
LGSETA Waste Water Employees	-	99 606	99 000	-99 000	-
TS O M PG KZN CAP BLD AVIATION	500 000	500 000	-	500 000	-
NSF	-	12 199 851	12 019 000	-	-
AMAFA	-	160 000	-	-	-
	926 144 000.00	720 959 851.30	519 759 428.90	418 304 571.10	346.57

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	742 877 267	421 926 402.61	435 778 965	-13 852 562.17	-3%	57%
Total Capital Financing	742 877 267	421 926 402.61	435 778 965	-13 852 562.17	-3%	57%

Grants receipts and expenditure

Total Capital Expenditure as at **31 January 2026** is **R421.6 million** which is **57%** of the approved capital budget. The **R421.6 million** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R435.7 million**, a variance of **R13.8 million or 3%**.

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 **64%**, **RBIG** is at **53%**, **WSIG** is at **39%** **RRAMG** is at **58%** and **Indonsa** is at **70%**.

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	YTD ACTUAL	%
Total current assets	677 146 297	255 991 018.24	38
Total non current assets	5 982 750 926	6 459 884 343.50	108
Total current liabilities	406 164 039	656 235 241.05	162
Total non current liabilities	254 145 896	132 648 621.91	52
TOTAL COMMUNITY WEALTH/ EQUITY	4 821 896 212	7 515 260 691.20	155.9%

The current assets year to date actual is **R225.9 million**, which is **60%** of the approved budget. **Non - Current assets** year to date actual is **R6.4 billion**, which is **108%** of the approved budget. **Current Liabilities** year to date actual is **R656.5 million** which is **162%** of the approved budget. **Non- Current Liabilities** year to date is **R132.6 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 **R255.9 million**, included in the current assets is an investment of **R30 million**.

Current liabilities amount to **R656.2 million**, this includes unspent conditional grants amounting to **R545.7 million**.

The Current ratio is 0.39:1 [**255.9 million/656.2 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) - M07 January

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		55 414	63 954	63 954	4 895	29 877	37 306	(7 430)	-20%	63 954
Service charges - Water		18 129	18 494	18 494	1 494	9 904	10 788	(884)	-8%	18 494
Service charges - Waste Water Management										
Service charges - Waste management										
Sale of Goods and Rendering of Services		627	800	800	336	876	467	409	88%	800
Agency services										
Interest										
Interest earned from Receivables		746	858	858	57	378	501	(123)	-25%	858
Interest from Current and Non Current Assets		8 129	8 000	8 000	1 006	3 386	4 667	(1 281)	-27%	8 000
Dividends										
Rent on Land										
Rental from Fixed Assets		463	504	504	39	281	294	(13)	-4%	504
Licence and permits		277	295	295	12	107	172	(65)	-38%	295
Special rating levies										
Operational Revenue		1 542	1 344	1 344	0	212	784	(572)	-73%	1 344
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits		449	605	605	3	150	353	(203)	-57%	605
Licence and permits										
Transfers and subsidies - Operational		680 583	720 384	740 965	(11 710)	545 744	429 291	116 454	27%	740 965
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets		1 706								
Other Gains										
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)										
		768 065	815 238	835 819	(3 867)	590 915	484 622	106 293	22%	835 819

The year-to-date actual indicates operating revenue of **R590.9 million** for **January**, The **R590.9 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R484.6 million**, a variance of **R106.2 million** or **22%** 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 **R29.8 million** which is **47 %** of the approved budget. The **R29.8 million** year to date actual is **below** the **Seven months** baseline projection or year-to-date budget of **R37.3 million**. A variance of **R7.4 million** or **20%** is observed. the municipality started the process of replacing estimates with prepaid meters, and for the month of January, the municipality have installed More prepaid meters that's why our monthly Actual is **R4.8 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 **R9.9 million** which is **54%** of the approved budget. The **R9.9 million** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R10.7 million**. A variance of **R884 thousand** or **8%** 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 **January**.

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 **R876 thousands** which is **110%** of the approved budget. The **R876 thousands** year to date actual is **Above** the **seven months** baseline projection or year-to-date budget of **R467 thousand**. A variance of **409 thousand** or **88%** is observed.

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

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R378 thousand**, which is **44%** of the approved budget. The **R378 thousand** year-to-date actual is **below** the **seven months** baseline projection or year-to-date budget of **R501 thousand**. A variance of **R123 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 **January 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 **R3.3 million** which is **42%** of the approved budget. The **R3.3 million** year-to-date actual is **below the seven-month** baseline projection or year-to-date budget of **R4.6 million**. A variance of **R1.2 million** or **27%** 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 **R281 thousand** which is **56%** of the approved budget. The **R281 thousand** year-to-date actual is **below** the **seven months** baseline projection or year-to-date budget of **R294 thousand**. A variance of **R13 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 **R107 thousand** which is **36%** of the approved budget. the **R107 thousand** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R172 thousand**. A variance of **R65 thousand** or **38%** is observed. In

the Month of **January** there were only health certificate issued, which is a movement of **R12 thousand**.

Operational revenue

Operational revenue year-to-date actual is **R212 thousand** which is **17%** of the approved budget. the **R212 thousand** year to date actual is **below** the **seven months** baseline projection or year-to-date budget of **R784 thousand**. A variance of **R572 thousands** or **73%** 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.

NON-EXCHANGE REVENUE

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is **R150 thousand**, which is **25%** of the approved budget. The **R150 thousand** year to date is **below** the **seven-months** baseline projection or year-to-date budget of **R353 thousand**. A variance of **R203 thousand** or **57%** 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 **R545.7 million** which is **76%** of the approved budget. The **R545.7 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R429.2 million**. A variance of **R116.4 million** or **27%** 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) - M07 January

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										
Expenditure By Type										
Employee related costs		343 349	302 013	302 013	31 363	210 281	176 175	34 105	19%	302 013
Remuneration of councillors		10 539	11 640	11 640	840	6 199	6 790	(591)	-9%	11 640
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		57 950	10 250	10 351	(819)	(6 115)	5 970	(12 086)	-202%	10 351
Debt impairment		30 773	4 000	4 000	-	-	2 333	(2 333)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 000	9 920	69 495	55 417	14 078	25%	95 000
Interest		18 091	7 575	7 335	875	6 387	4 280	2 106	49%	7 335
Contracted services		276 563	87 677	107 247	(4 043)	94 065	61 216	32 849	54%	107 247
Transfers and subsidies		9 064	-	-	2 249	2 251	-	2 251	#DIV/0!	-
Irrecoverable debts written off		2 724	-	-	-	-	-	-		-
Operational costs		335 440	35 611	36 661	21 671	122 187	21 286	100 901	474%	36 661
Losses on Disposal of Assets		6	-	-	-	-	-	-		-
Other Losses		272	-	-	-	-	-	-		-
Total Expenditure		1 205 521	553 766	574 247	62 056	504 750	333 469	171 282	51%	574 247

The year-to-date actuals indicate spending of **R504.7 million** for **seven months**, which is **91%** of the approved operating expenditure budget. The **R504.7 million** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R333.4 million**, a variance of **R171.2 million** or less than **51%** 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 **R210.2 million** which is **70%** of the approved budget. The **R210.2 million** year to date actual is **above** the **seven-month** baseline projection or year-to-date budget of **R176.1 million**. A variance of **R34.1 million** or **19%** is observed. The expenditure for the month is **R31 million**.

Remuneration of Councillors

Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R6.1 million** which is **53%** of the approved budget. The **R6.1 million** year-to-date actual is **below** the **seven-months** baseline projection or year-to-date budget of **R6.7 million**. A variance of **R591 thousand** or **9%** is observed. The Expenditure for the Month is **R840 thousand**.

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 (**-R6.1 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 **R69.4 million** which is **73%** of the approved budget. The **R69.4 million** year-to-date actual is **above** the **seven month** baseline projection or year-to-date budget of **R55.4 million**. A variance of **14 million** or **25%** is observed. The movement for the month is **R9.9 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 **R6.3 million** which is **84%** of the approved budget. The **R6.3 million** year-to-date actual is **above** the **seven-month** baseline projection or year-to-date budget of **R4.2 million**. A variance of **R2.1 million** or **49%** is observed. The movement for the month is **R875 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 **R94 million** which is **107%** of the approved budget. The **R94 million** year to date actual is **above** the **seven-month** baseline projection or year-to-date budget of **R61.2 million**. A variance of **R32 million** or **54%** is observed. The movement for the month is **-R4 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 **R2.2 million** which is **0%** of the approved budget. the **R0** year to date actual is **above** the **seven months** baseline projection or year-to-date budget of **R0 thousand**. A variance of **R2 million** is observed.

Operational cost

Operational costs are all other expenditure not classified above. The year-to-date actual is **R122.1 million** which is **343%** of the approved budget. the **R122.1 million** year-to-date actual is **above** the **seven months** baseline projection or year-to-date budget of **R21.2 million**. A variance of **R100.9 million** or **474%** is observed. The movement for the month is **R21.6 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 VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 300 000	767 722.84	758 331	9 391.84	1%	59%
EPWP Incentive	6 406 000	4 485 000.00	3 736 831	748 169.00	20%	70%
Art centre Subsisies (Indonsa Grant)	1 719 000	1 208 424.77	1 002 750	205 674.77	21%	70%
Aviation Grant	500 000	-	291 667	-291 666.67	-100%	0%
LG SETA	99 606	99 000.00	54 331	44 669.46	82%	99%
Disaster Management Grant	7 125 285	7 023 097.73	3 166 793	3 856 304.41		
Total Operating Grant Expenditure	17 149 891	13 583 245.34	9 010 702.53	4 572 542.81	51%	79%

FMG **59%**, EPWP Incentive **70%**, Art center subsidies (Indonsa Grant) **70%** LG SETA **99%** and Aviation Grant **0%**

Grants Rollovers

ROLLED OVER GRANTS FROM 2024/2025	APPROVED ROLLOVER	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %
TSUCM COGTA BOREHOLES:OPEN/B	1 445 896	-	-	-	-
Disaster Management Grant	7 125 285	6 107 041.50	3 886 519	2 220 522.42	86%
Total Operating Grant Expenditure	8 571 181	6 107 041.50	3 886 519	2 220 522.42	86%

COGTA Boreholes Grant **0%** and Disaster Management Grant **86%**

Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

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										
Revenue										
Exchange Revenue										
Service charges - Electricity							-			
Service charges - Water		55 414	63 954	63 954	4 895	29 877	37 306	(7 430)	-20%	63 954
Service charges - Waste Water Management		18 129	18 494	18 494	1 494	9 904	10 788	(884)	-8%	18 494
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		627	800	800	336	876	467	409	88%	800
Agency services								-		
Interest								-		
Interest earned from Receivables		746	858	858	57	378	501	(123)	-25%	858
Interest from Current and Non Current Assets		8 129	8 000	8 000	1 006	3 386	4 667	(1 281)	-27%	8 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		463	504	504	39	281	294	(13)	-4%	504
Licence and permits		277	295	295	12	107	172	(65)	-38%	295
Special rating levies								-		
Operational Revenue		1 542	1 344	1 344	0	212	784	(572)	-73%	1 344
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		449	605	605	3	150	353	(203)	-57%	605
Licence and permits								-		
Transfers and subsidies - Operational		680 583	720 384	740 965	(11 710)	545 744	429 291	116 454	27%	740 965
Interest		-	-	-	-	-	-	-		-
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets								-		
Other Gains		1 706	-	-	-	-	-	-		-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		768 065	815 238	835 819	(3 867)	590 915	484 622	106 293	22%	835 819
Expenditure By Type										
Employee related costs		343 349	302 013	302 013	31 363	210 281	176 175	34 105	19%	302 013
Remuneration of councillors		10 539	11 640	11 640	840	6 199	6 790	(591)	-9%	11 640
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		57 950	10 250	10 351	(819)	(6 115)	5 970	(12 086)	-202%	10 351
Debt impairment		30 773	4 000	4 000	-	-	2 333	(2 333)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 000	9 920	69 495	55 417	14 078	25%	95 000
Interest		18 091	7 575	7 335	875	6 387	4 280	2 106	49%	7 335
Contracted services		276 563	87 677	107 247	(4 043)	94 065	61 216	32 849	54%	107 247
Transfers and subsidies		9 064	-	-	2 249	2 251	-	2 251	#DIV/0!	-
Irrecoverable debts written off		2 724	-	-	-	-	-	-		-
Operational costs		335 440	35 611	36 661	21 671	122 187	21 286	100 901	474%	36 661
Losses on Disposal of Assets		6	-	-	-	-	-	-		-
Other Losses		272	-	-	-	-	-	-		-
Total Expenditure		1 205 521	553 766	574 247	62 056	504 750	333 469	171 282	51%	574 247
Surplus/(Deficit)		(437 456)	261 472	261 572	(65 923)	86 165	151 153	(64 989)	(0)	261 572
Transfers and subsidies - capital (monetary allocations)		851 477	916 219	917 665	106 421	502 306	534 461	(32 155)	(0)	917 665
Transfers and subsidies - capital (in-kind)		8	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	(0)	1 179 237
Income Tax										
Surplus/(Deficit) after income tax		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	(0)	1 179 237
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	(0)	1 179 237
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	(0)	1 179 237

1.6. CAPITAL EXPENDITURE AND FUNDING

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

The summary report indicates the following: -

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	742 877 267	421 926 402.61	435 778 965	-13 852 562.17	-3%	57%
Total Capital Financing	742 877 267	421 926 402.61	435 778 965	-13 852 562.17	-3%	57%

The capital expenditure amounts to **R421.9 million**, which is **57%** of the capital approved budget, after a period of **seven months**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote 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
R thousands										
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		511	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	15 670	-	4 268	12 266	(7 998)	-65%	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		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	511	-	15 670	-	4 268	12 266	(7 998)	-65%	15 670
Single Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		37	-	-	-	-	-	-	-	-
Vote 03 - Finance		164	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	87	174	-	-	83	(83)	-100%	174
Vote 05 - Planning & Wsa		732 582	742 790	728 566	91 319	417 658	423 430	(5 772)	-1%	728 566
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		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	780 983	742 877	728 740	91 319	417 658	423 513	(5 855)	-1%	728 740
Total Capital Expenditure		781 494	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Capital Expenditure - Functional Classification										
Governance and administration		712	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		712	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	87	174	-	-	83	(83)	-100%	174
Community and social services		-	87	174	-	-	83	(83)	-100%	174
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		61	2 410	2 410	506	1 295	1 406	(111)	-8%	2 410
Planning and development		61	2 410	2 410	506	1 295	1 406	(111)	-8%	2 410
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		780 722	740 380	741 826	90 814	420 632	434 290	(13 658)	-3%	741 826
Energy sources		-	-	-	-	-	-	-	-	-
Water management		780 722	740 380	741 826	90 814	420 632	434 290	(13 658)	-3%	741 826
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	781 494	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Funded by:										
National Government		732 522	742 790	742 790	91 319	421 926	435 696	(13 769)	-3%	742 790
Provincial Government		-	87	1 620	-	-	83	(83)	-100%	1 620
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		732 522	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Borrowing	6	48 200	-	-	-	-	-	-	-	-
Internally generated funds		772	-	-	-	-	-	-	-	-
Total Capital Funding		781 494	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410

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 **R83 thousand**. A variance of **R83 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R1.2 million** which is **54%** of the approved budget. the **R1.2 million** year to date actual is **below seven-month** baseline projection or year-to-date budget of **R1.4 million**. A variance of **R111 thousand** or **8%** is observed.

Trading services

Trading services year-to-date actual is **R420.2 million** which is **57%** of the approved budget. the **R42.2 million** year-to-date actual is **below** the **seven months** baseline projection or year-to-date budget of **R434 million**. A variance of **R13 million** or **3%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	233 886 087	133 275 501.62	107 380 402	25 895 099.70	24%	57%
Regional Bulk Infrastructure (RBIG)	473 459 130	253 377 925.08	276 184 496	-22 806 570.92	-8%	54%
Water services infrastructure Grant (WSIG)	86 956 522	33 978 362.30	50 724 639	-16 746 276.70	-33%	39%
Rural Roads Asset Managemnt Systems Grant	2 410 435	1 294 613.61	1 406 090	-111 476.39	-8%	54%
Art centre Subsiesies (Indonsa Grant)	86 957	-	50 725	-50 724.92	-100%	0%
Total Operating Expenditure	796 799 131	421 926 402.61	435 746 352	-13 819 949.23	-3%	53%

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	268 969 000	172 667 085.34	156 898 581	15 768 504.34	10%	64%
Regional Bulk Infrastructure (RBIG)	544 478 000	289 433 893.76	317 612 162	-28 178 268.24	-9%	53.2%
Water services infrastructure Grant (WSIG)	100 000 000	38 716 476.96	58 333 331	-19 616 854.04	-34%	39%
Rural Roads Asset Managemnt Systems Grant	2 772 000	1 488 805.65	1 617 000	-128 194.35	-8%	54%
Indonsa Grant	100 001	-	50 725	-50 724.92	-100%	0%
Total Capital Grant Expenditure	916 319 001	502 306 262	534 511 799	-32 205 537	-6%	55%

Overall capital grant expenditure is sitting at **55%** of the approved capital budget, **MIG** is sitting at **64%**, **RBIG** at **53%**, **WSIG** at **39%**, **RAMS** at **54%** 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 - M07 January

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
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	73 543	82 448	82 448	6 389	39 781	48 095	(8 314)	-17%	82 448
Investment revenue	8 129	8 000	8 000	1 006	3 386	4 667	(1 281)	-27%	8 000
Transfers and subsidies - Operational	680 583	720 384	740 965	(11 710)	545 744	429 291	116 454	0	740 965
Other own revenue	5 810	4 406	4 406	448	2 004	2 570	(566)	-22%	4 406
Total Revenue (excluding capital transfers and contributions)	768 065	815 238	835 819	(3 867)	590 915	484 622	106 293	22%	835 819
Employee costs	343 349	302 013	302 013	31 363	210 281	176 175	34 105	19%	302 013
Remuneration of Councillors	10 539	11 640	11 640	840	6 199	6 790	(591)	-9%	11 640
Depreciation and amortisation	120 749	95 000	95 000	9 920	69 495	55 417	14 078	25%	95 000
Interest	18 091	7 575	7 335	875	6 387	4 280	2 106	49%	7 335
Inventory consumed and bulk purchases	57 950	10 250	10 351	(819)	(6 115)	5 970	(12 086)	-202%	10 351
Transfers and subsidies	9 064	-	-	2 249	2 251	-	2 251	#DIV/0!	-
Other expenditure	645 779	127 288	147 908	17 628	216 253	84 836	131 417	155%	147 908
Total Expenditure	1 205 521	553 766	574 247	62 056	504 750	333 469	171 282	51%	574 247
Surplus/(Deficit)	(437 456)	261 472	261 572	(65 923)	86 165	151 153	(64 989)	-43%	261 572
Transfers and subsidies - capital (monetary)	851 477	916 219	917 665	106 421	502 306	534 461	###	-6%	917 665
Transfers and subsidies - capital (in-kind)	8	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	-14%	1 179 237
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	-14%	1 179 237
Capital expenditure & funds sources									
Capital expenditure	781 494	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Capital transfers recognised	732 522	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Borrowing	48 200	-	-	-	-	-	-	-	-
Internally generated funds	772	-	-	-	-	-	-	-	-
Total sources of capital funds	781 494	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Financial position									
Total current assets	169 179	677 146	693 204		255 991				693 204
Total non current assets	6 107 453	5 982 751	6 756 863		6 459 884				6 756 863
Total current liabilities	811 894	406 164	668 797		656 235				668 797
Total non current liabilities	126 218	254 146	263 526		132 649				263 526
Community wealth/Equity	5 644 524	4 821 896	5 338 520		5 926 077				5 338 520
Cash flows									
Net cash from (used) operating	2 817 051	1 250 945	1 250 945	38 521	1 263 026	729 718	(533 309)	-73%	1 250 945
Net cash from (used) investing	(780 983)	(854 309)	(854 309)	(91 319)	(421 926)	(498 347)	(76 420)	15%	(854 309)
Net cash from (used) financing	(18 304)	(17 712)	(17 712)	(48)	(9 050)	(10 332)	(1 282)	12%	(17 712)
Cash/cash equivalents at the month/year end	2 074 834	367 748	402 027	855 153	855 153	244 142	(611 011)	-250%	402 027
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	7 342	4 646	4 595	4 467	4 448	4 803	26 275	234 678	291 255
Creditors Age Analysis									
Total Creditors	508	2 416	98	123	18	3 248	13 595	-	20 006

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

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
R thousands	1									
Revenue - Functional										
Governance and administration		685 556	722 663	734 963	(10 422)	539 008	427 020	111 988	26%	734 963
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		685 556	722 663	734 963	(10 422)	539 008	427 020	111 988	26%	734 963
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2 874	2 118	10 399	112	7 229	4 836	2 393	49%	10 399
Community and social services		2 578	1 719	10 000	99	7 122	4 603	2 519	55%	10 000
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		296	399	399	12	107	233	(126)	-54%	399
Economic and environmental services		1 857	2 772	2 772	1 489	1 489	1 617	(128)	-8%	2 772
Planning and development		1 857	2 772	2 772	1 489	1 489	1 617	(128)	-8%	2 772
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		929 225	1 003 344	1 004 790	111 376	545 446	585 284	(39 838)	-7%	1 004 790
Energy sources		-	-	-	-	-	-	-	-	-
Water management		910 913	984 607	986 052	109 875	535 493	574 354	(38 861)	-7%	986 052
Waste water management		18 312	18 738	18 738	1 501	9 954	10 930	(976)	-9%	18 738
Waste management		-	-	-	-	-	-	-	-	-
Other	4	38	560	560	-	49	327	(278)	-85%	560
Total Revenue - Functional	2	1 619 550	1 731 457	1 753 484	102 555	1 093 222	1 019 083	74 138	7%	1 753 484
Expenditure - Functional										
Governance and administration		427 053	157 805	170 289	18 851	177 493	98 249	79 244	81%	170 289
Executive and council		136 913	32 580	32 682	3 457	24 634	19 043	5 592	29%	32 682
Finance and administration		231 667	114 888	127 773	10 403	119 063	73 471	45 592	62%	127 773
Internal audit		58 473	10 338	9 834	4 992	33 796	5 736	28 060	489%	9 834
Community and public safety		28 017	26 183	34 364	4 635	23 054	19 556	3 498	18%	34 364
Community and social services		9 732	13 973	22 154	3 100	13 218	12 434	784	6%	22 154
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		7 663	-	-	668	3 927	-	3 927	#DIV/0!	-
Housing		-	-	-	-	-	-	-	-	-
Health		10 622	12 210	12 210	867	5 909	7 123	(1 213)	-17%	12 210
Economic and environmental services		23 672	20 747	20 747	1 831	13 230	12 102	1 127	9%	20 747
Planning and development		23 672	20 747	20 747	1 831	13 230	12 102	1 127	9%	20 747
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		717 698	339 990	339 806	35 963	285 763	198 287	87 476	44%	339 806
Energy sources		-	-	-	-	-	-	-	-	-
Water management		701 701	326 178	328 980	35 103	279 698	191 974	87 724	46%	328 980
Waste water management		15 997	13 812	10 826	860	6 065	6 313	(248)	-4%	10 826
Waste management		-	-	-	-	-	-	-	-	-
Other		9 079	9 041	9 041	775	5 210	5 274	(64)	-1%	9 041
Total Expenditure - Functional	3	1 205 521	553 766	574 247	62 056	504 750	333 469	171 282	51%	574 247
Surplus/ (Deficit) for the year		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	-0.141688	1 179 237

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

Table C2 is a view of the actual financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional and the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on table C4.

DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

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 %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 01 - Council	1	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		1 279	977	13 277	(12 019)	306	6 036	(5 731)	-94.9%	13 277
Vote 03 - Finance		684 315	722 246	722 246	1 597	538 751	421 310	117 441	27.9%	722 246
Vote 04 - Community Development		2 874	2 118	10 399	112	7 229	4 836	2 393	49.5%	10 399
Vote 05 - Planning & Wsa		856 704	922 625	924 071	106 421	506 791	538 198	(31 407)	-5.8%	924 071
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		56 066	64 754	64 754	4 942	30 190	37 773	(7 583)	-20.1%	64 754
Vote 09 - Waste Water		18 312	18 738	18 738	1 501	9 954	10 930	(976)	-8.9%	18 738
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 619 550	1 731 457	1 753 484	102 555	1 093 222	1 019 083	74 138	7.3%	1 753 484
Expenditure by Vote										
Vote 01 - Council	1	149 244	39 008	39 118	4 143	29 041	22 796	6 245	27.4%	39 118
Vote 02 - Corporate Services		196 759	70 945	83 245	10 388	114 539	47 539	66 999	140.9%	83 245
Vote 03 - Finance		73 307	45 795	45 869	6 628	34 865	26 714	8 151	30.5%	45 869
Vote 04 - Community Development		59 143	49 235	57 416	4 288	35 267	33 003	2 264	6.9%	57 416
Vote 05 - Planning & Wsa		33 818	75 338	75 338	2 686	30 173	43 947	(13 774)	-31.3%	75 338
Vote 06 - Technical Services		4 208	6 413	6 413	1 319	5 393	3 741	1 652	44.2%	6 413
Vote 07 - Water Purification		53 728	48 672	48 672	5 242	33 326	28 392	4 934	17.4%	48 672
Vote 08 - Water Distribution		619 316	204 548	207 350	26 502	216 081	121 023	95 058	78.5%	207 350
Vote 09 - Waste Water		15 997	13 812	10 826	860	6 065	6 313	(248)	-3.9%	10 826
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 205 521	553 766	574 247	62 056	504 750	333 469	171 282	51.4%	574 247
Surplus/ (Deficit) for the year	2	414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	-14.2%	1 179 237

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) - M07 January

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
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water		55 414	63 954	63 954	4 895	29 877	37 306	(7 430)	-20%	63 954
Service charges - Waste Water Management		18 129	18 494	18 494	1 494	9 904	10 788	(884)	-8%	18 494
Service charges - Waste management										
Sale of Goods and Rendering of Services		627	800	800	336	876	467	409	88%	800
Agency services										
Interest										
Interest earned from Receivables		746	858	858	57	378	501	(123)	-25%	858
Interest from Current and Non Current Assets		8 129	8 000	8 000	1 006	3 386	4 667	(1 281)	-27%	8 000
Dividends										
Rent on Land										
Rental from Fixed Assets		463	504	504	39	281	294	(13)	-4%	504
Licence and permits		277	295	295	12	107	172	(65)	-38%	295
Special rating levies										
Operational Revenue		1 542	1 344	1 344	0	212	784	(572)	-73%	1 344
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits		449	605	605	3	150	353	(203)	-57%	605
Licence and permits										
Transfers and subsidies - Operational		680 583	720 384	740 965	(11 710)	545 744	429 291	116 454	27%	740 965
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		1 706								
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		768 065	815 238	835 819	(3 867)	590 915	484 622	106 293	22%	835 819
Expenditure By Type										
Employee related costs		343 349	302 013	302 013	31 363	210 281	176 175	34 105	19%	302 013
Remuneration of councillors		10 539	11 640	11 640	840	6 199	6 790	(591)	-9%	11 640
Bulk purchases - electricity										
Inventory consumed		57 950	10 250	10 351	(819)	(6 115)	5 970	(12 086)	-202%	10 351
Debt impairment		30 773	4 000	4 000			2 333	(2 333)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 000	9 920	69 495	55 417	14 078	25%	95 000
Interest		18 091	7 575	7 335	875	6 387	4 280	2 106	49%	7 335
Contracted services		276 563	87 677	107 247	(4 043)	94 065	61 216	32 849	54%	107 247
Transfers and subsidies		9 064			2 249	2 251		2 251	#DIV/0!	
Irrecoverable debts written off		2 724								
Operational costs		335 440	35 611	36 661	21 671	122 187	21 286	100 901	474%	36 661
Losses on Disposal of Assets		6								
Other Losses		272								
Total Expenditure		1 205 521	553 766	574 247	62 056	504 750	333 469	171 282	51%	574 247
Surplus/(Deficit)		(437 456)	261 472	261 572	(65 923)	86 165	151 153	(64 989)	(0)	261 572
Transfers and subsidies - capital (monetary allocations)		851 477	916 219	917 665	106 421	502 306	534 461	(32 155)	(0)	917 665
Transfers and subsidies - capital (in-kind)		8								
Surplus/(Deficit) after capital transfers & contributions		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	(0)	1 179 237
Income Tax										
Surplus/(Deficit) after income tax		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	(0)	1 179 237
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	(0)	1 179 237
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		414 029	1 177 691	1 179 237	40 499	588 471	685 615	(97 143)	(0)	1 179 237

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) - M07 January

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 %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		511	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	15 670	-	4 268	12 266	(7 998)	-65%	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		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	511	-	15 670	-	4 268	12 266	(7 998)	-65%	15 670
Single Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		37	-	-	-	-	-	-	-	-
Vote 03 - Finance		164	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	87	174	-	-	83	(83)	-100%	174
Vote 05 - Planning & Wsa		732 582	742 790	728 566	91 319	417 658	423 430	(5 772)	-1%	728 566
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		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	780 983	742 877	728 740	91 319	417 658	423 513	(5 855)	-1%	728 740
Total Capital Expenditure		781 494	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Capital Expenditure - Functional Classification										
Governance and administration		712	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		712	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	87	174	-	-	83	(83)	-100%	174
Community and social services		-	87	174	-	-	83	(83)	-100%	174
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		61	2 410	2 410	506	1 295	1 406	(111)	-8%	2 410
Planning and development		61	2 410	2 410	506	1 295	1 406	(111)	-8%	2 410
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		780 722	740 380	741 826	90 814	420 632	434 290	(13 658)	-3%	741 826
Energy sources		-	-	-	-	-	-	-	-	-
Water management		780 722	740 380	741 826	90 814	420 632	434 290	(13 658)	-3%	741 826
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	781 494	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Funded by:										
National Government		732 522	742 790	742 790	91 319	421 926	435 696	(13 769)	-3%	742 790
Provincial Government		-	87	1 620	-	-	83	(83)	-100%	1 620
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		732 522	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410
Borrowing	6	48 200	-	-	-	-	-	-	-	-
Internally generated funds		772	-	-	-	-	-	-	-	-
Total Capital Funding		781 494	742 877	744 410	91 319	421 926	435 779	(13 853)	-3%	744 410

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 - M07 January

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		23 103	479 180	513 459	71 419	513 459
Trade and other receivables from exchange transactions		16 131	99 976	49 800	33 263	49 800
Receivables from non-exchange transactions		1 012	5 696	1 012	589	1 012
Current portion of non-current receivables		-	-	-	-	-
Inventory		3 013	3 966	3 013	28 419	3 013
VAT		99 250	64 744	99 250	95 881	99 250
Other current assets		26 669	23 584	26 669	26 422	26 669
Total current assets		169 179	677 146	693 204	255 991	693 204
Non current assets						
Investments						
Investment property						
Property, plant and equipment		6 099 628	5 974 921	6 749 043	6 452 064	6 749 043
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	1	1	1
Total non current assets		6 107 453	5 982 751	6 756 863	6 459 884	6 756 863
TOTAL ASSETS		6 276 632	6 659 897	7 450 067	6 715 875	7 450 067
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		17 951	18 318	17 951	8 889	17 951
Consumer deposits		3 372	3 463	3 372	3 386	3 372
Trade and other payables from exchange transactions		741 342	345 272	600 898	397 308	600 898
Trade and other payables from non-exchange transactions		9 219	1 446	9 219	203 480	9 219
Provision		37 937	27 940	30 937	37 937	30 937
VAT		2 073	9 725	6 420	5 235	6 420
Other current liabilities		-	-	-	-	-
Total current liabilities		811 894	406 164	668 797	656 235	668 797
Non current liabilities						
Financial liabilities		75 704	59 706	65 567	82 135	65 567
Provision		50 514	51 070	57 514	50 514	57 514
Long term portion of trade payables		-	143 370	140 445	-	140 445
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		126 218	254 146	263 526	132 649	263 526
TOTAL LIABILITIES		938 112	660 310	932 323	788 884	932 323
NET ASSETS	2	5 338 520	5 999 587	6 517 744	5 926 991	6 517 744
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 644 524	4 821 896	5 338 520	5 926 077	5 338 520
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	5 644 524	4 821 896	5 338 520	5 926 077	5 338 520

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 January 2026** indicates a Bank balance of **R41.4 million**

Call Investments Deposits

Call investments as at **31 January 2026** is **R30 million**.

Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R33.2 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R291.2 million**. Consumer debtors' amount to **R291.2 million** and **R2.2 million** is for shared services cast in Other Debtors.

Gross Consumer debtors	R293.2 million
Less Impairment	(R259.9 million)
Net Consumer Debtors	R33.2 million

Classification of Consumer Debtors per Service type

Water Debtors	R22.4 million
Sanitation Debtors	R5.2 million
Property Rentals Debtors	R139.7 thousand
Other Consumer debtors	R317.6 thousand
Receivables from non-exchange	R4.9 million
Total	R33.2 million

➤ **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R22.4 million**.
Water debtors amount owed by consumers for water services billed.

Gross Water Debtors	R228.5 million
Less Impairment	(R206 million)
Net Water Debtors	R22.4 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R5.2 million**.
Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R57.9 million
Less Impairment	(R52.7 million)
Net Sanitation Debtors	R5.2 million

➤ **Property Rentals Debtors**

These debtors accumulated from property rentals amounted to **R139.7 thousand**

Property Rental	R540.5 thousand
Less Impairment	(R400.8 thousand)
Net Property rental	R139.7 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R317.6 thousand**, these are sundry debtors.

Gross Other Debtors	R1.2 million
Less Impairment	(R925.7 thousand)
Net Other Debtors	R317.6 thousand

➤ **Other receivables from exchange**

Opening Balance	R4.9 million
Other receivables from exchange: collections	R4 thousand
Less Impairment	(R0)
Net other receivables from exchange	R4.9 million

Classification of Consumer Debtors per Customer group

Households	R227.6 million
Commercial/Businesses	R 20.8 million
Organs of State (excl shared services of R3.3 mill)	R 43.1 million
Total	R291.2 million

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

Gross Households debtors	R291.2 million
Commercial/Businesses	R 20.8 million
Less Impairment	(R259.9 million)
Net Household debtors	R52.1 million

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 **R28.4 million**. Inventories include water stock and consumable stores.

VAT Receivable

VAT Receivable amounts to **R95.8 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
Total	R26.4 million

➤ 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 **R98 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 **R6.4 billion**

Opening balance	R6 billion
Additions	R421.9 million
Depreciation	(R0)
Closing Balance	R6.4 billion

Heritage Assets

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

Intangible

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

Opening balance	R3 thousand
Additions	R 0
Depreciation	(R)
Closing Balance	R3 thousand

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 **R8.8 million**.

Current portion of Long Term Loan	R8.7 million
Current portion of Finance lease BCX	R143.1 thousand
Total Financial liabilities	R8.8 million

Consumer deposits

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

Trade and other payables from exchange transactions

Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R397.7 million**.

Trade Creditors	R91.7 million
Retention	R134 million
Department of Water & Sanitation	R91.4 million
Employee related cost	R0 million
Advance Payments	R2 million
Salary Suspense Accounts	R5 Rands
Leave accrual	R0 thousand
Other Suspense	R86 thousand
Unpaid cheques	R48 thousand
Refund	R6 thousand
Over/Under Banking	R953 Rands
Inventory	R300 thousand
Other Creditors	R547 thousand
Fleet Horizon	R9.9 Million
WSSA	R67.4 million
Closing Balance	R397.7 million

Trade and other payables from non-exchange transactions

This is the amount of unspent conditional grants which will be recognized when the conditions are met. Unspent conditional grants amount to **R203.4 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 **R5.2 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 **R82.1 million**.

Long term loan	R80 million
Operating lease LUMD	R1 million
Operating lease long term BCX	R151 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 **R5.9 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 - M07 January

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges		42 771	58 477	58 477	4 503	26 065	34 112	(8 046)	-24%	58 477
Other revenue		1 568 934	126 002	126 002	127 901	1 003 906	73 501	930 404	1266%	126 002
Transfers and Subsidies - Operational		729 726	720 384	720 384	(500)	554 263	420 224	134 039	32%	720 384
Transfers and Subsidies - Capital		851 477	916 219	916 219	-	699 640	534 461	165 179	31%	916 219
Interest		5 345	8 516	8 516	1 015	3 496	4 968	(1 471)	-30%	8 516
Dividends								-		
Payments										
Suppliers and employees		(381 202)	(578 653)	(578 653)	(94 398)	(1 024 344)	(337 548)	686 796	-203%	(578 653)
Interest								-		
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 817 051	1 250 945	1 250 945	38 521	1 263 026	729 718	(533 309)	-73%	1 250 945
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(780 983)	(854 309)	(854 309)	(91 319)	(421 926)	(498 347)	(76 420)	15%	(854 309)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(780 983)	(854 309)	(854 309)	(91 319)	(421 926)	(498 347)	(76 420)	15%	(854 309)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		511	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(8)	-	-	15	12	-	12	#DIV/0!	-
Payments										
Repayment of borrowing		(18 807)	(17 712)	(17 712)	(63)	(9 062)	(10 332)	(1 270)	12%	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(18 304)	(17 712)	(17 712)	(48)	(9 050)	(10 332)	(1 282)	12%	(17 712)
NET INCREASE/ (DECREASE) IN CASH HELD		2 017 763	378 924	378 924	(52 846)	832 051	221 039			378 924
Cash/cash equivalents at beginning:		57 071	(11 176)	23 103	908 000	23 103	23 103			23 103
Cash/cash equivalents at month/year end:		2 074 834	367 748	402 027	855 153	855 153	244 142			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 **R26 million** to date. This is **44%** of budgeted collection and **68%** 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 **R554.2 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
TOTAL	R554.2 million

Transfers and subsidies – Capital

Transfers and subsidies - Capital is expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **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
TOTAL	R699.6 million

Interest

Interest on the investment budget is **R3.4 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 **R3.3 million**.

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R421.9 million**, the capital expenditure excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed. The Municipality is in the process of developing an action plan to address these inefficiencies.

Cash and cash equivalents at the end

Cash and cash equivalents are the cash available at the end of the reporting period after all expenses have been paid. Cash and cash equivalents to date are **R71.4 million** in the financial position but in the cash flow, it is **R855.1 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 January 2026

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2025/26									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	5 714	3 422	3 535	3 221	3 513	3 819	20 778	182 347	226 349	213 678	-	206 027
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	1 548	1 146	981	958	850	865	4 728	46 708	57 783	54 108	-	52 703
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	18	12	12	12	12	12	73	333	485	442	-	401
Interest on Arrear Debtor Accounts	1810	57	57	58	57	58	57	339	1 454	2 137	1 965	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	4	10	9	219	16	50	357	3 836	4 501	4 479	-	-
Total By Income Source	2000	7 342	4 646	4 595	4 467	4 448	4 803	26 275	234 678	291 255	274 672	-	259 131
2024/25 - totals only		8353327	6812244	6312209	5628703	5915480	5459409	29242480	195022153	262 746	241 268	0	227668690 2/5
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 655	1 068	1 095	853	687	870	5 862	30 083	43 173	38 355	-	-
Commercial	2300	1 151	593	486	446	421	379	2 817	14 523	20 815	18 585	-	-
Households	2400	3 536	2 985	3 014	3 169	3 340	3 554	17 597	190 073	227 268	217 732	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	7 342	4 646	4 595	4 467	4 448	4 803	26 275	234 678	291 255	274 672	-	-

Total debtors' amount to **R291.2 million**, the debtors over 90 days amount to **R274.6 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 January 2026

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	508	2 416	98	123	18	3 248	13 595	-	20 006	38 805
Auditor General	0800									-	
Other	0900									-	
Medical Aid deductions	0950									-	
Total By Customer Type	1000	508	2 416	98	123	18	3 248	13 595	-	20 006	38 805

2.3 INVESTMENT PORTFOLIO

Investments as at 31 January 2026

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January 2026

Investments by maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
ABSA - 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-348465874		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	19 December 2025	30 000.00				
STANDARD-348465874		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	20 December 2025	30 000.00				
STANDARD-348465875		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	21 December 2025	30 000.00				
Municipality sub-total										-	463 000 000.00	-	30 000	30 000
Entities														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS A	2									-	463 000 000.00	-	30 000	30 000

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

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										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		678 574	718 165	725 290	70	545 120	422 096	123 023	29.1%	725 290
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		670 187	710 459	710 459	-	532 844	414 434	118 410	28.6%	710 459
Expanded Public Works Programme Integrated Grant		5 227	6 406	6 406	-	4 485	3 737	748	20.0%	6 406
Local Government Financial Management Grant		1 200	1 300	1 300	70	768	758	9	1.2%	1 300
Municipal Disaster Relief Grant		1 960	-	7 125	-	7 023	3 167	3 856	121.8%	7 125
Municipal Infrastructure Grant	3	-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		1 285	2 219	3 375	240	526	1 728	(1 202)	-69.6%	3 375
Capacity Building and Other Grants		1 285	2 219	3 375	240	526	1 728	(1 202)	-69.6%	3 375
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		724	-	12 299	(12 019)	99	5 466	(5 367)	-98.2%	12 299
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		724	-	100	-	99	44	55	123.6%	100
National Skills Fund		(0)	-	12 200	(12 019)	-	5 422	(5 422)	-100.0%	12 200
Unspecified		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	680 583	720 384	740 965	(11 710)	545 744	429 291	116 454	27.1%	740 965
Capital Transfers and Grants										
National Government:		851 477	916 219	916 219	106 421	502 306	534 461	(32 155)	-6.0%	916 219
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		262 939	268 969	268 969	32 941	172 667	156 899	15 769	10.1%	268 969
Regional Bulk Infrastructure Grant		431 247	544 478	544 478	63 569	289 434	317 612	(28 178)	-8.9%	544 478
Rural Road Asset Management Systems Grant		1 857	2 772	2 772	1 489	1 489	1 617	(128)	-7.9%	2 772
Water Services Infrastructure Grant		155 434	100 000	100 000	8 423	38 716	58 333	(19 617)	-33.6%	100 000
Provincial Government:		-	-	1 446	-	-	-	-	-	1 446
Infrastructure Grant		-	-	1 446	-	-	-	-	-	1 446
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		8	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Unspecified		8	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	851 485	916 219	917 665	106 421	502 306	534 461	(32 155)	-6.0%	917 665
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 532 068	1 636 603	1 658 630	94 712	1 048 051	963 752	84 299	8.7%	1 658 630

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 - M07 January

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		1 060 047	461 848	468 973	64 375	436 511	273 299	163 212	59.7%	468 973
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		1 038 068	400 220	400 220	63 643	405 790	233 463	172 327	73.8%	400 220
Expanded Public Works Programme Integrated Grant		5 227	6 406	6 406	(362)	6 406	3 737	2 669	71.4%	6 406
Local Government Financial Management Grant		1 189	1 300	1 300	70	734	758	(24)	-3.2%	1 300
Municipal Disaster Relief Grant		1 704	-	7 125	-	6 107	3 887	2 221	57.1%	7 125
Municipal Infrastructure Grant		12 233	53 922	53 922	1 025	17 473	31 454	(13 981)	-44.4%	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	46	99	1 632	(1 533)	-93.9%	3 175
Capacity Building and Other Grants		618	2 119	3 175	46	99	1 632	(1 533)	-93.9%	3 175
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		724	-	12 299	(12 019)	533	6 154	(5 621)	-91.3%	12 299
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		724	-	100	-	99	54	45	82.2%	100
National Skills Fund		-	-	12 200	(12 019)	434	6 100	(5 665)	-92.9%	12 200
Total operating expenditure of Transfers and Grants:		1 061 389	463 967	484 448	52 402	437 143	281 086	156 058	55.5%	484 448
Capital expenditure of Transfers and Grants										
National Government:		732 522	742 790	742 790	91 319	421 926	435 696	(13 769)	-3.2%	742 790
Municipal Infrastructure Grant		218 473	179 964	179 964	27 728	133 276	107 380	25 895	24.1%	179 964
Regional Bulk Infrastructure Grant		377 830	473 459	473 459	55 745	253 378	276 184	(22 807)	-8.3%	473 459
Rural Road Asset Management Systems Grant		-	2 410	2 410	506	1 295	1 406	(111)	-7.9%	2 410
Water Services Infrastructure Grant		136 219	86 957	86 957	7 340	33 978	50 725	(16 746)	-33.0%	86 957
Provincial Government:		-	87	1 620	-	-	83	(83)	-100.0%	1 620
Capacity Building and Other Grants		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	87	1 620	-	-	83	(83)	-100.0%	1 620
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		732 522	742 877	744 410	91 319	421 926	435 779	(13 853)	-3.2%	744 410
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 793 911	1 206 844	1 228 858	143 721	859 070	716 865	142 205	19.8%	1 228 858

2.5 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	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
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		588	-	-	50	347	-	347	#DIV/0!	-
Medical Aid Contributions		58	-	-	6	67	-	67	#DIV/0!	-
Motor Vehicle Allowance		2 322	2 257	2 257	186	1 378	1 317	61	5%	2 257
Cellphone Allowance		781	778	778	61	438	454	(15)	-3%	778
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		6 789	8 605	8 605	537	3 969	5 020	(1 050)	-21%	8 605
Sub Total - Councillors		10 539	11 640	11 640	840	6 199	6 790	(591)	-9%	11 640
% increase	4		10.4%	10.4%						10.4%
Senior Managers of the Municipality										
Basic Salaries and Wages		7 612	7 986	7 986	536	4 376	4 659	(283)	-6%	7 986
Pension and UIF Contributions		275	275	275	18	126	161	(35)	-22%	275
Medical Aid Contributions		97	71	71	6	42	41	0	0%	71
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		628	381	381	-	-	222	(222)	-100%	381
Motor Vehicle Allowance		1 981	1 934	1 934	136	1 103	1 128	(25)	-2%	1 934
Cellphone Allowance		284	277	277	20	158	162	(3)	-2%	277
Housing Allowances		13	14	14	1	8	8	(0)	0%	14
Other benefits and allowances		263	249	249	20	181	145	35	24%	249
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		20	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		11 173	11 188	11 188	737	5 994	6 526	(533)	-8%	11 188
% increase	4		0.1%	0.1%						0.1%
Other Municipal Staff										
Basic Salaries and Wages		217 141	193 530	193 530	19 809	136 963	112 893	24 070	21%	193 530
Pension and UIF Contributions		30 151	32 031	32 031	2 858	19 315	18 685	630	3%	32 031
Medical Aid Contributions		18 984	19 155	19 155	1 857	12 182	11 174	1 008	9%	19 155
Overtime		10 127	5 314	5 314	1 223	5 593	3 100	2 493	80%	5 314
Performance Bonus		14 860	15 389	15 389	1 305	9 149	8 977	171	2%	15 389
Motor Vehicle Allowance		23 937	22 652	22 652	2 277	15 201	13 214	1 987	15%	22 652
Cellphone Allowance		861	827	827	75	520	483	37	8%	827
Housing Allowances		1 750	1 772	1 772	148	1 041	1 034	8	1%	1 772
Other benefits and allowances		3 899	155	155	473	1 798	90	1 707	1887%	155
Payments in lieu of leave		5 645	-	-	283	1 043	-	1 043	#DIV/0!	-
Long service awards		1 961	-	-	266	1 148	-	1 148	#DIV/0!	-
Post-retirement benefit obligations		1 899	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		961	-	-	51	335	-	335	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		332 176	290 825	290 825	30 626	204 287	169 649	34 638	20%	290 825
% increase	4		-12.4%	-12.4%						-12.4%
Total Parent Municipality		353 888	313 653	313 653	32 203	216 480	182 966	33 515	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 - M07 January

Description	Ref	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates														-		
Service charges - Electricity revenue														-		
Service charges - Water revenue		1 927	2 564	2 862	2 974	3 526	1 891	3 343	3 696	3 696	3 696	3 696	10 480	44 350	46 390	48 432
Service charges - Waste Water Management		733	929	1 082	1 103	1 222	749	1 160	1 177	1 177	1 177	1 177	2 439	14 127	14 777	15 427
Service charges - Waste Mangement														-		
Rental of facilities and equipment		41	40	40	40	40	50	40	48	48	48	48	96	580	580	580
Interest earned - external investments		-	552	582	246	882	118	1 006	667	667	667	667	1 947	8 000	8 368	8 736
Interest earned - outstanding debtors		21	22	12	14	19	13	9	43	43	43	43	234	516	540	563
Dividends received														-		
Fines, penalties and forfeits		85	25	14	11	8	3	3	50	50	50	50	253	605	633	661
Licences and permits		29	17	14	12	16	7	12	25	25	25	25	90	295	308	322
Agency services														-		
Transfers and Subsidies - Operational		298 080	15 102	-	1 536	2 883	237 163	(500)	60 032	60 032	60 032	60 032	(74 007)	720 384	757 969	792 384
Other revenue		153 072	31 983	62 669	150 257	316 080	161 451	127 846	10 377	10 377	10 377	10 377	(920 343)	124 523	131 585	154 075
Cash Receipts by Source		453 989	51 233	67 276	156 193	324 676	401 445	132 919	76 115	76 115	76 115	76 115	(978 811)	913 379	961 150	1 021 179
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		138 000	217 700	81 000	31 940	165 000	66 000	-	76 352	76 352	76 352	76 352	(88 827)	916 219	756 953	800 198
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)														-		
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 000
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	(4)	0	1	0	15	-	-	-	-	(12)	-	-	-
VAT Control (receipts)		-	-	-	-	-	-	-	10 315	10 315	10 315	10 315	82 517	123 776	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		591 989	268 933	148 272	188 133	489 677	467 445	132 934	162 781	162 781	162 781	162 781	(985 133)	1 953 374	1 718 103	1 825 377
Cash Payments by Type																
Employee related costs		31 133	31 157	31 664	30 803	30 642	31 157	32 224	25 168	25 168	25 168	25 168	(17 438)	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	9 515	-	-	-	-	(129 718)	-	-	-
Acquisitions - water & other inventory		-	1 559	5 183	423	4 853	1 820	6 824	982	982	982	982	(12 804)	11 788	12 311	12 835
Contracted services		(4 648)	(27 782)	(6 675)	(55 000)	(83 257)	(8 115)	(66 192)	17 688	17 688	17 688	17 688	393 176	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	109 776	3 413	3 413	3 413	3 413	(863 682)	40 953	42 736	44 569
Cash Payments by Type		271 658	111 816	118 886	106 777	126 394	186 510	93 115	48 221	48 221	48 221	48 221	(629 388)	578 653	555 142	587 266
Other Cash Flows/Payments by Type																
Capital assets		51 836	34 131	35 136	73 570	108 576	27 358	91 319	71 192	71 192	71 192	71 192	147 613	854 309	747 707	803 584
Repayment of borrowing		-	63	190	-	-	8 746	63	1 476	1 476	1 476	1 476	2 746	17 712	17 712	17 712
Other Cash Flows/Payments		-	602	315	1 649	3 803	1 536	1 283	-	-	-	-	(9 188)	-	-	-
Total Cash Payments by Type		323 493	146 612	154 526	181 997	238 773	224 151	185 781	120 889	120 889	120 889	120 889	(488 217)	1 450 674	1 320 561	1 408 561
NET INCREASE/(DECREASE) IN CASH HELD		268 495	122 321	(6 254)	6 137	250 904	243 294	(52 846)	41 892	41 892	41 892	41 892	(496 917)	502 700	397 542	416 816
Cash/cash equivalents at the month/year beginning:		23 103	291 598	413 919	407 664	413 801	664 705	908 000	855 153	897 045	938 937	980 829	1 022 720	23 103	525 803	923 346
Cash/cash equivalents at the month/year end:		291 598	413 919	407 664	413 801	664 705	908 000	855 153	897 045	938 937	980 829	1 022 720	525 803	525 803	923 346	1 340 162

2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M07 January

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	Revenue			
	Service charges – Water revenue	20%	This is the amounts billed on customers for water used, the year-to-date actual is R29.8 million which is 47 % of the approved budget. The R29.8 million year to date actual is below the Seven months baseline projection or year-to-date budget of R37.3 million. A variance of R7.4 million or 20% is observed. the municipality started the process of replacing estimates with prepaid meters, and for the month of January, the municipality have installed More prepaid meters thats why our monthly Actual is R4.8 million	the municipality started the process of replacing estimates with prepaid meters, and for the month of December
	Service charges – Sanitation revenue	8%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is R9.9 million which is 54% of the approved budget. The R9.9 million year to date actual is below the seven months baseline projection or year-to-date budget of R10.7 million. A variance of R884 thousand or 8% 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 January.	
	Sale of goods and rendering of service	88%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R876 thousands which is 110% of the approved budget. The R876 thousands year to date actual is Above the seven months baseline projection or year-to-date budget of R467 thousand. A variance of 409 thousand or 88% is observed. There was a huge sale of tender documents for the month of January 2025.	
	Interest earned - outstanding debtors	25%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R378 thousand, which is 44% of the approved budget. The R378 thousand year- to-date actual is below the seven months baseline projection or year-to-date budget of R501 thousand. A variance of R123 thousand or 25% is observed.	we must ensure that businesses Pay on time
	Interest on investment	27%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R3.3 million which is 42% of the approved budget. The R3.3 million year-to-date actual is below the seven-month baseline projection or year-to-date budget of R4.6 million. A variance of R1.2 million or 27% 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	4%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R281 thousand which is 56% of the approved budget. The R281 thousand year-to-date actual is below the seven months baseline projection or year-to-date budget of R294 thousand. A variance of R13 thousand or 4% is observed	
	Licences and Permits	38%	Licences and permits year-to-date actual is R107 thousand which is 36% of the approved budget. the R107 thousand year to date actual is below the seven months baseline projection or year-to-date budget of R172 thousand. A variance of R65 thousand or 38% is observed. the Month of January there were only health certificate issued, which is a movement of R12 thousand.	
	Operational revenue	73%	Operational revenue year-to-date actual is R212 thousand which is 17% of the approved budget. the R212 thousand year to date actual is below the seven months baseline projection or year-to-date budget of R784 thousand. A variance of R572 thousands or 73% 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.	
	Fines, penalties, and forfeits	57%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is R150 thousand, which is 25% of the approved budget. The R150 thousand year to date is below the seven-months baseline projection or year-to-date budget of R353 thousand. A variance of R203 thousand or 57% is observed, which is a movement of R3 thousand.	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	27%	Transfers and subsidies year to date actual is R545.7 million which is 76% of the approved budget. The R545.7 million year to date actual is above the seven months baseline projection or year-to-date budget of R429.2 million. A variance of R116.4 million or 27% is observed.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M07 January

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	Expenditure By Type			
	Employee Related Costs	19%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R210.2 million which is 70% of the approved budget. The R210.2 million year to date actual is above the seven-month baseline projection or year-to-date budget of R176.1 million. A variance of R34.1 million or 19% is observed. The expenditure for the month is R31 million.	
	Remuneration of Councilors	9%	Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is R6.1 million which is 53% of the approved budget. The R6.1 million year-to-date actual is below the seven-months baseline projection or year-to-date budget of R6.7 million. A variance of R591 thousand or 9% is observed. The Expenditure for the Month is R840 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 (-R6.1 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 R69.4 million which is 73% of the approved budget. The R69.4 million year-to-date actual is above the seven month baseline projection or year-to-date budget of R55.4 million. A variance of 14 million or 25% is observed. The movement for the month is R9.9 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 R6.3 million which is 84% of the approved budget. The R6.3 million year-to-date actual is above the seven-month baseline projection or year-to-date budget of R4.2 million. A variance of R2.1 million or 49% is observed. The movement for the month is R875 thousand resulting from interest on loan.	
	Contracted services	54%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R94 million which is 107% of the approved budget. The R94 million year to date actual is above the seven-month baseline projection or year-to-date budget of R61.2 million. A variance of R32 million or 54% is observed. The movement for the month is -R4 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 R2.2 million which is 0% of the approved budget. The R0 year to date actual is above the seven months baseline projection or year-to-date budget of R0 thousand. A variance of R2 million is observed.	
	Operational costs	474%	Operational costs are all other expenditure not classified above. The year-to-date actual is R122.1 million which is 343% of the approved budget. The R122.1 million year-to-date actual is above the seven months baseline projection or year-to-date budget of R21.2 million. A variance of R100.9 million or 474% is observed. The movement for the month is R21.6 million. Major movements are from Eskom & wet fuel.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M07 January

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
3	Capital Expenditure			
	Governance and administration		The municipality did not budget for Governance and administration.	
	Community and public safety	100%	Community and public safety year-to-date actual is R0 which is 0% of the approved budget. The R0 year to date actual is below the six months baseline projection or year-to-date budget of R83 thousand. A variance of R83 thousand or 100% is observed.	
	Economic and environmental services	8%	Economic and environmental services year-to-date actual is R1.2 million which is 54% of the approved budget. The R1.2 million year to date actual is below seven-month baseline projection or year-to-date budget of R1.4 million. A variance of R111 thousand or 8% is observed.	
	Trading services	3%	Trading services year-to-date actual is R420.2 million which is 57% of the approved budget. The R42.2 million year-to-date actual is below the seven months baseline projection or year-to-date budget of R434 million. A variance of R13 million or 3% is observed.	

2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any active entities.

2.9 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	93 315	61 906	61 906	51 836	51 836	61 906	10 071	16.3%	7%
August	64 218	64 068	64 068	34 131	34 131	125 974	91 843	72.9%	5%
September	59 111	64 068	64 068	35 136	35 136	190 042	154 906	81.5%	5%
October	74 889	61 426	61 426	73 570	73 570	251 468	177 898	70.7%	10%
November	54 560	61 437	61 437	108 576	108 576	312 905	204 328	65.3%	15%
December	68 273	61 437	61 437	27 358	27 358	374 342	346 984	92.7%	4%
January	-	61 437	61 437	91 319	91 319	435 779	344 460	79.0%	12%
February	14 786	61 726	61 726	-	-	497 505	497 505	100.0%	0%
March	32 878	61 726	61 726	-	-	559 231	559 231	100.0%	0%
April	181 413	61 726	61 726	-	-	620 958	620 958	100.0%	-
May	79 738	61 726	61 726	-	-	682 684	682 684	100.0%	-
June	28 731	61 726	61 726	-	-	744 410	744 410	100.0%	-
Total Capital expenditure	751 911	744 410	744 410	421 926					

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 - M07 January

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
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		732 522	742 790	744 236	91 319	421 926	435 696	13 769	3.2%	744 236
Roads Infrastructure		-	2 410	2 410	506	1 295	1 406	111	7.9%	2 410
<i>Roads</i>		-	2 410	2 410	506	1 295	1 406	111	7.9%	2 410
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		732 522	740 380	741 826	90 814	420 632	434 290	13 658	3.1%	741 826
<i>Dams and Weirs</i>		-	-	-	-	-	-	-	-	-
<i>Boreholes</i>		32 532	28 016	38 523	2 115	26 025	23 089	(2 936)	-12.7%	38 523
<i>Reservoirs</i>		3 379	-	-	-	-	-	-	-	-
<i>Pump Stations</i>		-	-	-	-	-	-	-	-	-
<i>Water Treatment Works</i>		136 848	101 224	83 024	7 838	59 040	53 816	(5 224)	-9.7%	83 024
<i>Bulk Mains</i>		526 548	568 552	568 752	64 325	289 333	331 744	42 412	12.8%	568 752
<i>Distribution</i>		33 215	31 526	51 526	16 536	46 234	24 105	(22 130)	-91.8%	51 526
<i>Distribution Points</i>		-	11 061	-	-	-	1 536	1 536	100.0%	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Toilet Facilities</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
<i>Centres</i>		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		735	-	-	-	-	-	-	-	-
Computer Equipment		735	-	-	-	-	-	-	-	-
Furniture and Office Equipment		37	-	-	-	-	-	-	-	-
Furniture and Office Equipment		37	-	-	-	-	-	-	-	-
Machinery and Equipment		48 200	87	174	-	-	83	83	100.0%	174
Machinery and Equipment		48 200	87	174	-	-	83	83	100.0%	174
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	781 494	742 877	744 410	91 319	421 926	435 779	13 853	3.2%	744 410

Expenditure on Repairs and Maintenance by Asset class

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 January										
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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		169 973	45 389	51 640	354	33 729	29 905	(3 824)	-12.8%	51 640
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		169 973	45 389	51 640	354	33 729	29 905	(3 824)	-12.8%	51 640
<i>Bulk Mains</i>		64 246	30 389	36 640	354	15 658	21 155	5 497	26.0%	36 640
<i>Distribution Points</i>		105 727	15 000	15 000	-	18 071	8 750	(9 321)	-106.5%	15 000
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		435	-	-	-	-	-	-	-	-
Community Facilities		435	-	-	-	-	-	-	-	-
<i>Airports</i>		435	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Other assets		62	-	-	-	-	-	-	-	-
Operational Buildings		62	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>		62	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	200	200	-	-	117	117	100.0%	200
Furniture and Office Equipment		-	200	200	-	-	117	117	100.0%	200
Machinery and Equipment		-	-	-	-	38	-	(38)	#DIV/0!	-
Machinery and Equipment		-	-	-	-	38	-	(38)	#DIV/0!	-
Transport Assets		10 988	-	-	1 605	5 241	-	(5 241)	#DIV/0!	-
Transport Assets		10 988	-	-	1 605	5 241	-	(5 241)	#DIV/0!	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	181 458	45 589	51 840	1 959	39 008	30 022	(8 986)	-29.9%	51 840

Depreciation by Asset class

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M07 January

Description	Ref	Budget Year 2024/25								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		111 632	85 014	85 014	9 375	65 648	49 591	(16 057)	-32.4%	85 014
Roads Infrastructure		—	762	762	—	—	445	445	100.0%	762
Roads		—	762	762	—	—	445	445	100.0%	762
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	39	39	—	—	23	23	100.0%	39
LV Networks		—	39	39	—	—	23	23	100.0%	39
Water Supply Infrastructure		110 950	81 842	81 842	9 264	64 873	47 741	(17 132)	-35.9%	81 842
Dams and Weirs		1 968	2 959	2 959	162	1 141	1 726	585	33.9%	2 959
Boreholes		1 833	500	500	144	1 018	292	(726)	-249.1%	500
Reservoirs		9 438	7 438	7 438	777	5 436	4 339	(1 097)	-25.3%	7 438
Pump Stations		6 613	4 729	4 729	552	3 864	2 759	(1 105)	-40.1%	4 729
Water Treatment Works		7 419	7 037	7 037	622	4 356	4 105	(251)	-6.1%	7 037
Bulk Mains		56 690	36 425	36 425	4 852	33 964	21 248	(12 716)	-59.8%	36 425
Distribution		26 914	22 668	22 668	2 151	15 055	13 223	(1 832)	-13.9%	22 668
Distribution Points		—	—	—	—	—	—	—	—	—
PRV Stations		75	86	86	5	40	50	10	20.5%	86
Capital Spares		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		683	2 371	2 371	111	775	1 383	608	43.9%	2 371
Pump Station		203	205	205	17	119	119	1	0.5%	205
Reticulation		(311)	1 824	1 824	28	196	1 064	868	81.6%	1 824
Waste Water Treatment Works		790	342	342	66	461	200	(261)	-130.8%	342
Outfall Sewers		—	—	—	—	—	—	—	—	—
Toilet Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Community Assets		1 210	905	905	101	706	528	(178)	-33.7%	905
Community Facilities		1 075	660	660	90	627	385	(242)	-62.8%	660
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 Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		344	—	—	29	200	—	(200)	#DIV/0!	—
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		731	660	660	61	427	385	(41)	-10.8%	660
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		135	244	244	11	79	143	64	44.9%	244
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		135	244	244	11	79	143	64	44.9%	244
Capital Spares		—	—	—	—	—	—	—	—	—
Heritage Assets		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Other assets		1 246	1 451	1 451	138	965	846	(118)	-14.0%	1 451
Operational Buildings		1 246	1 451	1 451	138	965	846	(118)	-14.0%	1 451
Municipal Offices		1 246	1 394	1 394	138	965	813	(151)	-18.6%	1 394
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	—	—	—
Stores		—	57	57	—	—	33	33	100.0%	57
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		20	21	21	0	5	12	8	62.0%	21
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		20	21	21	0	5	12	8	62.0%	21
Computer Software and Applications		18	21	21	0	5	12	8	62.0%	21
Unspecified		2	—	—	—	—	—	—	—	—
Computer Equipment		1 368	1 046	1 046	105	739	610	(129)	-21.2%	1 046
Computer Equipment		1 368	1 046	1 046	105	739	610	(129)	-21.2%	1 046
Furniture and Office Equipment		556	609	609	29	214	355	141	39.6%	609
Furniture and Office Equipment		556	609	609	29	214	355	141	39.6%	609
Machinery and Equipment		1 818	388	388	57	399	226	(173)	-76.4%	388
Machinery and Equipment		1 818	388	388	57	399	226	(173)	-76.4%	388
Transport Assets		2 898	5 568	5 568	115	820	3 248	2 428	74.8%	5 568
Transport Assets		2 898	5 568	5 568	115	820	3 248	2 428	74.8%	5 568
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Living resources		—	—	—	—	—	—	—	—	—
Living resources		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Policing and Protection		—	—	—	—	—	—	—	—	—
Zoological plants and animals		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Policing and Protection		—	—	—	—	—	—	—	—	—
Zoological plants and animals		—	—	—	—	—	—	—	—	—
Total Depreciation	1	120 749	95 000	95 000	9 920	69 495	55 417	(14 078)	-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, **S.P. Mosia**, Acting 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.



S.P. Mosia
Acting Municipal Manager
Zululand District Municipality (DC26)

Date: 12/02/2026