ZULULAND DISTRICT MUNICIPALITY

MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 MAY 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	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	815 238 444	850 188 366	802 414 234.85	777 074 924	25 339 310.57	3%	94%
Total Operating Expenditure	553 766 368	802 991 856	912 850 201.25	710 283 889	202 566 312.18	29%	114%
Surplus/(Deficit)	**261 472 076**	**47 196 510**	**-110 435 966.40**	**66 791 035**	**-177 227 001.61**		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 May 2026** is **R802.4 million,** which is **94%** of the approved adjustment operating revenue budget. The **R802.4 million** year to date Actual is **above** the **eleven months** baseline projection or year-to-date budget of **R777 million**, a variance of **R25.3 million or 3% 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 **R60.2 million** which is **74%** 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 May 2026** is **R912.8 million** which is **114%** of the approved adjustment operating expenditure budget. The **R912.8 million** year to date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R710.2 million**, a variance of **R202.5 million or 29% 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 costs 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

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

GRANTS RECIEPTS AND EXPENDITURE AS AT 31 MAY 2026	APPROVED BUDGET	ADJUSTED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & ADJUSTED BUDGET	PERCENT AGE
Municipal Infrastructure Grant (MIG)	268 969 000	268 969 000	268 969 000	210 508 816	58 460 184	78
Regional Bulk Infrastructure (RBIG)	544 478 000	544 478 000	594 478 000	463 777 367	80 700 633	85
Water services infrastructure Grant (WS	100 000 000	100 000 000	90 000 000	50 817 760	49 182 240	51
Indonsa Grant	1 719 000	2 675 000	2 975 000	2 508 743	166 257	94
FMG	1 300 000	1 300 000	1 300 000	1 058 416	241 584	81
EPWP	6 406 000	6 406 000	6 406 000	6 406 000	-	100
LGSETA Waste Water Employees	-	327 000	327 606	327 000	-	100
TS_O_M_PG_KZN_CAP BLD_AVIATIO	500 000	500 000	500 000	-	500 000	-
NSF			12 401 490	12 019 000	-	-
AMAFA			160 000	-	-	-
BOREHOLE INTERVENTION PROGRA	1 445 896	1 445 896	1 445 896	1 445 896	-	100
Rural Roads Asset Managemnt Systems	2 772 000	2 772 000	2 772 000	1 488 806	1 283 194	54
Disaster Management Grant	7 125 285	37 125 285	30 000 000	6 107 042	31 018 244	16
	930 497 285	**961 453 285**	**1 007 189 490**	**753 203 144**	**220 269 141**	**75%**

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	742 877 267	760 083 133	578 982 417.40	693 688 707	-114 706 289.73	-17%	76%
Total Capital Financing	742 877 267	760 083 133	578 982 417.40	693 688 707	-114 706 289.73	-17%	76%

Grants receipts and expenditure

Total Capital Expenditure as at **31 May 2026** is **R578.9 million** which is **76%** of the approved adjustment operating expenditure budget of the approved capital budget. The **R578.9 million** year to date actual is **below** the **eleven months** baseline projection or year-to-date budget of **R693.6 million**, a variance of **R114.7 million or 17%**.

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 **78%, RBIG** is at **85%, WSIG** is at **51% RRAMG** is at **54%** and **Indonsa** is at **94%.**

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	%
Total current assets	677 146 297	453 458 296	328 976 797.39	73
Total non current assets	5 982 750 926	6 772 428 886	6 577 278 921.51	97
Total curent liabilities	406 164 039	658 279 423	343 358 523.44	52
Total non current liabilities	254 145 896	263 525 899	137 112 522.66	52
TOTAL COMMUNITY WEALTH/ EQUITY	**4 821 896 212**	**5 339 107 382**	**7 504 366 700.48**	**140.6%**

The current assets year to date actual is **R328.9 million,** which is **73%** of the approved adjustment budget. **Non - Current assets** year to date actual is **R6.5 billion,** which is **97 %** of the approved adjustment budget. **Current Liabilities** year to date actual is **R343.3 million** which is **52%** of the approved budget. **Non- Current Liabilities** year to date is **R137.1 million** which is **52%** of the approved budget. **Accumulated surplus** year to date actual is **R7.5 billion** which is **140.6%** of the approved adjustment budget.

Current assets amount to **R328.9 million**, included in the current assets is an investment **of R32.9 million**.

Current liabilities amount to **R343.3 million,** this includes unspent conditional grants amounting to **R261 million.**

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.

The municipality is currently paying DWS as per monthly invoices received

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) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		55 414	63 954	51 217	5 038	50 881	48 435	2 447	5%	51 217
Service charges - Waste Water Management		18 129	18 494	16 979	1 681	16 112	15 741	372	2%	16 979
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		627	800	1 502	2	1 011	1 295	(284)	-22%	1 502
Agency services								–		
Interest								–		
Interest earned from Receivables		746	858	648	59	574	618	(44)	-7%	648
Interest from Current and Non Current Assets		8 129	8 000	5 804	17	4 065	5 577	(1 512)	-27%	5 804
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		463	504	482	42	451	445	6	1%	482
Licence and permits		277	295	184	22	180	182	(2)	-1%	184
Special rating levies								–		
Operational Revenue		1 542	1 344	519	1	227	572	(345)	-60%	519
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		449	605	258	6	210	277	(67)	-24%	258
Licence and permits								–		
Transfers and subsidies - Operational		680 583	720 384	772 595	249	728 703	703 934	24 769	4%	772 595
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**	**850 188**	**7 115**	**802 414**	**777 075**	**25 339**	**3%**	**850 188**

The year-to-date actual indicates operating revenue of **R802.4 million** for **May**, The **R802.4 million** year to date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R777 million**, a variance of **R25.3 million** or **3%** 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 **R50.8 million** which is **99 %** of the approved adjustment budget. The **R50.8 million** year to date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R48.4 million**. A variance of **R2.4 million** or **5% is observed**. The movement or Monthly Actual is **R5 million.**

The Municipality Started the process of replacing estimates with prepaid meters, also several unmetered and faulty meters, which continue to affect accurate billing. There were also measures implemented in the month, include weekly reporting introduced to monitor coverage and Progress of meters.

Service charges – Sanitation revenue
This is the amount billed on customers that are connected to the sewer system, the year-to-date actual is **R16.1 million** which is **95 %** of the approved adjustment budget. The **R16.1 million** year to date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R15.7 million**. A variance of **R372 thousand** or **2%** is observed. Sanitation for the period is mostly affected by water consumption. There was also Collection of sanitation charges from active accounts that were previously not billed consistently & Improved billing coverage arising from data updates and cleansing of customer accounts.

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 **R1.01 million** which is **67%** of the approved adjustment budget. The **R1.01 million** year to date actual is **Below** the **eleven months** baseline projection or year-to-date budget of **R1.2 million**. A variance of **R284 thousand** or **22%** is observed.
There was a movement of **R2 thousand** for the month of **May 2026**.

Interest earned - outstanding debtors
Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R574 thousand,** which is **89%** of the approved adjustment budget. The **R574 thousand** year- to-date actual is **below** the **eleven months** baseline projection or year-to-date budget of **R618 thousand**. A variance of **R44 thousand** or **7%** is observed.
Reasons for variances can be attributed to businesses' adherence to payment terms; the municipality has implemented stringent measures for the Month of May since we have an Actual of **R59 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 **R4 million** which is **70%** of the approved adjustment budget. The **R4 million** year-to-date actual is **below** the **eleven-month** baseline projection or year-to-date budget of **R5.5 million**. A variance of **R1.5 million** or **27%** is observed.

The reason for variance can be attributed to the fact that there were some investments which did not mature by the end of the current month.

Rent of facilities

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R451 thousand** which is **94%** of the approved adjustment budget. The **R451 thousand** year-to-date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R445 thousand**. A variance of **R6 thousand** or **1%** is observed

The municipality will review and reconcile rent with the lease agreements for future forecast. There is also effective monitoring of rental accounts, also the Rent on Facilities is Fixed, Resulting in a movement of **R42 thousand**. The Increase of rent will be based on initial new tenant.

Licences and Permits

Licences and permits year-to-date actual is **R180 thousand** which is **97%** of the approved adjustment budget. The **R180 thousand** year to date actual is **below** the **eleven months** baseline projection or year-to-date budget of **R182 thousand**. A variance of **R2 thousand** or **60%** is observed. In the month of May, only health certificates were issued, resulting in a movement of **R22 thousand.**

Operational revenue

Operational revenue year-to-date actual is **R227 thousand** which is **44%** of the approved adjustment budget. the **R227 thousand** year to date actual is below the **eleven months** baseline projection or year-to-date budget of **R572 thousand**. A variance of **R345 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, resulting in a movement of **R1 thousand.**

NON-EXCHANGE REVENUE

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is **R210 thousand,** which is **82%** of the approved adjustment budget. The **R210 thousand** year to date is **below** the **eleven months** baseline projection or year-to-date budget of **R277 thousand**. A variance of **R67 thousand** or **24%** is observed, which there is a movement of **R6 thousand** for the month**.**

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 **R728.4 million** which is **94%** of the approved budget. The **R728.4 million** year to date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R703.9 million**. A variance of **R24.7 million** or **4%** is observed.

Transfers and subsidies vary according to the approved transfer schedule and cannot be compared to the year-to-date budget. Grants are received in tranches rather than monthly. Grants received to date include Equitable Share, MIG, WSIG and the Indonsa Art Centre Grant.

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Expenditure By Type										
Employee related costs		343 349	302 013	302 098	30 585	334 167	276 915	57 252	21%	302 098
Remuneration of councillors		10 539	11 640	11 640	864	9 545	10 670	(1 125)	-11%	11 640
Bulk purchases - electricity		–	–	–	–	1	–	1	#DIV/0!	–
Inventory consumed		59 492	10 250	10 045	908	1 080	9 230	(8 150)	-88%	10 045
Debt impairment		30 773	4 000	4 000	–	–	3 667	(3 667)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 108	19 825	109 157	87 170	21 987	25%	95 108
Interest		18 115	7 575	7 354	880	9 879	6 739	3 140	47%	7 354
Contracted services		277 295	87 677	179 181	12 383	198 015	156 398	41 616	27%	179 181
Transfers and subsidies		9 064	–	3 269	1 966	13 838	2 479	11 359	458%	3 269
Irrecoverable debts written off		2 724	–	–	–	–	–	–		–
Operational costs		342 579	35 611	190 297	22 491	237 168	157 015	80 154	51%	190 297
Losses on Disposal of Assets		6	–	–	–	–	–	–		–
Other Losses		272	–	–	–	–	–	–		–
Total Expenditure		**1 214 957**	**553 766**	**802 992**	**89 902**	**912 850**	**710 284**	**202 566**	**29%**	**802 992**

The year-to-date actuals indicate spending of **R912.5 million** for **eleven months,** which is **114%** of the approved operating expenditure budget. The **R912.5 million** year to date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R710.2 million**, a variance of **R202.5 million** or less than **29%** 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 **R334.1 million** which is **111%** of the approved adjustment budget. The **R334.1 million** year to date actual is **above** the **eleven-month** baseline projection or year-to-date budget of **R276.9 million**. A variance of **R57.2 million** or **21%** is observed. The expenditure for the month is **R30.5 million.**
The municipality need to pay more attention to keep the salaries within the municipality's budget. Disciplined cost management practices, particularly in high-cost areas such shift allowance ensuring spending remains within approved limits despite new appointments in previous month.

Remuneration of Councillors
Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R9.5 million** which is **82%** of the approved adjustment budget. The **R9.5 million** year-to-date actual is **below** the **eleven-month** baseline projection or year-to-date budget of **R10.6 million**. A variance of **R1.1 million** or **11%** is observed. The Expenditure for the Month is **R864 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 is **R1 million,** which is **R10.75%** of the approved budget. The **R1 million** year to date actual **is below** the **eleven months** baseline projection or year-to-date budget of **R9.2 million**. A variance of **R8.1 million** or **88%** is observed. The movement for the month is **R908 thousand.**

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 **R109.1 million** which is **115%** of the approved adjustment budget. The **R109.1 million** year-to-date actual **is above** the **eleven-month** baseline projection or year-to-date budget of **R87.1 million**. A variance of **R21.9 million** or **25%** is observed. The movement for the month is **R19.8 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 **R9.8 million** which is **134%** of the approved adjustment budget. The **R9.8 million** year-to-date actual is **above** the **eleven-month** baseline projection or year-to-date budget of **R6.7 million**. A variance of **R3.1 million** or **47%** is observed. The movement for the month is **R880 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 **R198.6 million** which is **R111%** of the approved adjustment budget. The **R198.6 million** year to date actual is **above** the **eleven-month** baseline projection or year-to-date budget of **R156.3 million**. A variance of **R41.6 million** or **27%** is observed. The movement for the month is **R12.3 million,** the major movements are noted in water tankers, Security services, Maintenance of assets (Fleet Horizon), Gardening 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 **R13.8 million** which is **423%** of the approved adjustment budget of **R3.2 million**, the **R13.8 million** year to date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R2.4 million**. A variance of **R11.3 million** is observed Or **458%,** the movement for the month is **R1.9 million.**

Operational cost
Operational costs are all other expenditure not classified above. The year-to-date actual is **R237.1 million** which is **125%** of the approved adjustment budget. the **R237 million** year-to-date actual is **above** the **eleven months** baseline projection or year-to-date budget of **R157 million**. A variance of **R80.1 million** or **51%** is observed. The movement for the month is **R22.4 million.** Major movements are from Eskom, Excess kilo meters, Audit Cost: External, wet fuel, Travelling Claims & Software Licences.

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 300 000	1 300 000	1 058 416.12	1 083 333	-24 917.21	-2%	81%
EPWP Incentive	6 406 000	6 406 000	6 406 000.00	5 338 333	1 067 666.67	20%	100%
Art centre Subsisies (Indonsa Grant)	1 719 000	2 675 000	2 508 743.27	2 229 167	279 576.60	13%	94%
Aviation Grant	500 000	500 000	-	416 667	-416 666.67	-100%	0%
LG SETA	99 606	327 606.00	327 000.00	273 005	53 995.00	20%	100%
Disaster Management Grant	7 125 285	37 125 285	7 023 097.73	30 937 738	-23 914 639.77	-77%	19%
Total Operating Grant Expenditure	**17 149 891.00**	**48 333 891.00**	**17 323 257.12**	**40 278 242.50**	**-22 954 985.38**	**-57%**	**36%**

FMG **81%**, EPWP Incentive **100%**, Art center subsidies (Indonsa Grant) **94%** LG SETA **% and** Aviation Grant **0%**

Grants Rollovers

ROLLED OVER GRANTS FROM 2024/2025	APPROVED ROLLOVER	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %
TSUCM_COGTA BOREHOLES:OPEN/B	1 445 896	1 445 896	1 445 895.97	-	1 445 895.97	100.00%
Disaster Management Grant	7 125 285	7 125 285	7 023 098	3 886 519	3 136 579	99%
Total Operating Grant Expenditure	**8 571 181**	**8 571 181**	**8 468 994**	**3 886 519**	**4 582 475**	**199%**

COGTA Boreholes Grant **100%** and Disaster Management Grant **99%**

Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		55 414	63 954	51 217	5 038	50 881	48 435	2 447	5%	51 217
Service charges - Waste Water Management		18 129	18 494	16 979	1 681	16 112	15 741	372	2%	16 979
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		627	800	1 502	2	1 011	1 295	(284)	-22%	1 502
Agency services								–		
Interest								–		
Interest earned from Receivables		746	858	648	59	574	618	(44)	-7%	648
Interest from Current and Non Current Assets		8 129	8 000	5 804	17	4 065	5 577	(1 512)	-27%	5 804
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		463	504	482	42	451	445	6	1%	482
Licence and permits		277	295	184	22	180	182	(2)	-1%	184
Special rating levies								–		
Operational Revenue		1 542	1 344	519	1	227	572	(345)	-60%	519
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		449	605	258	6	210	277	(67)	-24%	258
Licence and permits								–		
Transfers and subsidies - Operational		680 583	720 384	772 595	249	728 703	703 934	24 769	4%	772 595
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**	**850 188**	**7 115**	**802 414**	**777 075**	**25 339**	**3%**	**850 188**
Expenditure By Type										
Employee related costs		343 349	302 013	302 098	30 585	334 167	276 915	57 252	21%	302 098
Remuneration of councillors		10 539	11 640	11 640	864	9 545	10 670	(1 125)	-11%	11 640
Bulk purchases - electricity		–	–	–	–	1	–	1	#DIV/0!	–
Inventory consumed		59 492	10 250	10 045	908	1 080	9 230	(8 150)	-88%	10 045
Debt impairment		30 773	4 000	4 000	–	–	3 667	(3 667)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 108	19 825	109 157	87 170	21 987	25%	95 108
Interest		18 115	7 575	7 354	880	9 879	6 739	3 140	47%	7 354
Contracted services		277 295	87 677	179 181	12 383	198 015	156 398	41 616	27%	179 181
Transfers and subsidies		9 064	–	3 269	1 966	13 838	2 479	11 359	458%	3 269
Irrecoverable debts written off		2 724	–	–	–	–	–	–		–
Operational costs		342 579	35 611	190 297	22 491	237 168	157 015	80 154	51%	190 297
Losses on Disposal of Assets		6	–	–	–	–	–	–		–
Other Losses		272	–	–	–	–	–	–		–
Total Expenditure		**1 214 957**	**553 766**	**802 992**	**89 902**	**912 850**	**710 284**	**202 566**	**29%**	**802 992**
Surplus/(Deficit)		**(446 893)**	**261 472**	**47 197**	**(82 786)**	**(110 436)**	**66 791**	**(177 227)**	**(0)**	**47 197**
Transfers and subsidies - capital (monetary allocations)		851 477	916 219	917 665	–	728 039	841 024	(112 985)	**(0)**	917 665
Transfers and subsidies - capital (in-kind)		8	–	–	–	39	–	39	**#DIV/0!**	–
Surplus/(Deficit) after capital transfers & contributions		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**(0)**	**964 861**
Income Tax								–		
Surplus/(Deficit) after income tax		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**(0)**	**964 861**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	(290 173)	(0)	**964 861**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**(0)**	**964 861**

1.6. CAPITAL EXPENDITURE AND FUNDING

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

The summary report indicates the following: -

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	742 877 267	757 083 133	577 272 167.31	627 294 208	-50 022 040.92	-8%	76%
Total Capital Financing	742 877 267	757 083 133	577 272 167.31	627 294 208	-50 022 040.92	-8%	76%

The capital expenditure amounts to **R577.2 million,** which is **76%** of the capital approved adjustment budget, after a period of **eleven months.**

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		–	–	–	–	–	–	–		–
Vote 03 - Finance		511	–	–	71	71	–	71	#DIV/0!	–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	15 670	–	4 975	14 990	(10 014)	-67%	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**	**71**	**5 046**	**14 990**	**(9 943)**	**-66%**	**15 670**
Single Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		37	–	–	–	2 400	–	2 400	#DIV/0!	–
Vote 03 - Finance		164	–	–	1 640	1 640	–	1 640	#DIV/0!	–
Vote 04 - Community Development		–	87	174	–	–	156	(156)	-100%	174
Vote 05 - Planning & Wsa		732 582	742 790	737 566	–	565 554	673 539	(107 984)	-16%	737 566
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		48 200	–	6 673	–	4 342	5 005	(663)	-13%	6 673
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	744 413	1 640	573 936	678 699	**(104 763)**	**-15%**	744 413
Total Capital Expenditure		**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**(114 706)**	**-17%**	**760 083**
Capital Expenditure - Functional Classification										
Governance and administration		**712**	**–**	**–**	**1 710**	**4 110**	**–**	4 110	#DIV/0!	**–**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		712	–	–	1 710	4 110	–	4 110	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**87**	**174**	**–**	**–**	**156**	(156)	-100%	**174**
Community and social services		–	87	174	–	–	156	(156)	-100%	174
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**61**	**2 410**	**2 410**	**–**	**1 334**	**2 210**	(876)	-40%	**2 410**
Planning and development		61	2 410	2 410	–	1 334	2 210	(876)	-40%	2 410
Road transport								–		
Environmental protection								–		
Trading services		**780 722**	**740 380**	**757 499**	**–**	**573 539**	**691 323**	(117 785)	-17%	**757 499**
Energy sources								–		
Water management		780 722	740 380	757 499	–	573 539	691 323	(117 785)	-17%	757 499
Waste water management		–	–	–	–	–	–	–		–
Waste management								–		
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**(114 706)**	**-17%**	**760 083**
Funded by:										
National Government		732 522	742 790	751 790	–	569 234	687 371	(118 138)	-17%	751 790
Provincial Government		–	87	1 620	–	1 257	1 313	(55)	-4%	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)		–	–	–	–	39	–	39	#DIV/0!	–
Transfers recognised - capital		**732 522**	**742 877**	**753 410**	**–**	**570 530**	**688 684**	**(118 154)**	**-17%**	**753 410**
Borrowing	6	48 200	–	6 673	–	4 342	5 005	(663)	-13%	6 673
Internally generated funds		772	–	–	1 710	4 110	–	4 110	#DIV/0!	–
Total Capital Funding		**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**(114 706)**	**-17%**	**760 083**

Governance and administration

Governance and Administration year-to-date actual is **R4.1 million** which is **0%** of the approved adjustment budget. the **R0** year to date actual is below the **eleven months** baseline projection or year-to-date budget of **R0 thousand**. A variance of **R0 thousand** or **0%** is observed.

Community and public safety

Community and public safety year-to-date actual is **R0** which is **0%** of the approved adjustment budget. the **R0** year to date actual is **below** the **eleven months** baseline projection or year-to-date budget of **R156 thousand**. A variance of **R156 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R1.3 million** which is **55%** of the approved adjustment budget. the **R1.3 million** year to date actual is **below eleven-month** baseline projection or year-to-date budget of **R2.2 million**. A variance of **R876 thousand** or **40%** is observed.

Trading services

Trading services year-to-date actual is **R573.3 million** which is **76%** of the approved adjustment budget. the **R573.3 million** year-to-date actual is **below** the **eleven months** baseline projection or year-to-date budget of **R691.3 million**. A variance of **R117.7 million** or **17%** is observed, with a movement of **R0 million.**

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	233 886 088.00	233 886 088.00	183 779 611.73	194 905 073	-11 125 461.60	-6%	79%
Regional Bulk Infrastructure (RBIG)	473 459 130	473 459 130	405 664 727.76	394 549 275	11 115 452.40	3%	86%
Water services infrastructure Grant (WSIG)	86 956 522	86 956 522	44 571 672.59	72 463 768	-27 892 095.53	-38%	51%
Rural Roads Asset Managemnt Systems Grant	2 410 435	1 614 783	1 294 613.61	1 345 652	-51 038.56	-4%	80%
Art centre Subsisies (Indonsa Grant)	86 957	173 914	-	144 928	-144 927.93	-100%	0%
BOREHOLE INTERVENTION PROGRAMME		1 257 301	1 257 300.80	-	1 257 300.80	0%	100%
BACKUP GENERATOR		6 673 013	-	-	-	0%	0%
Total Operating Expenditure	**796 799 132**	**804 020 750**	**636 567 926**	**663 408 697**	**-26 840 770**	**-4%**	**79%**

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	268 969 000	268 969 001	210 508 815.91	224 140 834	-13 632 018.42	-6%	78%
Regional Bulk Infrastructure (RBIG)	544 478 000	544 478 000	463 777 366.71	453 731 667	10 045 700.04	2%	85.2%
Water services infrastructure Grant (WSIG)	100 000 000	100 000 000	50 817 760.25	83 333 333	-32 515 573.08	-39%	51%
Rural Roads Asset Managemnt Systems Grant	2 772 000	2 772 000	1 488 805.65	2 310 000	-821 194.35	-36%	54%
Indonsa Grant	100 001	200 001	64 636.90	166 667	-102 030.23	-61%	32%
BOREHOLE INTERVENTION PROGRAMME		1 445 896	1 445 895.92	-	1 445 895.92	0%	100%
BACKUP GENERATOR		7 673 965	-	-	-	0%	0%
Total Capital Grant Expenditure	**916 319 001**	**925 538 863**	**728 103 281**	**763 682 501**	**-35 579 220**	**-5%**	**79%**

Overall capital grant expenditure is sitting at **79%** of the approved capital budget, **MIG** is sitting at **78%**, **RBIG** at **85%, WSIG** at **51%, RAMS** at **54% and Indonsa Grant 32%**

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 - M11 May

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	73 543	82 448	68 196	6 718	66 994	64 175	2 818	4%	68 196
Investment revenue	8 129	8 000	5 804	17	4 065	5 577	(1 512)	-27%	5 804
Transfers and subsidies - Operational	680 583	720 384	772 595	249	728 703	703 934	24 769	0	772 595
Other own revenue	5 810	4 406	3 593	131	2 653	3 389	(735)	-22%	3 593
Total Revenue (excluding capital transfers and contributions)	**768 065**	**815 238**	**850 188**	**7 115**	**802 414**	**777 075**	**25 339**	**3%**	**850 188**
Employee costs	343 349	302 013	302 098	30 585	334 167	276 915	57 252	21%	302 098
Remuneration of Councillors	10 539	11 640	11 640	864	9 545	10 670	(1 125)	-11%	11 640
Depreciation and amortisation	120 749	95 000	95 108	19 825	109 157	87 170	21 987	25%	95 108
Interest	18 115	7 575	7 354	880	9 879	6 739	3 140	47%	7 354
Inventory consumed and bulk purchases	59 492	10 250	10 045	908	1 081	9 230	(8 149)	-88%	10 045
Transfers and subsidies	9 064	–	3 269	1 966	13 838	2 479	11 359	458%	3 269
Other expenditure	653 649	127 288	373 478	34 875	435 183	317 080	118 103	37%	373 478
Total Expenditure	**1 214 957**	**553 766**	**802 992**	**89 902**	**912 850**	**710 284**	**202 566**	**29%**	**802 992**
Surplus/(Deficit)	**(446 893)**	**261 472**	**47 197**	**(82 786)**	**(110 436)**	**66 791**	**(177 227)**	**-265%**	**47 197**
Transfers and subsidies - capital (monetary	851 477	916 219	917 665	–	728 039	841 024	###	-13%	917 665
Transfers and subsidies - capital (in-kind)	8	–	–	–	39	–	39	#DIV/0!	–
Surplus/(Deficit) after capital transfers & contributions	**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**-32%**	**964 861**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**-32%**	**964 861**
Capital expenditure & funds sources									
Capital expenditure	**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**(114 706)**	**-17%**	**760 083**
Capital transfers recognised	732 522	742 877	753 410	–	570 530	688 684	(118 154)	-17%	753 410
Borrowing	48 200	–	6 673	–	4 342	5 005	(663)	-13%	6 673
Internally generated funds	**772**	**–**	**–**	**1 710**	**4 110**	**–**	**4 110**	**#DIV/0!**	**–**
Total sources of capital funds	**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**(114 706)**	**-17%**	**760 083**
Financial position									
Total current assets	170 523	677 146	453 458		328 977				453 458
Total non current assets	6 107 453	5 982 751	6 772 429		6 577 279				6 772 429
Total current liabilities	822 963	406 164	658 279		343 359				658 279
Total non current liabilities	126 218	254 146	263 526		137 113				263 526
Community wealth/Equity	**5 644 236**	**4 821 896**	**5 339 107**		**5 945 744**				**5 339 107**
Cash flows									
Net cash from (used) operating	2 861 418	1 250 945	1 025 833	(21 350)	1 941 174	940 347	######	-106%	1 025 833
Net cash from (used) investing	(780 983)	(854 309)	(862 515)	–	(577 272)	(790 638)	(213 366)	27%	(862 515)
Net cash from (used) financing	(18 304)	(17 712)	(17 712)	1 731	(7 336)	(16 236)	(8 899)	55%	(17 712)
Cash/cash equivalents at the month/year end	**2 119 201**	**367 748**	**168 710**	**1 379 668**	**1 379 668**	**156 576**	**########**	**-781%**	**168 710**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	9 874	4 618	4 523	4 062	3 832	3 856	25 263	244 961	300 988
Creditors Age Analysis									
Total Creditors	8 071	14 332	10 727	7 917	1 637	14 199	4 956	19 270	81 110

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**685 556**	**722 663**	**733 524**	**181**	**718 502**	**672 223**	46 279	7%	**733 524**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		685 556	722 663	733 524	181	718 502	672 223	46 279	7%	733 524
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**2 874**	**2 118**	**40 856**	**159**	**9 912**	**33 652**	(23 740)	-71%	**40 856**
Community and social services		2 578	1 719	40 671	137	9 732	33 458	(23 726)	-71%	40 671
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		296	399	184	22	180	194	(14)	-7%	184
Economic and environmental services		**1 857**	**2 772**	**2 772**	**–**	**1 528**	**2 541**	(1 013)	-40%	**2 772**
Planning and development		1 857	2 772	2 772	–	1 528	2 541	(1 013)	-40%	2 772
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**929 225**	**1 003 344**	**990 117**	**6 775**	**800 500**	**909 150**	**(108 651)**	-12%	**990 117**
Energy sources		–	–	–	–	–	–	–		–
Water management		910 913	984 607	973 053	5 087	784 308	893 313	(109 005)	-12%	973 053
Waste water management		18 312	18 738	17 064	1 688	16 191	15 837	354	2%	17 064
Waste management		–	–	–	–	–	–	–		–
Other	4	**38**	**560**	**584**	**1**	**51**	**533**	**(482)**	**-91%**	**584**
Total Revenue - Functional	2	**1 619 550**	**1 731 457**	**1 767 853**	**7 115**	**1 530 492**	**1 618 099**	**(87 607)**	**-5%**	**1 767 853**
Expenditure - Functional										
Governance and administration		**433 680**	**157 805**	**305 587**	**28 312**	**316 764**	**264 112**	52 652	20%	**305 587**
Executive and council		136 925	32 580	93 172	9 457	80 881	78 448	2 433	3%	93 172
Finance and administration		238 282	114 888	177 108	18 544	186 958	156 271	30 686	20%	177 108
Internal audit		58 473	10 338	35 307	312	48 925	29 392	19 533	66%	35 307
Community and public safety		**28 017**	**26 183**	**67 602**	**2 437**	**36 400**	**57 993**	(21 593)	-37%	**67 602**
Community and social services		9 732	13 973	55 279	874	18 733	46 710	(27 977)	-60%	55 279
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		7 663	–	51	687	6 743	41	6 702	16438%	51
Housing		–	–	–	–	–	–	–		–
Health		10 622	12 210	12 272	876	10 924	11 242	(318)	-3%	12 272
Economic and environmental services		**23 677**	**20 747**	**21 292**	**3 314**	**22 160**	**19 455**	2 705	14%	**21 292**
Planning and development		23 677	20 747	21 292	3 314	22 160	19 455	2 705	14%	21 292
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**720 504**	**339 990**	**399 469**	**55 102**	**528 713**	**360 436**	**168 277**	47%	**399 469**
Energy sources		–	–	–	–	1	–	1	#DIV/0!	–
Water management		704 506	326 178	388 403	54 044	519 164	350 320	168 844	48%	388 403
Waste water management		15 997	13 812	11 066	1 058	9 568	10 116	(548)	-5%	11 066
Waste management		–	–	–	–	(20)	–	(20)	#DIV/0!	–
Other		**9 079**	**9 041**	**9 042**	**737**	**8 813**	**8 288**	**525**	**6%**	**9 042**
Total Expenditure - Functional	3	**1 214 957**	**553 766**	**802 992**	**89 902**	**912 850**	**710 284**	**202 566**	**29%**	**802 992**
Surplus/ (Deficit) for the year		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**-0.319639**	**964 861**

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

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

DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		1 279	977	13 538	1	548	12 038	(11 490)	-95.4%	13 538
Vote 03 - Finance		684 315	722 246	720 570	181	718 005	660 718	57 287	8.7%	720 570
Vote 04 - Community Development		2 874	2 118	40 856	159	9 912	33 652	(23 740)	-70.5%	40 856
Vote 05 - Planning & Wsa		856 704	922 625	924 071	–	734 484	846 896	(112 413)	-13.3%	924 071
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		56 066	64 754	51 754	5 087	51 353	48 958	2 394	4.9%	51 754
Vote 09 - Waste Water		18 312	18 738	17 064	1 688	16 191	15 837	354	2.2%	17 064
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1 619 550**	**1 731 457**	**1 767 853**	**7 115**	**1 530 492**	**1 618 099**	**(87 607)**	**-5.4%**	**1 767 853**
Expenditure by Vote	1									
Vote 01 - Council		149 256	39 008	100 882	9 915	88 176	85 367	2 810	3.3%	100 882
Vote 02 - Corporate Services		202 751	70 945	143 577	13 019	171 918	124 370	47 549	38.2%	143 577
Vote 03 - Finance		73 931	45 795	58 898	4 430	54 218	52 351	1 867	3.6%	58 898
Vote 04 - Community Development		59 143	49 235	90 991	6 745	61 765	79 394	(17 629)	-22.2%	90 991
Vote 05 - Planning & Wsa		33 823	75 338	66 781	1 754	49 141	63 415	(14 274)	-22.5%	66 781
Vote 06 - Technical Services		4 208	6 413	6 483	1 202	10 008	5 938	4 070	68.6%	6 483
Vote 07 - Water Purification		53 728	48 672	49 133	4 856	52 108	44 985	7 122	15.8%	49 133
Vote 08 - Water Distribution		622 121	204 548	275 180	46 924	415 967	244 349	171 618	70.2%	275 180
Vote 09 - Waste Water		15 997	13 812	11 066	1 058	9 548	10 116	(567)	-5.6%	11 066
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	1	–	1	#DIV/0!	–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 214 957**	**553 766**	**802 992**	**89 902**	**912 850**	**710 284**	**202 566**	**28.5%**	**802 992**
Surplus/ (Deficit) for the year	2	**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**-32.0%**	**964 861**

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) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		55 414	63 954	51 217	5 038	50 881	48 435	2 447	5%	51 217
Service charges - Waste Water Management		18 129	18 494	16 979	1 681	16 112	15 741	372	2%	16 979
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		627	800	1 502	2	1 011	1 295	(284)	-22%	1 502
Agency services								–		
Interest								–		
Interest earned from Receivables		746	858	648	59	574	618	(44)	-7%	648
Interest from Current and Non Current Assets		8 129	8 000	5 804	17	4 065	5 577	(1 512)	-27%	5 804
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		463	504	482	42	451	445	6	1%	482
Licence and permits		277	295	184	22	180	182	(2)	-1%	184
Special rating levies								–		
Operational Revenue		1 542	1 344	519	1	227	572	(345)	-60%	519
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		449	605	258	6	210	277	(67)	-24%	258
Licence and permits								–		
Transfers and subsidies - Operational		680 583	720 384	772 595	249	728 703	703 934	24 769	4%	772 595
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**	**850 188**	**7 115**	**802 414**	**777 075**	**25 339**	**3%**	**850 188**
Expenditure By Type										
Employee related costs		343 349	302 013	302 098	30 585	334 167	276 915	57 252	21%	302 098
Remuneration of councillors		10 539	11 640	11 640	864	9 545	10 670	(1 125)	-11%	11 640
Bulk purchases - electricity		–	–	–	–	1	–	1	#DIV/0!	–
Inventory consumed		59 492	10 250	10 045	908	1 080	9 230	(8 150)	-88%	10 045
Debt impairment		30 773	4 000	4 000	–	–	3 667	(3 667)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 108	19 825	109 157	87 170	21 987	25%	95 108
Interest		18 115	7 575	7 354	880	9 879	6 739	3 140	47%	7 354
Contracted services		277 295	87 677	179 181	12 383	198 015	156 398	41 616	27%	179 181
Transfers and subsidies		9 064	–	3 269	1 966	13 838	2 479	11 359	458%	3 269
Irrecoverable debts written off		2 724	–	–	–	–	–	–		–
Operational costs		342 579	35 611	190 297	22 491	237 168	157 015	80 154	51%	190 297
Losses on Disposal of Assets		6	–	–	–	–	–	–		–
Other Losses		272	–	–	–	–	–	–		–
Total Expenditure		**1 214 957**	**553 766**	**802 992**	**89 902**	**912 850**	**710 284**	**202 566**	**29%**	**802 992**
Surplus/(Deficit)		**(446 893)**	**261 472**	**47 197**	**(82 786)**	**(110 436)**	**66 791**	**(177 227)**	**(0)**	**47 197**
Transfers and subsidies - capital (monetary allocations)		851 477	916 219	917 665	–	728 039	841 024	(112 985)	**(0)**	917 665
Transfers and subsidies - capital (in-kind)		8	–	–	–	39	–	39	**#DIV/0!**	–
Surplus/(Deficit) after capital transfers & contributions		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**(0)**	**964 861**
Income Tax								–		
Surplus/(Deficit) after income tax		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**(0)**	**964 861**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	(290 173)	(0)	**964 861**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**404 593**	**1 177 691**	**964 861**	**(82 786)**	**617 642**	**907 815**	**(290 173)**	**(0)**	**964 861**

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) - M11 May

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	–	–	71	71	–	71	#DIV/0!	–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	15 670	–	4 975	14 990	(10 014)	-67%	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**	**71**	**5 046**	**14 990**	**(9 943)**	**-66%**	**15 670**
Single Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		37	–	–	–	2 400	–	2 400	#DIV/0!	–
Vote 03 - Finance		164	–	–	1 640	1 640	–	1 640	#DIV/0!	–
Vote 04 - Community Development		–	87	174	–	–	156	(156)	-100%	174
Vote 05 - Planning & Wsa		732 582	742 790	737 566	–	565 554	673 539	(107 984)	-16%	737 566
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		48 200	–	6 673	–	4 342	5 005	(663)	-13%	6 673
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	744 413	1 640	573 936	678 699	**(104 763)**	**-15%**	744 413
Total Capital Expenditure		**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**(114 706)**	**-17%**	**760 083**
Capital Expenditure - Functional Classification										
Governance and administration		**712**	**–**	**–**	**1 710**	**4 110**	**–**	4 110	#DIV/0!	**–**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		712	–	–	1 710	4 110	–	4 110	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**87**	**174**	**–**	**–**	**156**	(156)	-100%	**174**
Community and social services		–	87	174	–	–	156	(156)	-100%	174
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**61**	**2 410**	**2 410**	**–**	**1 334**	**2 210**	(876)	-40%	**2 410**
Planning and development		61	2 410	2 410	–	1 334	2 210	(876)	-40%	2 410
Road transport								–		
Environmental protection								–		
Trading services		**780 722**	**740 380**	**757 499**	**–**	**573 539**	**691 323**	(117 785)	-17%	**757 499**
Energy sources								–		
Water management		780 722	740 380	757 499	–	573 539	691 323	(117 785)	-17%	757 499
Waste water management		–	–	–	–	–	–	–		–
Waste management								–		
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**(114 706)**	**-17%**	**760 083**
Funded by:										
National Government		732 522	742 790	751 790	–	569 234	687 371	(118 138)	-17%	751 790
Provincial Government		–	87	1 620	–	1 257	1 313	(55)	-4%	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)		–	–	–	–	39	–	39	#DIV/0!	–
Transfers recognised - capital		**732 522**	**742 877**	**753 410**	**–**	**570 530**	**688 684**	**(118 154)**	**-17%**	**753 410**
Borrowing	6	48 200	–	6 673	–	4 342	5 005	(663)	-13%	6 673
Internally generated funds		772	–	–	1 710	4 110	–	4 110	#DIV/0!	–
Total Capital Funding		**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**(114 706)**	**-17%**	**760 083**

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 - M11 May

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		23 103	479 180	280 363	104 770	280 363
Trade and other receivables from exchange transactions		16 131	99 976	43 150	45 093	43 150
Receivables from non-exchange transactions		1 012	5 696	1 012	(292)	1 012
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 013	3 966	3 013	46 940	3 013
VAT		100 594	64 744	99 250	91 853	99 250
Other current assets		26 669	23 584	26 669	40 613	26 669
Total current assets		**170 523**	**677 146**	**453 458**	**328 977**	**453 458**
Non current assets						
Investments						
Investment property						
Property, plant and equipment		6 099 628	5 974 921	6 764 609	6 569 459	6 764 609
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**	**6 772 429**	**6 577 279**	**6 772 429**
TOTAL ASSETS		**6 277 976**	**6 659 897**	**7 225 887**	**6 906 256**	**7 225 887**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		17 903	18 318	17 508	9 576	17 508
Consumer deposits		3 372	3 463	3 372	3 387	3 372
Trade and other payables from exchange transactions		752 458	345 272	600 898	23 473	600 898
Trade and other payables from non-exchange transactions		9 219	1 446	(0)	261 863	(0)
Provision		37 937	27 940	30 937	37 937	30 937
VAT		2 073	9 725	5 565	7 122	5 565
Other current liabilities		–	–	–	–	–
Total current liabilities		**822 963**	**406 164**	**658 279**	**343 359**	**658 279**
Non current liabilities						
Financial liabilities		75 704	59 706	65 567	86 599	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**	**137 113**	**263 526**
TOTAL LIABILITIES		**949 180**	**660 310**	**921 805**	**480 471**	**921 805**
NET ASSETS	2	**5 328 796**	**5 999 587**	**6 304 082**	**6 425 785**	**6 304 082**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 644 236	4 821 896	5 339 107	5 945 744	5 339 107
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**5 644 236**	**4 821 896**	**5 339 107**	**5 945 744**	**5 339 107**

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 May 2026** indicates a balance of **R104.7 million**

Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R45 million.** Debtors age analysis as per section 2.1 debtors' analysis is **R300.9 million.** Consumer debtors' amount to **R300.9 million** and **R2.2 million** is for shared services cast in Other Debtors.

Gross Consumer debtors	R304.6 million
Less Impairment	(R259.9 million)
Net Consumer Debtors	**R45 million**

Classification of Consumer Debtors per Service type

Water Debtors	R33.8 million
Sanitation Debtors	R7.8 million
Property Rentals Debtors	R36.9 thousand
Other Consumer debtors	R561 thousand
Receivables from non-exchange	R2.7 million
Total	**R45 million**

- **Water Debtors**

  Net Water debtors after considering provision for bad debts amount to **R33.8 million**. Water debtors amount owed by consumers for water services billed.

Gross Water Debtors	R239.9 million
Less Impairment	(R206 million)
Net Water Debtors	**R33.8 million**

- **Sanitation Debtors**

  Net Sanitation debtors after considering provision for bad debts amount to **R7.8 million**. Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R60.5 million
Less Impairment	(R52.7 million)
Net Sanitation Debtors	**R7.8 million**

- **Property Rentals Debtors**
  These debtors accumulated from property rentals amounted to **R36.9 thousand**

Property Rental	R437.8 thousand
Less Impairment	(R400.8 thousand)
Net Property rental	**R36.9 thousand**

- **Other Consumer debtors**
  Other consumer debtors' amount to **R561 thousand**, these are sundry debtors.

Gross Other Debtors	R1.3 million
Less Impairment	(R829.8 thousand)
Net Other Debtors	**R561 thousand**

- **Other receivables from exchange**

Opening Balance	**R2.7 million**
Other receivables from exchange: collections	R4 thousand
Less Impairment	(R0)
Net other receivables from exchange	**R2.7 million**

Classification of Consumer Debtors per Customer group

Households	R232.2 million
Commercial/Businesses	R 23.9 million
Organs of State (excl shared services of R3.3 mill)	R 44.7 million
Total	**R300.9 million**

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

Gross Households debtors	R300.9 million
Commercial/Businesses	R 23.9 million
Less Impairment	(R259.9 million)
Net Household debtors	**R65.4 million**

Receivables from non – exchange

Fruitless expenditure
Amount to be recovered amounting to -**R292 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 **R46.9 million**. Inventories include water stock and consumable stores. The correcting journal will be prepared to correct inventory issued.

VAT Receivable
VAT Receivable amounts to **R91.8 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 **R40.6 million.**

Deposits Made	R26 million
Refunds & under/over banking	R60 thousand
Overpayment/Accrued income/UIFW	R14.1 million
Operating lease	R0 thousand
Salary Advance	R38 thousand
Insurance claims	R303 thousand
Total	**R40.6 million**

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

Eskom Deposits	R26.09 million
Stowel Deposits	R200 thousand

  Eskom deposits are amounts held by Eskom as security for all accounts the Municipality has with Eskom. Security deposits are paid when the Municipality opens a new electricity account Stowell Deposit is the amount paid as a security deposit when Stowell was first contracted, and the deposit for office space rented in Vryheid.

- **Refunds & under/over banking**
  Refunds & under/over banking amount to **R5 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.**

<u>NON-CURRENT ASSETS</u>

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 **R6.5 billion**

Opening balance	**R6.1 billion**
Additions	R412.9 million
Depreciation	(R0)
Closing Balance	**R6.5 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.**

<u>CURRENT LIABILITIES</u>

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	R78.5 thousand
Total Financial liabilities	**R8.8 million**	

Consumer déposits

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 **-R95.5 million**. There was a misalignment of this, it was also affected by system update and it will be corrected this month.

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 **R261.8 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 **R6.5 million**, this is the amount paid when output VAT is recognized as less input VAT paid as per VAT reconciliation.

NON-CURRENT LIABILITIES

Financial liabilities

This is the long-term portion of the finance lease agreement the Municipality entered into to procure laptops amounting to **R86.5 million.**

Long term loan	R83.5 million
Operating lease	R1 million
Operating lease long term	R158.8 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 **R6 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 - M10 April

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–		
Service charges		42 771	58 477	50 914	2 730	37 441	42 428	(4 987)	-12%	50 914
Other revenue		1 568 934	126 002	164 795	75 546	1 543 646	137 329	######	1024%	164 795
Transfers and Subsidies - Operational		729 726	720 384	764 091	300	764 301	636 742	127 559	20%	764 091
Transfers and Subsidies - Capital		851 477	916 219	916 219	–	956 219	763 516	192 703	25%	916 219
Interest		5 345	8 516	6 203	218	4 181	5 169	(988)	-19%	6 203
Dividends								–		
Payments										
Suppliers and employees		(359 018)	(578 653)	(873 799)	(93 608)	(1 363 494)	(728 166)	635 328	-87%	(873 799)
Interest								–		
Transfers and Subsidies		–	–	(2 589)	–	–	(2 157)	(2 157)	100%	(2 589)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 839 234**	**1 250 945**	**1 025 833**	**(14 814)**	**1 942 295**	**854 861**	**#######**	**-127%**	**1 025 833**
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)	(862 515)	(31 191)	(577 272)	(718 762)	(141 490)	20%	(862 515)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(780 983)**	**(854 309)**	**(862 515)**	**(31 191)**	**(577 272)**	**(718 762)**	**(141 490)**	**20%**	**(862 515)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		511	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		(8)	–	–	(1)	11	–	11	#DIV/0!	–
Payments										
Repayment of borrowing		(18 807)	(17 712)	(17 712)	166	(9 079)	(14 760)	(5 681)	38%	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(18 304)**	**(17 712)**	**(17 712)**	**164**	**(9 068)**	**(14 760)**	**(5 692)**	**39%**	**(17 712)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 039 947**	**378 924**	**145 607**	**(45 841)**	**1 355 955**	**121 339**			**145 607**
Cash/cash equivalents at beginning:		57 071	(11 176)	23 103	1 424 899	23 103	23 103			23 103
Cash/cash equivalents at month/year end:		2 097 018	367 748	168 710	1 379 058	1 379 058	144 442			168 710

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R66.9 million** on service charges, the estimated collection amount is based on the **60%** collection rate. The collection rate is also based on previous years actual collection and the initiatives the Municipality has taken to improve collection. The Municipality has collected **R42 million** to date. This is **83%** of budgeted collection and 6**7%** 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 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.

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 **R764.5 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far under Transfers and subsidies – Operational.

Equitable share	R710.4 million
Indonsa Grant	R2.6 million
LG SETA	R99 thousand
Aviation Grant	R1 million
NSF	R12 million
FMG	R1.3 million
Amafa	160 thousand
EPWP	6.4 million
TOTAL	**R764.5 million**

Transfers and subsidies – Capital

Transfers and subsidies - Capital is expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Capital grants have been received to date, Transfers and subsidies Capital are **R956.2 million**. This amount includes MIG, RBIG and WSIG which were received thus far under Transfers and subsidies - Capital.

Regional Infrastructure Grant	R594.4 million
Municipal Infrastructure Grant	R268.9 million
Water Services Infrastructure Grant	R90 million
Rural Road Asset Management Systems Grant	R2.7 million
TOTAL	**R956.2 million**

Interest

Interest on the investment budget is **R4.2 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 **R20 thousand.** Interest in investment revenue on table C4 is **R4 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 **R577.2 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 **R104.7 million** in the financial position but in the cash flow, it is **R1.3 million,** this is incorrect since there was a misalignment in Trade and other payables and it will be corrected this month.

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 May 2026

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2025/26											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	8 381	3 392	3 148	3 082	2 918	2 925	19 749	190 854	234 449	219 529	–	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	1 384	1 082	1 041	889	846	854	4 618	48 227	58 942	55 435	–	52 703
Receivables from Exchange Transactions - Waste Management	1600									–	–		
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	12	12	12	71	347	454	454	–	401
Interest on Arrear Debtor Accounts	1810	88	58	59	57	56	56	329	1 612	2 317	2 112	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	20	86	276	20	–	8	495	3 920	4 826	4 443	–	–
Total By Income Source	**2000**	**9 874**	**4 618**	**4 523**	**4 062**	**3 832**	**3 856**	**25 263**	**244 961**	**300 988**	**281 973**	**–**	**259 131**
2024/25 - totals only		6767169	5784830	5237965	5023879	5266042	4666807	31025173	209467421	273 239	**255 449**	0	227668690 2/5
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 326	1 227	1 260	873	734	758	4 887	32 716	44 782	39 969	–	–
Commercial	2300	4 488	443	312	443	363	428	2 338	15 170	23 985	18 742	–	–
Households	2400	3 060	2 948	2 951	2 746	2 735	2 670	18 038	197 075	232 221	223 262	–	–
Other	2500									–	–		
Total By Customer Group	**2600**	**9 874**	**4 618**	**4 523**	**4 062**	**3 832**	**3 856**	**25 263**	**244 961**	**300 988**	**281 973**	**–**	**–**

- The total balance owed by the **government departments/organs of state** amounts to **R 44.7 million,** while the
- **Commercials accounts** balance is at **R23,9 million** and
- **Households' accounts is R232.2 million** as at the end of **May 2026**

Total debtors' amount to **R232.2 million**, The debtors over **90 days** amount to **R232.2 million**. This is concerning and needs intervention since debtors above **60 days** should be restricted in terms of the Municipality's credit control policy.

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 31 May 2026

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									–	
Bulk Water	0200									–	
PAYE deductions	0300									–	
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500									–	
Loan repayments	0600									–	
Trade Creditors	0700	8 071	14 332	10 727	7 917	1 637	14 199	4 956	19 270	**81 110**	68 018
Auditor General	0800									–	
Other	0900									–	
Medical Aid deductions	0950									–	
Total By Customer Type	**1000**	**8 071**	**14 332**	**10 727**	**7 917**	**1 637**	**14 199**	**4 956**	**19 270**	**81 110**	68 018

This above Table SC4 the monthly aging of the creditors for the month ending **31 May 2026.**
The creditors age analysis as at **31 May** amount to **R 81 110 467** and is analyzed as follows:

- More than 181 days amount to **R 24 226 770.00**
- +30 to 180 days amount to **R 48 812 867.00**
- Current balance amount to **R 8 070 830.00**

The municipality has implemented a process to make payments twice a month to lessen the burden of creditors, paid on the **15th** and the **30th** of the month.

2.3 INVESTMENT PORTFOLIO
Investments as at 31 May 2026

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May 2026														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
ABSA - 9378134528		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	02 August 2025	-	57 750.00	–	9 000 000.00	**9 057 750.00**
ABSA - 9373372771		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	15 August 2025	9 000 000.00	628 833.33		98 000 000.00	**107 628 833.33**
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	26 August 2025	107 000 000.00			40 000 000.00	**147 000 000.00**
ABSA - 9373372771		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	30 September 2025				50 000 000.00	**50 000 000.00**
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	09 October 2025	60 000.00			60 000.00	**120 000.00**
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	10 October 2025	50 000.00			50 000.00	**100 000.00**
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	23 October 2025	20 000.00			20 000.00	**40 000.00**
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				
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	13 March 2026	90 000 000.00	1 880 656.69			
Municipality sub-total										-	**70 500 000.00**	–	**70 500 000.00**	**70 500 000.00**
Entities														
														-
Entities sub-total										-	-	–	-	-
TOTAL INVESTMENTS A	2									-	**70 500 000.00**	–	**70 500 000.00**	**70 500 000.00**

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE
Grants Receipts

DC26 Zululand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		**678 574**	**718 165**	**755 290**	**186**	**725 133**	**688 651**	**36 481**	**5.3%**	**755 290**
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		670 187	710 459	710 459	–	710 459	651 254	59 205	9.1%	710 459
Expanded Public Works Programme Integrated Grant		5 227	6 406	6 406	–	6 406	5 872	534	9.1%	6 406
Local Government Financial Management Grant		1 200	1 300	1 300	56	1 114	1 192	(78)	-6.5%	1 300
Municipal Disaster Relief Grant		1 960	–	37 125	131	7 154	30 334	(23 180)	-76.4%	37 125
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**	**4 777**	**62**	**3 243**	**4 167**	**(925)**	**-22.2%**	**4 777**
Capacity Building and Other Grants		1 285	2 219	4 777	62	3 243	4 167	(925)	-22.2%	4 777
Other transfers and grants [insert description]								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
Other grant providers:		**724**	**–**	**12 527**	**–**	**327**	**11 115**	(10 788)	-97.1%	**12 527**
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		724	–	328	–	327	271	56	20.7%	328
National Skills Fund		(0)	–	12 200	–	–	10 844	(10 844)	-100.0%	12 200
Unspecified		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	**680 583**	**720 384**	**772 595**	**249**	**728 703**	**703 934**	**24 769**	**3.5%**	**772 595**
Capital Transfers and Grants										
National Government:		851 477	916 219	916 219	–	726 593	839 867	(113 275)	**-13.5%**	916 219
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		262 939	268 969	268 969	–	210 509	246 555	(36 046)	-14.6%	268 969
Regional Bulk Infrastructure Grant		431 247	544 478	544 478	–	463 777	499 105	(35 327)	-7.1%	544 478
Rural Road Asset Management Systems Grant		1 857	2 772	2 772	–	1 489	2 541	(1 052)	-41.4%	2 772
Water Services Infrastructure Grant		155 434	100 000	100 000	–	50 818	91 667	(40 849)	-44.6%	100 000
Provincial Government:		**–**	**–**	**1 446**	**–**	**1 446**	**1 157**	289	25.0%	**1 446**
Infrastructure Grant		–	–	1 446	–	1 446	1 157	289	25.0%	1 446
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
Other grant providers:		**8**	**–**	**–**	**–**	**39**	**–**	39		**–**
[insert description]								–		
Unspecified		8	–	–	–	39	–	39		–
Total Capital Transfers and Grants	5	**851 485**	**916 219**	**917 665**	**–**	**728 078**	**841 024**	**(112 946)**	**-13.4%**	**917 665**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 532 068	1 636 603	1 690 260	249	1 456 780	1 544 958	(88 178)	-5.7%	1 690 260

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 - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		1 064 704	461 848	696 892	70 586	803 573	613 370	190 202	31.0%	696 892
								–		
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		1 042 724	400 220	606 997	70 417	736 173	532 286	203 886	38.3%	606 997
Expanded Public Works Programme Integrated Grant		5 227	6 406	6 468	–	6 406	5 922	484	8.2%	6 468
Local Government Financial Management Grant		1 189	1 300	1 380	56	1 079	1 256	(177)	-14.1%	1 380
Municipal Disaster Relief Grant		1 704	–	37 125	114	6 221	30 478	(24 257)	-79.6%	37 125
Municipal Infrastructure Grant		12 233	53 922	44 922	–	29 295	43 428	(14 134)	-32.5%	44 922
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant		9	–	–	–	24 400	–	24 400		–
Rural Road Asset Management Systems Grant		1 618	–	–	–	–	–	–		–
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Provincial Government:		618	2 119	3 846	7	2 521	3 403	(882)	-25.9%	3 846
								–		
Capacity Building and Other Grants		618	2 119	3 846	7	2 521	3 403	(882)	-25.9%	3 846
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		724	–	12 527	–	533	11 253	(10 719)	-95.3%	12 527
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		724	–	328	–	327	273	54	19.8%	328
National Skills Fund		–	–	12 200	–	206	10 980	(10 773)	-98.1%	12 200
Total operating expenditure of Transfers and Grants:		1 066 045	463 967	713 266	70 593	806 627	628 026	178 601	28.4%	713 266
Capital expenditure of Transfers and Grants										
National Government:		732 522	742 790	751 790	–	569 234	687 371	(118 138)	-17.2%	751 790
Municipal Infrastructure Grant		218 473	179 964	188 964	–	154 485	171 448	(16 963)	-9.9%	188 964
Regional Bulk Infrastructure Grant		377 830	473 459	473 459	–	368 882	434 004	(65 122)	-15.0%	473 459
Rural Road Asset Management Systems Grant		–	2 410	2 410	–	1 295	2 210	(915)	-41.4%	2 410
Water Services Infrastructure Grant		136 219	86 957	86 957	–	44 572	79 710	(35 138)	-44.1%	86 957
Provincial Government:		–	87	1 620	–	1 257	1 313	(55)	-4.2%	1 620
Capacity Building and Other Grants		–	–	–	–	–	–	–		–
Infrastructure Grant		–	87	1 620	–	1 257	1 313	(55)	-4.2%	1 620
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	39	–	39	#DIV/0!	–
Unspecified		–	–	–	–	39	–	39		–
Total capital expenditure of Transfers and Grants		732 522	742 877	753 410	–	570 530	688 684	(118 154)	-17.2%	753 410
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 798 567	1 206 844	1 466 676	70 593	1 377 157	1 316 710	60 447	4.6%	1 466 676

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		588	–	–	48	538	–	538	#DIV/0!	–
Medical Aid Contributions		58	–	–	6	67	–	67	#DIV/0!	–
Motor Vehicle Allowance		2 322	2 257	2 257	186	2 113	2 069	44	2%	2 257
Cellphone Allowance		781	778	778	61	678	713	(35)	-5%	778
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		6 789	8 605	8 605	563	6 149	7 888	(1 740)	-22%	8 605
Sub Total - Councillors		**10 539**	**11 640**	**11 640**	**864**	**9 545**	**10 670**	**(1 125)**	**-11%**	**11 640**
% increase	4		**10.4%**	**10.4%**						**10.4%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7 612	7 986	7 986	508	6 351	7 321	(969)	-13%	7 986
Pension and UIF Contributions		275	275	275	18	197	252	(55)	-22%	275
Medical Aid Contributions		97	71	71	6	66	65	1	2%	71
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		628	381	381	–	93	349	(257)	-73%	381
Motor Vehicle Allowance		1 981	1 934	1 934	130	1 609	1 773	(163)	-9%	1 934
Cellphone Allowance		284	277	277	20	234	254	(20)	-8%	277
Housing Allowances		13	14	14	1	13	13	(0)	0%	14
Other benefits and allowances		263	249	249	16	244	229	16	7%	249
Payments in lieu of leave		–	–	–	–	772	–	772	#DIV/0!	–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2							–		
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		20	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**11 173**	**11 188**	**11 188**	**700**	**9 581**	**10 256**	**(675)**	**-7%**	**11 188**
% increase	4		**0.1%**	**0.1%**						**0.1%**
Other Municipal Staff										
Basic Salaries and Wages		217 141	193 530	193 614	19 945	216 759	177 470	39 289	22%	193 614
Pension and UIF Contributions		30 151	32 031	32 032	2 866	30 802	29 363	1 439	5%	32 032
Medical Aid Contributions		18 984	19 155	19 155	1 916	19 748	17 559	2 189	12%	19 155
Overtime		10 127	5 314	5 314	1 035	9 372	4 871	4 501	92%	5 314
Performance Bonus		14 860	15 389	15 389	911	13 640	14 107	(467)	-3%	15 389
Motor Vehicle Allowance		23 937	22 652	22 652	2 314	24 519	20 764	3 755	18%	22 652
Cellphone Allowance		861	827	827	74	818	758	60	8%	827
Housing Allowances		1 750	1 772	1 772	153	1 651	1 624	27	2%	1 772
Other benefits and allowances		3 899	155	155	272	2 930	142	2 787	1959%	155
Payments in lieu of leave		5 645	–	–	218	1 642	–	1 642	#DIV/0!	–
Long service awards		1 961	–	–	106	1 733	–	1 733	#DIV/0!	–
Post-retirement benefit obligations	2	1 899	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		961	–	–	74	973	–	973	#DIV/0!	–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**332 176**	**290 825**	**290 910**	**29 885**	**324 587**	**266 659**	**57 927**	**22%**	**290 910**
% increase	4		**-12.4%**	**-12.4%**						**-12.4%**
Total Parent Municipality		**353 888**	**313 653**	**313 738**	**31 449**	**343 712**	**287 585**	**56 127**	**20%**	**313 738**

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 - M11 May

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	Outcome	Outcome	Outcome	Outcome	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	3 666	2 587	1 939	3 370	6 846	37 495	54 426	56 222
Service charges - Waste Water Management		733	929	1 082	1 103	1 222	749	1 160	1 305	1 088	790	1 204	2 052	13 418	16 096	16 628
Service charges - Waste Mangement													–			
													–			
Rental of facilities and equipment		41	40	40	40	40	50	40	49	29	51	42	576	1 037	224	231
Interest earned - external investments		–	552	582	246	882	118	1 006	427	21	214	17	1 739	5 804	8 000	8 264
Interest earned - outstanding debtors		21	22	12	14	19	13	9	9	10	4	3	262	399	609	629
Dividends received													–			
Fines, penalties and forfeits		85	25	14	11	8	3	3	42	–	11	6	48	258	400	413
Licences and permits		29	17	14	12	16	7	12	17	17	17	22	5	184	200	207
Agency services													–			
Transfers and Subsidies - Operational		298 080	15 102	–	1 536	2 883	237 163	(500)	31 921	177 817	300	219	(430)	764 091	758 474	797 882
Other revenue		153 072	32 585	62 984	151 906	319 883	162 987	129 129	104 816	369 419	76 314	36 214	(1 435 993)	163 315	1 177	1 216
Cash Receipts by Source		**453 989**	**51 835**	**67 591**	**157 842**	**328 479**	**402 981**	**134 202**	**142 252**	**550 988**	**79 640**	**41 098**	**(1 424 894)**	**986 002**	**839 606**	**881 692**
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	–	832	255 747	–	–	(40 000)	916 219	760 484	765 479
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)													–			
Proceeds on Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans													–			
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	1 710	(1 710)	–	–	–
Increase (decrease) in consumer deposits		–	–	(4)	0	1	0	15	1	(0)	(1)	6	(17)	–	–	–
VAT Control (receipts)		–	–	–	–	–	–	–	–	–	–	–	–	–	103 347	104 738
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments													–			
Total Cash Receipts by Source		**591 989**	**269 535**	**148 586**	**189 783**	**493 480**	**468 981**	**134 217**	**143 085**	**806 735**	**79 639**	**42 814**	**(1 466 622)**	**1 902 221**	**1 703 437**	**1 751 909**
Cash Payments by Type													–			
Employee related costs		31 133	31 157	31 664	30 803	30 642	31 157	32 224	31 659	33 040	30 775	26 650	(38 806)	302 098	384 180	391 355
Remuneration of councillors		899	908	976	874	1 022	1 034	970	929	909	930	897	1 294	11 640	14 283	14 755
Interest													–			
Bulk purchases - Electricity		23 855	3 627	12 967	58 694	7 218	13 843	9 515	6 308	11 579	279	6 658	(154 542)	–	–	–
Acquisitions - water & other inventory		–	1 559	5 183	423	4 853	1 820	6 824	8 451	5 725	46	–	(23 331)	11 552	11 937	12 326
Contracted services		(4 648)	(27 782)	(6 675)	(55 000)	(83 257)	(8 115)	(66 192)	(13 500)	1 231	(31 156)	–	619 419	324 324	186 379	143 910
Transfers and subsidies - other municipalities													–			
Transfers and subsidies - other		–	–	–	–	–	–	–	–	–	–	–	2 589	2 589	230	238
Other expenditure		220 420	102 347	74 771	70 983	165 916	146 771	109 776	34 214	134 185	92 735	28 243	(956 176)	224 184	53 472	54 891
Cash Payments by Type		**271 658**	**111 816**	**118 886**	**106 777**	**126 394**	**186 510**	**93 115**	**68 060**	**186 669**	**93 608**	**62 448**	**(549 554)**	**876 388**	**650 482**	**617 474**
Other Cash Flows/Payments by Type																
Capital assets		51 836	34 131	35 136	73 570	108 576	27 358	91 319	19 658	104 497	31 191	–	285 243	862 515	703 839	765 579
Repayment of borrowing		–	63	190	–	–	8 746	63	159	24	(166)	(15)	8 648	17 712	17 712	17 712
Other Cash Flows/Payments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type		**323 493**	**146 010**	**154 212**	**180 347**	**234 970**	**222 614**	**184 498**	**87 877**	**291 190**	**124 634**	**62 432**	**(255 663)**	**1 756 614**	**1 372 032**	**1 400 765**
NET INCREASE/(DECREASE) IN CASH HELD		**268 495**	**123 525**	**(5 625)**	**9 435**	**258 509**	**246 367**	**(50 281)**	**55 208**	**515 545**	**(44 995)**	**(19 619)**	**(1 210 959)**	**145 607**	**331 405**	**351 144**
Cash/cash equivalents at the month/year beginning:		23 103	291 598	415 123	409 498	418 933	677 443	923 810	873 529	928 737	1 444 282	1 399 287	1 379 668	23 103	168 710	500 115
Cash/cash equivalents at the month/year end:		291 598	415 123	409 498	418 933	677 443	923 810	873 529	928 737	1 444 282	1 399 287	1 379 668	168 710	168 710	500 115	851 260

2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M11 May

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	**Revenue**			
	Service charges – Water revenue	5%	This is the amounts billed on customers for water used, the year-to-date actual is R50.8 million which is 99 % of the approved adjustment budget. The R50.8 million year to date actual is above the eleven months baseline projection or year-to-date budget of R48.4 million. A variance of R2.4 million or 5% is observed. The movement or Monthly Actual is R5 million.	The Municipality Started the process of replacing estimates with prepaid meters, also several unmetered and faulty meters, which continue to affect accurate billing. There were also measures implemented in the month, include weekly reporting introduced to monitor coverage and Progress of meters.
	Service charges – Sanitation revenue	2%	This is the amount billed on customers that are connected to the sewer system, the year-to-date actual is R16.1 million which is 95 % of the approved adjustment budget. The R16.1 million year to date actual is above the eleven months baseline projection or year-to-date budget of R15.7 million. A variance of R372 thousand or 2% is observed.	Sanitation for the period is mostly affected by water consumption. There was also Collection of sanitation charges from active accounts that were previously not billed consistently & Improved billing coverage arising from data updates and cleansing of customer accounts.
	Sale of goods and rendering of service	22%	This is the amount on sale of goods and rendering of services, the year-to-date actual is R1.01 million which is 67% of the approved adjustment budget. The R1.01 million year to date actual is Below the eleven months baseline projection or year-to-date budget of R1.2 million. A variance of R284 thousand or 22% is observed. There was a movement of R2 thousand for the month of May 2026.	
	Interest earned - outstanding debtors	7%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R574 thousand, which is 89% of the approved adjustment budget. The R574 thousand year- to-date actual is below the eleven months baseline projection or year-to-date budget of R618 thousand. A variance of R44 thousand or 7% is observed. Reasons for variances can be attributed to businesses' adherence to payment terms; the municipality has implemented stringent measures for the Month of May since we have an Actual of R59 thousand, we must ensure that businesses Pay on time	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 R4 million which is 70% of the approved adjustment budget. The R4 million year-to-date actual is below the eleven-month baseline projection or year-to-date budget of R5.5 million. A variance of R1.5 million or 27% is observed. The reason for variance can be attributed to the fact that there were some investments which did not mature by the end of the current month.	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	1%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R451 thousand which is 94% of the approved adjustment budget. The R451 thousand year-to-date actual is above the eleven months baseline projection or year-to-date budget of R445 thousand. A variance of R6 thousand or 1% is observed	The municipality will review and reconcile rent with the lease agreements for future forecast. There is also effective monitoring of rental accounts, also the Rent on Facilities is Fixed, Resulting in a movement of R51 thousand. The Increase of rent will be based on initial new tenant or increment, also the decrease will also be based on termination of contract with the tenant
	Licences and Permits	60%	Licences and permits year-to-date actual is R180 thousand which is 97% of the approved adjustment budget. The R180 thousand year to date actual is below the eleven months baseline projection or year-to-date budget of R182 thousand. A variance of R2 thousand or 60% is observed. In the month of May, only health certificates were issued, resulting in a movement of R22 thousand.	
	Operational revenue	73%	Operational revenue year-to-date actual is R227 thousand which is 44% of the approved adjustment budget. the R227 thousand year to date actual is below the eleven months baseline projection or year-to-date budget of R572 thousand. A variance of R345 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, resulting in a movement of R1 thousand.
	Fines, penalties, and forfeits	24%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is R210 thousand, which is 82% of the approved adjustment budget. The R210 thousand year to date is below the eleven months baseline projection or year-to-date budget of R277 thousand. A variance of R67 thousand or 24% is observed, which there is a movement of R6 thousand for the month.	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	4%	Transfers and subsidies year to date actual is R728.4 million which is 94% of the approved budget. The R728.4 million year to date actual is above the eleven months baseline projection or year-to-date budget of R703.9 million. A variance of R24.7 million or 4% is observed.. Transfers and subsidies vary according to the approved transfer schedule and cannot be compared to the year-to-date budget. Grants are received in tranches rather than monthly. Grants received to date include Equitable Share, MIG, WSIG and the Indonsa Art Centre Grant.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M11 May

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	Expenditure By Type			
	Employee Related Costs	111%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R334.1 million which is 111% of the approved adjustment budget. The R334.1 million year to date actual is above the eleven-month baseline projection or year-to-date budget of R276.9 million. A variance of R57.2 million or 21% is observed. The expenditure for the month is R30.5 million. The municipality need to pay more attention to keep the salaries within the municipality's budget. Disciplined cost management practices, particularly in high-cost areas such shift allowance ensuring spending remains within approved limits despite new appointments in previous month.	
	Remuneration of Councillors	11%	Remuneration of Councillors is paid for councillors allowances, service-related benefits and contributions. The year-to-date actual is R9.5 million which is 82% of the approved adjustment budget. The R9.5 million year-to-date actual is below the eleven-month baseline projection or year-to-date budget of R10.6 million. A variance of R1.1 million or 11% is observed. The Expenditure for the Month is R864 thousand.	
	Inventory Consumed	88%	Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date is R1 million, which is R10.75% of the approved budget. The R1 million year to date actual is below the eleven months baseline projection or year-to-date budget of R9.2 million. A variance of R8.1 million or 88% is observed. The movement for the month is R908 thousand.	
	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	25%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R109.1 million which is 115% of the approved adjustment budget. The R109.1 million year-to-date actual is above the eleven-month baseline projection or year-to-date budget of R87.1 million. A variance of R21.9 million or 25% is observed. The movement for the month is R19.8 million.	
	Finance charges	47%	Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is R9.8 million which is 134% of the approved adjustment budget. The R9.8 million year-to-date actual is above the eleven-month baseline projection or year-to-date budget of R6.7 million. A variance of R3.1 million or 47% is observed. The movement for the month is R880 thousand resulting from interest on loan.	
	Contracted services	27%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R198.6 million which is R111% of the approved adjustment budget. The R198.6 million year to date actual is above the eleven-month baseline projection or year-to-date budget of R156.3 million. A variance of R41.6 million or 27% is observed. The movement for the month is R12.3 million, the major movements are noted in water tankers, Security services, Maintenance of assets (Fleet Horizon), Gardening Services & Bulk maintenance.	
	Transfers and subsidies paid.	458%	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 R13.8 million which is 423% of the approved adjustment budget of R3.2 million, the R13.8 million year to date actual is above the eleven months baseline projection or year-to-date budget of R2.4 million. A variance of R11.3 million is observed Or 458%, the movement for the month is R1.9 million.	
	Operational costs	51%	Operational costs are all other expenditure not classified above. The year-to-date actual is R237.1 million which is 125% of the approved adjustment budget. the R237 million year-to-date actual is above the eleven months baseline projection or year-to-date budget of R157 million. A variance of R80.1 million or 51% is observed. The movement for the month is R22.4 million. Major movements are from Eskom, Excess kilo meters, Audit Cost External, wet fuel, Travelling Claims & Software Licences.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M11 May

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 adjustment budget. the R0 year to date actual is below the eleven months baseline projection or year-to-date budget of R156 thousand. A variance of R156 thousand or 100% is observed.	
	Economic and environmental services	40%	Economic and environmental services year-to-date actual is R1.3 million which is 55% of the approved adjustment budget. the R1.3 million year to date actual is below eleven-month baseline projection or year-to-date budget of R2.2 million. A variance of R876 thousand or 40% is observed.	
	Trading services	17%	Trading services year-to-date actual is R573.3 million which is 76% of the approved adjustment budget. the R573.3 million year-to-date actual is below the eleven months baseline projection or year-to-date budget of R691.3 million. A variance of R117.7 million or 17% is observed, with a movement of R0 million.	

2.7 PARENT MUNICIPALITY FINANCIAL PERFOMANCE

The Municipality does not have any entities.

2.8 MUNICIPAL ENTITY FINANCIAL PERFOMANCE

The Municipality does not have any active entities.

2.9 CAPITAL PROGRAMME PERFOMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 May

Month	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	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%	4%
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%	14%
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	19 658	19 658	497 505	477 848	96.0%	3%
March	32 878	64 894	64 894	104 497	104 497	562 400	457 902	81.4%	14%
April	181 413	64 894	64 894	31 191	31 191	627 294	596 103	95.0%	0
May	79 738	66 394	66 394	1 710	31 191	693 689	662 498	95.5%	0
June	28 731	66 394	66 394	–	–	760 083	760 083	100.0%	–
Total Capital expenditure	**751 911**	**760 083**	**760 083**	**578 982**					

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

Summary of Capital Expenditure by asset class and sub-class

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								%	
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**732 522**	**742 790**	**753 236**	**–**	**570 491**	**688 528**	118 037	**17.1%**	**753 236**
Roads Infrastructure		–	2 410	2 410	–	1 295	2 210	915	**41.4%**	2 410
Roads		–	2 410	2 410	–	1 295	2 210	915	**41.4%**	2 410
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	–	–	–	–	–	–		–
Water Supply Infrastructure		732 522	740 380	750 826	–	569 196	686 319	117 122	**17.1%**	750 826
Boreholes		32 532	28 016	37 323	–	31 402	34 636	3 234	**9.3%**	37 323
Reservoirs		3 379	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		136 848	101 224	83 074	–	68 711	77 208	8 497	**11.0%**	83 074
Bulk Mains		526 548	568 552	563 752	–	415 843	518 850	103 007	**19.9%**	563 752
Distribution		33 215	31 526	66 676	–	53 240	55 317	2 077	**3.8%**	66 676
Distribution Points		–	11 061	–	–	–	307	307	**100.0%**	–
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Community Facilities		–	–	–	–	–	–	–		–
Centres		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Revenue Generating		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Other assets		**–**	**–**	**–**	**–**	**2 047**	**–**	**(2 047)**	**#DIV/0!**	**–**
Operational Buildings		–	–	–	–	2 047	–	(2 047)	**#DIV/0!**	–
Municipal Offices		–	–	–	–	2 047	–	(2 047)	#DIV/0!	–
Housing		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Biological or Cultivated Assets								–		
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Licences and Rights		–	–	–	–	–	–	–		–
Computer Software and Applications		–	–	–	–	–	–	–		–
Computer Equipment		**735**	**–**	**–**	**1 710**	**1 749**	**–**	**(1 749)**	#DIV/0!	**–**
Computer Equipment		735	–	–	1 710	1 749	–	(1 749)	#DIV/0!	–
Furniture and Office Equipment		**37**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Furniture and Office Equipment		37	–	–	–	–	–	–		–
Machinery and Equipment		**48 200**	**87**	**6 847**	**–**	**4 342**	**5 161**	**818**	15.9%	**6 847**
Machinery and Equipment		48 200	87	6 847	–	4 342	5 161	818	15.9%	6 847
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Transport Assets		–	–	–	–	–	–	–		–
Land		**–**	**–**	**–**	**–**	**353**	**–**	**(353)**	#DIV/0!	**–**
Land		–	–	–	–	353	–	(353)	#DIV/0!	–
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Zoo's, Marine and Non-biological Animals								–		
Living resources		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Mature		–	–	–	–	–	–	–		–
Immature		–	–	–	–	–	–	–		–
Total Capital Expenditure on new assets	1	**781 494**	**742 877**	**760 083**	**1 710**	**578 982**	**693 689**	**114 706**	**16.5%**	**760 083**

Expenditure on Repairs and Maintenance by Asset class

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 May										
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		**171 017**	**45 389**	**85 220**	**845**	**74 711**	**74 534**	(177)	**-0.2%**	**85 220**
Roads Infrastructure		–	–	–	–	–	–	–		–
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	–	–	–	–	–	–		–
Water Supply Infrastructure		171 017	45 389	85 220	845	74 711	74 534	(177)	**-0.2%**	85 220
Bulk Mains		65 290	30 389	58 657	845	24 184	51 533	27 349	**53.1%**	58 657
Distribution Points		105 727	15 000	26 563	–	50 527	23 000	(27 526)	**-119.7%**	26 563
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Community Assets		**435**	**–**	**415**	**–**	**–**	**311**	**311**	**100.0%**	**415**
Community Facilities		435	–	415	–	–	311	311	**100.0%**	415
Airports		435	–	415	–	–	311	311	100.0%	415
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Revenue Generating		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Other assets		**62**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Operational Buildings		62	–	–	–	–	–	–		–
Municipal Offices		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**	**–**	**199**	**183**	**(16)**	-8.7%	**200**
Furniture and Office Equipment		–	200	200	–	199	183	(16)	-8.7%	200
Machinery and Equipment		**–**	**–**	**38**	**–**	**38**	**30**	**(8)**	-25.0%	**38**
Machinery and Equipment		–	–	38	–	38	30	(8)	-25.0%	38
Transport Assets		**11 289**	**–**	**5 241**	**473**	**6 629**	**4 193**	**(2 436)**	-58.1%	**5 241**
Transport Assets		11 289	–	5 241	473	6 629	4 193	(2 436)	-58.1%	5 241
Land		–	–	–	–	–	–	–		–
Land								–		
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Zoo's, Marine and Non-biological Animals								–		
Living resources		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Mature		–	–	–	–	–	–	–		–
Immature		–	–	–	–	–	–	–		–
Total Repairs and Maintenance Expenditure	1	**182 804**	**45 589**	**91 114**	**1 318**	**81 577**	**79 252**	**(2 325)**	**-2.9%**	**91 114**

Depreciation by Asset class

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M11 May

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								%	
Depreciation by Asset Class/Sub-class										
Infrastructure		**111 632**	**85 014**	**84 879**	**18 750**	**103 148**	**77 822**	(25 326)	**-32.5%**	**84 879**
Roads Infrastructure		–	762	–	–	–	89	89	**100.0%**	–
Roads		–	762	–	–	–	89	89	**100.0%**	–
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	39	–	–	–	5	5	**100.0%**	–
LV Networks		–	39	–	–	–	5	5	**100.0%**	–
Water Supply Infrastructure		110 950	81 842	82 065	18 529	101 930	75 200	(26 730)	**-35.5%**	82 065
Dams and Weirs		1 968	2 959	1 956	325	1 790	1 910	120	**6.3%**	1 956
Boreholes		1 833	500	1 745	288	1 593	1 454	(139)	**-9.6%**	1 745
Reservoirs		9 438	7 438	7 437	1 553	8 542	6 818	(1 724)	**-25.3%**	7 437
Pump Stations		6 613	4 729	4 729	1 104	6 072	4 335	(1 737)	**-40.1%**	4 729
Water Treatment Works		7 419	7 037	7 037	1 243	6 842	6 451	(392)	**-6.1%**	7 037
Bulk Mains		56 690	36 425	36 425	9 704	53 371	33 389	(19 982)	**-59.8%**	36 425
Distribution		26 914	22 668	22 668	4 301	23 657	20 779	(2 879)	**-13.9%**	22 668
PRV Stations		75	86	68	11	62	65	3	**4.9%**	68
Sanitation Infrastructure		683	2 371	2 815	222	1 218	2 528	1 310	**51.8%**	2 815
Pump Station		203	205	203	34	187	187	0	**0.1%**	203
Reticulation		(311)	1 824	1 821	56	308	1 670	1 362	**81.6%**	1 821
Waste Water Treatment Works		790	342	790	132	724	672	(52)	**-7.8%**	790
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Community Assets		**1 210**	**905**	**1 210**	**202**	**1 109**	**1 073**	(36)	**-3.3%**	**1 210**
Community Facilities		1 075	660	1 075	179	985	937	(48)	**-5.2%**	1 075
Halls		–	–	–	–	–	–	–		–
Centres		–	–	–	–	–	–	–		–
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		–	–	–	–	–	–	–		–
Galleries		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Libraries		–	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		–	–	–	–	–	–	–		–
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		–	–	–	–	–	–	–		–
Markets		344	–	344	57	315	275	(40)	-14.6%	344
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		731	660	731	122	671	662	(8)	-1.3%	731
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		135	244	135	22	124	136	13	**9.4%**	135
Outdoor Facilities		135	244	135	22	124	136	13	9.4%	135
Heritage assets		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Other assets		**1 246**	**1 451**	**1 752**	**276**	**1 516**	**1 571**	**55**	**3.5%**	**1 752**
Operational Buildings		1 246	1 451	1 752	276	1 516	1 571	55	**3.5%**	1 752
Municipal Offices		1 246	1 394	1 695	276	1 516	1 519	3	0.2%	1 695
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	57	57	–	–	52	52	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**	**25**	**0**	**5**	**23**	**18**	78.5%	**25**
Servitudes								–		
Licences and Rights		20	21	25	0	5	23	18	**78.5%**	25
Computer Software and Applications		18	21	25	0	5	23	18	78.5%	25
Unspecified		2	–	–	–	–	–	–		–
Computer Equipment		**1 368**	**1 046**	**1 699**	**213**	**1 162**	**1 481**	**319**	21.5%	**1 699**
Computer Equipment		1 368	1 046	1 699	213	1 162	1 481	319	21.5%	1 699
Furniture and Office Equipment		**556**	**609**	**548**	**52**	**322**	**509**	**187**	36.8%	**548**
Furniture and Office Equipment		556	609	548	52	322	509	187	36.8%	548
Machinery and Equipment		**1 818**	**388**	**507**	**114**	**627**	**451**	**(176)**	-39.1%	**507**
Machinery and Equipment		1 818	388	507	114	627	451	(176)	-39.1%	507
Transport Assets		**2 898**	**5 568**	**4 487**	**218**	**1 267**	**4 240**	**2 972**	70.1%	**4 487**
Transport Assets		2 898	5 568	4 487	218	1 267	4 240	2 972	70.1%	4 487
Land		–	–	–	–	–	–	–		–
Land								–		
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Immature		–	–	–	–	–	–	–		–
Total Depreciation	1	**120 749**	**95 000**	**95 108**	**19 825**	**109 157**	**87 170**	**(21 987)**	**-25.2%**	**95 108**

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.

______________________ Date: 12/06/2026

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