ZULULAND DISTRICT MUNICIPALITY

MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

30 JUNE 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	850 341 351	813 227 242.11	850 341 351	-37 114 108.89	-4%	96%
Total Operating Expenditure	553 766 368	802 991 856	1 175 913 200.29	802 878 784	373 034 416.29	46%	146%
Surplus/(Deficit)	**261 472 076**	**47 349 495**	**-362 685 958.18**	**47 462 567**	**-410 148 525.18**		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **30 June 2026** is **R813.2 million,** which is **96%** of the approved adjustment operating revenue budget. The **R813.2 million** year to date Actual is **below** the **twelve months** baseline projection or year-to-date budget of **R850.3 million**, a variance of **R37.1 million or 4% is observed**. There are grants still to be recognized once all accruals have been considered. The grants still to be considered are: Disaster Management Grant, Rural Road Asset management Grant, Amafa, Indonsa, FMG.

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from exchange revenue is only **R74.4 million** which is **90%** 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 **30 June 2026** is **R1176. million** which is **146%** of the approved adjustment operating expenditure budget. The **R1176. million** year to date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R802.8 million**, a variance of **R373.2 million or 46% 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 30 JUNE 2026	APPROVED BUDGET	ADJUSTED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	268 969 000	268 969 000	268 969 000	268 969 001	-1	100
Regional Bulk Infrastructure (RBIG)	544 478 000	544 478 000	594 478 000	544 478 000	-	100
Water services infrastructure Grant (WSIG)	100 000 000	100 000 000	90 000 000	100 000 000	-	100
Indonsa Grant	1 719 000	2 675 000	2 975 000	2 675 000	-	100
FMG	1 300 000	1 300 000	1 300 000	1 300 000	-	100
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_AVIATION	500 000	500 000	500 000	500 000	-	100
NSF			12 401 490	12 019 000	-	-
AMAFA			200 000	-	-	-
BOREHOLE INTERVENTION PROGRAMME	1 445 896	1 445 896	1 445 896	1 445 896	-	100
Rural Roads Asset Managemnt Systems Grant	2 772 000	2 772 000	2 772 000	2 772 000	-	100
Disaster Management Grant	7 125 285	37 125 285	30 000 000	13 582 608	23 542 677	37
	930 497 285	**961 453 285**	**1 007 229 490**	**949 929 609**	**23 542 676**	**94%**

	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	742 877 267	751 387 480	655 128 932.43	751 387 480	-96 258 547.57	-13%	87%
Total Capital Financing	742 877 267	751 387 480	655 128 932.43	751 387 480	-96 258 547.57	-13%	87%

Grants receipts and expenditure
Total Capital Expenditure as at **30 June 2026** is **R655.1 million** which is **87%** of the approved adjustment operating expenditure budget of the approved capital budget. The **R655.1 million**

year to date actual is **below** the **twelve months** baseline projection or year-to-date budget of **R751.3 million**, a variance of **R96.2 million or 13%**. Capital expenditure will be 100% there are payments still to be captured as year end accruals, we still waiting for supplies to make invoices submissions for June.

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 **100%, RBIG** is at **100%, WSIG** is at **100% RRAMG** is at **100%** and **Indonsa** is at **100%.**

Financial Position Framework
Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	ADJUSTED BUDGET	YTD ACTUAL	%
Total current assets	677 146 297	452 306 934	135 980 278.46	30
Total non current assets	5 982 750 926	6 763 733 233	6 554 925 941.42	97
Total curent liabilities	406 164 039	658 279 423	954 476 507.95	145
Total non current liabilities	254 145 896	263 525 899	138 049 027.22	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 **R135.9 million** which is **30%** 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 **R954.4 million** which is **145%** of the approved budget. **Non- Current Liabilities** year to date is **R138 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 **R135.9 million**, included in the current assets is Balance of **R2.2 million** & an investment **of -R2.1 million**

Current liabilities amount to **R954.4 million,** this includes unspent conditional grants amounting to **R261.8 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) - M12 June

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		55 591	63 954	51 217	5 580	56 461	51 217	5 244	10%	51 217
Service charges - Waste Water Management		18 129	18 494	16 979	1 834	17 946	16 979	967	6%	16 979
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		627	800	1 502	–	1 011	1 502	(490)	-33%	1 502
Agency services								–		
Interest								–		
Interest earned from Receivables		746	858	648	57	631	648	(17)	-3%	648
Interest from Current and Non Current Assets		8 129	8 000	5 804	2 507	6 572	5 804	768	13%	5 804
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		463	504	482	18	469	482	(14)	-3%	482
Licence and permits		277	295	184	17	197	184	13	7%	184
Special rating levies								–		
Operational Revenue		1 542	1 344	672	725	952	672	280	42%	672
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		449	605	258	18	227	258	(31)	-12%	258
Licence and permits								–		
Transfers and subsidies - Operational		680 583	720 384	772 595	58	728 760	772 595	(43 835)	-6%	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)		**768 242**	**815 238**	**850 341**	**10 813**	**813 227**	**850 341**	**(37 114)**	**-4%**	**850 341**

The year-to-date actual indicates operating revenue of **R813.2 million** for **June**, The **R813.2 million** year to date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R850.3 million**, a variance of **R37.1 million** or **4%** 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 **R56.4 million** which is **110 %** of the approved adjustment budget. The **R56.4 million** year to date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R51.2 million**. A variance of **R5.2 million** or **10% is observed**. The movement or Monthly Actual is **R5.5 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 **R17.9 million** which is **106 %** of the approved adjustment budget. The **R17.9 million** year to date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R16.9 million**. A variance of **R967 thousand** or **6%** 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 **twelve months** baseline projection or year-to-date budget of **R1.5 million**. A variance of **R490 thousand** or **33%** is observed.
There was no movement for the month of **June 2026**.

Interest earned - outstanding debtors
Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R631 thousand,** which is **97%** of the approved adjustment budget. The **R631 thousand** year- to-date actual is **below** the **twelve months** baseline projection or year-to-date budget of **R648 thousand**. A variance of **R17 thousand** or **3%** is observed.
Reasons for variances can be attributed to businesses' adherence to payment terms; the municipality has implemented stringent measures for the Month of June since we have an Actual of **R57 thousand**, we must ensure that businesses Pay on time

Interest on investment
Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R6.5 million** which is **113%** of the approved adjustment budget. The **R6.5 million** year-to-date actual is **above** the **twelve-month** baseline projection or year-to-date budget of **R5.8 million**. A variance of **R768 million** or **13%** 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 **R469 thousand** which is **97%** of the approved adjustment budget. The **R469 thousand** year-to-date actual is **below** the **twelve months** baseline projection or year-to-date budget of **R482 thousand**. A variance of **R14 thousand** or **3%** 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 **R18 thousand**. The Increase of rent will be based on initial new tenant.

Licences and Permits
Licences and permits year-to-date actual is **R197 thousand** which is **107%** of the approved adjustment budget. The **R197 thousand** year to date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R184 thousand**. A variance of **R13 thousand** or **7%** is observed. In the month of May, only health certificates were issued, resulting in a movement of **R17 thousand.**

Operational revenue
Operational revenue year-to-date actual is **R952 thousand** which is **142%** of the approved adjustment budget. the **R952 thousand** year to date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R672 thousand**. A variance of **R280 thousands or 42%** 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 **R725 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 **R227 thousand,** which is **88%** of the approved adjustment budget. The **R227 thousand** year to date is **below** the **twelve months** baseline projection or year-to-date budget of **R258 thousand**. A variance of **R31 thousand** or **12%** is observed, which there is a movement of **R18 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 **R728.7 million** which is **94%** of the approved budget. The **R728.4 million** year to date actual is **below** the **twelve months** baseline projection or year-to-date budget of **R772.5 million**. A variance of **R43.8 million** or **6%** 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) - M12 June

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 By Type										
Employee related costs		343 349	302 013	302 098	31 731	365 898	302 098	63 800	21%	302 098
Remuneration of councillors		10 539	11 640	11 640	851	10 395	11 640	(1 245)	-11%	11 640
Bulk purchases - electricity		–	–	–	–	1	–	1	#DIV/0!	–
Inventory consumed		62 599	10 250	10 045	60 998	62 079	10 045	52 033	518%	10 045
Debt impairment		30 773	4 000	4 000	–	–	4 000	(4 000)	-100%	4 000
Depreciation and amortisation		118 789	95 000	95 108	7 945	117 102	95 108	21 994	23%	95 108
Interest		18 139	7 575	7 354	1 057	10 936	7 354	3 582	49%	7 354
Contracted services		279 389	87 677	178 872	51 349	249 364	178 872	70 492	39%	178 872
Transfers and subsidies		9 064	–	3 269	8 995	22 833	3 269	19 564	599%	3 269
Irrecoverable debts written off		2 724	–	–	50 200	50 200	–	50 200	#DIV/0!	–
Operational costs		342 794	35 611	190 492	50 102	287 270	190 492	96 778	51%	190 492
Losses on Disposal of Assets		6	–	–	–	–	–	–		–
Other Losses		272	–	–	–	–	–	–		–
Total Expenditure		**1 218 438**	**553 766**	**802 879**	**263 229**	**1 176 079**	**802 879**	**373 200**	**46%**	**802 879**

The year-to-date actuals indicate spending of **R1176 million** for **twelve months,** which is **146%** of the approved operating expenditure budget. The **R1176 million** year to date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R802.8 million**, a variance of **R373.2 million** or less than **46%** 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 **R365.8 million** which is **121%** of the approved adjustment budget. The **R365.8 million** year to date actual is **above** the **twelve-month** baseline projection or year-to-date budget of **R302 million**. A variance of **R63.8 million** or **21%** is observed. The expenditure for the month is **R31.7 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 **R10.3 million** which is **89%** of the approved adjustment budget. The **R10.3 million** year-to-date actual is **above** the **twelve-month** baseline projection or year-to-date budget of **R11.6 million**. A variance of **R1.2 million** or **11%** is observed. The Expenditure for the Month is **R851 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 **R62 million,** which is **R618%** of the approved budget. The **R62 million** year to date actual **is above** the **twelve-month** baseline projection or year-to-date budget of **R10 million**. A variance of **R52 million** or **518%** is observed. The movement for the month is **R60.9 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 **R117.1 million** which is **123%** of the approved adjustment budget. The **R117.1 million** year-to-date actual **is above** the **twelve-month** baseline projection or year-to-date budget of **R95.1 million**. A variance of **R21.9 million** or **23%** is observed. The movement for the month is **R7.9 million.**

Finance charges

Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is **R10.9 million** which is **149%** of the approved adjustment budget. The **R10.9 million** year-to-date actual is **above** the **twelve-month** baseline projection or year-to-date budget of **R7.3 million**. A variance of **R3.5 million** or **49%** is observed. The movement for the month is **R1 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 **R249.3 million** which is **R139%** of the approved adjustment budget. The **R249.3 million** year to date actual is **above** the **twelve-month** baseline projection or year-to-date budget of **R178.8 million**. A variance of **R70.4 million** or **39%** is observed. The movement for the month is **R51.3 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 **R22.8 million** which is **698%** of the approved adjustment budget of **R3.2 million**, the **R22.8 million** year to date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R3.2 million**. A variance of **R19.5 million** is observed Or **599%,** the movement for the month is **R8.9 million.**

Operational cost

Operational costs are all other expenditure not classified above. The year-to-date actual is **R287.2 million** which is **151%** of the approved adjustment budget. the **R287.2 million** year-to-date actual is **above** the **twelve months** baseline projection or year-to-date budget of **R190.4 million**. A variance of **R96.7 million** or **51%** is observed. The movement for the month is **R50.1 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	1 300 000.00	1 083 333	216 666.67	20%	100%
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**	**17 564 841.00**	**40 278 242.50**	**-22 713 401.50**	**-56%**	**36%**

FMG **100%**, 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) - M12 June

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		55 591	63 954	51 217	5 580	56 461	51 217	5 244	10%	51 217
Service charges - Waste Water Management		18 129	18 494	16 979	1 834	17 946	16 979	967	6%	16 979
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		627	800	1 502	–	1 011	1 502	(490)	-33%	1 502
Agency services								–		
Interest								–		
Interest earned from Receivables		746	858	648	57	631	648	(17)	-3%	648
Interest from Current and Non Current Assets		8 129	8 000	5 804	2 507	6 572	5 804	768	13%	5 804
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		463	504	482	18	469	482	(14)	-3%	482
Licence and permits		277	295	184	17	197	184	13	7%	184
Special rating levies								–		
Operational Revenue		1 542	1 344	672	725	952	672	280	42%	672
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		449	605	258	18	227	258	(31)	-12%	258
Licence and permits								–		
Transfers and subsidies - Operational		680 583	720 384	772 595	58	728 760	772 595	(43 835)	-6%	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)		**768 242**	**815 238**	**850 341**	**10 813**	**813 227**	**850 341**	**(37 114)**	**-4%**	**850 341**
Expenditure By Type										
Employee related costs		343 349	302 013	302 098	31 731	365 898	302 098	63 800	21%	302 098
Remuneration of councillors		10 539	11 640	11 640	851	10 395	11 640	(1 245)	-11%	11 640
Bulk purchases - electricity		–	–	–	–	1	–	1	#DIV/0!	–
Inventory consumed		62 599	10 250	10 045	60 998	62 079	10 045	52 033	518%	10 045
Debt impairment		30 773	4 000	4 000	–	–	4 000	(4 000)	-100%	4 000
Depreciation and amortisation		118 789	95 000	95 108	7 945	117 102	95 108	21 994	23%	95 108
Interest		18 139	7 575	7 354	1 057	10 936	7 354	3 582	49%	7 354
Contracted services		279 389	87 677	178 872	51 349	249 364	178 872	70 492	39%	178 872
Transfers and subsidies		9 064	–	3 269	8 995	22 833	3 269	19 564	599%	3 269
Irrecoverable debts written off		2 724	–	–	50 200	50 200	–	50 200	#DIV/0!	–
Operational costs		342 794	35 611	190 492	50 102	287 270	190 492	96 778	51%	190 492
Losses on Disposal of Assets		6	–	–	–	–	–	–		–
Other Losses		272	–	–	–	–	–	–		–
Total Expenditure		**1 218 438**	**553 766**	**802 879**	**263 229**	**1 176 079**	**802 879**	**373 200**	**46%**	**802 879**
Surplus/(Deficit)		**(450 196)**	**261 472**	**47 463**	**(252 416)**	**(362 852)**	**47 463**	**(410 314)**	**(0)**	**47 463**
Transfers and subsidies - capital (monetary allocations)		851 477	916 219	907 665	–	728 039	907 665	(179 626)	(0)	907 665
Transfers and subsidies - capital (in-kind)		8	–	–	–	39	–	39	#DIV/0!	–
Surplus/(Deficit) after capital transfers & contributions		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**(0)**	**955 127**
Income Tax								–		
Surplus/(Deficit) after income tax		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**(0)**	**955 127**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	(589 902)	(0)	**955 127**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**(0)**	**955 127**

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	751 387 480	655 128 932.43	751 387 480	-96 258 547.57	-13%	87%
Total Capital Financing	742 877 267	751 387 480	655 128 932.43	751 387 480	-96 258 547.57	-13%	87%

The capital expenditure amounts to **R655.1 million,** which is **87%** of the capital approved adjustment budget, after a period of **twelve months.**

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	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
<u>**Multi-Year expenditure appropriation**</u>	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		–	–	–	165	165	–	165	#DIV/0!	–
Vote 03 - Finance		511	–	–	–	71	–	71	#DIV/0!	–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	12 772	–	4 975	12 772	(7 796)	-61%	12 772
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**	**–**	**12 772**	**165**	**5 211**	**12 772**	**(7 561)**	**-59%**	**12 772**
<u>**Single Year expenditure appropriation**</u>	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		37	–	–	–	2 400	–	2 400	#DIV/0!	–
Vote 03 - Finance		164	–	–	–	1 640	–	1 640	#DIV/0!	–
Vote 04 - Community Development		–	87	174	–	–	174	(174)	-100%	174
Vote 05 - Planning & Wsa		732 582	742 790	731 769	168	565 722	731 769	(166 047)	-23%	731 769
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		48 200	–	6 673	–	4 342	6 673	(2 331)	-35%	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	738 616	168	574 104	738 616	**(164 512)**	**-22%**	738 616
Total Capital Expenditure		**781 494**	**742 877**	**751 387**	**332**	**579 315**	**751 387**	**(172 073)**	**-23%**	**751 387**
<u>**Capital Expenditure - Functional Classification**</u>										
Governance and administration		**712**	**–**	**–**	**165**	**4 275**	**–**	4 275	#DIV/0!	**–**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		712	–	–	165	4 275	–	4 275	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**87**	**174**	**–**	**–**	**174**	(174)	-100%	**174**
Community and social services		–	87	174	–	–	174	(174)	-100%	174
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**61**	**2 410**	**2 410**	**–**	**1 334**	**2 410**	(1 077)	-45%	**2 410**
Planning and development		61	2 410	2 410	–	1 334	2 410	(1 077)	-45%	2 410
Road transport								–		
Environmental protection								–		
Trading services		**780 722**	**740 380**	**748 803**	**168**	**573 706**	**748 803**	(175 097)	-23%	**748 803**
Energy sources								–		
Water management		780 722	740 380	748 803	168	573 706	748 803	(175 097)	-23%	748 803
Waste water management		–	–	–	–	–	–	–		–
Waste management								–		
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**781 494**	**742 877**	**751 387**	**332**	**579 315**	**751 387**	**(172 073)**	**-23%**	**751 387**
<u>**Funded by:**</u>										
National Government		732 522	742 790	743 095	168	569 401	743 095	(173 693)	-23%	743 095
Provincial Government		–	87	1 620	–	1 257	1 620	(363)	-22%	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**	**744 714**	**168**	**570 698**	**744 714**	**(174 017)**	**-23%**	**744 714**
Borrowing	6	48 200	–	6 673	–	4 342	6 673	(2 331)	-35%	6 673
Internally generated funds		772	–	–	165	4 275	–	4 275	#DIV/0!	–
Total Capital Funding		**781 494**	**742 877**	**751 387**	**332**	**579 315**	**751 387**	**(172 073)**	**-23%**	**751 387**

Governance and administration

Governance and Administration year-to-date actual is **R4.2 million** which is **0%** of the approved adjustment budget. the **R0** year to date actual is **below** the **twelve 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 **twelve months** baseline projection or year-to-date budget of **R156 thousand**. A variance of **R174 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 twelve-month** baseline projection or year-to-date budget of **R2.4 million**. A variance of **R1 million** or **45%** is observed.

Trading services

Trading services year-to-date actual is **R573.7 million** which is **77%** of the approved adjustment budget. the **R573.7 million** year-to-date actual is **below** the **twelve months** baseline projection or year-to-date budget of **R748.8 million**. A variance of **R175 million** or **23%** is observed, with a movement of **R163 thousand.**

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	233 886 088.00	233 886 088	-	0%	100%
Regional Bulk Infrastructure (RBIG)	473 459 130	473 459 130	473 459 130.43	473 459 130	-	0%	100%
Water services infrastructure Grant (WSIG)	86 956 522	86 956 522	86 956 521.74	86 956 522	-	0%	100%
Rural Roads Asset Managemnt Systems Grant	2 410 435	1 614 783	1 614 782.61	1 614 783	-	0%	100%
Art centre Subsisies (Indonsa Grant)	86 957	173 914	-	173 914	-173 913.52	-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**	**797 173 824**	**796 090 436**	**1 083 387**	**0%**	**99%**

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	268 969 001.20	268 969 001	-	0%	100%
Regional Bulk Infrastructure (RBIG)	544 478 000	544 478 000	544 478 000.00	544 478 000	-	0%	100.0%
Water services infrastructure Grant (WSIG)	100 000 000	100 000 000	100 000 000.00	100 000 000	-	0%	100%
Rural Roads Asset Managemnt Systems Grant	2 772 000	2 772 000	2 772 000.00	2 772 000	-	0%	100%
Indonsa Grant	100 001	200 001	200 000.55	200 001	-	0%	100%
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**	**917 864 898**	**916 419 002**	**1 445 896**	**0%**	**99%**

Overall capital grant expenditure is sitting at **99%** of the approved capital budget, **MIG** is sitting at **100%**, **RBIG** at **100%, WSIG** at **100%, RAMS** at **100% and Indonsa Grant 100%**

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 - M12 June

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	73 721	82 448	68 196	7 413	74 407	68 196	6 211	9%	68 196
Investment revenue	8 129	8 000	5 804	2 507	6 572	5 804	768	13%	5 804
Transfers and subsidies - Operational	680 583	720 384	772 595	58	728 760	772 595	(43 835)	(0)	772 595
Other own revenue	5 810	4 406	3 746	835	3 488	3 746	(259)	-7%	3 746
Total Revenue (excluding capital transfers and contributions)	**768 242**	**815 238**	**850 341**	**10 813**	**813 227**	**850 341**	**(37 114)**	**-4%**	**850 341**
Employee costs	343 349	302 013	302 098	31 731	365 898	302 098	63 800	21%	302 098
Remuneration of Councillors	10 539	11 640	11 640	851	10 395	11 640	(1 245)	-11%	11 640
Depreciation and amortisation	118 789	95 000	95 108	7 945	117 102	95 108	21 994	23%	95 108
Interest	18 139	7 575	7 354	1 057	10 936	7 354	3 582	49%	7 354
Inventory consumed and bulk purchases	62 599	10 250	10 045	60 998	62 080	10 045	52 034	518%	10 045
Transfers and subsidies	9 064	–	3 269	8 995	22 833	3 269	19 564	599%	3 269
Other expenditure	655 958	127 288	373 365	151 652	586 835	373 365	213 470	57%	373 365
Total Expenditure	**1 218 438**	**553 766**	**802 879**	**263 229**	**1 176 079**	**802 879**	**373 200**	**46%**	**802 879**
Surplus/(Deficit)	**(450 196)**	**261 472**	**47 463**	**(252 416)**	**(362 852)**	**47 463**	**(410 314)**	**-865%**	**47 463**
Transfers and subsidies - capital (monetary	851 477	916 219	907 665	–	728 039	907 665	###	-20%	907 665
Transfers and subsidies - capital (in-kind)	8	–	–	–	39	–	39	#DIV/0!	–
Surplus/(Deficit) after capital transfers & contributions	**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**-62%**	**955 127**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**-62%**	**955 127**
Capital expenditure & funds sources									
Capital expenditure	**781 494**	**742 877**	**751 387**	**332**	**579 315**	**751 387**	**(172 073)**	**-23%**	**751 387**
Capital transfers recognised	732 522	742 877	744 714	168	570 698	744 714	(174 017)	-23%	744 714
Borrowing	48 200	–	6 673	–	4 342	6 673	(2 331)	-35%	6 673
Internally generated funds	**772**	**–**	**–**	**165**	**4 275**	**–**	**4 275**	**#DIV/0!**	**–**
Total sources of capital funds	**781 494**	**742 877**	**751 387**	**332**	**579 315**	**751 387**	**(172 073)**	**-23%**	**751 387**
Financial position									
Total current assets	170 558	677 146	443 307		191 267				443 307
Total non current assets	6 016 910	5 982 751	6 763 733		6 479 122				6 763 733
Total current liabilities	828 676	406 164	668 279		375 237				668 279
Total non current liabilities	126 218	254 146	263 526		138 049				263 526
Community wealth/Equity	**5 232 733**	**4 821 896**	**5 340 412**		**5 849 937**				**5 340 412**
Cash flows									
Net cash from (used) operating	2 861 418	1 250 945	1 026 291	–	1 941 174	1 026 291	(914 883)	-89%	1 026 291
Net cash from (used) investing	(780 983)	(854 309)	(862 819)	–	(577 272)	(862 819)	(285 547)	33%	(862 819)
Net cash from (used) financing	(18 304)	(17 712)	(17 712)	–	(7 336)	(17 712)	(10 375)	59%	(17 712)
Cash/cash equivalents at the month/year end	**2 119 201**	**367 748**	**168 863**	**1 379 668**	**1 379 668**	**168 863**	**#######**	**-717%**	**168 863**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	7 722	6 326	3 867	3 389	3 304	3 384	20 314	200 199	248 506
Creditors Age Analysis									
Total Creditors	48 199	73 970	38 230	23 396	26 458	1 620	28 429	27 749	268 051

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

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**	**733 677**	**3 327**	**721 829**	**733 677**	(11 848)	-2%	**733 677**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		685 556	722 663	733 677	3 327	721 829	733 677	(11 848)	-2%	733 677
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**2 874**	**2 118**	**40 856**	**17**	**9 929**	**40 856**	(30 927)	-76%	**40 856**
Community and social services		2 578	1 719	40 671	–	9 732	40 671	(30 939)	-76%	40 671
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		296	399	184	17	197	184	13	7%	184
Economic and environmental services		**1 857**	**2 772**	**2 772**	**–**	**1 528**	**2 772**	(1 244)	-45%	**2 772**
Planning and development		1 857	2 772	2 772	–	1 528	2 772	(1 244)	-45%	2 772
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**929 402**	**1 003 344**	**980 117**	**7 468**	**807 967**	**980 117**	**(172 150)**	-18%	**980 117**
Energy sources		–	–	–	–	–	–	–		–
Water management		911 090	984 607	963 053	5 627	789 935	963 053	(173 118)	-18%	963 053
Waste water management		18 312	18 738	17 064	1 841	18 032	17 064	968	6%	17 064
Waste management		–	–	–	–	–	–	–		–
Other	4	**38**	**560**	**584**	**1**	**51**	**584**	**(533)**	**-91%**	**584**
Total Revenue - Functional	2	**1 619 727**	**1 731 457**	**1 758 006**	**10 813**	**1 541 305**	**1 758 006**	**(216 701)**	**-12%**	**1 758 006**
Expenditure - Functional										
Governance and administration		**437 160**	**157 805**	**305 474**	**65 916**	**382 680**	**305 474**	77 206	25%	**305 474**
Executive and council		136 940	32 580	93 059	21 386	102 267	93 059	9 208	10%	93 059
Finance and administration		241 747	114 888	177 108	44 196	231 154	177 108	54 046	31%	177 108
Internal audit		58 473	10 338	35 307	333	49 259	35 307	13 952	40%	35 307
Community and public safety		**28 017**	**26 183**	**67 602**	**3 413**	**39 812**	**67 602**	(27 790)	-41%	**67 602**
Community and social services		9 732	13 973	55 279	1 540	20 273	55 279	(35 005)	-63%	55 279
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		7 663	–	51	608	7 351	51	7 300	14324%	51
Housing		–	–	–	–	–	–	–		–
Health		10 622	12 210	12 272	1 264	12 188	12 272	(84)	-1%	12 272
Economic and environmental services		**23 677**	**20 747**	**21 292**	**1 862**	**24 022**	**21 292**	2 730	13%	**21 292**
Planning and development		23 677	20 747	21 292	1 862	24 022	21 292	2 730	13%	21 292
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**720 504**	**339 990**	**399 469**	**190 933**	**719 646**	**399 469**	**320 177**	80%	**399 469**
Energy sources		–	–	–	–	1	–	1	#DIV/0!	–
Water management		704 506	326 178	388 403	175 087	694 251	388 403	305 848	79%	388 403
Waste water management		15 997	13 812	11 066	15 846	25 414	11 066	14 347	130%	11 066
Waste management		–	–	–	–	(20)	–	(20)	#DIV/0!	–
Other		**9 079**	**9 041**	**9 042**	**1 105**	**9 918**	**9 042**	**876**	**10%**	**9 042**
Total Expenditure - Functional	3	**1 218 438**	**553 766**	**802 879**	**263 229**	**1 176 079**	**802 879**	**373 200**	**46%**	**802 879**
Surplus/ (Deficit) for the year		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**-0.617615**	**955 127**

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) - M12 June

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	13 691	422	969	13 691	(12 722)	-92.9%	13 691
Vote 03 - Finance		684 315	722 246	720 570	2 907	720 911	720 570	341	0.0%	720 570
Vote 04 - Community Development		2 874	2 118	40 856	17	9 929	40 856	(30 927)	-75.7%	40 856
Vote 05 - Planning & Wsa		856 704	922 625	914 071	–	734 484	914 071	(179 587)	-19.6%	914 071
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		56 243	64 754	51 754	5 627	56 979	51 754	5 225	10.1%	51 754
Vote 09 - Waste Water		18 312	18 738	17 064	1 841	18 032	17 064	968	5.7%	17 064
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1 619 727**	**1 731 457**	**1 758 006**	**10 813**	**1 541 305**	**1 758 006**	**(216 701)**	**-12.3%**	**1 758 006**
Expenditure by Vote	1									
Vote 01 - Council		149 277	39 008	100 769	21 762	109 938	100 769	9 169	9.1%	100 769
Vote 02 - Corporate Services		202 909	70 945	143 577	18 197	190 116	143 577	46 539	32.4%	143 577
Vote 03 - Finance		77 231	45 795	58 898	11 387	65 605	58 898	6 707	11.4%	58 898
Vote 04 - Community Development		59 143	49 235	90 991	20 224	81 989	90 991	(9 002)	-9.9%	90 991
Vote 05 - Planning & Wsa		33 823	75 338	66 781	2 478	51 618	66 781	(15 163)	-22.7%	66 781
Vote 06 - Technical Services		4 208	6 413	6 483	1 092	11 099	6 483	4 616	71.2%	6 483
Vote 07 - Water Purification		53 728	48 672	49 133	5 057	57 165	49 133	8 031	16.3%	49 133
Vote 08 - Water Distribution		622 121	204 548	275 180	167 187	583 154	275 180	307 974	111.9%	275 180
Vote 09 - Waste Water		15 997	13 812	11 066	15 846	25 394	11 066	14 328	129.5%	11 066
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	1	–	1	#DIV/0!	–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 218 438**	**553 766**	**802 879**	**263 229**	**1 176 079**	**802 879**	**373 200**	**46.5%**	**802 879**
Surplus/ (Deficit) for the year	2	**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**-61.8%**	**955 127**

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

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

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

Description R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 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		55 591	63 954	51 217	5 580	56 461	51 217	5 244	10%	51 217
Service charges - Waste Water Management		18 129	18 494	16 979	1 834	17 946	16 979	967	6%	16 979
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		627	800	1 502	–	1 011	1 502	(490)	-33%	1 502
Agency services								–		
Interest								–		
Interest earned from Receivables		746	858	648	57	631	648	(17)	-3%	648
Interest from Current and Non Current Assets		8 129	8 000	5 804	2 507	6 572	5 804	768	13%	5 804
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		463	504	482	18	469	482	(14)	-3%	482
Licence and permits		277	295	184	17	197	184	13	7%	184
Special rating levies								–		
Operational Revenue		1 542	1 344	672	725	952	672	280	42%	672
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		449	605	258	18	227	258	(31)	-12%	258
Licence and permits								–		
Transfers and subsidies - Operational		680 583	720 384	772 595	58	728 760	772 595	(43 835)	-6%	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)		**768 242**	**815 238**	**850 341**	**10 813**	**813 227**	**850 341**	**(37 114)**	**-4%**	**850 341**
Expenditure By Type										
Employee related costs		343 349	302 013	302 098	31 731	365 898	302 098	63 800	21%	302 098
Remuneration of councillors		10 539	11 640	11 640	851	10 395	11 640	(1 245)	-11%	11 640
Bulk purchases - electricity		–	–	–	–	1	–	1	#DIV/0!	–
Inventory consumed		62 599	10 250	10 045	60 998	62 079	10 045	52 033	518%	10 045
Debt impairment		30 773	4 000	4 000	–	–	4 000	(4 000)	-100%	4 000
Depreciation and amortisation		118 789	95 000	95 108	7 945	117 102	95 108	21 994	23%	95 108
Interest		18 139	7 575	7 354	1 057	10 936	7 354	3 582	49%	7 354
Contracted services		279 389	87 677	178 872	51 349	249 364	178 872	70 492	39%	178 872
Transfers and subsidies		9 064	–	3 269	8 995	22 833	3 269	19 564	599%	3 269
Irrecoverable debts written off		2 724	–	–	50 200	50 200	–	50 200	#DIV/0!	–
Operational costs		342 794	35 611	190 492	50 102	287 270	190 492	96 778	51%	190 492
Losses on Disposal of Assets		6	–	–	–	–	–	–		–
Other Losses		272	–	–	–	–	–	–		–
Total Expenditure		**1 218 438**	**553 766**	**802 879**	**263 229**	**1 176 079**	**802 879**	**373 200**	**46%**	**802 879**
Surplus/(Deficit)		**(450 196)**	**261 472**	**47 463**	**(252 416)**	**(362 852)**	**47 463**	**(410 314)**	**(0)**	**47 463**
Transfers and subsidies - capital (monetary allocations)		851 477	916 219	907 665	–	728 039	907 665	(179 626)	**(0)**	907 665
Transfers and subsidies - capital (in-kind)		8	–	–	–	39	–	39	**#DIV/0!**	–
Surplus/(Deficit) after capital transfers & contributions		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**(0)**	**955 127**
Income Tax								–		
Surplus/(Deficit) after income tax		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**(0)**	**955 127**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	(589 902)	(0)	**955 127**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**401 290**	**1 177 691**	**955 127**	**(252 416)**	**365 226**	**955 127**	**(589 902)**	**(0)**	**955 127**

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

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

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	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		–	–	–	165	165	–	165	#DIV/0!	–
Vote 03 - Finance		511	–	–	–	71	–	71	#DIV/0!	–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		–	–	12 772	–	4 975	12 772	(7 796)	-61%	12 772
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**	**–**	**12 772**	**165**	**5 211**	**12 772**	**(7 561)**	**-59%**	**12 772**
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	#DIV/0!	–
Vote 04 - Community Development		–	87	174	–	–	174	(174)	-100%	174
Vote 05 - Planning & Wsa		732 582	742 790	731 769	168	565 722	731 769	(166 047)	-23%	731 769
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		48 200	–	6 673	–	4 342	6 673	(2 331)	-35%	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	738 616	168	574 104	738 616	**(164 512)**	**-22%**	738 616
Total Capital Expenditure		**781 494**	**742 877**	**751 387**	**332**	**579 315**	**751 387**	**(172 073)**	**-23%**	**751 387**
Capital Expenditure - Functional Classification										
Governance and administration		**712**	**–**	**–**	**165**	**4 275**	**–**	4 275	#DIV/0!	**–**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		712	–	–	165	4 275	–	4 275	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**87**	**174**	**–**	**–**	**174**	(174)	-100%	**174**
Community and social services		–	87	174	–	–	174	(174)	-100%	174
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**61**	**2 410**	**2 410**	**–**	**1 334**	**2 410**	(1 077)	-45%	**2 410**
Planning and development		61	2 410	2 410	–	1 334	2 410	(1 077)	-45%	2 410
Road transport								–		
Environmental protection								–		
Trading services		**780 722**	**740 380**	**748 803**	**168**	**573 706**	**748 803**	(175 097)	-23%	**748 803**
Energy sources								–		
Water management		780 722	740 380	748 803	168	573 706	748 803	(175 097)	-23%	748 803
Waste water management		–	–	–	–	–	–	–		–
Waste management								–		
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**781 494**	**742 877**	**751 387**	**332**	**579 315**	**751 387**	**(172 073)**	**-23%**	**751 387**
Funded by:										
National Government		732 522	742 790	743 095	168	569 401	743 095	(173 693)	-23%	743 095
Provincial Government		–	87	1 620	–	1 257	1 620	(363)	-22%	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**	**744 714**	**168**	**570 698**	**744 714**	**(174 017)**	**-23%**	**744 714**
Borrowing	6	48 200	–	6 673	–	4 342	6 673	(2 331)	-35%	6 673
Internally generated funds		772	–	–	165	4 275	–	4 275	#DIV/0!	–
Total Capital Funding		**781 494**	**742 877**	**751 387**	**332**	**579 315**	**751 387**	**(172 073)**	**-23%**	**751 387**

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

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

DC26 Zululand - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		23 103	479 180	270 212	69 771	270 212
Trade and other receivables from exchange transactions		15 852	99 976	43 150	(12 592)	43 150
Receivables from non-exchange transactions		1 012	5 696	1 012	27	1 012
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 013	3 966	3 013	1 760	3 013
VAT		100 909	64 744	99 250	91 692	99 250
Other current assets		26 669	23 584	26 669	40 608	26 669
Total current assets		**170 558**	**677 146**	**443 307**	**191 267**	**443 307**
Non current assets						
Investments						
Investment property						
Property, plant and equipment		6 009 085	5 974 921	6 755 913	6 471 302	6 755 913
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		**6 016 910**	**5 982 751**	**6 763 733**	**6 479 122**	**6 763 733**
TOTAL ASSETS		**6 187 468**	**6 659 897**	**7 207 040**	**6 670 389**	**7 207 040**
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	3 394	3 372
Trade and other payables from exchange transactions		758 172	345 272	610 898	62 752	610 898
Trade and other payables from non-exchange transactions		9 219	1 446	(0)	261 833	(0)
Provision		37 937	27 940	30 937	37 937	30 937
VAT		2 073	9 725	5 565	(255)	5 565
Other current liabilities		–	–	–	–	–
Total current liabilities		**828 676**	**406 164**	**668 279**	**375 237**	**668 279**
Non current liabilities						
Financial liabilities		75 704	59 706	65 567	87 535	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**	**138 049**	**263 526**
TOTAL LIABILITIES		**954 894**	**660 310**	**931 805**	**513 286**	**931 805**
NET ASSETS	2	**5 232 574**	**5 999 587**	**6 275 235**	**6 157 103**	**6 275 235**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 232 733	4 821 896	5 340 412	5 849 937	5 340 412
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**5 232 733**	**4 821 896**	**5 340 412**	**5 849 937**	**5 340 412**

MBRR Table C6 - Monthly Budget Statement Financial Position

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

CURRENT ASSETS

Cash and Cash Equivalents

Cash and cash Equivalents balance as at **30 June 2026** indicates a balance of **R2.2 million.**

Consumer debtors

Consumer debtors include debtors from water, sanitation services, Debt Write offs and rental of facilities, the balance for the reporting period is -**R12.4 million.** Debtors age analysis as per section 2.1 debtors' analysis is **R248.5 million.** Consumer debtors' amount to **R248.5 million** and **R2.2 million** is for shared services cast in Other Debtors.

Gross Consumer debtors	R304.9 million
Debt writes off	(R57.5 million)
Less Impairment	(R259.9 million)
Net Consumer Debtors	**-R12.4 million**

Classification of Consumer Debtors per Service type

Water Debtors	-R7.3 million
Sanitation Debtors	-R8.6 million
Property Rentals Debtors	R36.9 thousand
Other Consumer debtors	-R139 thousand
Receivables from non-exchange	R5.4 million
Total	**-R12.4 million**

- **Water Debtors**

  Net Water debtors after considering provision for bad debts write offs amount to -**R7.3 million**. Water debtors amount owed by consumers for water services billed.

Gross Water Debtors	R239.9 million
Debt writes off	(R40.1 million)
Less Impairment	(R206 million)
Net Water Debtors	**-R7.3 million**

- **Sanitation Debtors**

  Net Sanitation debtors after considering provision for bad debts write off amount to -**R8.6 million**. Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R61.3 million
Debt writes off	(R17.2 million)

Less Impairment	(R52.7 million)
Net Sanitation Debtors	**-R8.6 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	R850 thousand
Debt writes off	(R160 thousand)
Less Impairment	(R829.8 thousand)
Net Other Debtors	**-R139.6 thousand**

- **Other receivables from exchange**

Opening Balance	**R5.4 million**
Other receivables from exchange: collections	R4 thousand
Less Impairment	(R0)
Net other receivables from exchange	**R5.4 million**

Classification of Consumer Debtors per Customer group

Households	R178.8 million
Commercial/Businesses	R 20.2 million
Organs of State (excl shared services of R3.3 mill)	R 49.4 million
Total	**R248.5 million**

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

Gross Households debtors	R248.5 million
Commercial/Businesses	R 20.2 million
Less Impairment	(R259.9 million)
Net Household debtors	**R9.2 million**

Receivables from non – exchange

Fruitless expenditure
Amount to be recovered amounting to **R27 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 **R1.7 million**. Inventories include water stock and consumable stores. The correcting journal will be prepared to correct inventory issued.

VAT Receivable
VAT Receivable amounts to **R103.9 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.**

NON-CURRENT ASSETS

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

Property plant and equipment
Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment includes current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R6.4 billion**

Opening balance	**R5.8 billion**
Additions	**R577.2 million**
Depreciation	**(R0)**
Closing Balance	**R6.4 billion**

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

Intangible
Intangible assets include software licenses owned by the Municipality; the current balance of intangible assets is **R5 thousand**

Opening balance	**R5 thousand**
Additions	R 0
Depreciation	(R)
Closing Balance	**R5 thousand**

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

CURRENT LIABILITIES

Financial Liabilities

This is the current portion of the long-term loan repayment and finance lease agreement. The current balance owed amount to **R9.5 million.**

Current portion of Long Term Loan		R8.7 million
Current portion of Finance lease	BCX	R815 thousand
Total Financial liabilities	**R9.5 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 **R62.7 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 -**R255 thousand**, 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 **R87.5 million.**

Long term loan	R85.3 million
Operating lease	R1 million
Operating lease long term	R1.1 million

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

Non-current Provisions

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

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

Accumulated surplus

Accumulated surplus is the net worth of the Municipality, sitting at **R5.8 billion**

MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded and whether commitments and obligations are met.

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

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	7 597	49 613	50 914	(1 301)	-3%	50 914
Other revenue		1 591 117	126 002	164 948	49 349	1 649 508	164 948	######	900%	164 948
Transfers and Subsidies - Operational		729 726	720 384	764 091	151	764 671	764 091	581	0%	764 091
Transfers and Subsidies - Capital		851 477	916 219	906 219	–	956 219	906 219	50 000	6%	906 219
Interest		5 345	8 516	6 203	2 516	6 718	6 203	515	8%	6 203
Dividends								–		
Payments										
Suppliers and employees		(359 018)	(578 653)	(863 495)	(16 079)	(1 442 020)	(863 495)	578 526	-67%	(863 495)
Interest								–		
Transfers and Subsidies		–	–	(2 589)	–	–	(2 589)	(2 589)	100%	(2 589)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 861 418**	**1 250 945**	**1 026 291**	**43 534**	**1 984 708**	**1 026 291**	**(958 418)**	**-93%**	**1 026 291**
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)	(862 819)	(76 147)	(653 419)	(862 819)	(209 400)	24%	(862 819)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(780 983)**	**(854 309)**	**(862 819)**	**(76 147)**	**(653 419)**	**(862 819)**	**(209 400)**	**24%**	**(862 819)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		511	–	–	–	1 710	–	1 710	#DIV/0!	–
Increase (decrease) in consumer deposits		(8)	–	–	7	23	–	23	#DIV/0!	–
Payments										
Repayment of borrowing		(18 807)	(17 712)	(17 712)	–	(9 063)	(17 712)	(8 648)	49%	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(18 304)**	**(17 712)**	**(17 712)**	**7**	**(7 330)**	**(17 712)**	**(10 382)**	**59%**	**(17 712)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 062 130**	**378 924**	**145 760**	**(32 605)**	**1 323 960**	**145 760**			**145 760**
Cash/cash equivalents at beginning:		57 071	(11 176)	23 103	1 379 668	23 103	23 103			23 103
Cash/cash equivalents at month/year end:		2 119 201	367 748	168 863	1 347 063	1 347 063	168 863			168 863

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R50.9 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 **R49.6 million** to date. This is **84%** of budgeted collection and **66%** 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 **R653.4 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 **R2.2 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 30 June 2026

DC26 Zululand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

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	5 843	4 849	2 946	2 394	2 504	2 669	15 932	159 793	196 931	183 293	40 169	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	1 653	1 405	853	704	675	643	3 637	34 401	43 971	40 060	17 246	52 703
Receivables from Exchange Transactions - Waste Management	1600									–	–		
Receivables from Exchange Transactions - Property Rental Debtors	1700	3	0	–	–	–	12	72	370	457	454	–	401
Interest on Arrear Debtor Accounts	1810	58	59	57	58	57	56	332	1 675	2 352	2 178	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	166	14	11	234	68	4	340	3 959	4 796	4 605	160	830
Total By Income Source	**2000**	**7 722**	**6 326**	**3 867**	**3 389**	**3 304**	**3 384**	**20 314**	**200 199**	**248 506**	**230 590**	**57 575**	**259 961**
2024/25 - totals only		7876590	4838765	5293761	4928124	4882683	5130074	29261243	207310184	269 521	**251 512**	0	642978970
Debtors Age Analysis By Customer Group													
Organs of State	2200	4 258	3 623	1 320	727	790	782	4 370	33 546	49 417	40 216	–	–
Commercial	2300	889	417	315	319	432	348	2 269	15 250	20 239	18 618	–	–
Households	2400	2 575	2 286	2 232	2 343	2 082	2 254	13 675	151 402	178 850	171 756	–	–
Other	2500									–	–		
Total By Customer Group	**2600**	**7 722**	**6 326**	**3 867**	**3 389**	**3 304**	**3 384**	**20 314**	**200 199**	**248 506**	**230 590**	**–**	**–**

- The total balance owed by the **government departments/organs of state** amounts to **R 49.4 million,** while the
- **Commercials accounts** balance is at **R20,3 million** and
- **Households' accounts is R178.8 million** as at the end of **June 2026**

Total debtors' amount to **R178.8 million**, The debtors over **90 days** amount to **R178.8 million**. This is concerning and needs intervention since debtors above **60 days** should be restricted in terms of the Municipality's credit control policy.

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 30 June 2026

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

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	48 199	73 970	38 230	23 396	26 458	1 620	28 429	27 749	**268 051**	140 729
Auditor General	0800									–	
Other	0900									–	
Medical Aid deductions	0950									–	
Total By Customer Type	**1000**	**48 199**	**73 970**	**38 230**	**23 396**	**26 458**	**1 620**	**28 429**	**27 749**	**268 051**	140 729

This above Table SC4 the monthly aging of the creditors for the month ending **30 June 2026.**
The creditors age analysis as at **30 June** amount to **R 26 051 358** and is analyzed as follows:

- More than 181 days amount to **R 56 177 562.00**
- +30 to 180 days amount to **R 162 054 557.00**
- Current balance amount to **R 4 199 059.00**

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 30 June 2026

DC26 Zululand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June 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										**-**	**725 000 000.00**	**–**	**725 000 000.00**	**-**
Entities														
														-
Entities sub-total										**-**	**-**	**–**	**-**	**-**
TOTAL INVESTMENTS A	2									**-**	**725 000 000.00**	**–**	**725 000 000.00**	**-**

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE
Grants Receipts

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

Description	Ref	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
<u>RECEIPTS:</u>	1,2									
<u>Operating Transfers and Grants</u>										
National Government:		**678 574**	**718 165**	**755 290**	**–**	**725 133**	**755 290**	**(30 157)**	**-4.0%**	**755 290**
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		670 187	710 459	710 459	–	710 459	710 459	–	0.0%	710 459
Expanded Public Works Programme Integrated Grant		5 227	6 406	6 406	–	6 406	6 406	–	0.0%	6 406
Local Government Financial Management Grant		1 200	1 300	1 300	–	1 114	1 300	(186)	-14.3%	1 300
Municipal Disaster Relief Grant		1 960	–	37 125	–	7 154	37 125	(29 971)	-80.7%	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**	**58**	**3 300**	**4 777**	**(1 477)**	**-30.9%**	**4 777**
Capacity Building and Other Grants		1 285	2 219	4 777	58	3 300	4 777	(1 477)	-30.9%	4 777
Other transfers and grants [insert description]								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
[insert description]								–		
Other grant providers:		**724**	**–**	**12 527**	**–**	**327**	**12 527**	(12 200)	-97.4%	**12 527**
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		724	–	328	–	327	328	(1)	-0.2%	328
National Skills Fund		(0)	–	12 200	–	–	12 200	(12 200)	-100.0%	12 200
Unspecified		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	**680 583**	**720 384**	**772 595**	**58**	**728 760**	**772 595**	**(43 835)**	**-5.7%**	**772 595**
<u>Capital Transfers and Grants</u>										
National Government:		851 477	916 219	906 219	–	726 593	906 219	(179 626)	**-19.8%**	906 219
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		262 939	268 969	268 969	–	210 509	268 969	(58 460)	-21.7%	268 969
Regional Bulk Infrastructure Grant		431 247	544 478	544 478	–	463 777	544 478	(80 701)	-14.8%	544 478
Rural Road Asset Management Systems Grant		1 857	2 772	2 772	–	1 489	2 772	(1 283)	-46.3%	2 772
Water Services Infrastructure Grant		155 434	100 000	90 000	–	50 818	90 000	(39 182)	-43.5%	90 000
Provincial Government:		**–**	**–**	**1 446**	**–**	**1 446**	**1 446**	(0)	0.0%	**1 446**
Infrastructure Grant		–	–	1 446	–	1 446	1 446	(0)	0.0%	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**	**907 665**	**–**	**728 078**	**907 665**	**(179 587)**	**-19.8%**	**907 665**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 532 068	1 636 603	1 680 260	58	1 456 838	1 680 260	(223 422)	-13.3%	1 680 260

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 - M12 June

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:		**1 070 102**	**461 848**	**696 779**	**204 858**	**1 008 430**	**696 779**	**311 651**	**44.7%**	**696 779**
								–		
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		1 048 123	400 220	606 884	203 290	939 463	606 884	332 579	54.8%	606 884
Expanded Public Works Programme Integrated Grant		5 227	6 406	6 468	–	6 406	6 468	(62)	-1.0%	6 468
Local Government Financial Management Grant		1 189	1 300	1 380	112	1 191	1 380	(189)	-13.7%	1 380
Municipal Disaster Relief Grant		1 704	–	37 125	825	7 046	37 125	(30 080)	-81.0%	37 125
Municipal Infrastructure Grant		12 233	53 922	44 922	630	29 925	44 922	(14 997)	-33.4%	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**	**383**	**2 904**	**3 846**	**(942)**	**-24.5%**	**3 846**
								–		
Capacity Building and Other Grants		618	2 119	3 846	383	2 904	3 846	(942)	-24.5%	3 846
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
								–		
Other grant providers:		**724**	**–**	**12 527**	**(206)**	**327**	**12 527**	(12 200)	-97.4%	**12 527**
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		724	–	328	–	327	328	(1)	-0.2%	328
National Skills Fund		–	–	12 200	(206)	–	12 200	(12 200)	-100.0%	12 200
Total operating expenditure of Transfers and Grants:		**1 071 444**	**463 967**	**713 153**	**205 035**	**1 011 662**	**713 153**	**298 509**	**41.9%**	**713 153**
Capital expenditure of Transfers and Grants										
National Government:		732 522	742 790	743 095	75 982	645 215	743 095	(97 879)	**-13.2%**	743 095
Municipal Infrastructure Grant		218 473	179 964	188 964	148	154 633	188 964	(34 332)	-18.2%	188 964
Regional Bulk Infrastructure Grant		377 830	473 459	473 459	64 998	433 880	473 459	(39 579)	-8.4%	473 459
Rural Road Asset Management Systems Grant		–	2 410	2 410	–	1 295	2 410	(1 116)	-46.3%	2 410
Water Services Infrastructure Grant		136 219	86 957	78 261	10 836	55 408	78 261	(22 853)	-29.2%	78 261
Provincial Government:		**–**	**87**	**1 620**	**–**	**1 257**	**1 620**	(363)	-22.4%	**1 620**
Capacity Building and Other Grants		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Infrastructure Grant		**–**	**87**	**1 620**	**–**	**1 257**	**1 620**	(363)	-22.4%	**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**	**744 714**	**75 982**	**646 512**	**744 714**	**(98 203)**	**-13.2%**	**744 714**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 803 966**	**1 206 844**	**1 457 867**	**281 016**	**1 658 173**	**1 457 867**	**200 306**	13.7%	**1 457 867**

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

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

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 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	586	–	586	#DIV/0!	–
Medical Aid Contributions		58	–	–	6	73	–	73	#DIV/0!	–
Motor Vehicle Allowance		2 322	2 257	2 257	186	2 299	2 257	42	2%	2 257
Cellphone Allowance		781	778	778	61	739	778	(39)	-5%	778
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		6 789	8 605	8 605	550	6 699	8 605	(1 907)	-22%	8 605
Sub Total - Councillors		**10 539**	**11 640**	**11 640**	**851**	**10 395**	**11 640**	**(1 245)**	**-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	6 859	7 986	(1 127)	-14%	7 986
Pension and UIF Contributions		275	275	275	18	215	275	(60)	-22%	275
Medical Aid Contributions		97	71	71	6	73	71	1	2%	71
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		628	381	381	–	93	381	(288)	-76%	381
Motor Vehicle Allowance		1 981	1 934	1 934	130	1 739	1 934	(195)	-10%	1 934
Cellphone Allowance		284	277	277	20	254	277	(23)	-8%	277
Housing Allowances		13	14	14	1	14	14	(0)	0%	14
Other benefits and allowances		263	249	249	16	261	249	12	5%	249
Payments in lieu of leave		–	–	–	194	966	–	966	#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**	**893**	**10 474**	**11 188**	**(714)**	**-6%**	**11 188**
% increase	4		**0.1%**	**0.1%**						**0.1%**
Other Municipal Staff										
Basic Salaries and Wages		217 141	193 530	193 614	19 913	236 672	193 614	43 058	22%	193 614
Pension and UIF Contributions		30 151	32 031	32 032	2 865	33 668	32 032	1 636	5%	32 032
Medical Aid Contributions		18 984	19 155	19 155	1 899	21 647	19 155	2 492	13%	19 155
Overtime		10 127	5 314	5 314	894	10 266	5 314	4 953	93%	5 314
Performance Bonus		14 860	15 389	15 389	2 065	15 705	15 389	316	2%	15 389
Motor Vehicle Allowance		23 937	22 652	22 652	2 316	26 836	22 652	4 184	18%	22 652
Cellphone Allowance		861	827	827	75	893	827	65	8%	827
Housing Allowances		1 750	1 772	1 772	153	1 804	1 772	32	2%	1 772
Other benefits and allowances		3 899	155	155	258	3 188	155	3 033	1957%	155
Payments in lieu of leave		5 645	–	–	164	1 806	–	1 806	#DIV/0!	–
Long service awards		1 961	–	–	137	1 870	–	1 870	#DIV/0!	–
Post-retirement benefit obligations	2	1 899	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		961	–	–	98	1 071	–	1 071	#DIV/0!	–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**332 176**	**290 825**	**290 910**	**30 838**	**355 424**	**290 910**	**64 514**	**22%**	**290 910**
% increase	4		**-12.4%**	**-12.4%**						**-12.4%**
Total Parent Municipality		**353 888**	**313 653**	**313 738**	**32 581**	**376 294**	**313 738**	**62 555**	**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 - M12 June

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	Outcome			
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	(1 435 840)	163 468	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**	**(1 424 741)**	**986 155**	**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	–	–	(50 000)	906 219	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**	**(1 476 469)**	**1 892 374**	**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)	–	609 114	314 020	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**	**(559 858)**	**866 084**	**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	–	285 547	862 819	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**	**(265 663)**	**1 746 614**	**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)**	**(1 210 806)**	**145 760**	**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	168 863	500 268
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	168 863	168 863	500 268	851 413

2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

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

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	**Revenue**			
	Service charges – Water revenue	10%	This is the amounts billed on customers for water used, the year-to-date actual is R56.4 million which is 110 % of the approved adjustment budget. The R56.4 million year to date actual is above the twelve months baseline projection or year-to-date budget of R51.2 million. A variance of R5.2 million or 10% is observed. The movement or Monthly Actual is R5.5 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.	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	6%	This is the amount billed on customers that are connected to the sewer system, the year-to-date actual is R17.9 million which is 106 % of the approved adjustment budget. The R17.9 million year to date actual is above the twelve months baseline projection or year-to-date budget of R16.9 million. A variance of R967 thousand or 6% 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.	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	33%	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 twelve months baseline projection or year-to-date budget of R1.5 million. A variance of R490 thousand or 33% is observed. There was no movement for the month of June 2026.	
	Interest earned - outstanding debtors	3%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is R631 thousand, which is 97% of the approved adjustment budget. The R631 thousand year- to-date actual is below the twelve months baseline projection or year-to-date budget of R648 thousand. A variance of R17 thousand or 3% is observed. Reasons for variances can be attributed to businesses' adherence to payment terms; the municipality has implemented stringent measures for the Month of June since we have an Actual of R57 thousand, we must ensure that businesses Pay on time	we must ensure that businesses Pay on time
	Interest on investment	13%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is R6.5 million which is 113% of the approved adjustment budget. The R6.5 million year-to-date actual is below the twelve-month baseline projection or year-to-date budget of R5.8 million. A variance of R768 million or 13% 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	3%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual is R469 thousand which is 97% of the approved adjustment budget. The R469 thousand year-to-date actual is above the twelve months baseline projection or year-to-date budget of R482 thousand. A variance of R14 thousand or 3% 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 R18 thousand. The Increase of rent will be based on initial new tenant.	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	7%	Licences and permits year-to-date actual is R197 thousand which is 107% of the approved adjustment budget. The R197 thousand year to date actual is below the twelve months baseline projection or year-to-date budget of R184 thousand. A variance of R13 thousand or 7% is observed. In the month of May, only health certificates were issued, resulting in a movement of R17 thousand.	
	Operational revenue	42%	Operational revenue year-to-date actual is R952 thousand which is 142% of the approved adjustment budget. the R952 thousand year to date actual is below the twelve months baseline projection or year-to-date budget of R672 thousand. A variance of R280 thousands or 42% 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 R725 thousand.	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	12%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is R227 thousand, which is 88% of the approved adjustment budget. The R227 thousand year to date is below the twelve months baseline projection or year-to-date budget of R258 thousand. A variance of R31 thousand or 12% is observed, which there is a movement of R18 thousand for the month.	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	6%	Transfers and subsidies year to date actual is R728.7 million which is 94% of the approved budget. The R728.4 million year to date actual is below the twelve months baseline projection or year-to-date budget of R772.5 million. A variance of R43.8 million or 6% 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 - M12 June

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	**Expenditure By Type**			
	Employee Related Costs	21%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is R365.8 million which is 121% of the approved adjustment budget. The R365.8 million year to date actual is above the twelve-month baseline projection or year-to-date budget of R302 million. A variance of R63.8 million or 21% is observed. The expenditure for the month is R31.7 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 Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is R10.3 million which is 89% of the approved adjustment budget. The R10.3 million year-to-date actual is below the twelve-month baseline projection or year-to-date budget of R11.6 million. A variance of R1.2 million or 11% is observed. The Expenditure for the Month is R851 thousand.	
	Inventory Consumed	618%	Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date is R62 million, which is R618% of the approved budget. The R62 million year to date actual is above the twelve-month baseline projection or year-to-date budget of R10 million. A variance of R52 million or 518% is observed. The movement for the month is R60.9 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	23%	This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R117.1 million which is 123% of the approved adjustment budget. The R117.1 million year-to-date actual is above the twelve-month baseline projection or year-to-date budget of R95.1 million. A variance of R21.9 million or 23% is observed. The movement for the month is R7.9 million.	
	Finance charges	49%	Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is R10.9 million which is 149% of the approved adjustment budget. The R10.9 million year-to-date actual is above the twelve-month baseline projection or year-to-date budget of R7.3 million. A variance of R3.5 million or 49% is observed. The movement for the month is R1 thousand resulting from interest on loan.	
	Contracted services	39%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is R249.3 million which is R139% of the approved adjustment budget. The R249.3 million year to date actual is above the twelve-month baseline projection or year-to-date budget of R178.8 million. A variance of R70.4 million or 39% is observed. The movement for the month is R51.3 million, the major movements are noted in water tankers, Security services, Maintenance of assets (Fleet Horizon), Gardening Services & Bulk maintenance.	
	Transfers and subsidies paid.	599%	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 R22.8 million which is 698% of the approved adjustment budget of R3.2 million, the R22.8 million year to date actual is above the twelve months baseline projection or year-to-date budget of R3.2 million. A variance of R19.5 million is observed Or 599%, the movement for the month is R8.9 million.	
	Operational costs	51%	Operational costs are all other expenditure not classified above. The year-to-date actual is R287.2 million which is 151% of the approved adjustment budget. the R287.2 million year-to-date actual is above the twelve months baseline projection or year-to-date budget of R190.4 million. A variance of R96.7 million or 51% is observed. The movement for the month is R50.1 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 - M12 June

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	**Capital Expenditure**			
	Governance and administration		Governance and Administration year-to-date actual is R4.2 million which is 0% of the approved adjustment budget. the R0 year to date actual is below the twelve months baseline projection or year-to-date budget of R0 thousand. A variance of R0 thousand or 0% is observed.	
	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 twelve months baseline projection or year-to-date budget of R156 thousand. A variance of R174 thousand or 100% is observed.	
	Economic and environmental services	45%	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 twelve-month baseline projection or year-to-date budget of R2.4 million. A variance of R1 million or 45% is observed.	
	Trading services	23%	Trading services year-to-date actual is R573.7 million which is 77% of the approved adjustment budget. the R573.7 million year-to-date actual is below the twelve months baseline projection or year-to-date budget of R748.8 million. A variance of R175 million or 23% is observed, with a movement of R163 thousand.	

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 - M12 June

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%	5%
September	59 111	64 068	64 068	35 136	35 136	190 042	154 906	81.5%	5%
October	74 889	61 426	61 426	73 570	73 570	251 468	177 898	70.7%	10%
November	54 560	61 437	61 437	108 576	108 576	312 905	204 328	65.3%	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	57 699	57 699	76 147	76 147	751 387	675 241	89.9%	0
Total Capital expenditure	**751 911**	**751 387**	**751 387**	**655 129**					

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

Summary of Capital Expenditure by asset class and sub-class

DC26 Zululand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June										
Description	Ref	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**	**744 541**	**75 834**	**646 325**	**744 541**	98 216	**13.2%**	**744 541**
Roads Infrastructure		–	2 410	2 410	–	1 295	2 410	1 116	**46.3%**	2 410
Roads		–	2 410	2 410	–	1 295	2 410	1 116	**46.3%**	2 410
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	–	–	–	–	–	–		–
Water Supply Infrastructure		732 522	740 380	742 130	75 834	645 030	742 130	97 100	**13.1%**	742 130
Boreholes		32 532	28 016	37 323	–	31 402	37 323	5 921	**15.9%**	37 323
Reservoirs		3 379	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		136 848	101 224	83 074	–	68 711	83 074	14 364	**17.3%**	83 074
Bulk Mains		526 548	568 552	555 056	75 834	491 677	555 056	63 379	**11.4%**	555 056
Distribution		33 215	31 526	66 676	–	53 240	66 676	13 436	**20.2%**	66 676
Distribution Points		–	11 061	–	–	–	–	–		–
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**	**–**	**–**	**148**	**1 897**	**–**	**(1 897)**	#DIV/0!	**–**
Computer Equipment		735	–	–	148	1 897	–	(1 897)	#DIV/0!	–
Furniture and Office Equipment		**37**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Furniture and Office Equipment		37	–	–	–	–	–	–		–
Machinery and Equipment		**48 200**	**87**	**6 847**	**165**	**4 507**	**6 847**	**2 340**	34.2%	**6 847**
Machinery and Equipment		48 200	87	6 847	165	4 507	6 847	2 340	34.2%	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**	**751 387**	**76 147**	**655 129**	**751 387**	**96 259**	**12.8%**	**751 387**

Expenditure on Repairs and Maintenance by Asset class

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 June										
Description	Ref	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		**171 658**	**45 389**	**85 220**	**37 689**	**112 400**	**85 220**	(27 180)	**-31.9%**	**85 220**
Roads Infrastructure		–	–	–	–	–	–	–		–
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	–	–	–	–	–	–		–
Water Supply Infrastructure		171 658	45 389	85 220	37 689	112 400	85 220	(27 180)	**-31.9%**	85 220
Bulk Mains		65 931	30 389	58 657	4 854	29 038	58 657	29 619	**50.5%**	58 657
Distribution Points		105 727	15 000	26 563	32 835	83 362	26 563	(56 799)	**-213.8%**	26 563
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Community Assets		**435**	**–**	**415**	**360**	**360**	**415**	**55**	**13.2%**	**415**
Community Facilities		435	–	415	360	360	415	55	**13.2%**	415
Airports		435	–	415	360	360	415	55	13.2%	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**	**200**	**1**	0.4%	**200**
Furniture and Office Equipment		–	200	200	–	199	200	1	0.4%	200
Machinery and Equipment		**–**	**–**	**38**	**(10)**	**28**	**38**	**10**	26.7%	**38**
Machinery and Equipment		–	–	38	(10)	28	38	10	26.7%	38
Transport Assets		**11 289**	**–**	**5 241**	**1 171**	**7 800**	**5 241**	**(2 559)**	-48.8%	**5 241**
Transport Assets		11 289	–	5 241	1 171	7 800	5 241	(2 559)	-48.8%	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 Expend	1	**183 444**	**45 589**	**91 114**	**39 210**	**120 787**	**91 114**	**(29 674)**	**-32.6%**	**91 114**

Depreciation by Asset class

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M12 June

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		**109 672**	**85 014**	**84 879**	**7 391**	**110 539**	**84 879**	(25 660)	**-30.2%**	**84 879**
Roads Infrastructure		–	762	–	–	–	–	–		–
Roads		–	762	–	–	–	–	–		–
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	39	–	–	–	–	–		–
LV Networks		–	39	–	–	–	–	–		–
Water Supply Infrastructure		108 990	81 842	82 065	7 280	109 210	82 065	(27 145)	**-33.1%**	82 065
Dams and Weirs		1 968	2 959	1 956	160	1 950	1 956	5	**0.3%**	1 956
Boreholes		1 833	500	1 745	138	1 731	1 745	14	**0.8%**	1 745
Reservoirs		9 438	7 438	7 437	776	9 317	7 437	(1 880)	**-25.3%**	7 437
Pump Stations		6 613	4 729	4 729	552	6 624	4 729	(1 895)	**-40.1%**	4 729
Water Treatment Works		7 419	7 037	7 037	505	7 347	7 037	(310)	**-4.4%**	7 037
Bulk Mains		56 690	36 425	36 425	4 850	58 222	36 425	(21 797)	**-59.8%**	36 425
Distribution		24 954	22 668	22 668	295	23 952	22 668	(1 285)	**-5.7%**	22 668
PRV Stations		75	86	68	4	66	68	2	**3.5%**	68
Sanitation Infrastructure		683	2 371	2 815	111	1 329	2 815	1 486	**52.8%**	2 815
Pump Station		203	205	203	17	203	203	(0)	**0.0%**	203
Reticulation		(311)	1 824	1 821	28	336	1 821	1 486	**81.6%**	1 821
Waste Water Treatment Works		790	342	790	66	790	790	(0)	**0.0%**	790
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastr		–	–	–	–	–	–	–		–
Community Assets		**1 210**	**905**	**1 210**	**101**	**1 210**	**1 210**	**0**	**0.0%**	**1 210**
Community Facilities		1 075	660	1 075	90	1 075	1 075	0	**0.0%**	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	29	344	344	(0)	0.0%	344
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		731	660	731	61	731	731	0	0.0%	731
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		135	244	135	11	135	135	0	**0.0%**	135
Indoor Facilities								–		
Outdoor Facilities		135	244	135	11	135	135	0	0.0%	135
Capital Spares								–		
Heritage assets		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Other assets		**1 246**	**1 451**	**1 752**	**138**	**1 653**	**1 752**	**99**	**5.6%**	**1 752**
Operational Buildings		1 246	1 451	1 752	138	1 653	1 752	99	**5.6%**	1 752
Municipal Offices		1 246	1 394	1 695	138	1 653	1 695	42	2.5%	1 695
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	57	57	–	–	57	57	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**	**(2)**	**3**	**25**	**23**	89.9%	**25**
Servitudes								–		
Licences and Rights		20	21	25	(2)	3	25	23	**89.9%**	25
Computer Software and Applications		18	21	25	(2)	3	25	23	89.9%	25
Load Settlement Software Applications								–		
Unspecified		2	–	–	–	–	–	–		–
Computer Equipment		**1 368**	**1 046**	**1 699**	**132**	**1 294**	**1 699**	**405**	23.8%	**1 699**
Computer Equipment		1 368	1 046	1 699	132	1 294	1 699	405	23.8%	1 699
Furniture and Office Equipment		**556**	**609**	**548**	**31**	**353**	**548**	**195**	35.6%	**548**
Furniture and Office Equipment		556	609	548	31	353	548	195	35.6%	548
Machinery and Equipment		**1 818**	**388**	**507**	**57**	**684**	**507**	**(177)**	-35.0%	**507**
Machinery and Equipment		1 818	388	507	57	684	507	(177)	-35.0%	507
Transport Assets		**2 898**	**5 568**	**4 487**	**109**	**1 376**	**4 487**	**3 111**	69.3%	**4 487**
Transport Assets		2 898	5 568	4 487	109	1 376	4 487	3 111	69.3%	4 487
Land		–	–	–	–	–	–	–		–
Land								–		
Zoo's, Marine and Non-biological Ar		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Immature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Total Depreciation	1	**118 789**	**95 000**	**95 108**	**7 956**	**117 113**	**95 108**	**(22 005)**	**-23.1%**	**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**, 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: 14/07/2026

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