



INTERNAL MEMO

DATE : 19 JANUARY 2025
TO : THE HONOURABLE MAYOR
FROM : MUNICIPAL MANAGER
RE : QUARTELY BUDGET STATEMENT

Kindly find the attached quarterly budget statement for your Review, in compliance with the S52d of the Municipal Finance Management Act. The quarterly budget statement is for the period ending **31 December 2025**.

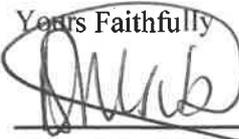
The office of the mayor is kindly requested to assist with Mayor's Report based on assessment of the attached Quarterly Budget Statement. The mayor's report is in compliance with Regulation 29 of the Municipal Budget and reporting regulations, which state that; if the Mayor tables MFMA S52d report to council it must be accompanied by Mayor's report in a format set out in schedule C.

In terms of S52 of the Municipal Finance Management Act

The mayor of a municipality—

(a) must provide general political guidance over the fiscal and financial affairs of the municipality; (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities; (c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget; (d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and (e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

Yours Faithfully



N.S. MSIBI
Chief Financial Officer



R.N HLONGWA
Municipal Manager

"Service Delivery through Integrity"

ZULULAND DISTRICT MUNICIPALITY



QUARTELY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 DECEMBER 2025

MFMA S52D REPORT

2025/2026 FINANCIAL YEAR

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GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

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

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 – IN-YEAR REPORT

1.1. MAYORS REPORT

To be attached

1.2. COUNCIL RESOLUTION

The Monthly budget statement review be noted.

1.3. EXECUTIVE SUMMARY

BUDGET PERFORMANCE ANALYSIS

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

**Summary Statement of Financial Performance
Revenue and Expenditure**

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

Operating Revenue Performance

Total operating revenue generated by the Municipality for the **quarter** is **R594.7 million**, which is **73%** of the approved operating revenue budget. The **R594.7 million** year to date Actual is **above** the **2nd quarter** baseline projection or year-to-date budget of **R414.3 million**, a variance of **R180.3 million or 44% is observed**.

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from exchange revenue is only **R33.3 million** which is **40%** of the total generated service charges from exchange revenue.

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

Reasons for variances can be attributed to Transfers and subsidies being received based on transfer schedule and cannot be benchmarked against year-to-date budget, transfers and subsidies which is moving at a pace faster than year to date budget.

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

Operating Expenditure Performance

Total Operating Expenditure for the **quarter** is **R442.6 million** which is **55%** of the approved operating expenditure budget. The **R442.6 million** year to date actual is **above** the **2nd quarter** baseline projection or year-to-date budget of **R285.3 million**, a variance of **R157.3 million or 80% 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; remuneration of councilors moving at higher pace and debt impairment which has no movement yet. Employee-related cost, interest and operational cost are a bit higher than the year-to-day budget.

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

Grants expenditure and receipts

GRANTS RECEIPTS AND EXPENDITURE AS AT 31 DECEMBER 2025	APPROVED BUDGET	RECEIPTS	YTD ACTUAL	VARIANCE YTD & ADJUSTED	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	268 969 000	245 000 000	139 726 337	129 242 663	52
Regional Bulk Infrastructure (RBIG)	544 478 000	382 700 000	225 864 755	318 613 245	41
Water services infrastructure Grant (WSIG)	100 000 000	70 000 000	30 293 899	69 706 101	30
Rural Roads Asset Management Systems	2 772 000	1 940 000	907 452	1 864 548	33
Indonsa Grant	1 719 000	2 675 000	1 208 425	510 575	70
FMG	1 300 000	1 300 000	698 004	601 996	54
EPWP	6 406 000	4 485 000	6 767 718	-361 718	106
LGSETA Waste Water Employees	-	99 606	99 000	-99 000	-
T.S_O_M_PG_KZN_CAP BLD_AVIATION	500 000	1 000 000	-	500 000	-
NSF	-	12 199 851	12 019 000	-	-
AMAFSA	-	160 000	160 000	-	-
	926 144 000	721 459 851	417 645 589	520 578 411	386

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

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

Grants receipts and expenditure

Total Capital Expenditure for the **quarter** is **R330.6 million** which is **45%** of the approved capital budget. The **R330.6 million** year to date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R374.3 million**, a variance of **R43.7 million or 12%**.

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

Major Variances between actual and year to date budget on Capital expenditure

Reasons for variances can be attributed to capital grants not being spent at a similar pace as the year-to date budget but rather spent according to the project’s cash flows. **MIG** is at **52%**, **RBIG** is at **41%**, **WSIG** is at **30%** **RRAMG** is at **33%**

Financial Position Framework

Summary of Statement of Financial position:

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

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

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

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

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

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

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

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

1.4. OPERATING REVENUE PERFORMANCE

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

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water		55 414	63 954	63 954	3 675	24 982	31 977	(6 995)	-22%	63 954
Service charges - Waste Water Management		18 129	18 494	18 494	1 450	8 410	9 247	(837)	-9%	18 494
Service charges - Waste management										
Sale of Goods and Rendering of Services		627	800	800	200	540	400	140	35%	800
Agency services										
Interest										
Interest earned from Receivables		746	858	858	57	320	429	(109)	-25%	858
Interest from Current and Non Current Assets		8 129	8 000	8 000	118	2 380	4 000	(1 620)	-41%	8 000
Dividends										
Rent on Land										
Rental from Fixed Assets		463	504	504	49	242	252	(10)	-4%	504
Licence and permits		277	295	295	7	95	147	(53)	-36%	295
Special rating levies										
Operational Revenue		1 542	1 344	1 344	11	211	672	(460)	-69%	1 344
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits		449	605	605	3	148	303	(155)	-51%	605
Licence and permits										
Transfers and subsidies - Operational		680 583	720 384	740 965	239 898	557 454	366 956	190 498	52%	740 965
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		1 706								
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		768 065	815 238	835 819	245 468	594 782	414 383	180 399	44%	835 819

The year-to-date actual indicates operating revenue of **R594.7 million** for the quarter, The **R594.7 million** year to date actual is **above** the **2nd quarter** baseline projection or year-to-date budget of **R414.3 million**, a variance of **R180.3 million** or **44%** is observed.

Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR).

The sources of funding are important to ensure that the expenditure is funded, and cash backed. Each line item on the face of the financial performance is explained below.

EXCHANGE REVENUE

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual for the **quarter** is **R24.9 million** which is **39 %** of the approved budget. The **R24.9 million** year to date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R31.9 million**. A variance of **R6.9 million** or **22%** is observed. the municipality started the process of replacing estimates with prepaid meters, and for the quarter, the municipality have installed More prepaid meters that's why our **2nd quartely** Actual is **R3.6 million**.

Service charges – Sanitation revenue

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

Sale of goods and rendering of service

This is the amount on sale of goods and rendering of services, the year-to-date actual for the **quarter** is **R540 thousands** which is **67%** of the approved budget. The **R540 thousands** year to date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R400 thousand**. A variance of **140 thousand** or **35%** is observed.

There was a huge sale of tender documents for the **2nd quarter 2025**.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual **2nd quarter** is **R320 thousand**, which is **37%** of the approved budget. The **R320 thousand** year- to-date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R429 thousand**. A variance of **R109 thousand** or **25%** is observed.

Reasons for variances can be attributed to businesses' adherence to payment terms; the municipality must implement stringent measures for the **2nd quarter** 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 for the **2nd quarter** is **R2.3 million** which is **29%** of the approved budget. The **R2.3 million** year-to-date actual is **below the 2nd quarter** baseline projection or year-to-date budget of **R4 million**. A variance of **R1.6 million** or **41%** is observed.

The reason for variance can be attributed to the fact that there were some investments which were not matured by the end of the **Quarter**.

Rent of facilities

Rental of facilities is amounts billed for office space leased out, the year-to-date actual for the **2nd quarter** is **R242 thousand** which is **48%** of the approved budget. The **R242 thousand** year-to-date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R252 thousand**. A variance of **R10 thousand** or **4%** is observed

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

Licences and Permits

Licences and permits year-to-date actual for the **2nd quarter R95 thousand** which is **32%** of the approved budget. the **R95 thousand** year to date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R147 thousand**. A variance of **R53 thousand** or **36%** is observed. In the **2nd quarter** there were only health certificate issued, which is a movement of **R7 thousand**.

Operational revenue

Operational revenue year-to-date actual for the **2nd quarter** is **R211 thousand** which is **16%** of the approved budget. the **R211 thousand** year to date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R672 thousand**. A variance of **R460 thousands** or **69%** is observed.

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

NON-EXCHANGE REVENUE

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual the **2nd quarter** is **R148 thousand**, which is **25%** of the approved budget. The **R148 thousand** year to date is **below** the **2nd quarter** baseline projection or year-to-date budget of **R303 thousand**. A variance of **R155 thousand** or **51%** is observed, which is a movement of **R3 thousand**.

Reasons for variances highlight a negative indication that more consumers are illegally connected or an indication that some illegally connected consumers have been discovered. Municipality must keep up the disconnection of illegal connections.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 20252; and provincial gazette, Transfers and subsidies is revenue recognized as operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Transfers and subsidies (Grants) are recognised/recorded as revenue when conditions have been met, except for equitable share which is not a conditional grant.

Transfers and subsidies year to date actual is **R557.4 million** which is **77%** of the approved budget. The **R557.4 million** year to date actual is **above** the **2nd quarter** baseline projection or year-to-date budget of **R366.9 million**. A variance of **R190.4 million** or **52%** is observed.

Reasons for variances can be attributed to the nature of transfers and subsidies which depend on the transfer schedule and cannot be benchmarked against the year-to-date budget. Grants are not received monthly but in trenches as per approved transfer schedule. Grants received to date is Equitable share, Aviation Grant, LGSETA Grant and Indonsa art centre.

1.5. OPERATING EXPENDITURE PERFORMANCE

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

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		343 349	302 013	302 013	28 086	178 918	151 008	27 910	18%	302 013
Remuneration of councillors		10 539	11 640	11 640	1 128	5 359	5 820	(461)	-8%	11 640
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		57 950	10 250	10 351	(663)	(5 296)	5 094	(10 390)	-204%	10 351
Debt impairment		30 773	4 000	4 000	-	-	2 000	(2 000)	-100%	4 000
Depreciation and amortisation		120 749	95 000	95 000	19 992	59 575	47 500	12 075	25%	95 000
Interest		18 091	7 575	7 335	925	5 511	3 669	1 842	50%	7 335
Contracted services		276 563	87 677	107 262	37 353	98 108	52 010	46 098	89%	107 262
Transfers and subsidies		9 064	-	-	-	2	-	2	#DIV/0!	-
Irrecoverable debts written off		2 724	-	-	-	-	-	-		-
Operational costs		335 440	35 611	36 646	16 611	100 516	18 211	82 305	452%	36 646
Losses on Disposal of Assets		6	-	-	-	-	-	-		-
Other Losses		272	-	-	-	-	-	-		-
Total Expenditure		1 205 521	553 766	574 247	103 432	442 694	285 313	157 382	55%	574 247

The year-to-date actuals indicate spending of **R442.6 million** for the **2nd quarter**, which is **80%** of the approved operating expenditure budget. The **R442.6 million** year to date actual is **above** the **2nd quarter** baseline projection or year-to-date budget of **R285.3 million**, a variance of **R157.3 million** or less than **55%** is observed.

Employee Related Costs

Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual for the **2nd quarter** is **R178.9 million** which is **59%** of the approved budget. The **R178.9 million** year to date actual is **above** the **2nd quarter** baseline projection or year-to-date budget of **R151 million**. A variance of **R27.9 million** or **18%** is observed. The expenditure for the **quarter** is **R28 million**.

Remuneration of Councillors

Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual for the **2nd quarter** is **R5.3 million** which is **46%** of the approved budget. The **R5.3 million** year-to-date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R5.8 million**. A variance of **R461 thousand** or **8%** is observed. The Expenditure for the **quarter** is **R1.1 million**.

Bulk purchases – electricity

The Municipality does not incur bulk purchases electricity since the Municipality does not sell electricity. The purchase of electricity is under section other expenditure below.

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is a negative amount (**-R5.2 million**), which means there were transaction performed incorrectly.

The municipality will prepare a journal to correct the error.

Debt impairment

Debt impairment is the amount for provision for non-collection as per council policy. Provision for non-collection assessment and calculation is done at year end. National treasuries recommend that the assessment and calculations be done monthly.

Depreciation

This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is **R59.5 million** which is **63%** of the approved budget. The **R59.5 million** year-to-date actual **is above** the **2nd quarter** baseline projection or year-to-date budget of **R47.5 million**. A variance of **12 million** or **25%** is observed. The movement for the **quarter** is **R19.9 million**.

Finance charges

Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is **R5.5 million** which is **73%** of the approved budget. The **R5.5 million** year-to-date actual is **above** the **2nd quarter** baseline projection or year-to-date budget of **R3.6 million**. A variance of **R1.8 million** or **50%** is observed. The movement for the **quarter** is **R925 thousand** resulting from interest on loan.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual for the **2nd quarter** is **R98 million** which is **112%** of the approved budget. The **R98 million** year to date actual is **above** the **2nd quarter** baseline projection or year-to-date budget of **R52 million**. A variance of **46 million** or **89%** is observed. The movement for the **quarter** is **R37.3 million**, the major movements are noted in water tankers, Security services & Bulk maintenance.

Transfers and subsidies paid.

Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives year-to-date actual is **R2 thousand** which is **0%** of the approved budget. the **R0** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R0 thousand**. A variance of **R2 thousand** is observed

Operational cost

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

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE
Finance Management grant (FMG)	1 300 000	698 003.66	650 000	48 003.66	7%	54%
EPWP Incentive	6 406 000	6 767 717.64	3 203 000	3 564 717.64	111%	106%
Art centre Subsisies (Indonsa Grant)	1 719 000	1 208 424.77	859 500	348 924.77	41%	70%
Aviation Grant	500 000	-	250 000	-250 000.00	-100%	0%
LG SETA	99 606	-	49 803	-49 803.00	-100%	0%
Disaster Management Grant	7 125 285	6 043 987.73	3 562 643	2 481 345.23		
Total Operating Grant Expenditure	17 149 891	14 718 133.80	8 574 945.50	6 143 188.30	72%	86%

FMG **54%**, EPWP Incentive **106%**, Art center subsidies (Indonsa Grant) **70%** LG SETA **0%** and Aviation Grant **0%**

Grants Rollovers

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

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

Summary of Revenue and Operational Expenditure Performance

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

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

1.6. CAPITAL EXPENDITURE AND FUNDING

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

The summary report indicates the following: -

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

The capital expenditure amounts to **R330.6 million**, which is **45%** of the capital approved budget, after the **2nd quarter**.

Capital budget summary

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

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 03 - Finance		511	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	15 670	2 109	4 268	11 585	(7 317)	-63%	15 670
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	511	-	15 670	2 109	4 268	11 585	(7 317)	-63%	15 670
Single Year expenditure appropriation	2									
Vote 01 - Council		-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		37	-	-	-	-	-	-	-	-
Vote 03 - Finance		164	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	87	174	-	-	65	(65)	-100%	174
Vote 05 - Planning & Wsa		732 582	742 790	727 120	25 249	326 339	362 691	(36 353)	-10%	727 120
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		48 200	-	-	-	-	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	780 983	742 877	727 294	25 249	326 339	362 757	(36 418)	-10%	727 294
Total Capital Expenditure		781 494	742 877	742 964	27 358	330 607	374 342	(43 735)	-12%	742 964
Capital Expenditure - Functional Classification										
Governance and administration		712	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		712	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	87	174	-	-	65	(65)	-100%	174
Community and social services		-	87	174	-	-	65	(65)	-100%	174
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		61	2 410	2 410	789	789	1 205	(416)	-35%	2 410
Planning and development		61	2 410	2 410	789	789	1 205	(416)	-35%	2 410
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		780 722	740 380	740 380	26 569	329 818	373 071	(43 253)	-12%	740 380
Energy sources		-	-	-	-	-	-	-	-	-
Water management		780 722	740 380	740 380	26 569	329 818	373 071	(43 253)	-12%	740 380
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	781 494	742 877	742 964	27 358	330 607	374 342	(43 735)	-12%	742 964
Funded by:										
National Government		732 522	742 790	742 790	27 358	330 607	374 277	(43 670)	-12%	742 790
Provincial Government		-	87	174	-	-	65	(65)	-100%	174
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons,		-	-	-	-	-	-	-	-	-
Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		732 522	742 877	742 964	27 358	330 607	374 342	(43 735)	-12%	742 964
Borrowing	6	48 200	-	-	-	-	-	-	-	-
Internally generated funds		772	-	-	-	-	-	-	-	-
Total Capital Funding		781 494	742 877	742 964	27 358	330 607	374 342	(43 735)	-12%	742 964

Governance and administration

The municipality did not budget for Governance and administration.

Community and public safety

Community and public safety year-to-date actual is **R0** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **2nd quarter** baseline projection or year-to-date budget of **R65 thousand**. A variance of **R65 thousand** or **100%** is observed.

Economic and environmental services

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

Trading services

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

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE
Municipal Infrastructure Grant (MIG)	233 886 087	121 995 912.31	116 943 043	5 052 868.83	4%	52%
Regional Bulk Infrastructure (RBIG)	473 459 130	197 632 762.09	236 729 565	-39 096 803.13	-17%	42%
Water services infrastructure Grant (WSIG)	86 956 522	26 638 097.82	43 478 261	-16 840 163.05	-39%	31%
Rural Roads Asset Management Systems (RAMS)	2 410 435	789 088.70	1 205 217	-416 128.70	-35%	33%
Art centre Subsidies (Indonsa Grant)	86 957	-	43 479	-43 478.50	-100%	0%
Total Operating Expenditure	796 799 131	347 055 860.92	398 399 565	-51 343 704.54	-13%	44%

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	268 969 000	139 726 337.37	134 484 500	5 241 837.37	4%	52%
Regional Bulk Infrastructure (RBIG)	544 478 000	225 864 754.52	272 239 000	-46 374 245.48	-17%	41.5%
Water services infrastructure Grant (WSIG)	100 000 000	30 293 898.85	50 000 000	-19 706 101.15	-39%	30%
Rural Roads Asset Management Systems (RAMS)	2 772 000	907 452.00	1 386 000	-478 548.00	-35%	33%
Indonsa Grant	100 001	-	50 000	-50 000.28	-100%	0%
Total Capital Grant Expenditure	916 319 001	396 792 443	458 159 500	-61 367 058	-13%	43%

Overall capital grant expenditure is sitting at **43%** of the approved capital budget, **MIG** is sitting at **52%**, **RBIG** at **42%**, **WSIG** at **31%**, **RAMS** at **33%** and **Indonsa Grant 0%**

1.7. IN-YEAR BUDGET TABLES

The following part of in - year reporting presented below focuses on the monthly budget statement tables as required in terms of regulation 28 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's **2025/2026** budget, actual financial performance, actual capital expenditure, actual financial position, and actual cashflow as implemented by the accounting officer in terms of S62 of the MFMA.

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

MBRR Table C1 – Monthly Budget Statement Summary

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

Description	2024/25		Budget Year 2025/26						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	73 543	82 448	82 448	5 125	33 392	41 224	(7 832)	-19%	82 448
Investment revenue	8 129	8 000	8 000	118	2 380	4 000	(1 620)	-41%	8 000
Transfers and subsidies - Operational	680 583	720 384	740 965	239 898	557 454	366 956	190 498	0	740 965
Other own revenue	5 810	4 406	4 406	327	1 556	2 203	(647)	-29%	4 406
Total Revenue (excluding capital transfers and contributions)	768 065	815 238	835 819	245 468	594 782	414 383	180 399	44%	835 819
Employee costs	343 349	302 013	302 013	28 086	178 918	151 008	27 910	18%	302 013
Remuneration of Councillors	10 539	11 640	11 640	1 128	5 359	5 820	(461)	-8%	11 640
Depreciation and amortisation	120 749	95 000	95 000	19 992	59 575	47 500	12 075	25%	95 000
Interest	18 091	7 575	7 335	925	5 511	3 669	1 842	50%	7 335
Inventory consumed and bulk purchases	57 950	10 250	10 351	(663)	(5 296)	5 094	(10 390)	-204%	10 351
Transfers and subsidies	9 064	-	-	-	2	-	2	#DIV/0!	-
Other expenditure	645 779	127 288	147 908	53 964	198 625	72 221	126 404	175%	147 908
Total Expenditure	1 205 521	553 766	574 247	103 432	442 694	285 313	157 382	55%	574 247
Surplus/(Deficit)	(437 456)	261 472	261 572	142 037	152 087	129 070	23 017	18%	261 572
Transfers and subsidies - capital (monetary)	851 477	916 219	916 219	40 670	395 885	458 109	##	-14%	916 219
Transfers and subsidies - capital (in-kind)	8	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	414 029	1 177 691	1 177 791	182 707	547 972	587 180	(39 207)	-7%	1 177 791
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	414 029	1 177 691	1 177 791	182 707	547 972	587 180	(39 207)	-7%	1 177 791
Capital expenditure & funds sources									
Capital expenditure	781 494	742 877	742 964	27 358	330 607	374 342	(43 735)	-12%	742 964
Capital transfers recognised	732 522	742 877	742 964	27 358	330 607	374 342	(43 735)	-12%	742 964
Borrowing	48 200	-	-	-	-	-	-	-	-
Internally generated funds	772	-	-	-	-	-	-	-	-
Total sources of capital funds	781 494	742 877	742 964	27 358	330 607	374 342	(43 735)	-12%	742 964
Financial position									
Total current assets	169 179	677 146	677 146	-	405 333	-	-	-	677 146
Total non current assets	6 107 453	5 982 751	5 982 838	-	6 378 485	-	-	-	5 982 838
Total current liabilities	811 894	406 164	406 164	-	765 557	-	-	-	406 164
Total non current liabilities	126 218	254 146	254 146	-	131 768	-	-	-	254 146
Community wealth/Equity	5 644 524	4 821 896	4 821 896	-	5 885 579	-	-	-	4 821 896
Cash flows									
Net cash from (used) operating	2 817 051	1 250 945	1 250 945	279 399	1 224 506	625 472	(599 033)	-96%	1 250 945
Net cash from (used) investing	(780 983)	(854 309)	(854 309)	(27 358)	(330 607)	(427 154)	(96 547)	23%	(854 309)
Net cash from (used) financing	(18 304)	(17 712)	(17 712)	(8 746)	(9 002)	(8 856)	146	-2%	(17 712)
Cash/cash equivalents at the month/year end	2 074 834	367 748	367 748	908 000	908 000	178 286	(729 714)	-409%	402 027
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	6 110	6 681	4 688	4 567	4 798	4 433	26 464	226 733	284 474
Creditors Age Analysis									
Total Creditors	618	3 496	18	4 808	12 194	-	-	-	21 134

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

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		685 556	722 663	734 963	237 388	549 430	365 431	183 999	50%	734 963
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		685 556	722 663	734 963	237 388	549 430	365 431	183 999	50%	734 963
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 874	2 118	10 399	7	7 118	3 723	3 395	91%	10 399
Community and social services		2 578	1 719	10 000	-	7 023	3 524	3 500	99%	10 000
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		296	399	399	7	95	200	(105)	-53%	399
<i>Economic and environmental services</i>		1 857	2 772	2 772	-	-	1 386	(1 386)	-100%	2 772
Planning and development		1 857	2 772	2 772	-	-	1 386	(1 386)	-100%	2 772
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		929 225	1 003 344	1 003 344	48 733	434 070	501 672	(67 602)	-13%	1 003 344
Energy sources		-	-	-	-	-	-	-	-	-
Water management		910 913	984 607	984 607	47 276	425 618	492 303	(66 686)	-14%	984 607
Waste water management		18 312	18 738	18 738	1 457	8 452	9 369	(917)	-10%	18 738
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	38	560	560	11	49	280	(231)	-82%	560
Total Revenue - Functional	2	1 619 550	1 731 457	1 752 038	286 139	990 667	872 492	118 174	14%	1 752 038
Expenditure - Functional										
<i>Governance and administration</i>		427 053	157 805	170 215	27 739	158 642	83 856	74 786	89%	170 215
Executive and council		136 913	32 580	32 682	3 436	21 178	16 315	4 863	30%	32 682
Finance and administration		231 667	114 888	127 699	12 273	108 660	62 625	46 035	74%	127 699
Internal audit		58 473	10 338	9 834	12 030	28 804	4 916	23 888	486%	9 834
<i>Community and public safety</i>		28 017	26 183	34 364	1 840	18 419	16 594	1 824	11%	34 364
Community and social services		9 732	13 973	22 154	760	10 117	10 489	(372)	-4%	22 154
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		7 663	-	-	261	3 259	-	3 259	#DIV/0!	-
Housing		-	-	-	-	-	-	-	-	-
Health		10 622	12 210	12 210	819	5 042	6 105	(1 063)	-17%	12 210
<i>Economic and environmental services</i>		23 672	20 747	20 747	1 830	11 399	10 373	1 025	10%	20 747
Planning and development		23 672	20 747	20 747	1 830	11 399	10 373	1 025	10%	20 747
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		717 698	339 990	339 880	71 569	249 800	169 968	79 832	47%	339 880
Energy sources		-	-	-	-	-	-	-	-	-
Water management		701 701	326 178	329 054	70 703	244 595	164 557	80 037	49%	329 054
Waste water management		15 997	13 812	10 826	867	5 205	5 411	(206)	-4%	10 826
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		9 079	9 041	9 041	453	4 435	4 521	(86)	-2%	9 041
Total Expenditure - Functional	3	1 205 521	553 766	574 247	103 432	442 694	285 313	157 382	55%	574 247
Surplus/ (Deficit) for the year		414 029	1 177 691	1 177 791	182 707	547 972	587 180	(39 207)	-0.06672	1 177 791

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 for the **2nd quarter** of **2025** indicates a Bank balance of **R91.5 million**

Call Investments Deposits

Call investments for the **2nd quarter** of **2025** is **R140 million**.

Consumer debtors

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

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

Classification of Consumer Debtors per Service type

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

➤ **Water Debtors**

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

Gross Water Debtors	R226.6 million
Less Impairment	(R206 million)
Net Water Debtors	R20.6 million

➤ **Sanitation Debtors**

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

Gross Sanitation Debtors	R57.5 million
Less Impairment	(R52.7 million)
Net Sanitation Debtors	R4.8 million

➤ **Property Rentals Debtors**

These debtors accumulated from property rentals amounted to **R50.6 thousand**

Property Rental	R451.2 thousand
Less Impairment	(R400.8 thousand)
Net Property rental	R50.6 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R873.8 thousand**, these are sundry debtors.

Gross Other Debtors	R1.3 million
Less Impairment	(R925.7 thousand)
Net Other Debtors	R873.8 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	R224.9 million
Commercial/Businesses	R 20.5 million
Organs of State (excl shared services of R3.3 mill)	R 43.8 million
Total	R288.9 million

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

Gross Households debtors	R288.9 million
Commercial/Businesses	R 20.4 million
Less Impairment	(R259.9 million)
Net Household debtors	R49.2 million

Receivables from non – exchange

Fruitless expenditure

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

Inventory

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

VAT Receivable

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

Other debtors

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

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

➤ Deposits Made

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

Eskom Deposits	R26 million
Stowell Deposits	R200 thousand

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

➤ Refunds & under/over banking

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

➤ **Operating lease and Insurance claim**

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

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment includes current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R6.3 billion**

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

Heritage Assets

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

Intangible

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

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

Other non-current assets

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

CURRENT LIABILITIES

Financial Liabilities

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

Long Term Loan	R17.4 million
Finance lease BCX	R206.3 thousand
Total Financial liabilities	R17.6 million

Consumer deposits

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

Trade and other payables from exchange transactions

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

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

Trade and other payables from non-exchange transactions

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

Current Provision

Current provisions amount to **R37.9 million**, this provision is for post-retirement benefit (Medical aid), long service awards and Leave provision that is paid in the current financial year.

Post Retirement benefit (Medical aid)	R1.1 million
Long service awards and Bonus	R7.9 million
Leave Provision	R28.8 million

VAT Payables

VAT payable amount to **R4.6 million**, this is the amount paid when output VAT is recognized as less input VAT paid as per VAT reconciliation.

NON-CURRENT LIABILITIES

Financial liabilities

This is the long-term portion of the finance lease agreement the Municipality entered into to procure laptops amounting to **R81.2 million**.

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

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

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

Non-current Provisions

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

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

Accumulated surplus

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

MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

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

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2024/25			Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates										
Service charges		42 771	58 477	58 477	2 640	21 563	29 239	(7 676)	-26%	58 477
Other revenue		1 568 934	126 002	126 002	161 511	876 005	63 001	813 004	1290%	126 002
Transfers and Subsidies - Operational		729 726	720 384	720 384	237 163	554 763	360 192	194 571	54%	720 384
Transfers and Subsidies - Capital		851 477	916 219	916 219	66 000	699 640	458 109	241 531	53%	916 219
Interest		5 345	8 516	8 516	131	2 481	4 258	(1 777)	-42%	8 516
Dividends										
Payments										
Suppliers and employees		(381 202)	(578 653)	(578 653)	(188 046)	(929 946)	(289 327)	640 619	-221%	(578 653)
Interest										
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 817 051	1 250 945	1 250 945	279 399	1 224 506	625 472	(599 033)	-96%	1 250 945
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
Payments										
Capital assets		(780 983)	(854 309)	(854 309)	(27 358)	(330 607)	(427 154)	(96 547)	23%	(854 309)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(780 983)	(854 309)	(854 309)	(27 358)	(330 607)	(427 154)	(96 547)	23%	(854 309)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		511								
Increase (decrease) in consumer deposits		(6)			0	(3)		(3)	#DIV/0!	
Payments										
Repayment of borrowing		(18 807)	(17 712)	(17 712)	(8 746)	(8 999)	(8 856)	143	-2%	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(18 304)	(17 712)	(17 712)	(8 746)	(9 002)	(8 856)	146	-2%	(17 712)
NET INCREASE/ (DECREASE) IN CASH HELD		2 017 763	378 924	378 924	243 294	884 897	189 462			378 924
Cash/cash equivalents at beginning:		57 071	(11 176)	(11 176)	664 705	23 103	(11 176)			23 103
Cash/cash equivalents at month/year end:		2 074 834	367 748	367 748	908 000	908 000	178 286			402 027

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R58.4 million** on service charges, the estimated collection amount is based on the **60%** collection rate. The collection rate is also based on previous years actual collection and the initiatives the Municipality has taken to improve collection. The Municipality has collected **R21.5 million** for the **2nd quarter** to date. This is **36%** of budgeted collection and **57%** of year-to-date billing.

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

- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality has a revised revenue enhancement strategy
- The municipality has an external debt collector to assist with the collection
- The Municipality has replaced and installed new meters to ensure the billing is accurate and not estimated.
- Municipality has adopted an indigent policy and is in a process to write off indigent households.
- The municipality has re visited the collection of flat rate strategies and decided to implement it next year.

Other Revenue

Other revenue includes receipts from tender fees, hall hiring, fines and forfeits, and office space rental receipts. The population of other revenue is higher than expected and not credible, the Municipality is in a process of developing an action plan to address these inefficiencies.

Transfers and subsidies – Operational

Transfers and subsidies - Operational are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Operating grants have been received as scheduled. Transfers and operational subsidies are to date **R554.7 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far under Transfers and subsidies – Operational.

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

Transfers and subsidies – Capital

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

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

Interest

Interest on the investment budget is **R2.4 million**, this estimate is based on the approved budget interest income, the interest includes interest on investments made and interest on bank balance. Year to date actual Interest is **R57 thousand**. Interest in investment revenue on table C4 is **R118 thousand**.

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R330.6 million**, the capital expenditure excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed. The Municipality is in the process of developing an action plan to address these inefficiencies.

Cash and cash equivalents at the end

Cash and cash equivalents are the cash available at the end of the reporting period after all expenses have been paid. Cash and cash equivalents to date are **R231.5 million** in the financial position but in the cash flow, it is **R908 million**.

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

PART 2 – SUPPORTING DOCUMENTATION

2.1. DEBTORS ANALYSIS

Debtors age analysis as of 31 December 2025

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

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	4 538	5 213	3 564	3 630	3 849	3 530	21 232	178 966	224 522	211 207	-	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	1 496	1 399	1 054	867	880	837	4 809	46 053	57 396	53 447	-	52 703
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	18	12	12	12	12	11	78	316	473	430	-	401
Interest on Arrear Debtor Accounts	1810	57	58	57	58	57	55	345	1 397	2 083	1 912	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	6 110	6 681	4 688	4 567	4 798	4 433	26 464	226 733	284 474	266 995	-	259 131
2024/25 - totals only		7996368	7489494	5954619	6219315	5566411	5632506	27875999	151070978	217 806	196 365	0	227668690 2/5
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 948	2 964	1 193	762	873	906	6 445	28 743	43 834	37 730	-	-
Commercial	2300	954	596	473	432	381	436	2 874	14 106	20 251	18 228	-	-
Households	2400	3 219	3 131	3 247	3 389	3 595	3 209	17 390	187 720	224 900	215 303	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	6 122	6 691	4 913	4 583	4 849	4 551	26 709	230 569	288 986	271 260	-	-

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

2.2 CREDITORS ANALYSIS

Creditors age analysis as at 31 December 2025

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

Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	618	3 496	18	4 808	12 194	-	-	-	21 134	32 126
Auditor General	0800									-	
Other	0900									-	
Medical Aid deductions	0950									-	
Total By Customer Type	1000	618	3 496	18	4 808	12 194	-	-	-	21 134	32 126

2.3 INVESTMENT PORTFOLIO

Investments as at 31 December 2025

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

Investments by maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Receipt	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
ABSA - 9378134528		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	02 August 2025	-	57 750.00	-	9 000	9 058
ABSA - 9373372771		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	15 August 2025	9 000 000.00	628 833.33		98 000	107 629
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	26 August 2025	107 000 000.00			40 000	147 000
ABSA - 9373372771		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	30 September 2025				50 000	50 000
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	09 October 2025	60 000.00			60	120
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	10 October 2025	50 000.00			50	100
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	23 October 2025	20 000.00			20	40
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	24 November 2025	35 000 000.00				
ABSA - 9400175919		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	25 November 2025	2 000 000.00	16 876.71			
STANDARD-348465874		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	19 December 2025	30 000.00				
STANDARD-348465874		1	Investment Tracker	Yes	Variable Interest Rate	0.077	0	N/A	20 December 2025	30 000.00				
Municipality sub-total										-	817 560.80	-	140 000	140 000
Entities														
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS A	2									-	817 560.80	-	140 000	140 000

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

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

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

Grants are received as per transfer schedule and have been received as such with the exception of MSIG which has not been received. Grants are recognized as revenue when the condition is met.

GRANTS RECEIPTS AND EXPENDITURE

DC26 Zululand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

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

2.5 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

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

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

The municipality has no active entity

ACTUAL AND REVISED TARGETS FOR RECEIPTS

DC26 Zululand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework			
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
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	3 696	3 696	3 696	3 696	3 696	10 127	44 350	46 390	48 432	
Service charges - Waste Water Management		733	929	1 082	1 103	1 222	749	1 177	1 177	1 177	1 177	1 177	2 422	14 127	14 777	15 427	
Service charges - Waste Management																	
Rental of facilities and equipment		41	40	40	40	40	50	48	48	48	48	48	88	580	580	580	
Interest earned - external investments			552	582	246	882	118	667	667	667	667	667	2 287	8 000	8 368	8 736	
Interest earned - outstanding debtors		21	22	12	14	19	13	43	43	43	43	43	200	516	540	563	
Dividends received																	
Fines, penalties and forfeits		85	25	14	11	8	3	50	50	50	50	50	205	605	633	661	
Licences and permits		29	17	14	12	16	7	25	25	25	25	25	77	295	308	322	
Agency services																	
Transfers and Subsidies - Operational		298 080	15 102		1 536	2 883	237 163	60 032	60 032	60 032	60 032	60 032	(134 539)	720 384	757 969	792 384	
Other revenue		153 072	31 983	62 669	150 257	316 080	161 451	10 377	10 377	10 377	10 377	10 377	(802 674)	124 523	131 585	154 075	
Cash Receipts by Source		453 989	51 233	67 276	156 193	324 676	401 445	76 115	76 115	76 115	76 115	76 115	(922 007)	913 379	961 150	1 021 179	
Other Cash Flows by Source																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		138 000	217 700	81 000	31 940	165 000	66 000	76 352	76 352	76 352	76 352	76 352	###	916 219	756 953	800 198	
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)													###				
Proceeds on Disposal of Fixed and Intangible Assets																4 000	
Short term loans																	
Borrowing long term/refinancing																	
Increase (decrease) in consumer deposits				(4)	0	1	0						3				
VAT Control (receipts)								10 315	10 315	10 315	10 315	10 315	72 203	123 776	106 387	114 681	
Decrease (increase) in non-current receivables																	
Decrease (increase) in non-current investments																	
Total Cash Receipts by Source		591 989	268 933	148 272	188 133	489 677	467 445	162 781	162 781	162 781	162 781	162 781	(1 014 980)	1 953 374	1 824 489	1 940 059	
Cash Payments by Type																	
Employee related costs		31 133	31 157	31 664	30 803	30 642	31 157	25 168	25 168	25 168	25 168	25 168	(10 382)	302 013	315 906	329 805	
Remuneration of councillors		899	908	976	874	1 022	1 034	970	970	970	970	970	1 078	11 640	12 176	12 711	
Interest																	
Bulk purchases - Electricity		23 855	3 627	12 967	58 694	7 218	13 843						(120 203)				
Acquisitions - water & other inventory			1 559	5 183	423	4 853	1 820	982	982	982	982	982	(6 962)	11 788	12 311	12 835	
Contracted services		(4 648)	(27 782)	(6 675)	(55 000)	(83 257)	(8 115)	17 688	17 688	17 688	17 688	17 688	309 295	212 260	172 013	187 345	
Transfers and subsidies - other municipalities																	
Transfers and subsidies - other																	
Other expenditure		220 420	102 347	74 771	70 983	165 916	146 771	3 413	3 413	3 413	3 413	3 413	(757 319)	40 953	42 736	44 569	
Cash Payments by Type		271 658	111 816	118 886	106 777	126 394	186 510	48 221	48 221	48 221	48 221	48 221	(584 493)	578 653	555 142	587 266	
Other Cash Flows/Payments by Type																	
Capital assets		51 836	34 131	35 136	73 570	108 576	27 358	71 192	71 192	71 192	71 192	71 192	167 740	854 309	747 707	803 584	
Repayment of borrowing			63	190			8 746	1 476	1 476	1 476	1 476	1 476	1 333	17 712	17 712	17 712	
Other Cash Flows/Payments			602	315	1 649	3 803	1 536						(7 905)				
Total Cash Payments by Type		323 493	146 612	154 526	181 997	238 773	224 151	120 889	120 889	120 889	120 889	120 889	(423 325)	1 450 674	1 320 561	1 408 561	
NET INCREASE/(DECREASE) IN CASH HELD		268 495	122 321	(6 254)	6 137	250 904	243 294	41 892	41 892	41 892	41 892	41 892	(591 655)	502 700	503 929	531 497	
Cash/cash equivalents at the monthly/year beginning:		23 103	291 598	413 919	407 664	413 801	664 705	908 000	949 892	991 783	1 033 675	1 075 567	1 117 458	23 103	525 803	1 029 732	
Cash/cash equivalents at the monthly/year end:		291 598	413 919	407 664	413 801	664 705	908 000	949 892	991 783	1 033 675	1 075 567	1 117 458	525 803	525 803	1 029 732	1 561 229	

2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

DC26 Zululand - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
	Service charges – Water revenue	22%	This is the amounts billed on customers for water used, the year-to-date actual for the quarter is R24.9 million which is 39 % of the approved budget. The R24.9 million year to date actual is below the 2nd quarter baseline projection or year-to-date budget of R31.9 million. A variance of R6.9 million or 22% is observed. the municipality started the process of replacing estimates with prepaid meters, and for the quarter, the municipality have installed More prepaid meters that's why our 2nd quarterly Actual is R3.6 million.	
	Service charges – Sanitation revenue	9%	This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual for the quarter is R8.4 million which is 46% of the approved budget. The R8.4 million year to date actual is below the 2nd quarter baseline projection or year-to-date budget of R9.2 million. A variance of R837 thousand or 9% is observed. Sanitation for the period will have an effect since Business have an excess charge and it also affect our sanitation since we have changed billing from estimates to Actual for the 2nd quarter.	
	Sale of goods and rendering of service	35%	This is the amount on sale of goods and rendering of services, the year-to-date actual for the quarter is R540 thousands which is 67% of the approved budget. The R540 thousands year to date actual is below the 2nd quarter baseline projection or year-to-date budget of R400 thousand. A variance of 140 thousand or 35% is observed. There was a huge sale of tender documents for the 2nd quarter 2025. There was a no sale of tender documents for the month of November 2025.	
	Interest earned - outstanding debtors	25%	Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual 2nd quarter is R320 thousand, which is 37% of the approved budget. The R320 thousand year- to-date actual is below the 2nd quarter baseline projection or year-to-date budget of R429 thousand. A variance of R109 thousand or 25% is observed. Reasons for variances can be attributed to businesses' adherence to payment terms; the municipality must implement stringent measures for the 2nd quarter 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	41%	Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual for the 2nd quarter is R2.3 million which is 29% of the approved budget. The R2.3 million year-to-date actual is below the 2nd quarter baseline projection or year-to-date budget of R4 million. A variance of R1.6 million or 41% is observed. The reason for variance can be attributed to the fact that there were some investments which were not matured by the end of the Quarter.	The reason for variance can be attributed to the fact that there were some investments which were not matured by the end of the reporting period.
	Rent of facilities	4%	Rental of facilities is amounts billed for office space leased out, the year-to-date actual for the 2nd quarter is R242 thousand which is 48% of the approved budget. The R242 thousand year-to-date actual is below the 2nd quarter baseline projection or year-to-date budget of R252 thousand. A variance of R10 thousand or 4% is observed The municipality will review and reconcile rent with the lease agreements for future forecast. The Rent on Facilities is Fixed	
	Licences and Permits	36%	Licences and permits year-to-date actual for the 2nd quarter R95 thousand which is 32% of the approved budget. the R95 thousand year to date actual is below the 2nd quarter baseline projection or year-to-date budget of R147 thousand. A variance of R53 thousand or 36% is observed. In the 2nd quarter there were only health certificate issued, which is a movement of R7 thousand.	
	Operational revenue	69%	Operational revenue year-to-date actual for the 2nd quarter is R211 thousand which is 16% of the approved budget. the R211 thousand year to date actual is below the 2nd quarter baseline projection or year-to-date budget of R672 thousand. A variance of R460 thousands or 69% is observed. The variance to this line item can be attributed the non-receipt of Skills Development Refund, Registration Fees, Handling Fees which is not benchmarked by year to date, which is a movement of R11 thousand.	
	Fines, penalties, and forfeits	51%	Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual the 2nd quarter is R148 thousand, which is 25% of the approved budget. The R148 thousand year to date is below the 2nd quarter baseline projection or year-to-date budget of R303 thousand. A variance of R155 thousand or 51% is observed, which is a movement of R3 thousand.	Municipality must keep up the disconnection of illegal connections.
	Transfers and subsidies	52%	Transfers and subsidies year to date actual is R557.4 million which is 77% of the approved budget. The R557.4 million year to date actual is above the 2nd quarter baseline projection or year-to-date budget of R366.9 million. A variance of R190.4 million or 52% is observed.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
2	Expenditure By Type			
	Employee Related Costs	18%	Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual for the 2nd quarter is R178.9 million which is 59% of the approved budget. The R178.9 million year to date actual is above the 2nd quarter baseline projection or year-to-date budget of R151 million. A variance of R27.9 million or 18% is observed. The expenditure for the quarter is R28 million.	
	Remuneration of Councilors	8%	Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual for the 2nd quarter is R5.3 million which is 46% of the approved budget. The R5.3 million year-to-date actual is below the 2nd quarter baseline projection or year-to-date budget of R5.8 million. A variance of R461 thousand or 8% is observed. The Expenditure for the quarter is R1.1 million.	
	Inventory Consumed		Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is a negative amount (-R5.2 million), which means there were transaction performed incorrectly. The municipality will prepare a journal to correct the error.	
	Debt impairment		Debt impairment is the amount for provision for non-collection as per council policy. Provision for non-collection assessment and calculation is done at year end. National treasuries recommend that the assessment and calculations be done monthly.	
	Depreciation		This is a non-cash item budgeted for as per the stipulation of the accounting standards. The year-to-date actual is R59.5 million which is 63% of the approved budget. The R59.5 million year-to-date actual is above the 2nd quarter baseline projection or year-to-date budget of R47.5 million. A variance of 12 million or 25% is observed. The movement for the quarter is R19.9 million.	
	Finance charges	50%	Finance charges are amounts for interest paid on overdue accounts, interest on loan and finance lease for laptops. The year-to-date actual is R5.5 million which is 73% of the approved budget. The R5.5 million year-to-date actual is above the 2nd quarter baseline projection or year-to-date budget of R3.6 million. A variance of R1.8 million or 50% is observed. The movement for the quarter is R925 thousand resulting from interest on loan.	
	Contracted services	89%	Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual for the 2nd quarter is R98 million which is 112% of the approved budget. The R98 million year to date actual is above the 2nd quarter baseline projection or year-to-date budget of R52 million. A variance of 46 million or 89% is observed. The movement for the quarter is R37.3 million, the major movements are noted in water tankers, Security services & Bulk maintenance.	
	Transfers and subsidies paid.		Transfers and subsidies are amounts paid as subsidies to the communities for poverty alleviation and transfers to support SMMES, and co-operatives year-to-date actual is R2 thousand which is 0% of the approved budget. The R0 year to date actual is above the six months baseline projection or year-to-date budget of R0 thousand. A variance of R2 thousand is observed	
	Operational costs	452%	Operational costs are all other expenditure not classified above. The year-to-date actual for the 2nd quarter is R100.5 million which is 282% of the approved budget. The R100.5 million year-to-date actual is above the 2nd quarter baseline projection or year-to-date budget of R18.2 million. A variance of R82.3 million or 452% is observed. The movement for the month is R16.6 million. Major movements are from Eskom & wet fuel.	

DC26 Zululand - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
3	<u>Capital Expenditure</u>			
	Governance and administration		The municipality did not budget for Governance and administration.	
	Community and public safety	100%	Community and public safety year-to-date actual is R0 which is 0% of the approved budget. the R0 year to date actual is below the 2nd quarter baseline projection or year-to-date budget of R65 thousand. A variance of R65 thousand or 100% is observed.	
	Economic and environmental services	35%	Economic and environmental services year-to-date actual for the 2nd quarter is R789 which is 33% of the approved budget. the R789 year to date actual is below the 2nd quarter baseline projection or year-to-date budget of R1.2 million. A variance of R416 thousand or 35% is observed.	
	Trading services	12%	Trading services year-to-date actual for the 2nd quarter is R329.8 million which is 45% of the approved budget. the R329.8 million year-to-date actual is below the 2nd quarter baseline projection or year-to-date budget of R373 million. A variance of R43.2 million or 12% is observed.	

2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any active entities.

2.9 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M 06 December

Month	2024/25				Budget Year 2025/26				
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	93 315	61 906	61 906	51 836	51 836	61 906	10 071	16.3%	7%
August	64 218	64 068	64 068	34 131	34 131	125 974	91 843	72.9%	5%
September	59 111	64 068	64 068	35 136	35 136	190 042	154 906	81.5%	5%
October	74 889	61 426	61 426	73 570	73 570	251 468	177 898	70.7%	10%
November	54 560	61 437	61 437	108 576	108 576	312 905	204 328	65.3%	15%
December	68 273	61 437	61 437	27 358	27 358	374 342	346 984	92.7%	4%
January	-	61 437	61 437	-	-	435 779	435 779	100.0%	0%
February	14 786	61 437	61 437	-	-	497 216	497 216	100.0%	0%
March	32 878	61 437	61 437	-	-	558 653	558 653	100.0%	0%
April	181 413	61 437	61 437	-	-	620 090	620 090	100.0%	-
May	79 738	61 437	61 437	-	-	681 527	681 527	100.0%	-
June	28 731	61 437	61 437	-	-	742 964	742 964	100.0%	-
Total Capital expenditure	751 911	742 964	742 964	330 607					

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

Summary of Capital Expenditure by asset class and sub-class

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

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

Expenditure on Repairs and Maintenance by Asset class

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

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

Depreciation by Asset class

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

Description	Ref	2024/25			Budget Year 2025/26				YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		111 632	85 014	85 014	20 851	56 273	42 507	(13 766)	-32.4%	85 014
Roads Infrastructure		—	762	762	(318)	—	381	381	100.0%	762
Roads		—	762	762	(318)	—	381	381	100.0%	762
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	39	39	(16)	—	19	19	100.0%	39
LV Networks		—	39	39	(16)	—	19	19	100.0%	39
Water Supply Infrastructure		110 950	81 842	81 842	21 508	55 608	40 921	(14 687)	-35.9%	81 842
Dams and Weirs		1 968	2 959	2 959	(254)	979	1 479	501	33.9%	2 959
Boreholes		1 833	500	500	666	874	250	(624)	-249.7%	500
Reservoirs		9 438	7 438	7 438	1 560	4 659	3 719	(940)	-25.3%	7 438
Pump Stations		6 613	4 729	4 729	1 342	3 312	2 364	(947)	-40.1%	4 729
Water Treatment Works		7 419	7 037	7 037	802	3 734	3 519	(215)	-6.1%	7 037
Bulk Mains		56 690	36 425	36 425	13 935	29 112	18 212	(10 899)	-59.8%	36 425
Distribution		26 914	22 668	22 668	3 460	12 905	11 334	(1 571)	-13.9%	22 668
PRV Stations		75	86	86	(1)	35	43	9	19.8%	86
Sanitation Infrastructure		683	2 371	2 371	(323)	665	1 185	521	43.9%	2 371
Pump Station		293	295	295	17	109	109	1	0.5%	295
Reticulation		(311)	1 824	1 824	(592)	168	912	744	81.6%	1 824
Waste Water Treatment Works		790	342	342	252	395	171	(224)	-130.8%	342
Outfall Sewers		—	—	—	—	—	—	—	—	—
Toilet Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Community Assets		1 210	905	905	228	605	452	(152)	-33.7%	905
Community Facilities		1 075	660	660	262	538	330	(207)	-62.8%	660
Halls		—	—	—	—	—	—	—	—	—
Centres		—	—	—	—	—	—	—	—	—
Crèches		—	—	—	—	—	—	—	—	—
Clinics/Care Centres		—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—
Testing Stations		—	—	—	—	—	—	—	—	—
Museums		—	—	—	—	—	—	—	—	—
Galleries		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—
Police		—	—	—	—	—	—	—	—	—
Parks		—	—	—	—	—	—	—	—	—
Public Open Space		—	—	—	—	—	—	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		344	—	—	172	172	—	(172)	#DIV/0!	—
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		731	660	660	91	366	330	(36)	-10.8%	660
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		135	244	244	(34)	67	122	55	44.9%	244
Outdoor Facilities		135	244	244	(34)	67	122	55	44.9%	244
Heritage assets		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Other assets		1 246	1 451	1 451	222	827	725	(101)	-14.0%	1 451
Operational Buildings		1 246	1 451	1 451	222	827	725	(101)	-14.0%	1 451
Municipal Offices		1 246	1 394	1 394	246	827	697	(130)	-18.6%	1 394
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	—	—	—
Stores		—	57	57	(24)	—	28	28	100.0%	57
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		20	21	21	(4)	5	11	6	56.2%	21
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		20	21	21	(4)	5	11	6	56.2%	21
Computer Software and Applications		18	21	21	(4)	5	11	6	56.2%	21
Unspecified		2	—	—	—	—	—	—	—	—
Computer Equipment		1 368	1 046	1 046	198	634	523	(111)	-21.3%	1 046
Computer Equipment		1 368	1 046	1 046	198	634	523	(111)	-21.3%	1 046
Furniture and Office Equipment		556	609	609	(69)	185	304	119	39.3%	609
Furniture and Office Equipment		556	609	609	(69)	185	304	119	39.3%	609
Machinery and Equipment		1 818	388	388	181	342	194	(148)	-76.4%	388
Machinery and Equipment		1 818	388	388	181	342	194	(148)	-76.4%	388
Transport Assets		2 898	5 568	5 568	(1 615)	705	2 784	2 079	74.7%	5 568
Transport Assets		2 898	5 568	5 568	(1 615)	705	2 784	2 079	74.7%	5 568
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Living resources		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Total Depreciation	1	120 749	95 000	95 000	19 992	59 575	47 500	(12 075)	-25.4%	95 000

2.10 OTHER SUPPORTING DOCUMENTS

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

2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES

The Municipality doesn't have any entities.

2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

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



Date: 22/01/2026

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