ZULULAND DISTRICT MUNICIPALITY

MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 JULY 2026

MFMA S71 REPORT

2026/2027 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 %
Total Revenue By Source (Excluding Capital Transfers)	927 213 647	323 280 456	77 267 786	246 012 670	318%	35%
Total Operating Expenditure	641 952 109	58 104 114	53 288 023	4 816 090	9%	9%
Surplus/(Deficit)	**285 261 538**	**265 176 343**	**23 979 763**	**241 196 580**		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 July 2026** is **R323.2 million,** which is **96%** of the approved operating revenue budget. The **R323.2 million** year to date Actual is **above** the **one month** baseline projection or year-to-date budget of **R77.2 million**, a variance of **R246. million or 318% is observed**. The measure contributor in the revenue is the equitable share first trench transfer.

The Municipality is largely dependent on government grants and partly service charges for its operations. Service charges revenue recognized from exchange revenue is only **R10.8 million** which is **11%** of the total generated service charges from exchange revenue.

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

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

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

Operating Expenditure Performance

Total Operating Expenditure as at **31 July 2026** is **R58.1 million** which is **9%** of the approved operating expenditure budget. The **R58.1 million** year to date actual is **above** the **one month** baseline projection or year-to-date budget of **R53.2 million**, a variance of **R4.8 million or 9% is observed**.

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

Reasons for variances can be attributed to contracted services moving at higher pace, and inventory consumed which are moving at a slower pace than year-to-date budget; debt impairment which has no movement yet. Employee-related cost is moving at higher pace, interest and operational costs are a bit higher than the year-to-day budget.

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

Grants expenditure and receipts

GRANTS RECIEPTS AND EXPENDITURE AS AT 31 JULY 2026	APPROVED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	272 515 000	81 755 000	4 872 775	267 642 225	2%
Regional Bulk Infrastructure (RBIG)	370 085 000		-	370 085 000	0%
Water services infrastructure Grant (WSI	115 000 000	42 000 000	-	115 000 000	0%
Indonsa Grant	1 719 000		-	1 719 000	0%
FMG	1 500 000		-	1 500 000	0%
EPWP	5 379 000		1 131 246	4 247 754	21%
TS_O_M_PG_KZN_CAP BLD_AVIATION	700 000		-	700 000	0%
Rural Roads Asset Managemnt Systems	2 884 000		-	2 884 000	0%
	769 782 000	**123 755 000**	**6 004 021**	**763 777 979**	**0.8%**

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	612 033 921	2 060 114.15	51 211 110	-49 150 995.58	-96%	0%
Total Capital Financing	612 033 921	2 060 114.15	51 211 110	-49 150 995.58	-96%	0%

Grants receipts and expenditure

Total Capital Expenditure as at **31 July 2026** is **R2 million** which is **0%** of the approved operating expenditure budget of the approved capital budget. The **R2 million** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R51.2 million**, a variance of **R49.1 million or 96%**. The expenditure paid to date is only from MIG grant.

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 **2%, RBIG** is at **0%, WSIG** is at **0% RRAMG** is at **0%** and **Indonsa** is at **0%.**

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) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		56 461	78 508	78 508	9 210	9 210	6 542	2 668	41%	78 508
Service charges - Waste Water Management		17 946	21 258	21 258	1 606	1 606	1 771	(166)	-9%	21 258
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		1 011	1 903	1 903	–	–	159	(159)	-100%	1 903
Agency services								–		
Interest								–		
Interest earned from Receivables		631	1 015	1 015	58	58	85	(27)	-32%	1 015
Interest from Current and Non Current Assets		8 687	8 000	8 000	–	–	667	(667)	-100%	8 000
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		469	195	195	18	18	16	2	11%	195
Licence and permits		197	200	200	19	19	17	3	17%	200
Special rating levies								–		
Construction Contract Revenue										
Development Charges										
Operational Revenue		952	610	610	48	48	51	(3)	-5%	610
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		227	400	400	105	105	33	71	214%	400
Licence and permits								–		
Transfers and subsidies - Operational		728 760	815 124	815 124	312 217	312 217	67 927	244 290	360%	815 124
Interest		–	–	–	–	–	–	–		–
Fuel Levy								–		
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**815 342**	**927 214**	**927 214**	**323 280**	**323 280**	**77 268**	**246 013**	**318%**	**927 214**

The year-to-date actual indicates operating revenue of **R323.2 million** for **July**, The **R323.2 million** year to date actual is **above** the **one-month** baseline projection or year-to-date budget of **R77.2 million**, a variance of **R246 million** or **318%** is observed.

Each line item on the face of the financial performance is explained below.

EXCHANGE REVENUE

Service charges – Water revenue

This is the amounts billed on customers for water used, the year-to-date actual is **R9.2 million** which is **12 %** of the approved budget. The **R9.2 million** year to date actual is **above** the **one-month** baseline projection or year-to-date budget of **R6.5 million**. A variance of **R2.6 million** or **41% is observed**. The municipality will monitor this line item to keep in track with the budget year forecast.

Service charges – Sanitation revenue

This is the amount billed on customers that are connected to the sewer system, the year-to-date actual is **R1.6 million** which is **7 %** of the approved budget. The **R1.6 million** year to date actual is **above** the **one-month** baseline projection or year-to-date budget of **R1.7 million**. A variance of -**R166 thousand** or **-9%** is observed.

Sale of goods and rendering of service

This is the amount on sale of goods and rendering of services, the year-to-date actual is **R0 thousand** which is **0%** of the approved budget. The **R0 million** year to date actual is **below** the **one**-month baseline projection or year-to-date budget of **R159 thousand**. A variance of **R159 thousand** or **100%** is observed.

There was no sale of tender documents in this period.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R58 thousand,** which is **6%** of the approved budget. The **R58 thousand** year- to-date actual is **below** the **one month** baseline projection or year-to-date budget of **R85 thousand**. A variance of -**R27 thousand** or **-32%** is observed.

Reasons for variances can be attributed to businesses' adherence to payment terms

Interest on investment

Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R0 thousand** which is **0%** of the approved budget. The **R0 thousand** year-to-date actual is **above** the **one-month** baseline projection or year-to-date budget of **R667 thousand**. A variance of -**R667 million** or **100%** is observed.

Rent of facilities

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R18 thousand** which is **9%** of the approved budget. The **R18 thousand** year-to-date actual is **above** the **one**-month baseline projection or year-to-date budget of **R16 thousand**. A variance of **R2 thousand** or **11%** is observed. The municipality has only one tenant for now.

Licences and Permits

Licences and permits year-to-date actual is **R19 thousand** which is **9%** of the approved budget. The **R19 thousand** year to date actual is **above** the **one month** baseline projection or year-to-date budget of **R17 thousand**. A variance of **R3 thousand** or **17%** is observed.

Operational revenue

Operational revenue year-to-date actual is **R48 thousand** which is **8%** of the approved budget. the **R48 thousand** year to date actual is **above** the **one-month** baseline projection or year-to-date budget of **R51 thousand**. A variance of **R3 thousands or 5%** is observed. The amount was received from skills levy refund, landing fee and handling fees.

NON-EXCHANGE REVENUE

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The year-to-date actual is **R104 thousand,** which is **26%** of the approved budget. The **R104 thousand** year to date is **below** the **one-month** baseline projection or year-to-date budget of **R33 thousand**. A variance of **R71 thousand** or **214%** is observed. The amount billed was from disconnections.

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

Transfers and subsidies

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

Transfers and subsidies year to date actual is **R312.2 million** which is **38%** of the approved budget. The **R312.2 million** year to date actual is **above** the **one**-month baseline projection or year-to-date budget of **R67.9 million**. A variance of **R244.2 million** or **360%** is observed.

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

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
		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		367 585	384 180	384 180	36 756	36 756	32 015	4 741	15%	384 180
Remuneration of councillors		10 395	14 283	14 283	1 228	1 228	1 190	38	3%	14 283
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		62 079	10 380	10 380	1 493	1 493	865	628	73%	10 380
Debt impairment		–	5 580	5 580	–	–	465	(465)	-100%	5 580
Depreciation, amortisation and impairment		117 682	91 000	91 000	7 917	7 917	7 583	333	4%	91 000
Interest, Dividends and Rent on Land		10 936	7 593	7 593	827	827	633	194	31%	7 593
Contracted services		296 111	82 238	76 544	7 440	7 440	6 379	1 061	17%	76 544
Transfers and subsidies		22 833	200	200	–	–	17	(17)	-100%	200
Irrecoverable debts written off		50 200	–	–	–	–	–	–		–
Operational costs		299 758	46 498	49 693	2 444	2 444	4 141	(1 698)	-41%	49 693
Disposal of Fixed and Intangible Assets		9	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 237 588**	**641 952**	**639 453**	**58 104**	**58 104**	**53 288**	**4 816**	**9%**	**639 453**

The year-to-date actuals indicate spending of **R58.1 million** for **one months,** which is **9%** of the approved operating expenditure budget. The **R58.1 million** year to date actual is **above** the **one month's** baseline projection or year-to-date budget of **R53.2 million**, a variance of -**R1.6 million** or less than **41%** is observed.

Employee Related Costs

Employee related costs are amounts paid for salaries, allowances, service-related benefits and contributions. The year-to-date actual is **R36.7 million** which is **9%** of the approved budget. The **R36.7 million** year to date actual is **above** the **one-month** baseline projection or year-to-date

budget of **R32 million**. A variance of **R4.7 million** or **15%** is observed. It is observed that the employee cost is above the monthly projected budget.
The municipality will make sure that the salary bill is kept within the limits of the monthly projections.

Remuneration of Councillors
Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R1.2 million** which is **8%** of the approved budget. The **R1.2 million** year-to-date actual is **above** the **one-month** baseline projection or year-to-date budget of **R1.1 million**. A variance of **R4.7 million** or **15%** is observed. The municipality will try to spend within the budget.

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

Inventory Consumed
Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date is **R1.4 million,** which is **R14%** of the approved budget. The **R1.4 million** year to date actual **is above** the **one-month** baseline projection or year-to-date budget of **R865 thousand**. A variance of **R628 thousand** or **73%** is observed.

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 **R7.9 million** which is **8%** of the approved budget. The **R7.9 million** year-to-date actual **is above** the **one-month** baseline projection or year-to-date budget of **R7.5 million**. A variance of **R333 thousand** or **4%** is observed.

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 **R827 thousand** which is **11%** of the approved budget. The **R827 million** year-to-date actual is **above** the **one-month** baseline projection or year-to-date budget of **R633 thousand**. A variance of **R194 thousand** or **31%** is observed.

Contracted services
Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R7.4 million** which is **R9%** of the approved budget. The **R7.4 million** year to date actual is **above** the **one-month** baseline projection or year-to-date budget of **R6.3 million**. A variance of **R1 million** or **17%** is observed.

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 **R0 thousand** which is **0%** of the approved budget of **R0.0 million**, the **R0.0 thousand** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R17 thousand**. A variance of **R17 thousand** or **100%.** is observed

Operational cost
Operational costs are all other expenditure not classified above. The year-to-date actual is **R2.4 million** which is **5%** of the approved budget. the **R2.4 million** year-to-date actual is **below** the **one-**month baseline projection or year-to-date budget of **R4.1 million**. A variance of -**R1.6 million** or **41%** is observed.

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDI
Finance Management grant (FMG)	1 500 000	-	125 000	-125 000.00	-100%	0%
EPWP Incentive	5 379 000	1 131 245.88	448 250	682 995.88	152%	21%
Art centre Subsisies (Indonsa Grant)	1 719 000	-	143 250	-143 250.00	-100%	0%
Aviation Grant	700 000	-	58 333	-58 333.33	-100%	0%
Total Operating Grant Expenditure	**9 298 000.00**	**1 131 245.88**	**774 833.33**	**356 412.55**	**46%**	**12%**

FMG **0%**, EPWP Incentive **21%**, Art center subsidies (Indonsa Grant) **0%** LG SETA **0% and** Aviation Grant **0%**

Grants Rollovers
The municipality is still finalizing the payments of grants invoices that we received after June 2026. The finalization of unspent grants will be confirm in August.

Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		56 461	78 508	78 508	9 210	9 210	6 542	2 668	41%	78 508
Service charges - Waste Water Management		17 946	21 258	21 258	1 606	1 606	1 771	(166)	-9%	21 258
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		1 011	1 903	1 903	–	–	159	(159)	-100%	1 903
Agency services								–		
Interest								–		
Interest earned from Receivables		631	1 015	1 015	58	58	85	(27)	-32%	1 015
Interest from Current and Non Current Assets		8 687	8 000	8 000	–	–	667	(667)	-100%	8 000
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		469	195	195	18	18	16	2	11%	195
Licence and permits		197	200	200	19	19	17	3	17%	200
Special rating levies								–		
Construction Contract Revenue										
Development Charges										
Operational Revenue		952	610	610	48	48	51	(3)	-5%	610
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		227	400	400	105	105	33	71	214%	400
Licence and permits								–		
Transfers and subsidies - Operational		728 760	815 124	815 124	312 217	312 217	67 927	244 290	360%	815 124
Interest		–	–	–	–	–	–	–		–
Fuel Levy								–		
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**815 342**	**927 214**	**927 214**	**323 280**	**323 280**	**77 268**	**246 013**	**318%**	**927 214**
Expenditure By Type										
Employee related costs		367 585	384 180	384 180	36 756	36 756	32 015	4 741	15%	384 180
Remuneration of councillors		10 395	14 283	14 283	1 228	1 228	1 190	38	3%	14 283
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		62 079	10 380	10 380	1 493	1 493	865	628	73%	10 380
Debt impairment		–	5 580	5 580	–	–	465	(465)	-100%	5 580
Depreciation, amortisation and impairment		117 682	91 000	91 000	7 917	7 917	7 583	333	4%	91 000
Interest, Dividends and Rent on Land		10 936	7 593	7 593	827	827	633	194	31%	7 593
Contracted services		296 111	82 238	76 544	7 440	7 440	6 379	1 061	17%	76 544
Transfers and subsidies		22 833	200	200	–	–	17	(17)	-100%	200
Irrecoverable debts written off		50 200	–	–	–	–	–	–		–
Operational costs		299 758	46 498	49 693	2 444	2 444	4 141	(1 698)	-41%	49 693
Disposal of Fixed and Intangible Assets		9	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 237 588**	**641 952**	**639 453**	**58 104**	**58 104**	**53 288**	**4 816**	**9%**	**639 453**
Surplus/(Deficit)		**(422 246)**	**285 262**	**287 761**	**265 176**	**265 176**	**23 980**	**241 197**	**0**	**287 761**
Transfers and subsidies - capital (monetary allocations)		728 039	703 834	703 834	4 873	4 873	58 653	(53 780)	**(0)**	703 834
Transfers and subsidies - capital (in-kind)		39	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**0**	**991 595**
Income Tax								–		
Surplus/(Deficit) after income tax		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**0**	**991 595**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	187 417	0	**991 595**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**0**	**991 595**

1.6. CAPITAL EXPENDITURE AND FUNDING

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

	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Total Capital Expenditure	612 033 921	2 060 114.15	51 211 110	-49 150 995.58	-96%	0%
Total Capital Financing	612 033 921	2 060 114.15	51 211 110	-49 150 995.58	-96%	0%

The capital expenditure amounts to **R2 million,** which is **0%** of the capital approved budget, after a period of **one month.**

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2025/26	Budget Year 2026/27							
		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		165	–	–	–	–	–	–		–
Vote 03 - Finance		71	–	–	–	–	–	–		–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		39	–	2 499	–	–	208	(208)	-100%	2 499
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	**274**	**–**	**2 499**	**–**	**–**	**208**	**(208)**	**-100%**	**2 499**
Single Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		2 400	–	–	–	–	–	–		–
Vote 03 - Finance		1 640	–	–	–	–	–	–		–
Vote 04 - Community Development		480	87	87	–	–	7	(7)	-100%	87
Vote 05 - Planning & Wsa		2 558	611 947	611 947	2 060	2 060	50 996	(48 935)	-96%	611 947
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		4 342	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	11 420	612 034	612 034	2 060	2 060	51 003	**(48 943)**	**-96%**	612 034
Total Capital Expenditure		**11 695**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**
Capital Expenditure - Functional Classification										
Governance and administration		**4 275**	**–**	**–**	**–**	**–**	**–**	–		**–**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		4 275	–	–	–	–	–	–		–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**480**	**87**	**87**	**–**	**–**	**7**	(7)	-100%	**87**
Community and social services		480	87	87	–	–	7	(7)	-100%	87
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**2 449**	**2 508**	**2 508**	**–**	**–**	**209**	(209)	-100%	**2 508**
Planning and development		2 449	2 508	2 508	–	–	209	(209)	-100%	2 508
Road transport								–		
Environmental protection								–		
Trading services		**4 490**	**609 439**	**611 938**	**2 060**	**2 060**	**50 995**	(48 935)	-96%	**611 938**
Energy sources								–		
Water management		4 490	609 439	611 938	2 060	2 060	50 995	(48 935)	-96%	611 938
Waste water management		–	–	–	–	–	–	–		–
Waste management								–		
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**11 695**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**
Funded by:										
National Government		2 558	611 947	614 446	2 060	2 060	51 204	(49 144)	-96%	614 446
Provincial Government		480	87	87	–	–	7	(7)	-100%	87
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		39	–	–	–	–	–	–		–
Transfers recognised - capital		**3 077**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**
Borrowing	6	4 342	–	–	–	–	–	–		–
Internally generated funds		4 275	–	–	–	–	–	–		–
Total Capital Funding		**11 695**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**

Governance and administration

Governance and Administration year-to-date actual is **R0 thousand** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **one month** baseline projection or year-to-date budget of **R0 thousand**. A variance of **R0 thousand** or **0%** is observed.

Community and public safety

Community and public safety year-to-date actual is **R0 thousand** which is **0%** of the approved budget. the **R0** year to date actual is **below** the **one-month** baseline projection or year-to-date budget of **R7 thousand**. A variance of **R7 thousand** or **100%** is observed.

Economic and environmental services

Economic and environmental services year-to-date actual is **R0 thousand** which is **0%** of the approved budget. the **R0 thousand** year to date actual is **below one-month** baseline projection or year-to-date budget of **R209 thousand**. A variance of **R209 thousand** or **100%** is observed.

Trading services

Trading services year-to-date actual is **R2 million** which is **0.34%** of the approved budget. the **R2 million** year-to-date actual is **below** the **one-month** baseline projection or year-to-date budget of **R50.9 million**. A variance of **R48.9 million** or **96%** is observed.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	236 969 565.22	4 248 085.04	19 747 464	-15 499 378.73	-78%	2%
Regional Bulk Infrastructure (RBIG)	321 813 043.48		26 817 754	-26 817 753.62	-100%	0%
Water services infrastructure Grant (WSIG)	99 973 913.00		8 331 159	-8 331 159.42	-100%	0%
Rural Roads Asset Managemnt Systems Grant	2 507 826.09		208 986	-208 985.51	-100%	0%
Art centre Subsisies (Indonsa Grant)	1 494 782.61		124 565	-124 565.22	-100%	0%
Total Operating Expenditure	**662 759 130**	**4 248 085**	**55 229 928**	**-50 981 842**	**-92%**	**1%**

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIENCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	272 515 000	4 872 775.27	22 709 583	-17 836 808.06	-7%	2%
Regional Bulk Infrastructure (RBIG)	370 085 000		30 840 417	-30 840 416.67	-100%	0%
Water services infrastructure Grant (WSIG	115 000 000		9 583 333	-9 583 333.33	-100%	0%
Rural Roads Asset Managemnt Systems G	2 884 000		240 333	-240 333.33	-100%	0%
Indonsa Grant	1 719 000		143 250	-143 250.00	-100%	0%
Total Capital Grant Expenditure	**762 203 000**	**4 872 775**	**63 516 917**	**-58 644 141**	**-92%**	**1%**

Overall capital grant expenditure is sitting at **1%** of the approved capital budget, **MIG** is sitting at **2%**, **RBIG** at **0%, WSIG** at **0%, RAMS** at **0% and Indonsa Grant 0%**

1.7. IN-YEAR BUDGET TABLES

The following part of in - year reporting presented below focuses on the monthly budget statement tables as required in terms of regulation 28 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's **2026/2027** 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 - M01 July

Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	74 407	99 766	99 766	10 815	10 815	8 314	2 502	30%	99 766
Investment revenue	8 687	8 000	8 000	–	–	667	(667)	-100%	8 000
Transfers and subsidies - Operational	728 760	815 124	815 124	312 217	312 217	67 927	244 290	0	815 124
Other own revenue	3 488	4 323	4 323	248	248	360	(113)	-31%	4 323
Total Revenue (excluding capital transfers and contributions)	**815 342**	**927 214**	**927 214**	**323 280**	**323 280**	**77 268**	**246 013**	**318%**	**927 214**
Employee costs	367 585	384 180	384 180	36 756	36 756	32 015	4 741	15%	384 180
Remuneration of Councillors	10 395	14 283	14 283	1 228	1 228	1 190	38	3%	14 283
Depreciation, amortisation and impairment	117 682	91 000	91 000	7 917	7 917	7 583	333	4%	91 000
Interest, Dividends and Rent on Land	10 936	7 593	7 593	827	827	633	194	31%	7 593
Inventory consumed and bulk purchases	62 079	10 380	10 380	1 493	1 493	865	628	73%	10 380
Transfers and subsidies	22 833	200	200	–	–	17	(17)	-100%	200
Other expenditure	646 078	134 316	131 817	9 883	9 883	10 985	(1 101)	-10%	131 817
Total Expenditure	**1 237 588**	**641 952**	**639 453**	**58 104**	**58 104**	**53 288**	**4 816**	**9%**	**639 453**
Surplus/(Deficit)	**(422 246)**	**285 262**	**287 761**	**265 176**	**265 176**	**23 980**	**241 197**	**1006%**	**287 761**
Transfers and subsidies - capital (monetary allocations)	728 039	703 834	703 834	4 873	4 873	58 653	###	-92%	703 834
Transfers and subsidies - capital (in-kind)	39	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**227%**	**991 595**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**227%**	**991 595**
Capital expenditure & funds sources									
Capital expenditure	**11 695**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**
Capital transfers recognised	3 077	612 034	614 533	2 060	2 060	51 211	(49 151)	-96%	614 533
Borrowing	4 342	–	–	–	–	–	–		–
Internally generated funds	**4 275**	–	–	–	–	–	–		–
Total sources of capital funds	**11 695**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**
Financial position									
Total current assets	159 654	916 550	916 550		215 605				916 550
Total non current assets	5 910 913	6 533 380	6 535 879		5 905 056				6 535 879
Total current liabilities	411 190	641 548	641 548		163 209				641 548
Total non current liabilities	120 557	275 287	275 287		121 389				275 287
Community wealth/Equity	**5 598 347**	**5 543 999**	**5 543 999**		**5 808 870**				**5 543 999**
Cash flows									
Net cash from (used) operating	1 958 811	1 052 956	1 052 956	56 547	56 547	87 746	31 199	36%	1 052 956
Net cash from (used) investing	(677 264)	(703 839)	(703 839)	(2 060)	(2 060)	(58 653)	(56 593)	96%	(703 839)
Net cash from (used) financing	(7 328)	(17 712)	(17 712)	(8 745)	(8 745)	(1 476)	7 269	-493%	(17 712)
Cash/cash equivalents at the month/year end	**1 297 322**	**611 748**	**611 768**	**50 081**	**50 081**	**307 980**	**257 899**	**84%**	**335 745**
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	12 836	5 628	5 651	3 522	3 269	3 236	19 701	202 371	256 214
Creditors Age Analysis									
Total Creditors	4 692	5 036	2 420	16 879	14 571	5 558	8 220	9 471	66 847

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**723 944**	**761 599**	**761 599**	**312 389**	**312 389**	**63 467**	248 923	392%	**761 599**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		723 944	761 599	761 599	312 389	312 389	63 467	248 923	392%	761 599
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**9 929**	**2 019**	**2 019**	**19**	**19**	**168**	(149)	-88%	**2 019**
Community and social services		9 732	1 719	1 719	–	–	143	(143)	-100%	1 719
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		197	300	300	19	19	25	(6)	-22%	300
Economic and environmental services		**1 528**	**2 884**	**2 884**	**–**	**–**	**240**	(240)	-100%	**2 884**
Planning and development		1 528	2 884	2 884	–	–	240	(240)	-100%	2 884
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**807 967**	**863 745**	**863 745**	**15 743**	**15 743**	**71 979**	**(56 235)**	-78%	**863 745**
Energy sources		–	–	–	–	–	–	–		–
Water management		789 935	842 356	842 356	14 131	14 131	70 196	(56 065)	-80%	842 356
Waste water management		18 032	21 390	21 390	1 613	1 613	1 782	(170)	-10%	21 390
Waste management		–	–	–	–	–	–	–		–
Other	4	**51**	**800**	**800**	**1**	**1**	**67**	**(66)**	**-99%**	**800**
Total Revenue - Functional	2	**1 543 420**	**1 631 048**	**1 631 048**	**328 153**	**328 153**	**135 921**	**192 233**	**141%**	**1 631 048**
Expenditure - Functional										
Governance and administration		**405 487**	**203 708**	**209 628**	**17 839**	**17 839**	**17 469**	369	2%	**209 628**
Executive and council		102 924	45 639	54 014	5 534	5 534	4 501	1 033	23%	54 014
Finance and administration		245 084	143 554	141 924	11 979	11 979	11 827	152	1%	141 924
Internal audit		57 479	14 515	13 690	326	326	1 141	(815)	-71%	13 690
Community and public safety		**46 059**	**30 883**	**30 883**	**2 305**	**2 305**	**2 574**	(269)	-10%	**30 883**
Community and social services		26 452	9 232	9 232	778	778	769	9	1%	9 232
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		7 419	7 947	7 947	633	633	662	(29)	-4%	7 947
Housing		–	–	–	–	–	–	–		–
Health		12 188	13 703	13 703	894	894	1 142	(248)	-22%	13 703
Economic and environmental services		**24 044**	**21 848**	**21 878**	**2 782**	**2 782**	**1 823**	959	53%	**21 878**
Planning and development		24 044	21 848	21 878	2 782	2 782	1 823	959	53%	21 878
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**752 031**	**374 396**	**365 947**	**34 355**	**34 355**	**30 496**	**3 860**	13%	**365 947**
Energy sources		–	–	–	–	–	–	–		–
Water management		726 598	362 220	353 770	33 594	33 594	29 481	4 113	14%	353 770
Waste water management		25 453	12 177	12 177	762	762	1 015	(253)	-25%	12 177
Waste management		(20)	–	–	–	–	–	–		–
Other		**9 967**	**11 117**	**11 117**	**823**	**823**	**926**	**(104)**	**-11%**	**11 117**
Total Expenditure - Functional	3	**1 237 588**	**641 952**	**639 453**	**58 104**	**58 104**	**53 288**	**4 816**	**9%**	**639 453**
Surplus/ (Deficit) for the year		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**2.2680702**	**991 595**

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

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

DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		969	1 200	1 200	48	48	100	(52)	-52.1%	1 200
Vote 03 - Finance		723 026	761 199	761 199	312 343	312 343	63 433	248 909	392.4%	761 199
Vote 04 - Community Development		9 929	2 019	2 019	19	19	168	(149)	-88.4%	2 019
Vote 05 - Planning & Wsa		734 484	765 863	765 863	4 873	4 873	63 822	(58 949)	-92.4%	765 863
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		56 979	79 377	79 377	9 258	9 258	6 615	2 643	40.0%	79 377
Vote 09 - Waste Water		18 032	21 390	21 390	1 613	1 613	1 782	(170)	-9.5%	21 390
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1 543 420**	**1 631 048**	**1 631 048**	**328 153**	**328 153**	**135 921**	**192 233**	**141.4%**	**1 631 048**
Expenditure by Vote	1									
Vote 01 - Council		110 600	55 581	63 631	5 908	5 908	5 303	606	11.4%	63 631
Vote 02 - Corporate Services		206 065	89 973	88 123	6 134	6 134	7 344	(1 209)	-16.5%	88 123
Vote 03 - Finance		71 768	61 789	61 459	4 840	4 840	5 122	(282)	-5.5%	61 459
Vote 04 - Community Development		88 338	50 058	50 108	5 153	5 153	4 176	977	23.4%	50 108
Vote 05 - Planning & Wsa		59 574	73 502	71 033	5 059	5 059	5 919	(860)	-14.5%	71 033
Vote 06 - Technical Services		11 138	2 943	3 033	2 167	2 167	253	1 914	757.3%	3 033
Vote 07 - Water Purification		57 420	58 174	58 184	5 160	5 160	4 849	312	6.4%	58 184
Vote 08 - Water Distribution		607 252	237 755	231 705	22 921	22 921	19 309	3 612	18.7%	231 705
Vote 09 - Waste Water		25 433	12 177	12 177	762	762	1 015	(253)	-24.9%	12 177
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 237 588**	**641 952**	**639 453**	**58 104**	**58 104**	**53 288**	**4 816**	**9.0%**	**639 453**
Surplus/ (Deficit) for the year	2	**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**226.8%**	**991 595**

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) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity								–		
Service charges - Water		56 461	78 508	78 508	9 210	9 210	6 542	2 668	41%	78 508
Service charges - Waste Water Management		17 946	21 258	21 258	1 606	1 606	1 771	(166)	-9%	21 258
Service charges - Waste management								–		
Sale of Goods and Rendering of Services		1 011	1 903	1 903	–	–	159	(159)	-100%	1 903
Agency services								–		
Interest								–		
Interest earned from Receivables		631	1 015	1 015	58	58	85	(27)	-32%	1 015
Interest from Current and Non Current Assets		8 687	8 000	8 000	–	–	667	(667)	-100%	8 000
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		469	195	195	18	18	16	2	11%	195
Licence and permits		197	200	200	19	19	17	3	17%	200
Special rating levies								–		
Construction Contract Revenue										
Development Charges										
Operational Revenue		952	610	610	48	48	51	(3)	-5%	610
Non-Exchange Revenue								–		
Property rates								–		
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		227	400	400	105	105	33	71	214%	400
Licence and permits								–		
Transfers and subsidies - Operational		728 760	815 124	815 124	312 217	312 217	67 927	244 290	360%	815 124
Interest		–	–	–	–	–	–	–		–
Fuel Levy								–		
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**815 342**	**927 214**	**927 214**	**323 280**	**323 280**	**77 268**	**246 013**	**318%**	**927 214**
Expenditure By Type										
Employee related costs		367 585	384 180	384 180	36 756	36 756	32 015	4 741	15%	384 180
Remuneration of councillors		10 395	14 283	14 283	1 228	1 228	1 190	38	3%	14 283
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		62 079	10 380	10 380	1 493	1 493	865	628	73%	10 380
Debt impairment		–	5 580	5 580	–	–	465	(465)	-100%	5 580
Depreciation, amortisation and impairment		117 682	91 000	91 000	7 917	7 917	7 583	333	4%	91 000
Interest, Dividends and Rent on Land		10 936	7 593	7 593	827	827	633	194	31%	7 593
Contracted services		296 111	82 238	76 544	7 440	7 440	6 379	1 061	17%	76 544
Transfers and subsidies		22 833	200	200	–	–	17	(17)	-100%	200
Irrecoverable debts written off		50 200	–	–	–	–	–	–		–
Operational costs		299 758	46 498	49 693	2 444	2 444	4 141	(1 698)	-41%	49 693
Disposal of Fixed and Intangible Assets		9	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 237 588**	**641 952**	**639 453**	**58 104**	**58 104**	**53 288**	**4 816**	**9%**	**639 453**
Surplus/(Deficit)		**(422 246)**	**285 262**	**287 761**	**265 176**	**265 176**	**23 980**	**241 197**	**0**	**287 761**
Transfers and subsidies - capital (monetary allocations)		728 039	703 834	703 834	4 873	4 873	58 653	(53 780)	**(0)**	703 834
Transfers and subsidies - capital (in-kind)		39	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**0**	**991 595**
Income Tax								–		
Surplus/(Deficit) after income tax		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**0**	**991 595**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	187 417	0	**991 595**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		
Surplus/ (Deficit) for the year		**305 832**	**989 096**	**991 595**	**270 049**	**270 049**	**82 633**	**187 417**	**0**	**991 595**

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) - M01 July

Vote Description	Ref	2025/26 Audited Outcome	Budget Year 2026/27 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		165	–	–	–	–	–	–		–
Vote 03 - Finance		71	–	–	–	–	–	–		–
Vote 04 - Community Development		–	–	–	–	–	–	–		–
Vote 05 - Planning & Wsa		39	–	2 499	–	–	208	(208)	-100%	2 499
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	**274**	**–**	**2 499**	**–**	**–**	**208**	**(208)**	**-100%**	**2 499**
Single Year expenditure appropriation	2									
Vote 01 - Council		–	–	–	–	–	–	–		–
Vote 02 - Corporate Services		2 400	–	–	–	–	–	–		–
Vote 03 - Finance		1 640	–	–	–	–	–	–		–
Vote 04 - Community Development		480	87	87	–	–	7	(7)	-100%	87
Vote 05 - Planning & Wsa		2 558	611 947	611 947	2 060	2 060	50 996	(48 935)	-96%	611 947
Vote 06 - Technical Services		–	–	–	–	–	–	–		–
Vote 07 - Water Purification		–	–	–	–	–	–	–		–
Vote 08 - Water Distribution		4 342	–	–	–	–	–	–		–
Vote 09 - Waste Water		–	–	–	–	–	–	–		–
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 - .		–	–	–	–	–	–	–		–
Vote 12 - ,		–	–	–	–	–	–	–		–
Vote 13 - ,		–	–	–	–	–	–	–		–
Vote 14 - *		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	11 420	612 034	612 034	2 060	2 060	51 003	**(48 943)**	**-96%**	612 034
Total Capital Expenditure		**11 695**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**
Capital Expenditure - Functional Classification										
Governance and administration		**4 275**	**–**	**–**	**–**	**–**	**–**	–		**–**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		4 275	–	–	–	–	–	–		–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**480**	**87**	**87**	**–**	**–**	**7**	(7)	-100%	**87**
Community and social services		480	87	87	–	–	7	(7)	-100%	87
Sport and recreation								–		
Public safety								–		
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**2 449**	**2 508**	**2 508**	**–**	**–**	**209**	(209)	-100%	**2 508**
Planning and development		2 449	2 508	2 508	–	–	209	(209)	-100%	2 508
Road transport								–		
Environmental protection								–		
Trading services		**4 490**	**609 439**	**611 938**	**2 060**	**2 060**	**50 995**	(48 935)	-96%	**611 938**
Energy sources								–		
Water management		4 490	609 439	611 938	2 060	2 060	50 995	(48 935)	-96%	611 938
Waste water management		–	–	–	–	–	–	–		–
Waste management								–		
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**11 695**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**
Funded by:										
National Government		2 558	611 947	614 446	2 060	2 060	51 204	(49 144)	-96%	614 446
Provincial Government		480	87	87	–	–	7	(7)	-100%	87
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		39	–	–	–	–	–	–		–
Transfers recognised - capital		**3 077**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**
Borrowing	6	4 342	–	–	–	–	–	–		–
Internally generated funds		4 275	–	–	–	–	–	–		–
Total Capital Funding		**11 695**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 151)**	**-96%**	**614 533**

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 - M01 July

Description	Ref	2025/26	Budget Year 2026/27			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		4 340	703 573	703 573	48 052	703 573
Short term Investments						
Trade and other receivables from exchange transactions		69 274	163 985	163 985	(31 985)	163 985
Receivables from non-exchange transactions		27	1 012	1 012	–	1 012
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 298	3 013	3 013	(2 072)	3 013
VAT Receivable		42 096	18 297	18 297	41 904	18 297
Other current assets		40 619	26 669	26 669	51	26 669
Total current assets		**159 654**	**916 550**	**916 550**	**55 951**	**916 550**
Non current assets						
Investments						
Investment property						
Property, plant and equipment		5 903 090	6 525 649	6 528 149	(5 855)	6 528 149
Biological assets						
Living resources						
Heritage assets		7 817	7 817	7 817	–	7 817
Intangible assets		5	(87)	(87)	(2)	(87)
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		1	1	1	–	1
Total non current assets		**5 910 913**	**6 533 380**	**6 535 879**	**(5 857)**	**6 535 879**
TOTAL ASSETS		**6 070 567**	**7 449 930**	**7 452 429**	**50 094**	**7 452 429**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		26 966	17 508	17 508	(8 746)	17 508
Consumer deposits		3 394	3 372	3 372	1	3 372
Trade and other payables from exchange transactions		795 262	591 357	591 357	(359 373)	591 357
Trade and other payables from non-exchange transactions		(454 293)	(0)	(0)	119 582	(0)
Provision		37 619	28 582	28 582	–	28 582
VAT Payable		1 080	729	729	554	729
Other current liabilities		1 161	–	–	–	–
Total current liabilities		**411 190**	**641 548**	**641 548**	**(247 981)**	**641 548**
Non current liabilities						
Financial liabilities		70 043	55 449	55 449	832	55 449
Provision		–	–	–	–	–
Long term portion of trade payables		–	140 445	140 445	–	140 445
Other non-current liabilities		50 514	79 394	79 394	–	79 394
Total non current liabilities		**120 557**	**275 287**	**275 287**	**832**	**275 287**
TOTAL LIABILITIES		**531 747**	**916 836**	**916 836**	**(247 149)**	**916 836**
NET ASSETS	2	**5 538 821**	**6 533 094**	**6 535 594**	**297 244**	**6 535 594**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 598 347	5 543 999	5 543 999	270 049	5 543 999
Reserves and funds		–	–	–	–	–
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**5 598 347**	**5 543 999**	**5 543 999**	**270 049**	**5 543 999**

MBRR Table C6 - Monthly Budget Statement Financial Position

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

CURRENT ASSETS

Cash and Cash Equivalents

Cash and cash Equivalents balance as at **31 July 2026** indicates a balance of **R52.3 million.**

Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is R37.2 million. Debtors age analysis as per section 2.1 debtors' analysis is R232 million. Consumer debtors' amount to R232 million and R2.4 million is for shared services cast in Other Debtors.

Other Consumer debtors

Other consumer debtors' amount to **R27 thousand**, these are sundry debtors.

Inventory

The current level of inventory is **R1.2 million**. Inventories include water stock and consumable stores. The correcting journal will be prepared to correct inventory issued.

VAT Receivable

VAT Receivable amounts to **R84 million**, this is the amount raised when input VAT is recognized as less output VAT collected as VAT reconciliation.

Other debtors

Other debtors are debtors that arise from non-exchange transactions, the balance for the reporting period is **R40.6 million.**

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

- **Deposits Made**

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

Eskom Deposits	R26.09 million
Stowel Deposits	R200 thousand

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

- **Refunds & under/over banking**
  Refunds & under/over banking amount to **R5 thousand**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

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

<u>NON-CURRENT ASSETS</u>

Long term receivables

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

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment includes current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R5.8 billion**

Opening balance	**R5.8 billion**
Additions	**R0 million**
Depreciation	**(R0)**
Closing Balance	**R5.8 billion**

Heritage Assets

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

Intangible

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

Opening balance	**R3 thousand**
Additions	R 0
Depreciation	(R)

Closing Balance	**R3 thousand**

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

CURRENT LIABILITIES

Financial Liabilities
This is the current portion of the long-term loan repayment and finance lease agreement. The current balance owed amount to **R18.2 million.**

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

Trade and other payables from exchange transactions
Trade and other payables are amounts owed by the municipality to service providers. This amount includes unspent conditional grants. Trade and other payables are **R435.8 million**. There was a misalignment of this, it was also affected by system update and it will be corrected this month.

Trade Creditors	R145.9 million
Retention	R125 million
Department of Water & Sanitation	R91.4 million
Employee related cost	R1.2 million
Advance Payments	R1.8 million
Salary Suspense Accounts	R148 thousand
Leave accrual	R788 thousand
Unpaid cheques	R3.4 million
Refund	R137 thousand
Over/Under Banking	R9 Rands
Inventory	R349 thousand
Other Creditors	R546 thousand
Fleet Horizon	R15.8 Million
WSSA	R67.4 million
Closing Balance	**R435.8 million**

Current Provision
Current provisions amount to **R36.4 million**, this provision is for post-retirement benefit (Medical aid), long service awards and Leave provision that is paid in the current financial year.

VAT Payables
VAT payable amount to **R1.6 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 **R70.8 million.**

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

Non-current Provisions
Non-current Provisions amounts to **R50 million**, this provision is for post-retirement benefit (Medical aid) and Long Service award.
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 - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								–		
Service charges		49 613	70 522	70 522	4 178	4 178	5 877	(1 699)	-29%	70 522
Other revenue		1 625 767	105 348	105 348	176	176	8 779	(8 603)	-98%	105 348
Transfers and Subsidies - Operational		764 671	758 474	758 474	312 857	312 857	63 206	249 651	395%	758 474
Transfers and Subsidies - Capital		956 219	760 484	760 484	123 755	123 755	63 374	60 381	95%	760 484
Interest		6 718	8 609	8 609	4	4	717	(714)	-99%	8 609
Dividends								–		
Payments										
Suppliers and employees		(1 444 178)	(650 252)	(650 252)	(384 390)	(384 390)	(54 188)	330 202	-609%	(650 252)
Finance charges		–	–	–	(34)	(34)	–	34	#DIV/0!	–
Transfers and Subsidies		–	(230)	(230)	–	–	(19)	(19)	100%	(230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 958 811**	**1 052 956**	**1 052 956**	**56 547**	**56 547**	**87 746**	**31 199**	**36%**	**1 052 956**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments								–		
Insurance Refund - Capital								–		
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments								–		
Payments										
Capital assets		(677 264)	(703 839)	(703 839)	(2 060)	(2 060)	(58 653)	(56 593)	96%	(703 839)
Retention (Capital)								–		
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(677 264)**	**(703 839)**	**(703 839)**	**(2 060)**	**(2 060)**	**(58 653)**	**(56 593)**	**96%**	**(703 839)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		1 710	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		25	–	–	1	1	–	1	#DIV/0!	–
Payments										
Repayment of borrowing		(9 063)	(17 712)	(17 712)	(8 746)	(8 746)	(1 476)	7 270	-493%	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(7 328)**	**(17 712)**	**(17 712)**	**(8 745)**	**(8 745)**	**(1 476)**	**7 269**	**-493%**	**(17 712)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 274 219**	**331 405**	**331 405**	**45 741**	**45 741**	**27 617**			**331 405**
Cash/cash equivalents at beginning:		23 103	280 343	280 363	4 340	4 340	280 363			4 340
Cash/cash equivalents at month/year end:		1 297 322	611 748	611 768	50 081	50 081	307 980			335 745

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R70 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 **R4.1 million** to date. This is **5.8%** of budgeted collection and **45.3%** of year-to-date billing.

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

- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality has a revised revenue enhancement strategy
- The Municipality has replaced and installed new meters to ensure the billing is accurate and not estimated.
- Municipality has adopted an indigent policy and is in a process to write off indigent households.

Other Revenue

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

Transfers and subsidies – Operational

Transfers and subsidies - Operational are expected to be received as per DoRA, and as per transfer schedule issued by National Treasury. Operating grants have been received as scheduled. Transfers and operational subsidies are to date **R312.8 million**. This amount includes Aviation Strategy Equitable share and Art Centre Subsidy which were received thus far under Transfers and subsidies – Operational.

Equitable share	R312.1 million
Aviation Grant	R700 thousand
TOTAL	**R312.8 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 **R123.7 million**. This amount includes MIG, RBIG and WSIG which were received thus far under Transfers and subsidies - Capital.

Municipal Infrastructure Grant	R81.7 million
Water Services Infrastructure Grant	R42 million
TOTAL	**R123.7 million**

Interest

Interest on the investment budget is **R4 thousand**, 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 **R4 thousand.** Interest in investment revenue on table C4 is **R4 million**.

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

Capital expenditure to date is **R2 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 **R52 million** in the financial position but in the cash flow, it is **R50 million,** this is incorrect since there was a misalignment in Trade and other payables and it will be corrected this month.

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

PART 2 – SUPPORTING DOCUMENTATION

2.1. DEBTORS ANALYSIS
Debtors age analysis as of 31 July 2026

DC26 Zululand - Supporting Table SC2 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2026/27											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	10 747	4 291	4 329	2 692	2 341	2 464	15 458	161 642	203 963	184 596	–	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	1 720	1 132	1 251	763	639	647	3 609	34 573	44 332	40 230	–	52 703
Receivables from Exchange Transactions - Waste Management	1600									–	–		
Receivables from Exchange Transactions - Property Rental Debtors	1700	5	3	0	–	–	–	73	381	462	454	–	401
Interest on Arrear Debtor Accounts	1810	58	57	58	57	58	57	334	1 726	2 405	2 232	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	307	145	13	10	233	68	227	4 049	5 052	4 587	–	–
Total By Income Source	**2000**	**12 836**	**5 628**	**5 651**	**3 522**	**3 269**	**3 236**	**19 701**	**202 371**	**256 214**	**232 099**	**–**	**259 131**
2025/26 - totals only		94080025	68508867	57406199	54006335	52420764	51911070	313891804	##########	3 422 151	**3 202 156**	57574819 1/2	3233094336 7/9
Debtors Age Analysis By Customer Group													
Organs of State	2200	3 341	2 912	3 214	1 099	670	777	4 241	33 949	50 203	40 737	–	–
Commercial	2300	973	410	289	284	309	414	2 198	15 581	20 459	18 786	–	–
Households	2400	8 522	2 306	2 148	2 138	2 291	2 045	13 262	152 840	185 552	172 576	–	–
Other	2500									–	–		
Total By Customer Group	**2600**	**12 836**	**5 628**	**5 651**	**3 522**	**3 269**	**3 236**	**19 701**	**202 371**	**256 214**	**232 099**	**–**	**–**

- The total balance owed by the **government departments/organs of state** amounts to **R 50.2 million,** while the
- **Commercials accounts** balance is at **R20,3 million** and
- **Households' accounts is R185.5 million** as at the end of **July 2026**

Total debtors' amount to **R256.2 million**, The debtors over **90 days** amount to **R232 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 July 2026

DC26 Zululand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description R thousands	NT Code	Budget Year 2026/27									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									–	
Bulk Water	0200									–	
PAYE deductions	0300									–	
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500									–	
Loan repayments	0600									–	
Trade Creditors	0700	4 692	5 036	2 420	16 879	14 571	5 558	8 220	9 471	**66 847**	56 928
Auditor General	0800									–	
Other	0900									–	
Medical Aid deductions	0950									–	
Total By Customer Type	**1000**	**4 692**	**5 036**	**2 420**	**16 879**	**14 571**	**5 558**	**8 220**	**9 471**	**66 847**	56 928

This above Table SC4 the monthly aging of the creditors for the month ending **31 July 2026.**
The creditors age analysis as at **31 July** amount to **R 66.8 million** and is analyzed as follows:

- More than 181 days amount to **R 17.6 million**
- +30 to 180 days amount to **R 44.4 million**
- Current balance amount to **R 4.6 million**

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

2.3 INVESTMENT PORTFOLIO
Investments as at 31 July 2026
There were no investments in the month of July

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS	1.2									
Operating										
National Government										
Monetary Allocations								244 432	#DIV/0!	
Equitable Share		710 459	749 176	749 176	312 157	312 157	62 431	249 726	400.0%	749 176
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
								–		
Expanded Public Works Programme Integrated Grant		6 406	5 379	5 379	–	–	448	(448)	-100.0%	5 379
Local Government Financial Management Grant		1 114	1 500	1 500	–	–	125	(125)	-100.0%	1 500
Municipal Disaster Relief Grant		7 154	–	–	–	–	–	–		–
Municipal Infrastructure Grant		–	56 650	56 650	–	–	4 721	(4 721)	-100.0%	56 650
Municipal Systems Improvement Grant		–	–	–	–	–	–	244 432	#DIV/0!	–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–		–
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
								–		
								–		
Total Monetary Allocations		725 133	812 705	812 705	312 157	312 157	67 725	244 432	360.9%	812 705
Total Operating/National Government		725 133	812 705	812 705	312 157	312 157	67 725	244 432	360.9%	812 705
Provincial Government								–		
Monetary Allocations								–		
Capacity Building and Other Grants		3 300	2 419	2 419	60	60	202	(141)	-70.1%	2 419
								–		
Total Monetary Allocations		3 300	2 419	2 419	60	60	202	(141)	-70.1%	2 419
Total Operating/Provincial Government		3 300	2 419	2 419	60	60	202	733 153	363698.0%	2 419
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]								–		
								–		
Total Monetary Allocations		-	-	-	-	-	-	–		-
Allocations In-kind								–		
Other transfers/grants [insert description]								–		
								–		
								–		
Total Allocations In-kind		-	-	-	-	-	-	–		-
Total Operating/District Municipalities		-	-	-	-	-	-	–		-
Other Grant Providers								–		
Monetary Allocations								–		
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		327	–	–	–	–	–	–		–
National Skills Fund		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–			–
								–		
Total Monetary Allocations		327	-	-	-	-	-	–		-
Allocations In-kind								–		
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	733 153	#DIV/0!	-
Total Operating/Other Grant Providers		327	-	-	-	-	-			-
Total Operating	5	728 760	815 124	815 124	312 217	312 217	67 927			815 124
Capital										
National Government										
Monetary Allocations										
Municipal Disaster Relief Grant		–	–	–	–	–	–			–
Municipal Infrastructure Grant		210 509	215 865	215 865	4 873	4 873	17 989			215 865
Regional Bulk Infrastructure Grant		463 777	370 085	370 085	–	–	30 840			370 085
Rural Road Asset Management Systems Grant		1 489	2 884	2 884	–	–	240			2 884
Water Services Infrastructure Grant		50 818	115 000	115 000	–	–	9 583			115 000
Total Monetary Allocations		726 593	703 834	703 834	4 873	4 873	58 653			703 834
Total Capital/National Government		726 593	703 834	703 834	4 873	4 873	58 653			703 834
Provincial Government										
Monetary Allocations										
Infrastructure Grant		1 446	–	–	–	–	–			–
Total Monetary Allocations		1 446	-	-	-	-	-			-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-			-
Total Capital/Provincial Government		1 446	-	-	-	-	-			-
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-			-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-			-
Total Capital/District Municipalities		-	-	-	-	-	-			-
Other Grant Providers										
Monetary Allocations										
Unspecified		39	–	–	–	–	–			–
Total Monetary Allocations		39	-	-	-	-	-			-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-			-
Total Capital/Other Grant Providers		39	-	-	-	-	-			-
Total Capital	5	728 078	703 834	703 834	4 873	4 873	58 653			703 834
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		1 456 838	1 518 958	1 518 958	317 090	317 090	126 580			1 518 958

Grants are received as per transfer schedule and have been received. Grants are recognized as revenue when the condition is met.

GRANTS RECEIPTS AND EXPENDITURE

DC26 Zululand - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		986 263	490 447	490 447	47 635	47 635	40 871	6 764	16.6%	490 447
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
								–		
Expanded Public Works Programme Integrated Grant		6 406	5 379	5 379	1 131	1 131	448	683	152.4%	5 379
Local Government Financial Management Grant		1 191	1 500	1 500	–	–	125	(125)	-100.0%	1 500
Municipal Disaster Relief Grant		12 955	–	–	–	–	–	–		–
Municipal Infrastructure Grant		38 043	49 261	46 762	2 188	2 188	3 897	(1 709)	-43.9%	46 762
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant		24 400	57	57	–	–	5	(5)	-100.0%	57
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–		–
Water Services Infrastructure Grant		–	26	26	–	–	2	(2)	-100.0%	26
Total Monetary Allocations		**1 069 256**	**546 669**	**544 170**	**50 954**	**50 954**	**45 348**	**5 606**	12.4%	**544 170**
Total National Government		**1 069 256**	**546 669**	**544 170**	**50 954**	**50 954**	**45 348**	**5 606**	12.4%	**544 170**
Provincial Government								–		
Monetary Allocations								–		
Capacity Building and Other Grants		3 174	2 319	2 319	–	–	193	(193)	-100.0%	2 319
								–		
Total Monetary Allocations		**3 174**	**2 319**	**2 319**	-	-	**193**	(193)	-100.0%	**2 319**
Total Provincial Government		**3 174**	**2 319**	**2 319**	-	-	**193**	**(193)**	**-100.0%**	**2 319**
Monetary Allocations										
Other transfers/grants [insert description]								–		
								–		
Total Monetary Allocations		-	-	-	-	-	-	-		-
Allocations In-kind								–		
Other transfers/grants [insert description]								–		
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Operating/District Municipalities		-	-	-	-	-	-	-		-
Other Grant Providers										
Monetary Allocations										
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–		–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–		–
Local Government Water and Related Service SETA		327	–	–	–	–	–	–		–
National Skills Fund		0	–	–	–	–	–	–		–
								–		
Total Monetary Allocations		**327**	-	-	-	-	-	-		-
Allocations In-kind										
Other transfers/grants [insert description]								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Operating/Other Grant Providers		**327**	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants		**1 072 758**	**548 988**	**546 489**	**50 954**	**50 954**	**45 541**	**5 413**	**0**	**546 489**
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant		148	187 709	190 208	2 060	2 060	15 851	(13 791)	-87.0%	190 208
Regional Bulk Infrastructure Grant		–	321 757	321 757	–	–	26 813	(26 813)	-100.0%	321 757
Rural Road Asset Management Systems Grant		2 410	2 508	2 508	–	–	209	(209)	-100.0%	2 508
Water Services Infrastructure Grant		–	99 974	99 974	–	–	8 331	(8 331)	-100.0%	99 974
								–		
								–		
Total Monetary Allocations		**2 558**	**611 947**	**614 446**	**2 060**	**2 060**	**51 204**	**(49 144)**		**614 446**
Total National Government		**2 558**	**611 947**	**614 446**	**2 060**	**2 060**	**51 204**	**(49 144)**		**614 446**
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		–	–	–	–	–	–	–		–
Infrastructure Grant		480	87	87	–	–	7			87
								–		
Total Monetary Allocations		**480**	**87**	**87**	-	-	**7**	-		**87**
Total Provincial Government		**480**	**87**	**87**	-	-	**7**	-		**87**
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]								–		
								–		
Total Monetary Allocations		-	-	-	-	-	-	-		-
Allocations In-kind										
Other transfers/grants [insert description]								–		
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Capital/District Municipalities		-	-	-	-	-	-	-		-
Other Grant Providers										
Monetary Allocations										
Unspecified		39	–	–	–	–	–	–		–
								–		
								–		
Total Monetary Allocations		**39**	-	-	-	-	-	-		-
Allocations In-kind										
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Capital/Other Grant Providers		**39**	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		**3 077**	**612 034**	**614 533**	**2 060**	**2 060**	**51 211**	**(49 144)**		**614 533**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 075 836**	**1 161 022**	**1 161 022**	**53 014**	**53 014**	**96 752**	**(43 731)**		**1 161 022**

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

DC26 Zululand - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		–	–	–	–	–	–	–		–
Cell phone Allowance		739	691	691	61	61	58	4	6%	691
Housing Allowance		–	–	–	–	–	–	–		–
In-kind Benefits		–	–	–	–	–	–	–		–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		2 299	2 147	2 147	280	280	179	101	57%	2 147
Office-bearer Allowance		6 699	10 770	10 770	831	831	897	(66)	-7%	10 770
Out of pocket Expenses		–	–	–	–	–	–	–		–
Travelling Allowance		–	–	–	–	–	–	–		–
Use of Personal Facilities		–	–	–	–	–	–	–		–
Total Allowances and Service Related Benefits		**9 737**	**13 608**	**13 608**	**1 172**	**1 172**	**1 134**	**38**	3%	**13 608**
Social Contributions										
Medial Aid Benefits		73	68	68	6	6	6	–		68
Pension Fund Contributions		586	607	607	50	50	51	(1)	-1%	607
Total Social Contributions		**659**	**676**	**676**	**56**	**56**	**56**	**(1)**	-1%	**676**
Total Councillors		**10 395**	**14 283**	**14 283**	**1 228**	**1 228**	**1 190**	**38**	3%	**14 283**
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		6 859	8 034	8 034	4 766	4 766	670	4 096	612%	8 034
Bonuses		93	386	386	529	529	32	497	1545%	386
Allowance								–		
Accommodation, Travel and Incidental		36	–	–	1	1	–	1	#DIV/0!	–
Cellular and Telephone	3	254	277	277	16	16	23	(7)	-31%	277
Housing Benefits	3	14	15	15	–	–	1	(1)	-100%	15
Non-pensionable		224	255	255	231	231	21	210	987%	255
Travel or Motor Vehicle	3	1 739	1 934	1 934	189	189	161	28	17%	1 934
Voluntary Work		–	–	–	–	–	–			–
Total Allowance		**2 267**	**2 480**	**2 480**	**437**	**437**	**207**	**230**	112%	**2 480**
Service Related Benefits										
Acting	3	–	–	–	12	12	–	12	#DIV/0!	–
Bonus	3							–		
Danger Allowance	3							–		
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade								–		
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	966	–	–	373	373	–	373	#DIV/0!	–
Lifeguard/Duty Squads								–		
Long Service Award		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3							–		
Tools Allowance	3							–		
Uniform/Special/Protective Clothing	3							–		
Leave gratuity								–		
Long Term Service Award								–		
Total Service Related Benefits		**966**	**-**	**-**	**386**	**386**	**-**	**386**	#DIV/0!	**-**
Total Salaries and Allowances		**10 185**	**10 900**	**10 900**	**6 117**	**6 117**	**908**	**5 209**	573%	**10 900**
Social Contributions										
Bargaining Council		1	1	1	0	0	0	(0)	-13%	1
Group Life Insurance		–	–	–	–	–	–	–		–
Medical		73	71	71	1	1	6	(5)	-87%	71
Pension		201	256	256	–	–	21	(21)	-100%	256
Unemployment Insurance		14	80	80	1	1	7	(5)	-79%	80
Total Social Contributions		**289**	**409**	**409**	**2**	**2**	**34**	**(32)**	-93%	**409**
Post-retirement Benefit	6									
Medical								–		
Other Benefits								–		
Pension								–		
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Costs Capitalised to PPE								–		
Sub Total - Senior Managers of Municipality		**10 474**	**11 309**	**11 309**	**6 120**	**6 120**	**942**	**5 177**	549%	**11 309**
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		236 800	251 373	251 373	20 506	20 506	20 948	(441)	-2%	251 373
Bonuses		–	–	–	–	–	–	–		–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	893	927	927	76	76	77	(1)	-1%	927
Housing Benefits	3	1 804	1 838	1 838	157	157	153	3	2%	1 838
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	26 836	29 141	29 141	2 389	2 389	2 428	(39)	-2%	29 141
Voluntary Work								–		
Total Allowance		**29 532**	**31 906**	**31 906**	**2 622**	**2 622**	**2 659**	**(37)**	-1%	**31 906**
Service Related Benefits										
Acting	3	1 174	–	–	90	90	–	90	#DIV/0!	–
Bonus	3	16 387	17 862	17 862	1 104	1 104	1 489	(385)	-26%	17 862
Danger Allowance	3							–		
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade		10	789	789	1	1	66	(65)	-99%	789
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	1 967	–	–	90	90	–	90	#DIV/0!	–
Lifeguard/Duty Squads								–		
Long Service Award		1 870	–	–	69	69	–	69	#DIV/0!	–
Overtime		10 629	6 016	6 016	884	884	501	383	76%	6 016
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	3 194	2 586	2 586	251	251	216	35	16%	2 586
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity								–		
Long Term Service Award								–		
Total Service Related Benefits		**35 230**	**27 254**	**27 254**	**2 490**	**2 490**	**2 271**	**218**	10%	**27 254**
Total Salaries and Allowances		**301 562**	**310 533**	**310 533**	**25 618**	**25 618**	**25 878**	**(260)**	-1%	**310 533**
Social Contributions										
Bargaining Council		235	245	245	19	19	20	(1)	-7%	245
Group Life Insurance		–	–	–	–	–	–	–		–
Medical		21 647	23 293	23 293	1 910	1 910	1 941	(31)	-2%	23 293
Pension		31 901	36 286	36 286	2 943	2 943	3 024	(81)	-3%	36 286
Unemployment Insurance		1 766	2 514	2 514	146	146	209	(63)	-30%	2 514
Total Social Contributions		**55 549**	**62 338**	**62 338**	**5 018**	**5 018**	**5 195**	**(177)**	-3%	**62 338**
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–		–
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Costs Capitalised to PPE								–		
Sub Total - Other Municipal Staff		**357 111**	**372 871**	**372 871**	**30 637**	**30 637**	**31 073**	**(436)**		**372 871**
% increase	4									
Total Parent Municipality		**377 980**	**398 463**	**398 463**	**37 984**	**37 984**	**33 205**	**4 779**	14%	**398 463**

2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

2.7 PARENT MUNICIPALITY FINANCIAL PERFOMANCE

2.8 MUNICIPAL ENTITY FINANCIAL PERFOMANCE

The Municipality does have active entity but the entity does not have budget.

2.9 CAPITAL PROGRAMME PERFOMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M01 July

Month	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	51 836	51 211	51 211	2 060	2 060	51 211	49 151	96.0%	0%
August	34 131	51 211	51 211	–	–	102 422	102 422	100.0%	0%
September	35 136	51 211	51 211	–	–	153 633	153 633	100.0%	0%
October	73 570	51 211	51 211	–	–	204 844	204 844	100.0%	0%
November	108 576	51 211	51 211	–	–	256 056	256 056	100.0%	0%
December	27 358	51 211	51 211	–	–	307 267	307 267	100.0%	0%
January	91 319	51 211	51 211	–	–	358 478	358 478	100.0%	0%
February	19 658	51 211	51 211	–	–	409 689	409 689	100.0%	0%
March	104 497	51 211	51 211	–	–	460 900	460 900	100.0%	0%
April	31 191	51 211	51 211	–	–	512 111	512 111	100.0%	–
May	1 710	51 211	51 211	–	–	563 322	563 322	100.0%	–
June	154 070	51 211	51 211	–	–	614 533	614 533	100.0%	–
Total Capital expenditure	**733 053**	**614 533**	**614 533**	**2 060**					

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 - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		2 410	611 947	611 947	2 060	2 060	50 996	48 935	96.0%	611 947
Roads Infrastructure		2 410	2 508	2 508	–	–	209	209	100.0%	2 508
Roads		2 410	2 508	2 508	–	–	209	209	100.0%	2 508
Road Structures								–		
Road Furniture								–		
Capital Spares								–		
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
Electrical Infrastructure		–	–	–	–	–	–	–		–
Power Plants								–		
HV Substations								–		
HV Switching Station								–		
HV Transmission Conductors								–		
MV Substations								–		
MV Switching Stations								–		
MV Networks								–		
LV Networks								–		
Capital Spares								–		
Water Supply Infrastructure		–	609 439	609 439	2 060	2 060	50 787	48 726	95.9%	609 439
Dams and Weirs								–		
Boreholes		–	8 191	27 426	–	–	2 286	2 286	100.0%	27 426
Reservoirs		–	–	63 747	2 060	2 060	5 312	3 252	61.2%	63 747
Pump Stations		–	–	232 813	–	–	19 401	19 401	100.0%	232 813
Water Treatment Works		–	95 348	95 348	–	–	7 946	7 946	100.0%	95 348
Bulk Mains		–	426 305	183 576	–	–	15 298	15 298	100.0%	183 576
Distribution		–	79 596	–	–	–	0	0	100.0%	–
Distribution Points		–	–	6 529	–	–	544	544	100.0%	6 529
PRV Stations								–		
Capital Spares								–		
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station								–		
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works								–		
Outfall Sewers								–		
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares								–		
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites								–		
Waste Transfer Stations								–		
Waste Processing Facilities								–		
Waste Drop-off Points								–		
Waste Separation Facilities								–		
Electricity Generation Facilities								–		
Capital Spares								–		
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines								–		
Rail Structures								–		
Rail Furniture								–		
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
MV Substations								–		
LV Networks								–		
Capital Spares								–		
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps								–		
Piers								–		
Revetments								–		
Promenades								–		
Capital Spares								–		
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres								–		
Core Layers								–		
Distribution Layers								–		
Capital Spares								–		
Community Assets		–	–	–	–	–	–	–		–
Community Facilities		–	–	–	–	–	–	–		–
Halls								–		
Centres		–	–	–	–	–	–	–		–
Crèches								–		
Clinics/Care Centres								–		
Fire/Ambulance Stations								–		
Testing Stations								–		
Museums								–		
Galleries								–		
Theatres								–		
Libraries								–		
Cemeteries/Crematoria								–		
Police								–		
Purls								–		
Public Open Space								–		
Nature Reserves								–		
Public Ablution Facilities								–		
Markets								–		
Stalls								–		
Abattoirs								–		
Airports								–		
Taxi Ranks/Bus Terminals								–		
Capital Spares								–		
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Indoor Facilities								–		
Outdoor Facilities		–	–	–	–	–	–	–		–
Capital Spares								–		
Heritage assets		–	–	–	–	–	–	–		–
Monuments								–		
Historic Buildings								–		
Works of Art		–	–	–	–	–	–	–		–
Conservation Areas								–		
Other Heritage								–		
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Other assets		2 047	–	–	–	–	–	–		–
Operational Buildings		2 047	–	–	–	–	–	–		–
Municipal Offices		2 047	–	–	–	–	–	–		–
Pay/Enquiry Points								–		
Building Plan Offices								–		
Workshops								–		
Yards								–		
Stores								–		
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		–	–	–	–	–	–	–		–
Servitudes								–		
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights								–		
Effluent Licenses								–		
Solid Waste Licenses								–		
Computer Software and Applications		–	–	–	–	–	–	–		–
Load Settlement Software Applications								–		
Unspecified								–		
Computer Equipment		1 897	–	–	–	–	–	–		–
Computer Equipment		1 897	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		4 987	87	87	–	–	7	7	100.0%	87
Machinery and Equipment		4 987	87	87	–	–	7	7	100.0%	87
Transport Assets		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Land		353	–	–	–	–	–	–		–
Land		353	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Immature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Total Capital Expenditure on new assets	1	11 695	612 034	612 034	2 060	2 060	51 003	48 943	96.0%	612 034

Expenditure on Repairs and Maintenance by Asset class

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**144 499**	**43 013**	**40 513**	**4 754**	**4 754**	**3 376**	**(1 378)**	**-40.8%**	**40 513**
Roads Infrastructure		–	–	–	–	–	–	–		–
Roads								–		
Road Structures								–		
Road Furniture								–		
Capital Spares								–		
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
Electrical Infrastructure		–	–	–	–	–	–	–		–
Power Plants								–		
HV Substations								–		
HV Switching Station								–		
HV Transmission Conductors								–		
MV Substations								–		
MV Switching Stations								–		
MV Networks								–		
LV Networks								–		
Capital Spares								–		
Water Supply Infrastructure		144 499	43 013	40 513	4 754	4 754	3 376	(1 378)	-40.8%	40 513
Dams and Weirs								–		
Boreholes								–		
Reservoirs								–		
Pump Stations								–		
Water Treatment Works								–		
Bulk Mains		41 728	34 513	32 013	191	191	2 668	2 477	92.9%	32 013
Distribution								–		
Distribution Points		102 771	8 500	8 500	4 563	4 563	708	(3 855)	-544.2%	8 500
PRV Stations								–		
Capital Spares								–		
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station								–		
Reticulation								–		
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers								–		
Toilet Facilities								–		
Capital Spares								–		
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites								–		
Waste Transfer Stations								–		
Waste Processing Facilities								–		
Waste Drop-off Points								–		
Waste Separation Facilities								–		
Electricity Generation Facilities								–		
Capital Spares								–		
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines								–		
Rail Structures								–		
Rail Furniture								–		
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
MV Substations								–		
LV Networks								–		
Capital Spares								–		
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps								–		
Piers								–		
Revetments								–		
Promenades								–		
Capital Spares								–		
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres								–		
Core Layers								–		
Distribution Layers								–		
Capital Spares								–		
Community Assets		**360**	**700**	**700**	**–**	**–**	**58**	**58**	**100.0%**	**700**
Community Facilities		360	700	700	–	–	58	58	100.0%	700
Halls								–		
Centres								–		
Crèches								–		
Clinics/Care Centres								–		
Fire/Ambulance Stations								–		
Testing Stations								–		
Museums								–		
Galleries								–		
Theatres								–		
Libraries								–		
Cemeteries/Crematoria								–		
Police								–		
Purls								–		
Public Open Space								–		
Nature Reserves								–		
Public Ablution Facilities								–		
Markets								–		
Stalls								–		
Abattoirs								–		
Airports		360	700	700	–	–	58	58	100.0%	700
Taxi Ranks/Bus Terminals								–		
Capital Spares								–		
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Indoor Facilities								–		
Outdoor Facilities								–		
Capital Spares								–		
Heritage assets		–	–	–	–	–	–	–		–
Monuments								–		
Historic Buildings								–		
Works of Art								–		
Conservation Areas								–		
Other Heritage								–		
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Other assets		–	–	–	–	–	–	–		–
Operational Buildings		–	–	–	–	–	–	–		–
Municipal Offices		–	–	–	–	–	–	–		–
Pay/Enquiry Points								–		
Building Plan Offices								–		
Workshops								–		
Yards								–		
Stores								–		
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		–	–	–	–	–	–	–		–
Servitudes								–		
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights								–		
Effluent Licenses								–		
Solid Waste Licenses								–		
Computer Software and Applications								–		
Load Settlement Software Applications								–		
Unspecified								–		
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		**199**	**110**	**110**	**–**	**–**	**9**	**9**	100.0%	**110**
Furniture and Office Equipment		199	110	110	–	–	9	9	100.0%	110
Machinery and Equipment		**28**	–	–	–	–	–	–		–
Machinery and Equipment		28	–	–	–	–	–	–		–
Transport Assets		**7 800**	**1 000**	**500**	**–**	**–**	**42**	**42**	100.0%	**500**
Transport Assets		7 800	1 000	500	–	–	42	42	100.0%	500
Land		–	–	–	–	–	–	–		–
Land								–		
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Immature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Total Repairs and Maintenance Expenditure	1	**152 886**	**44 823**	**41 823**	**4 754**	**4 754**	**3 485**	**(1 268)**	**-36.4%**	**41 823**

Depreciation by Asset class

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M01 July

Description	Ref	2025/26 Audited Outcome	Budget Year 2026/27 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		**111 073**	**84 024**	**84 024**	**7 084**	**7 084**	**7 002**	**(82)**	**-1.2%**	**84 024**
Roads Infrastructure		–	–	–	64	64	–	(64)	#DIV/0!	–
Roads		–	–	–	64	64	–	(64)	#DIV/0!	–
Road Structures								–		
Road Furniture								–		
Capital Spares								–		
Storm water Infrastructure		–	–	–	–	–	–	–		–
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
Electrical Infrastructure		–	–	–	3	3	–	(3)	#DIV/0!	–
Power Plants								–		
HV Substations								–		
HV Switching Station								–		
HV Transmission Conductors								–		
MV Substations								–		
MV Switching Stations								–		
MV Networks								–		
LV Networks		–	–	–	3	3	–	(3)	#DIV/0!	–
Capital Spares								–		
Water Supply Infrastructure		109 744	82 671	82 671	6 820	6 820	6 889	69	1.0%	82 671
Dams and Weirs		1 950	1 992	1 992	247	247	166	(81)	-48.6%	1 992
Boreholes		1 731	1 779	1 779	42	42	148	107	71.9%	1 779
Reservoirs		9 317	8 962	8 962	620	620	747	127	17.0%	8 962
Pump Stations		6 624	1 742	1 742	394	394	145	(249)	-171.5%	1 742
Water Treatment Works		7 347	7 601	7 601	586	586	633	47	7.4%	7 601
Bulk Mains		58 629	40 258	40 258	3 035	3 035	3 355	319	9.5%	40 258
Distribution		24 079	20 268	20 268	1 889	1 889	1 689	(200)	-11.8%	20 268
Distribution Points								–		
PRV Stations		66	70	70	7	7	6	(1)	-22.6%	70
Capital Spares								–		
Sanitation Infrastructure		1 329	1 353	1 353	198	198	113	(85)	-75.2%	1 353
Pump Station		203	207	207	17	17	17	0	1.2%	207
Reticulation		336	342	342	152	152	28	(124)	-433.6%	342
Waste Water Treatment Works		790	804	804	29	29	67	38	57.4%	804
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Landfill Sites								–		
Waste Transfer Stations								–		
Waste Processing Facilities								–		
Waste Drop-off Points								–		
Waste Separation Facilities								–		
Electricity Generation Facilities								–		
Capital Spares								–		
Rail Infrastructure		–	–	–	–	–	–	–		–
Rail Lines								–		
Rail Structures								–		
Rail Furniture								–		
Drainage Collection								–		
Storm water Conveyance								–		
Attenuation								–		
MV Substations								–		
LV Networks								–		
Capital Spares								–		
Coastal Infrastructure		–	–	–	–	–	–	–		–
Sand Pumps								–		
Piers								–		
Revetments								–		
Promenades								–		
Capital Spares								–		
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Data Centres								–		
Core Layers								–		
Distribution Layers								–		
Capital Spares								–		
Community Assets		**1 210**	**1 210**	**1 210**	**75**	**75**	**101**	**25**	**25.2%**	**1 210**
Community Facilities		1 075	1 075	1 075	55	55	90	35	38.6%	1 075
Halls		–	–	–	–	–	–	–		–
Centres		–	–	–	–	–	–	–		–
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	–	–	–	–	–	–		–
Testing Stations		–	–	–	–	–	–	–		–
Museums		–	–	–	–	–	–	–		–
Galleries		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Libraries		–	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		–	–	–	–	–	–	–		–
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		–	–	–	–	–	–	–		–
Markets		344	344	344	–	–	29	29	100.0%	344
Stalls		–	–	–	–	–	–	–		–
Abattoirs		–	–	–	–	–	–	–		–
Airports		731	731	731	55	55	61	6	9.7%	731
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		135	135	135	20	20	11	(9)	-81.4%	135
Indoor Facilities								–		
Outdoor Facilities		135	135	135	20	20	11	(9)	-81.4%	135
Capital Spares								–		
Heritage assets		–	–	–	–	–	–	–		–
Monuments								–		
Historic Buildings								–		
Works of Art								–		
Conservation Areas								–		
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Other assets		**1 653**	**1 953**	**1 953**	**121**	**121**	**163**	**42**	**25.7%**	**1 953**
Operational Buildings		1 653	1 953	1 953	121	121	163	42	25.7%	1 953
Municipal Offices		1 653	1 953	1 953	116	116	163	47	28.6%	1 953
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	–	–	5	5	–	(5)	#DIV/0!	–
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		**3**	**11**	**11**	**2**	**2**	**1**	**(1)**	-96.5%	**11**
Servitudes								–		
Licences and Rights		3	11	11	2	2	1	(1)	-96.5%	11
Water Rights								–		
Effluent Licenses								–		
Solid Waste Licenses								–		
Computer Software and Applications		3	11	11	2	2	1	(1)	-96.5%	11
Load Settlement Software Applications								–		
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		**1 315**	**1 273**	**1 273**	**87**	**87**	**106**	**19**	17.9%	**1 273**
Computer Equipment		1 315	1 273	1 273	87	87	106	19	17.9%	1 273
Furniture and Office Equipment		**353**	**375**	**375**	**51**	**51**	**31**	**(19)**	-62.3%	**375**
Furniture and Office Equipment		353	375	375	51	51	31	(19)	-62.3%	375
Machinery and Equipment		**699**	**694**	**694**	**32**	**32**	**58**	**26**	44.1%	**694**
Machinery and Equipment		699	694	694	32	32	58	26	44.1%	694
Transport Assets		**1 376**	**1 460**	**1 460**	**464**	**464**	**122**	**(342)**	-281.4%	**1 460**
Transport Assets		1 376	1 460	1 460	464	464	122	(342)	-281.4%	1 460
Land		–	–	–	–	–	–	–		–
Land								–		
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Immature		–	–	–	–	–	–	–		–
Policing and Protection								–		
Zoological plants and animals								–		
Total Depreciation	1	**117 682**	**91 000**	**91 000**	**7 917**	**7 917**	**7 583**	**(333)**	**-4.4%**	**91 000**

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 does have entity but the entity does not have allocated budget.

2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

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

Date: 17/08/2026

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