



INTERNAL MEMO

DATE : 14 SEPTEMBER 2026
TO : THE HONOURABLE MAYOR
FROM : MUNICIPAL MANAGER
RE : MONTHLY BUDGET STATEMENT

Kindly find the attached monthly budget statement for your Review, in compliance with the S71 (1) of the Municipal Finance Management Act. The budget statement is for the period ending **31 August 2026**.

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

In terms of S54 of the Municipal Finance Management Act

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

Yours Faithfully

N.S. MSIBI
Chief Financial Officer

S.P MOSIA
Municipal Manager

"Service Delivery through Integrity"

ZULULAND DISTRICT MUNICIPALITY



MONTHLY BUDGET STATEMENT AND SUPPORTING DOCUMENTATION FOR PERIOD ENDED

31 AUGUST 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 EXPENDITURE %
Total Revenue By Source (Excluding Capital Transfers)	927 213 647	332 059 052.09	154 535 572	177 523 480.09	115%	36%
Total Operating Expenditure	641 952 109	124 462 131.93	108 337 337	16 124 794.67	15%	19%
Surplus/(Deficit)	285 261 538	207 596 920.16	46 198 235	161 398 685.42		

Operating Revenue Performance

Total operating revenue generated by the Municipality as at **31 August 2026** is **R332 million**, which is **36%** of the approved operating revenue budget. The **R332 million** year to date Actual is **above** the **two-month** baseline projection or year-to-date budget of **R154.5 million**, a variance of **R177.5 million or 115% 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 **R14.2 million** which is **14%** 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 August 2026** is **R124.4 million** which is **19%** of the approved operating expenditure budget. The **R124.4 million** year to date actual is **above** the **two month** baseline projection or year-to-date budget of **R108.3 million**, a variance of **R16.1 million or 15% 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, Contracted services, and interest and operational costs are moving at higher pace & are a bit higher than year to date 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 AUGUST 2026	APPROVED BUDGET	RECIEPTS	YTD ACTUAL	VARIENCE YTD & ADJUSTED BUDGET	PERCENTAGE SPENT
Municipal Infrastructure Grant (MIG)	272 515 000	81 755 000	22 728 799	249 786 201	8
Regional Bulk Infrastructure (RBIG)	370 085 000	205 300 000	135 155 662	234 929 338	37
Water services infrastructure Grant (WSIG)	115 000 000	42 000 000	7 996 603	107 003 397	7
Indonsa Grant	1 719 000		-	1 719 000	-
FMG	1 500 000		39 302	1 460 698	3
EPWP	5 379 000		2 340 993	3 038 007	44
TS_O_M_PG_KZN_CAP_BLD_AVIATION	700 000	-	-	700 000	-
Rural Roads Asset Managemnt Systems Grant	2 884 000		-	2 884 000	-
Disaster Management Grant	7 125 285		2 168 549	4 956 736	30
	769 782 000	329 055 000	168 261 359	598 636 641	51%

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	138 908 758.95	102 420 856	36 487 903.12	36%	23%
Total Capital Financing	612 033 921	138 908 758.95	102 420 856	36 487 903.12	36%	23%

Grants receipts and expenditure

Total Capital Expenditure as at **31 August 2026** is **R138.9 million** which is **23%** of the approved capital expenditure budget of the approved capital budget. The **R138.9 million** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R102.4 million**, a variance of **R36.4 million or 36%**. The expenditure paid to date is only from MIG, RBIG & WSIG grant.

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 **8%**, **RBIG** is at **37%**, **WSIG** is at **7%** **RRAMG** is at **0%** and **Indonsa** is at **0%**.

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

Financial Position Framework

Summary of Statement of Financial position:

FINANCIAL POSITION	APPROVED BUDGET	YTD ACTUAL	%
Total current assets	916 550 214	278 211 008.08	30
Total non current assets	6 533 379 670	6 745 562 690.67	103
Total current liabilities	641 548 226	919 415 969.18	143
Total non current liabilities	275 287 390	138 158 000.73	50
TOTAL COMMUNITY WEALTH/ EQUITY	4 821 896 212	7 504 366 700.48	155.6%

The current assets year to date actual is **R278.2 million**, which is **30%** of the approved budget. **Non - Current assets** year to date actual is **R6.7 billion**, which is **103%** of the approved budget. **Current Liabilities** year to date actual is **R919.4 million** which is **143%** of the approved budget. **Non- Current Liabilities** year to date is **R138.1 million** which is **50%** of the approved budget. **Accumulated surplus** year to date actual is **R7.5 billion** which is **155.6%** of the approved budget.

Current assets amount to **R278.2 million**, included in the current assets is a bank balance of **R27 million**.

Current liabilities amount to **R919.4 million**, this includes unspent conditional grants amounting to **R232.3 million**.

The Current ratio is 0.30:1 [**278.2 million/919.4 million**], the current ratio norm is **2:1**

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) - M02 August

Table of Monthly Budget Estimates (Revenue and Expenditure) in R thousands										
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										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water		56 582	78 508	78 508	1 545	10 754	13 085	(2 330)	-18%	78 508
Service charges - Waste Water Management		17 946	21 258	21 258	1 852	3 457	3 543	(86)	-2%	21 258
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 011	1 903	1 903	445	445	317	128	40%	1 903
Agency services								-		
Interest								-		
Interest earned from Receivables		631	1 015	1 015	56	114	169	(55)	-33%	1 015
Interest from Current and Non Current Assets		8 687	8 000	8 000	239	239	1 333	(1 094)	-82%	8 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		460	195	195	18	36	32	3	11%	195
Licence and permits		197	200	200	25	45	33	11	34%	200
Special rating levies								-		
Construction Contract Revenue										
Development Charges										
Operational Revenue		12 029	610	610	9	58	102	(44)	-43%	610
Non-Exchange Revenue								-		
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		12 072	400	400	(3)	102	67	35	53%	400
Licence and permits								-		
Transfers and subsidies - Operational		737 316	815 124	815 124	4 592	316 810	135 854	180 956	133%	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)		846 932	927 214	927 214	8 779	332 059	154 536	177 523	115%	927 214

The year-to-date actual indicates operating revenue of **R332 million** for **August**, The **R332 million** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R154.5 million**, a variance of **R177.5 million** or **115%** 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 **R10.7 million** which is **14 %** of the approved budget. The **R10.7 million** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R13 million**. A variance of **-R2.3 million** or **-18% is observed**. The billing for month of august reflect the correction for billing of July.

Service charges – Sanitation revenue

This is the amount billed on customers that are connected to the sewer system, the year-to-date actual is **R3.4 million** which is **16 %** of the approved budget. The **R3.4 million** year to date actual is **below** the **two-month** baseline projection or year-to-date budget of **R3.5 million**. A variance of **-R86 thousand** or **-2%** 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 **R445 thousand** which is **23%** of the approved budget. The **R445 thousand** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R317 thousand**. A variance of **R128 thousand** or **40%** is observed.

There was a movement/sale of tender documents in this period of **R445 thousand**.

Interest earned - outstanding debtors

Interest earned - outstanding debtors is charged on businesses for accounts in arrears. The year-to-date actual is **R114 thousand**, which is **11%** of the approved budget. The **R114 thousand** year-to-date actual is **below** the **two month** baseline projection or year-to-date budget of **R169 thousand**. A variance of **-R55 thousand** or **-33%** 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 **R239 thousand** which is **3%** of the approved budget. The **R239 thousand** year-to-date actual is **below** the **two-month** baseline projection or year-to-date budget of **R1.3 million**. A variance of **-R1 million** or **-82%** is observed.

Rent of facilities

Rental of facilities is amounts billed for office space leased out, the year-to-date actual is **R36 thousand** which is **18%** of the approved budget. The **R36 thousand** year-to-date actual is **above** the **two-month** baseline projection or year-to-date budget of **R32 thousand**. A variance of **R3 thousand** or **11%** is observed. The billing was for the month of August.

Licences and Permits

Licences and permits year-to-date actual is **R45 thousand** which is **22%** of the approved budget. The **R45 thousand** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R33 thousand**. A variance of **R11 thousand** or **34%** is observed. The amount received is for Health Certificate.

Operational revenue

Operational revenue year-to-date actual is **R58 thousand** which is **10%** of the approved budget. the **R58 thousand** year to date actual is **below** the **two-month** baseline projection or year-to-date budget of **R102 thousand**. A variance of **-R44 thousands** or **-43%** is observed. The amount was received from 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 **R102 thousand**, which is **26%** of the approved budget. The **R102 thousand** year to date is **above** the **two-month** baseline projection or year-to-date budget of **R35 thousand**. A variance of **R35 thousand** or **53%** is observed. The amount billed was from disconnections. There was a correction of previous month.

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

Transfers and subsidies

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

Transfers and subsidies year to date actual is **R316.8 million** which is **39%** of the approved budget. The **R316.8 million** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R135.8 million**. A variance of **R180.9 million** or **133%** 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, FMG & EPWP.

1.5. OPERATING EXPENDITURE PERFORMANCE

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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									%	
<u>Expenditure By Type</u>										
Employee related costs		375 544	384 180	384 180	33 819	70 575	64 030	6 545	10%	384 180
Remuneration of councillors		10 395	14 283	14 283	895	2 123	2 381	(257)	-11%	14 283
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		73 906	10 380	10 380	1 627	3 120	1 730	1 390	80%	10 380
Debt impairment		(23 769)	5 580	5 580	-	-	930	(930)	-100%	5 580
Depreciation, amortisation and impairment		123 349	91 000	91 000	7 917	15 833	15 167	667	4%	91 000
Interest, Dividends and Rent on Land		17 913	7 593	9 093	926	1 753	1 402	351	25%	9 093
Contracted services		354 701	82 238	95 879	11 058	18 498	14 515	3 983	27%	95 879
Transfers and subsidies		23 018	200	200	-	-	33	(33)	-100%	200
Irrecoverable debts written off		50 200	-	-	-	-	-	-		-
Operational costs		378 822	46 498	48 232	10 116	12 560	8 149	4 410	54%	48 232
Disposal of Fixed and Intangible Assets		9	-	-	-	-	-	-		-
Other Losses		8 966	-	-	-	-	-	-		-
Total Expenditure		1 393 054	641 952	658 827	66 358	124 462	108 337	16 125	15%	658 827

The year-to-date actuals indicate spending of **R124.4 million** for **two months**, which is **19%** of the approved operating expenditure budget. The **R124.4 million** year to date actual is **above** the **two month's** baseline projection or year-to-date budget of **R108.3 million**, a variance of **R16.1 million** or less than **15%** 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 **R70.5 million** which is **18%** of the approved budget. The **R70.5 million** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R64 million**. A variance of **R6.5 million** or **10%** is observed. It is observed that the employee cost is above the monthly projected budget, there were backpays that were paid in the month of august.

Remuneration of Councillors

Remuneration of Councilors is paid for councilors allowances, service-related benefits and contributions. The year-to-date actual is **R2.1 million** which is **15%** of the approved budget. The **R2.1 million** year-to-date actual is **below** the **two-month** baseline projection or year-to-date budget of **R2.3 million**. A variance of **-R257 thousand** or **-11%** 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 **R3.1 million**, which is **R30%** of the approved budget. The **R3.1 million** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R1.7 million**. A variance of **R1.3 million** or **80%** 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 **R15.8 million** which is **17%** of the approved budget. The **R15.8 million** year-to-date actual **is above** the **two-month** baseline projection or year-to-date budget of **R15.1 million**. A variance of **R667 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 **R1.7 million** which is **23%** of the approved budget. The **R1.7 million** year-to-date actual is **above** the **two-month** baseline projection or year-to-date budget of **R1.4 million**. A variance of **R351 thousand** or **25%** is observed. This is interest charged on late payments & interest on loan.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R18.4 million** which is **R23%** of the approved budget. The **R18.4 million** year to date actual is **above** the **two-month** baseline projection or year-to-date budget of **R14.5 million**. A variance of **R3.9 million** or **27%** is observed. The major items on expenditure are Security Services, Sewerage Services(Mig), Maintenance of Unspecified assets (Disaster Grant)

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 **two month** baseline projection or year-to-date budget of **R33 thousand**. A variance of **-R33 thousand** or **100%**. is observed

Operational cost

Operational costs are all other expenditure not classified above. The year-to-date actual is **R12.5 million** which is **27%** of the approved budget. the **R12.5 million** year-to-date actual is **above** the **two-month** baseline projection or year-to-date budget of **R8.1 million**. A variance of **R4.4 million** or **54%** is observed. The major movement of expenditure is Eskom/Municipal services

Operating Grants Expenditure Performance

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

CONDITIONAL OPERATING GRANTS EXPENDITURE	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Finance Management grant (FMG)	1 500 000	39 302.00	250 000	-210 698.00	-84%	3%
EPWP Incentive	5 379 000	2 340 993.38	896 500	1 444 493.38	161%	44%
Art centre Subsidies (Indonsa Grant)	1 719 000	-	286 500	-286 500.00	-100%	0%
Aviation Grant	700 000	-	116 667	-116 666.67	-100%	0%
Disaster Grant	7 125 285	2 168 548.70	1 187 548	981 001.20	83%	30%
Total Operating Grant Expenditure	27 304 285.00	4 548 844.08	2 737 214.17	1 811 629.91	66%	17%

FMG **3%**, EPWP Incentive **44%**, Art center subsidies (Indonsa Grant) **0%** LG SETA **0%** and Aviation Grant **0%**

Grants Rollovers

The municipality has written formal letter of application Requesting a Grant Rollover for disaster management grant as per National Treasury rollover criteria, however as per MOU, the grant started in **February 2026** and will end in **February 2027**, so we are still within 12 Months period

Summary of Revenue and Operational Expenditure Performance

DC26 Zululand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

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										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water		56 582	78 508	78 508	1 545	10 754	13 085	(2 330)	-18%	78 508
Service charges - Waste Water Management		17 946	21 258	21 258	1 852	3 457	3 543	(86)	-2%	21 258
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 011	1 903	1 903	445	445	317	128	40%	1 903
Agency services								-		
Interest								-		
Interest earned from Receivables		631	1 015	1 015	56	114	169	(55)	-33%	1 015
Interest from Current and Non Current Assets		8 687	8 000	8 000	239	239	1 333	(1 094)	-82%	8 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		460	195	195	18	36	32	3	11%	195
Licence and permits		197	200	200	25	45	33	11	34%	200
Special rating levies								-		
Construction Contract Revenue										
Development Charges										
Operational Revenue		12 029	610	610	9	58	102	(44)	-43%	610
Non-Exchange Revenue								-		
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		12 072	400	400	(3)	102	67	35	53%	400
Licence and permits								-		
Transfers and subsidies - Operational		737 316	815 124	815 124	4 592	316 810	135 854	180 956	133%	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)		846 932	927 214	927 214	8 779	332 059	154 536	177 523	115%	927 214
Expenditure By Type										
Employee related costs		375 544	384 180	384 180	33 819	70 575	64 030	6 545	10%	384 180
Remuneration of councillors		10 395	14 283	14 283	895	2 123	2 381	(257)	-11%	14 283
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		73 906	10 380	10 380	1 627	3 120	1 730	1 390	80%	10 380
Debt impairment		(23 769)	5 580	5 580	-	-	930	(930)	-100%	5 580
Depreciation, amortisation and impairment		123 349	91 000	91 000	7 917	15 833	15 167	667	4%	91 000
Interest, Dividends and Rent on Land		17 913	7 593	9 093	926	1 753	1 402	351	25%	9 093
Contracted services		354 701	82 238	95 879	11 058	18 498	14 515	3 983	27%	95 879
Transfers and subsidies		23 018	200	200	-	-	33	(33)	-100%	200
Irrecoverable debts written off		50 200	-	-	-	-	-	-		-
Operational costs		378 822	46 498	48 232	10 116	12 560	8 149	4 410	54%	48 232
Disposal of Fixed and Intangible Assets		9	-	-	-	-	-	-		-
Other Losses		8 966	-	-	-	-	-	-		-
Total Expenditure		1 393 054	641 952	658 827	66 358	124 462	108 337	16 125	15%	658 827
Surplus/(Deficit)		(546 121)	285 262	268 387	(57 579)	207 597	46 198	161 399	0	268 387
Transfers and subsidies - capital (monetary allocations)		907 665	703 834	703 834	161 008	165 881	117 306	48 575	0	703 834
Transfers and subsidies - capital (in-kind)		39	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		361 583	989 096	972 221	103 429	373 478	163 504	209 974	0	972 221
Income Tax								-		
Surplus/(Deficit) after income tax		361 583	989 096	972 221	103 429	373 478	163 504	209 974	0	972 221
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		361 583	989 096	972 221	103 429	373 478	163 504	209 974	0	972 221
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		361 583	989 096	972 221	103 429	373 478	163 504	209 974	0	972 221

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	138 908 758.95	102 420 856	36 487 903.12	36%	23%
Total Capital Financing	612 033 921	138 908 758.95	102 420 856	36 487 903.12	36%	23%

The capital expenditure amounts to **R138.9 million**, which is **23%** of the capital approved budget, after a period of **two month**.

Capital budget summary

DC26 Zululand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

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		18 086	-	2 499	-	-	417	(417)	-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	18 321	-	2 499	-	-	417	(417)	-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		472	87	87	-	-	14	(14)	-100%	87
Vote 05 - Planning & Wsa		698 227	611 947	611 932	136 849	138 909	101 990	36 919	36%	611 932
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	-	-	-	-	-	-		-
Vote 08 - Water Distribution		7 877	-	-	-	-	-	-		-
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	710 616	612 034	612 019	136 849	138 909	102 004	36 904	36%	612 019
Total Capital Expenditure		728 936	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Capital Expenditure - Functional Classification										
Governance and administration		4 275	-	-	-	-	-	-		-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		4 275	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		472	87	87	-	-	14	(14)	-100%	87
Community and social services		472	87	87	-	-	14	(14)	-100%	87
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		39	2 508	2 493	-	-	417	(417)	-100%	2 493
Planning and development		39	2 508	2 493	-	-	417	(417)	-100%	2 493
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		724 151	609 439	611 938	136 849	138 909	101 990	36 919	36%	611 938
Energy sources		-	-	-	-	-	-	-		-
Water management		724 151	609 439	611 938	136 849	138 909	101 990	36 919	36%	611 938
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	728 936	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Funded by:										
National Government		715 016	611 947	614 431	136 849	138 909	102 406	36 502	36%	614 431
Provincial Government		1 729	87	87	-	-	14	(14)	-100%	87
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		39	-	-	-	-	-	-		-
Transfers recognised - capital		716 784	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Borrowing	6	7 877	-	-	-	-	-	-		-
Internally generated funds		4 275	-	-	-	-	-	-		-
Total Capital Funding		728 936	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518

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 **two-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 **two-month** baseline projection or year-to-date budget of **R14 thousand**. A variance of **R14 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 two-month** baseline projection or year-to-date budget of **R417 thousand**. A variance of **R417 thousand** or **100%** is observed.

Trading services

Trading services year-to-date actual is **R138.9 million** which is **23%** of the approved budget. the **R138.9 million** year-to-date actual is **above** the **two-month** baseline projection or year-to-date budget of **R101.9 million**. A variance of **R36.9 million** or **36%** is observed. There is a movement of **R136.8 million**.

CAPITAL EXPENDITURE BY SOURCE EXCLUSIVE OF VAT	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	236 969 565.22	19 801 920.51	39 494 928	-19 693 007.03	-50%	8%
Regional Bulk Infrastructure (RBIG)	321 813 043.48	118 592 289.85	53 635 507	64 956 782.60	121%	37%
Water services infrastructure Grant (WSIG)	99 973 913.00	6 953 567.93	16 662 319	-9 708 750.90	-58%	7%
Rural Roads Asset Managemnt Systems Grant	2 507 826.09	-	417 971	-417 971.01	-100%	0%
Art centre Subsisies (Indonsa Grant)	1 494 782.61	-	249 130	-249 130.43	-100%	0%
BOREHOLE INTERVENTION PROGRAMME		-	-	-	0%	0%
BACKUP GENERATOR		-	-	-	0%	0%
Total Operating Expenditure	662 759 130	145 347 778	110 459 855	34 887 923	32%	22%

Capital Grant Expenditure as per MFMA circular no. 58

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

CAPITAL GRANTS EXPENDITURE (INCLUDING VAT AS PER MFMA CIRCULAR NO. 58)	APPROVED BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	YTD VARIANCE %	YTD ACTUAL EXPENDITURE %
Municipal Infrastructure Grant (MIG)	272 515 000	22 728 798.81	45 419 167	-22 690 367.86	-8%	8%
Regional Bulk Infrastructure (RBIG)	370 085 000	135 155 661.54	61 680 833	73 474 828.21	119%	37%
Water services infrastructure Grant (WSIG)	115 000 000	7 996 603.12	19 166 667	-11 170 063.55	-58%	7%
Rural Roads Asset Managemnt Systems Grant	2 884 000		480 667	-480 666.67	-100%	0%
Indonsa Grant	1 719 000		286 500	-286 500.00	-100%	0%
BOREHOLE INTERVENTION PROGRAMME			-	-	0%	0%
BACKUP GENERATOR		-	-	-	0%	0%
Total Capital Grant Expenditure	762 203 000	165 881 063	127 033 833	38 847 230	31%	22%

Overall capital grant expenditure is sitting at **22%** of the approved capital budget, **MIG** is sitting at **8%**, **RBIG** at **37%**, **WSIG** at **7%**, **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 - M02 August									
Description	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									
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	74 528	99 766	99 766	3 396	14 212	16 628	(2 416)	-15%	99 766
Investment revenue	8 687	8 000	8 000	239	239	1 333	(1 094)	-82%	8 000
Transfers and subsidies - Operational	737 316	815 124	815 124	4 592	316 810	135 854	180 956	0	815 124
Other own revenue	26 400	4 323	4 323	551	798	721	78	11%	4 323
Total Revenue (excluding capital transfers and contributions)	846 932	927 214	927 214	8 779	332 059	154 536	177 523	115%	927 214
Employee costs	375 544	384 180	384 180	33 819	70 575	64 030	6 545	10%	384 180
Remuneration of Councillors	10 395	14 283	14 283	895	2 123	2 381	(257)	-11%	14 283
Depreciation, amortisation and impairment	123 349	91 000	91 000	7 917	15 833	15 167	667	4%	91 000
Interest, Dividends and Rent on Land	17 913	7 593	9 093	926	1 753	1 402	351	25%	9 093
Inventory consumed and bulk purchases	73 906	10 380	10 380	1 627	3 120	1 730	1 390	80%	10 380
Transfers and subsidies	23 018	200	200	–	–	33	(33)	-100%	200
Other expenditure	768 929	134 316	149 691	21 174	31 058	23 594	7 463	32%	149 691
Total Expenditure	1 393 054	641 952	658 827	66 358	124 462	108 337	16 125	15%	658 827
Surplus/(Deficit)	(546 121)	285 262	268 387	(57 579)	207 597	46 198	161 399	349%	268 387
Transfers and subsidies - capital (monetary allocations)	907 665	703 834	703 834	161 008	165 881	117 306	48 575	41%	703 834
Transfers and subsidies - capital (in-kind)	39	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	361 583	989 096	972 221	103 429	373 478	163 504	209 974	128%	972 221
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	361 583	989 096	972 221	103 429	373 478	163 504	209 974	128%	972 221
Capital expenditure & funds sources									
Capital expenditure	728 936	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Capital transfers recognised	716 784	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Borrowing	7 877	–	–	–	–	–	–		–
Internally generated funds	4 275	–	–	–	–	–	–		–
Total sources of capital funds	728 936	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Financial position									
Total current assets	238 378	916 550	916 550		278 211				916 550
Total non current assets	6 622 487	6 533 380	6 535 864		6 745 563				6 535 864
Total current liabilities	1 131 720	641 548	641 548		919 416				641 548
Total non current liabilities	136 460	275 287	275 287		138 158				275 287
Community wealth/Equity	5 591 489	5 543 999	5 543 999		5 965 929				5 543 999
Cash flows									
Net cash from (used) operating	2 702 210	1 052 956	1 052 956	111 712	168 259	175 493	7 234	4%	1 052 956
Net cash from (used) investing	(759 980)	(703 839)	(703 839)	(136 849)	(138 909)	(117 307)	21 602	-18%	(703 839)
Net cash from (used) financing	(7 483)	(17 712)	(17 712)	1	(8 744)	(2 952)	5 792	-196%	(17 712)
Cash/cash equivalents at the month/year end	1 957 851	611 748	611 768	300 949	300 949	335 597	34 648	10%	611 748
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	–	–	–	–	–	–	–	–	–

DC26 Zululand - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

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									
Revenue - Functional										
<i>Governance and administration</i>		747 044	761 599	761 599	742	313 131	126 933	186 198	147%	761 599
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		747 044	761 599	761 599	742	313 131	126 933	186 198	147%	761 599
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		17 844	2 019	2 019	2 194	2 213	337	1 877	558%	2 019
Community and social services		17 647	1 719	1 719	2 169	2 169	287	1 882	657%	1 719
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		197	300	300	25	45	50	(6)	-11%	300
<i>Economic and environmental services</i>		2 811	2 884	2 884	—	—	481	(481)	-100%	2 884
Planning and development		2 811	2 884	2 884	—	—	481	(481)	-100%	2 884
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		986 432	863 745	863 745	166 843	182 586	143 958	38 629	27%	863 745
Energy sources		—	—	—	—	—	—	—	—	—
Water management		968 400	842 356	842 356	164 984	179 115	140 393	38 722	28%	842 356
Waste water management		18 032	21 390	21 390	1 859	3 471	3 565	(94)	-3%	21 390
Waste management		—	—	—	—	—	—	—	—	—
<i>Other</i>	4	506	800	800	9	10	133	(124)	-93%	800
Total Revenue - Functional	2	1 754 636	1 631 048	1 631 048	169 787	497 940	271 841	226 099	83%	1 631 048
Expenditure - Functional										
<i>Governance and administration</i>		444 671	203 708	211 128	21 957	39 796	35 075	4 721	13%	211 128
Executive and council		105 060	45 639	54 014	4 019	9 553	9 002	551	6%	54 014
Finance and administration		283 168	143 554	143 424	14 013	25 992	23 791	2 202	9%	143 424
Internal audit		56 443	14 515	13 690	3 924	4 250	2 282	1 968	86%	13 690
<i>Community and public safety</i>		45 611	30 883	50 242	4 238	6 543	6 907	(365)	-5%	50 242
Community and social services		26 013	9 232	28 592	2 630	3 408	3 299	110	3%	28 592
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		7 419	7 947	7 947	633	1 266	1 325	(58)	-4%	7 947
Housing		—	—	—	—	—	—	—	—	—
Health		12 179	13 703	13 703	974	1 868	2 284	(416)	-18%	13 703
<i>Economic and environmental services</i>		27 674	21 848	21 893	1 991	4 773	3 648	1 125	31%	21 893
Planning and development		27 674	21 848	21 893	1 991	4 773	3 648	1 125	31%	21 893
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		865 096	374 396	364 447	37 348	71 703	60 855	10 848	18%	364 447
Energy sources		—	—	—	—	—	—	—	—	—
Water management		848 990	362 220	352 270	36 557	70 150	58 826	11 325	19%	352 270
Waste water management		16 126	12 177	12 177	791	1 553	2 029	(476)	-23%	12 177
Waste management		(20)	—	—	—	—	—	—	—	—
<i>Other</i>		10 001	11 117	11 117	825	1 648	1 853	(205)	-11%	11 117
Total Expenditure - Functional	3	1 393 054	641 952	658 827	66 358	124 462	108 337	16 125	15%	658 827
Surplus/ (Deficit) for the year		361 583	989 096	972 221	103 429	373 478	163 504	209 974	1.2842145	972 221

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

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

DC26 Zululand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

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										
Revenue by Vote	1									
Vote 01 - Council		-	-	-	-	-	-	-		-
Vote 02 - Corporate Services		13 135	1 200	1 200	9	57	200	(143)	-71.6%	1 200
Vote 03 - Finance		734 415	761 199	761 199	742	313 084	126 867	186 218	146.8%	761 199
Vote 04 - Community Development		17 844	2 019	2 019	2 194	2 213	337	1 877	557.6%	2 019
Vote 05 - Planning & Wsa		914 110	765 863	765 863	163 393	168 266	127 644	40 622	31.8%	765 863
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	-	-	-	-	-	-		-
Vote 08 - Water Distribution		57 101	79 377	79 377	1 591	10 849	13 229	(2 380)	-18.0%	79 377
Vote 09 - Waste Water		18 032	21 390	21 390	1 859	3 471	3 565	(94)	-2.6%	21 390
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	1 754 636	1 631 048	1 631 048	169 787	497 940	271 841	226 099	83.2%	1 631 048
Expenditure by Vote	1									
Vote 01 - Council		113 159	55 581	63 631	4 590	10 498	10 605	(107)	-1.0%	63 631
Vote 02 - Corporate Services		212 733	89 973	88 123	12 386	18 520	14 687	3 833	26.1%	88 123
Vote 03 - Finance		101 029	61 789	62 959	4 625	9 465	10 380	(915)	-8.8%	62 959
Vote 04 - Community Development		88 800	50 058	69 468	6 530	11 683	10 111	1 571	15.5%	69 468
Vote 05 - Planning & Wsa		63 068	73 502	71 048	6 220	11 279	11 840	(561)	-4.7%	71 048
Vote 06 - Technical Services		11 901	2 943	3 033	1 389	3 556	506	3 050	603.3%	3 033
Vote 07 - Water Purification		57 567	58 174	58 184	5 427	10 587	9 697	889	9.2%	58 184
Vote 08 - Water Distribution		728 691	237 755	230 205	24 401	47 322	38 481	8 841	23.0%	230 205
Vote 09 - Waste Water		16 106	12 177	12 177	791	1 553	2 029	(476)	-23.5%	12 177
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - ,		-	-	-	-	-	-	-		-
Vote 13 - ,		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	1 393 054	641 952	658 827	66 358	124 462	108 337	16 125	14.9%	658 827
Surplus/ (Deficit) for the year	2	361 583	989 096	972 221	103 429	373 478	163 504	209 974	128.4%	972 221

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) - M02 August

2025/26		Budget Year 2026/27								
Description	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water		56 582	78 508	78 508	1 545	10 754	13 085	(2 330)	-18%	78 508
Service charges - Waste Water Management		17 946	21 258	21 258	1 852	3 457	3 543	(86)	-2%	21 258
Service charges - Waste management								-		
Sale of Goods and Rendering of Services		1 011	1 903	1 903	445	445	317	128	40%	1 903
Agency services								-		
Interest								-		
Interest earned from Receivables		631	1 015	1 015	56	114	169	(55)	-33%	1 015
Interest from Current and Non Current Assets		8 687	8 000	8 000	239	239	1 333	(1 094)	-82%	8 000
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		460	195	195	18	36	32	3	11%	195
Licence and permits		197	200	200	25	45	33	11	34%	200
Special rating levies								-		
Construction Contract Revenue										
Development Charges										
Operational Revenue		12 029	610	610	9	58	102	(44)	-43%	610
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		12 072	400	400	(3)	102	67	35	53%	400
Licence and permits								-		
Transfers and subsidies - Operational		737 316	815 124	815 124	4 592	316 810	135 854	180 956	133%	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)		846 932	927 214	927 214	8 779	332 059	154 536	177 523	115%	927 214
Expenditure By Type										
Employee related costs		375 544	384 180	384 180	33 819	70 575	64 030	6 545	10%	384 180
Remuneration of councillors		10 395	14 283	14 283	895	2 123	2 381	(257)	-11%	14 283
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		73 906	10 380	10 380	1 627	3 120	1 730	1 390	80%	10 380
Debt impairment		(23 769)	5 580	5 580	-	-	930	(930)	-100%	5 580
Depreciation, amortisation and impairment		123 349	91 000	91 000	7 917	15 833	15 167	667	4%	91 000
Interest, Dividends and Rent on Land		17 913	7 593	9 093	926	1 753	1 402	351	25%	9 093
Contracted services		354 701	82 238	95 879	11 058	18 498	14 515	3 983	27%	95 879
Transfers and subsidies		23 018	200	200	-	-	33	(33)	-100%	200
Irrecoverable debts written off		50 200	-	-	-	-	-	-		-
Operational costs		378 822	46 498	48 232	10 116	12 560	8 149	4 410	54%	48 232
Disposal of Fixed and Intangible Assets		9	-	-	-	-	-	-		-
Other Losses		8 966	-	-	-	-	-	-		-
Total Expenditure		1 393 054	641 952	658 827	66 358	124 462	108 337	16 125	15%	658 827
Surplus/(Deficit)		(546 121)	285 262	268 387	(57 579)	207 597	46 198	161 399	0	268 387
Transfers and subsidies - capital (monetary allocations)		907 665	703 834	703 834	161 008	165 881	117 306	48 575	0	703 834
Transfers and subsidies - capital (in-kind)		39	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		361 583	989 096	972 221	103 429	373 478	163 504	209 974	0	972 221
Income Tax								-		
Surplus/(Deficit) after income tax		361 583	989 096	972 221	103 429	373 478	163 504	209 974	0	972 221
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		361 583	989 096	972 221	103 429	373 478	163 504	209 974	0	972 221
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		361 583	989 096	972 221	103 429	373 478	163 504	209 974	0	972 221

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) - M02 August

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		18 086	-	2 499	-	-	417	(417)	-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	18 321	-	2 499	-	-	417	(417)	-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		472	87	87	-	-	14	(14)	-100%	87
Vote 05 - Planning & Wsa		698 227	611 947	611 932	136 849	138 909	101 990	36 919	36%	611 932
Vote 06 - Technical Services		-	-	-	-	-	-	-		-
Vote 07 - Water Purification		-	-	-	-	-	-	-		-
Vote 08 - Water Distribution		7 877	-	-	-	-	-	-		-
Vote 09 - Waste Water		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 - .		-	-	-	-	-	-	-		-
Vote 12 - .		-	-	-	-	-	-	-		-
Vote 13 - .		-	-	-	-	-	-	-		-
Vote 14 - *		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	710 616	612 034	612 019	136 849	138 909	102 004	36 904	36%	612 019
Total Capital Expenditure		728 936	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Capital Expenditure - Functional Classification										
Governance and administration		4 275	-	-	-	-	-	-		-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		4 275	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		472	87	87	-	-	14	(14)	-100%	87
Community and social services		472	87	87	-	-	14	(14)	-100%	87
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		39	2 508	2 493	-	-	417	(417)	-100%	2 493
Planning and development		39	2 508	2 493	-	-	417	(417)	-100%	2 493
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		724 151	609 439	611 938	136 849	138 909	101 990	36 919	36%	611 938
Energy sources		-	-	-	-	-	-	-		-
Water management		724 151	609 439	611 938	136 849	138 909	101 990	36 919	36%	611 938
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	728 936	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Funded by:										
National Government		715 016	611 947	614 431	136 849	138 909	102 406	36 502	36%	614 431
Provincial Government		1 729	87	87	-	-	14	(14)	-100%	87
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		39	-	-	-	-	-	-		-
Transfers recognised - capital		716 784	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518
Borrowing	6	7 877	-	-	-	-	-	-		-
Internally generated funds		4 275	-	-	-	-	-	-		-
Total Capital Funding		728 936	612 034	614 518	136 849	138 909	102 421	36 488	36%	614 518

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 - M02 August

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		4 340	703 573	703 573	27 094	703 573
Short term Investments						
Trade and other receivables from exchange transactions		113 005	163 985	163 985	82 515	163 985
Receivables from non-exchange transactions		22 982	1 012	1 012	22 982	1 012
Current portion of non-current receivables		–	–	–	–	–
Inventory		13 907	3 013	3 013	4 204	3 013
VAT Receivable		41 936	18 297	18 297	99 214	18 297
Other current assets		42 209	26 669	26 669	42 202	26 669
Total current assets		238 378	916 550	916 550	278 211	916 550
Non current assets						
Investments						
Investment property						
Property, plant and equipment		6 614 666	6 525 649	6 528 134	6 737 745	6 528 134
Biological assets						
Living resources						
Heritage assets		7 817	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
Total non current assets		6 622 487	6 533 380	6 535 864	6 745 563	6 535 864
TOTAL ASSETS		6 860 865	7 449 930	7 452 414	7 023 774	7 452 414
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		27 095	17 508	17 508	18 349	17 508
Consumer deposits		3 394	3 372	3 372	3 397	3 372
Trade and other payables from exchange transactions		986 806	591 357	591 357	623 505	591 357
Trade and other payables from non-exchange transactions		73 047	(0)	(0)	232 328	(0)
Provision		38 788	28 582	28 582	36 425	28 582
VAT Payable		1 079	729	729	1 539	729
Other current liabilities		1 510	–	–	3 873	–
Total current liabilities		1 131 720	641 548	641 548	919 416	641 548
Non current liabilities						
Financial liabilities		69 861	55 449	55 449	71 559	55 449
Provision		(2 394)	–	–	–	–
Long term portion of trade payables		–	140 445	140 445	–	140 445
Other non-current liabilities		68 993	79 394	79 394	66 599	79 394
Total non current liabilities		136 460	275 287	275 287	138 158	275 287
TOTAL LIABILITIES		1 268 180	916 836	916 836	1 057 574	916 836
NET ASSETS	2	5 592 686	6 533 094	6 535 579	5 966 200	6 535 579
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 591 489	5 543 999	5 543 999	5 965 929	5 543 999
Reserves and funds		–	–	–	–	–
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	5 591 489	5 543 999	5 543 999	5 965 929	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 August 2026** indicates a balance of **R27 million**.

Consumer debtors

Consumer debtors include debtors from water, sanitation services and rental of facilities, the balance for the reporting period is **R82.5 million**. Debtors age analysis as per section 2.1 debtors' analysis is **R256.2 million**. Consumer debtors' amount to **R256.2 million** and **R2.4 million** is for shared services cast in Other Debtors.

Gross Consumer debtors	R254.6 million
Vat Receivable Input Tax accrual	R64.1 million
Less Impairment	(R236.4 million)
Net Consumer Debtors	R82.5 million

Classification of Consumer Debtors per Service type

Water Debtors	R205.4 million
Sanitation Debtors	R45.6 million
Property Rentals Debtors	R507.7 thousand
Other Consumer debtors	R453.5 thousand
Receivables from non-exchange	R1.1 million
Vat Receivable input tax accrual	R64.1 million
Total	R18.5 million

➤ **Water Debtors**

Net Water debtors after considering provision for bad debts amount to **R13 million**. Water debtors amount owed by consumers for water services billed.

Gross Water Debtors	R205.4 million
Less Impairment	(R192.4 million)
Net Water Debtors	R13.3 million

➤ **Sanitation Debtors**

Net Sanitation debtors after considering provision for bad debts amount to **R3.5 million**. Sanitation debtors are amounts owed by consumers for sewer services billed.

Gross Sanitation Debtors	R42.06 million
Less Impairment	(R45.6 million)
Net Sanitation Debtors	R3.5 million

➤ **Property Rentals Debtors**

These debtors accumulated from property rentals amount to **R26 thousand**

Property Rental	R507.7 thousand
Less Impairment	(R481.7 thousand)
Net Property rental	R26 thousand

➤ **Other Consumer debtors**

Other consumer debtors' amount to **R453.5 thousand**, these are sundry debtors.

Gross Other Debtors	R1.5 million
Less Impairment	(R1.1 million)
Net Other Debtors	R453.5 thousand

➤ **Vat Receivable input tax accrual**

Input tax accrual from trade and other receivable from exchange transaction amount to **R64.1 million.**

Vat Reclaim: Opening Balance	R103.9 million
Vat Reclaim: Recognition	R24.5 million
Vat Reclaim: Transfer	(63.7 million)
Net input tax accrual	R64.1 million

➤ **Other receivables from exchange**

These are debtors accumulated from Eskom accounts, Training and Maintenance with credit balances amounts to **R30.4 million**

Opening Balance	R30.2 million
Other receivables from exchange: monthly bill	R27.9 million
Less Impairment	(R0)
Net other receivables from exchange	R1.1 million

Classification of Consumer Debtors per Customer group

Households	R185.5 million
Commercial/Businesses	R 20.4 million
Organs of State (excl shared services of R3.3 mill)	R 50.2 million
Total	R256.2 million

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

Gross Households debtors	R256.2 million
Commercial/Businesses	R 20.4 million
Less Impairment	(R227.6 million)
Net Household debtors	R40.2 million

Other Consumer debtors

Other consumer debtors' amount to **R22.9 thousand**, these are sundry debtors.

Inventory

The current level of inventory is **R4.2 million**. Inventories include water stock and consumable stores. The correcting journal will be prepared to correct inventory issued.

VAT Receivable

VAT Receivable amounts to **R99.2 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 **R42.2 million**.

Overpayment/Accrued income/UIFW	R22.9 million
Prepayments/ Prepaid Expenses	R1.1 million
Salary Advance	R8.4 thousand
Refunds & under/over banking	R65 thousand
Total	R42.2 million

➤ Deposits Made

Deposits made amount to **R42.1 million**, this amount includes Eskom deposits and Stowell Deposits.

Eskom Deposits	R41.9 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 **R65 thousand**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

➤ **Operating lease and Insurance claim**

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

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

Property plant and equipment is the infrastructure and immovable assets owned by the municipality which the municipality uses to provide services to communities. The balance of Property plant and equipment includes current year capital acquisition from table C5 and depreciation from table C4, the carrying value of all assets owned by the municipality is **R6.7 billion**

Opening balance	R6.5 billion
Additions	R138.9 thousand
Depreciation	(R0)
Closing Balance	R6.7 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 **R18.3 million**.

Consumer dépositions

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 **R623.5 million**. There was a misalignment of this, it was also affected by system update and it will be corrected this month.

Trade Creditors	R304.2 million
Retention	R143 million
Session	R13.1 million
Eskom	R196 thousand
Department of Water & Sanitation	R179.5 million
Employee related cost	R1.1 million
Advance Payments	R1.6 million
Salary Suspense Accounts	R74 thousand
Leave accrual	R225 thousand
Unpaid cheques	R54 thousand
Other Suspense	R6 thousand
Refund & Stock Adjustment	R8.9 million
Over/Under Banking	R49 Rands
Unallocated Deposits	R300 Rands
Inventory	R3 million
Other Creditors	R12.3 million
Closing Balance	R623.5 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 **R1.5 million**, this is the amount paid when output VAT is recognized as less input VAT paid as per VAT reconciliation.

NON-CURRENT LIABILITIES

Financial liabilities

This is the long-term portion of the finance lease agreement the Municipality entered into to procure laptops amounting to **R71.5 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 **R0 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 **R5.9 billion**

MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

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

DC26 Zululand - Table C7 Monthly Budget Statement - Cash Flow - M02 August

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges		49 735	70 522	70 522	3 248	7 425	11 754	(4 328)	-37%	70 522
Other revenue		1 688 450	105 348	105 348	6 561	6 738	17 558	(10 820)	-62%	105 348
Transfers and Subsidies - Operational		751 868	758 474	758 474	-	312 857	126 412	186 445	147%	758 474
Transfers and Subsidies - Capital		906 219	760 484	760 484	205 300	329 055	126 747	202 308	160%	760 484
Interest		6 718	8 609	8 609	245	249	1 435	(1 186)	-83%	8 609
Dividends								-		
Payments										
Suppliers and employees		(700 779)	(650 252)	(650 252)	(103 642)	(488 031)	(108 375)	379 656	-350%	(650 252)
Finance charges		-	-	-	-	(34)	-	34	#DIV/0!	-
Transfers and Subsidies		-	(230)	(230)	-	-	(38)	(38)	100%	(230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 702 210	1 052 956	1 052 956	111 712	168 259	175 493	7 234	4%	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 than 90 days) and Long Term Investments								-		
Payments										
Capital assets		(759 980)	(703 839)	(703 839)	(136 849)	(138 909)	(117 307)	21 602	-18%	(703 839)
Retention (Capital)								-		
NET CASH FROM/(USED) INVESTING ACTIVITIES		(759 980)	(703 839)	(703 839)	(136 849)	(138 909)	(117 307)	21 602	-18%	(703 839)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		1 710	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		26	-	-	1	2	-	2	#DIV/0!	-
Payments										
Repayment of borrowing		(9 218)	(17 712)	(17 712)	-	(8 746)	(2 952)	5 794	-196%	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7 483)	(17 712)	(17 712)	1	(8 744)	(2 952)	5 792	-196%	(17 712)
NET INCREASE/ (DECREASE) IN CASH HELD		1 934 748	331 405	331 405	(25 135)	20 606	55 234			331 405
Cash/cash equivalents at beginning:		23 103	280 343	280 363	326 084	280 343	280 363			280 343
Cash/cash equivalents at month/year end:		1 957 851	611 748	611 768	300 949	300 949	335 597			611 748

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R70.5 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 **R7.4 million** to date. This is **11%** of budgeted collection and **52%** 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 **R329 million**. This amount includes MIG, RBIG and WSIG which were received thus far under Transfers and subsidies - Capital.

Municipal Infrastructure Grant (MIG)	R81.7 million
Water Services Infrastructure Grant (WSIG)	R42 million
Regional Bulk Infrastructure Grant (RBIG)	R205.3 million
TOTAL	R329 million

Interest

Interest on the investment budget is **R249 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 **R245 thousand**. Interest in investment revenue on table C4 is **R3.9 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 **R138.9 million**, the capital expenditure excluding VAT portion, MFMA MSCOA circular number 11 issued 04 December 2020 highlighted the VAT issue and corrections are being developed. The Municipality is in the process of developing an action plan to address these inefficiencies.

Cash and cash equivalents at the end

Cash and cash equivalents are the cash available at the end of the reporting period after all expenses have been paid. Cash and cash equivalents to date are **R27 million** in the financial position but in the cash flow, it is **R300.9 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 August 2026

DC26 Zululand - Supporting Table SC2 Monthly Budget Statement - aged debtors - M02 August

Description		Budget Year 2026/27												Actual Bad Debts Written Off against Debtors		Impairment - Bad Debts i.t.o Council Policy
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days					
R thousands																
Debtors Age Analysis By Income Source																
Trade and Other Receivables from Exchange Transactions - Water	1200	10 747	4 291	4 329	2 692	2 341	2 464	15 458	161 642	203 963	184 596	-	-	192 441		
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	-	-	482		
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	-	-	245 625		
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 **August 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 August 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 August 2026**.

The creditors age analysis as at **31 August** 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 August 2026

There were no investments in the month of August

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

DC26 Zululand - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - M02 August

Description	Ref	2025/26 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2026/27 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS	1.2									
Operating										
National Government										
Monetary Allocations								181 299	#DIV/0!	
Equitable Share		710 459	749 176	749 176	—	312 157	124 863	187 294	150.0%	749 176
Energy Efficiency and Demand Side Management Grant		—	—	—	—	—	—	—	—	—
Expanded Public Works Programme Integrated Grant		6 406	5 379	5 379	2 385	2 385	897	1 488	166.0%	5 379
Local Government Financial Management Grant		1 500	1 500	1 500	39	39	250	(211)	-84.3%	1 500
Municipal Disaster Relief Grant		14 124	—	—	2 169	2 169	—	2 169	#DIV/0!	—
Municipal Infrastructure Grant		—	56 650	56 650	—	—	9 442	(9 442)	-100.0%	56 650
Municipal Systems Improvement Grant		—	—	—	—	—	—	181 299	#DIV/0!	—
Rural Road Asset Management Systems Grant		—	—	—	—	—	—	—	—	—
Water Services Infrastructure Grant		—	—	—	—	—	—	—	—	—
Total Monetary Allocations		732 289	812 705	812 705	4 592	316 749	135 451	181 299	133.8%	812 705
Total Operating/National Government		732 289	812 705	812 705	4 592	316 749	135 451	181 299	133.8%	812 705
Provincial Government								—	—	
Monetary Allocations								—	—	
Capacity Building and Other Grants		4 700	2 419	2 419	—	60	403	(343)	-85.1%	2 419
Total Monetary Allocations		4 700	2 419	2 419	—	60	403	(343)	-85.1%	2 419
Total Operating/Provincial Government		4 700	2 419	2 419	—	60	403	543 553	134821.1%	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		—	—	—	—	—	—	—	—	—
KwaZulu/Natal Provincial Planning and Development Commission		—	—	—	—	—	—	—	—	—
Local Government Water and Related Service SETA	328	—	—	—	—	—	—	—	—	—
National Skills Fund	—	—	—	—	—	—	—	—	—	—
Parent Municipality	—	—	—	—	—	—	—	—	—	—
Trade and Investment South Africa	—	—	—	—	—	—	—	—	—	—
Unspecified	—	—	—	—	—	—	—	—	—	—
Total Monetary Allocations		328	—	—	—	—	—	—	—	—
Allocations In-kind		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Total Allocations In-kind		—	—	—	—	—	—	543 553	#DIV/0!	—
Total Operating/Other Grant Providers		328	—	—	—	—	—	—	—	—
Total Operating	5	737 316	815 124	815 124	4 592	316 810	135 854	—	—	815 124
Capital										
National Government										
Monetary Allocations										
Municipal Disaster Relief Grant		—	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant		268 969	215 865	215 865	17 856	22 729	35 978	—	—	215 865
Regional Bulk Infrastructure Grant		544 478	370 085	370 085	135 156	135 156	61 681	—	—	370 085
Rural Road Asset Management Systems Grant		2 772	2 884	2 884	—	—	481	—	—	2 884
Water Services Infrastructure Grant		90 000	115 000	115 000	7 997	7 997	19 167	—	—	115 000
Total Monetary Allocations		906 219	703 834	703 834	161 008	165 881	117 306	—	—	703 834
Total Capital/National Government		906 219	703 834	703 834	161 008	165 881	117 306	—	—	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	907 704	703 834	703 834	161 008	165 881	117 306	—	—	703 834
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		1 645 020	1 518 958	1 518 958	165 601	482 691	253 160	—	—	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 - M02 August

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	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		1 149 427	490 447	490 447	51 810	99 445	81 742	17 703	21.7%	490 447
Energy Efficiency and Demand Side Management Grant		—	—	—	—	—	—	—	—	—
Expanded Public Works Programme Integrated Grant		6 406	5 379	5 379	1 210	2 341	897	1 444	161.1%	5 379
Local Government Financial Management Grant		1 252	1 500	1 500	39	39	250	(211)	-84.3%	1 500
Municipal Disaster Relief Grant		12 313	—	19 359	1 898	1 898	1 760	138	7.8%	19 359
Municipal Infrastructure Grant		38 043	49 261	46 762	4 251	6 439	7 794	(1 355)	-17.4%	46 762
Municipal Systems Improvement Grant		—	—	—	—	—	—	—	—	—
Regional Bulk Infrastructure Grant		24 400	57	57	—	—	9	(9)	-100.0%	57
Rural Road Asset Management Systems Grant		2 410	—	15	—	—	1	(1)	-100.0%	15
Water Services Infrastructure Grant		—	26	26	—	—	4	(4)	-100.0%	26
								0.0%		
Total Monetary Allocations		1 234 250	546 669	563 544	59 208	110 162	92 457	17 705	19.1%	563 544
Total National Government		1 234 250	546 669	563 544	59 208	110 162	92 457	17 705	19.1%	563 544
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		3 390	2 319	2 319	—	—	387	(387)	-100.0%	2 319
Total Monetary Allocations		3 390	2 319	2 319	-	-	387	(387)	-100.0%	2 319
Total Provincial Government		3 390	2 319	2 319	-	-	387	(387)	-100.0%	2 319
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		—	—	—	—	—	—	—	—	—
Kwazulu/Natal Provincial Planning and Development Com.		—	—	—	—	—	—	—	—	—
Local Government Water and Related Service SETA		327	—	—	—	—	—	—	—	—
National Skills Fund		—	—	—	—	—	—	—	—	—
Parent Municipality		—	—	—	—	—	—	—	—	—
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		1 237 966	548 988	565 863	59 208	110 162	92 843	17 319	0	565 863
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant		196 967	187 709	190 208	11 303	13 363	31 701	(18 338)	-57.8%	190 208
Regional Bulk Infrastructure Grant		439 297	321 757	321 757	118 592	118 592	53 626	64 966	121.1%	321 757
Rural Road Asset Management Systems Grant		—	2 508	2 493	—	—	417	(417)	-100.0%	2 493
Water Services Infrastructure Grant		78 752	99 974	99 974	6 954	6 954	16 662	(9 709)	-58.3%	99 974
Total Monetary Allocations		715 016	611 947	614 431	136 849	138 909	102 406	36 502		614 431
Total National Government		715 016	611 947	614 431	136 849	138 909	102 406	36 502		614 431
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		—	—	—	—	—	—	—	—	—
Infrastructure Grant		1 729	87	87	—	—	14	—	—	87
Total Monetary Allocations		1 729	87	87	-	-	14	-	-	87
Total Provincial Government		1 729	87	87	-	-	14	-	-	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		716 784	612 034	614 518	136 849	138 909	102 421	36 502		614 518
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 954 751	1 161 022	1 180 381	196 057	249 071	195 264	53 821		1 180 381

DC26 Zululand - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M02 August

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2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE

2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

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

2.9 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2025/26	Budget Year 2026/27							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	51 836	51 211	51 211	2 060	2 060	51 211	49 151	96.0%	0%
August	34 131	51 210	51 210	136 849	136 849	102 421	(34 428)	-33.6%	22%
September	35 136	51 210	51 210	–	–	153 631	153 631	100.0%	0%
October	73 570	51 210	51 210	–	–	204 840	204 840	100.0%	0%
November	108 576	51 210	51 210	–	–	256 050	256 050	100.0%	0%
December	27 358	51 210	51 210	–	–	307 260	307 260	100.0%	0%
January	91 319	51 210	51 210	–	–	358 470	358 470	100.0%	0%
February	19 658	51 210	51 210	–	–	409 679	409 679	100.0%	0%
March	104 497	51 210	51 210	–	–	460 889	460 889	100.0%	0%
April	31 191	51 210	51 210	–	–	512 099	512 099	100.0%	–
May	1 710	51 210	51 210	–	–	563 309	563 309	100.0%	–
June	154 070	51 210	51 210	–	–	614 518	614 518	100.0%	–
Total Capital expenditure	733 053	614 518	614 518	138 909					

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 - M02 August

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								%	
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		716 126	611 947	611 932	136 849	138 909	101 990	(36 919)	-36.2%	611 932
Roads Infrastructure		–	2 508	2 493	–	–	417	417	100.0%	2 493
Roads		–	2 508	2 493	–	–	417	417	100.0%	2 493
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	–	–	–	–	–	–		–
Water Supply Infrastructure		716 126	609 439	609 439	136 849	138 909	101 573	(37 336)	-36.8%	609 439
Boreholes		36 333	8 191	27 426	522	522	4 571	4 049	88.6%	27 426
Reservoirs		–	–	63 747	4 377	6 437	10 625	4 188	39.4%	63 747
Pump Stations		–	–	207 813	53 625	53 625	36 529	(17 095)	-46.8%	207 813
Water Treatment Works		82 003	95 348	95 348	9 502	9 502	15 891	6 389	40.2%	95 348
Bulk Mains		521 591	426 305	208 576	68 823	68 823	32 869	(35 955)	-109.4%	208 576
Distribution		76 198	79 596	–	–	–	0	0	100.0%	–
Distribution Points		–	–	6 529	–	–	1 088	1 088	100.0%	6 529
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Community Assets		–	–	–	–	–	–	–		–
Community Facilities		–	–	–	–	–	–	–		–
Centres		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Other assets		2 047	–	–	–	–	–	–		–
Operational Buildings		2 047	–	–	–	–	–	–		–
Municipal Offices		2 047	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–
Computer Software and Applications		–	–	–	–	–	–	–		–
Computer Equipment		1 897	–	–	–	–	–	–		–
Computer Equipment		1 897	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		8 514	87	87	–	–	14	14	100.0%	87
Machinery and Equipment		8 514	87	87	–	–	14	14	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		–	–	–	–	–	–	–		–
Immature		–	–	–	–	–	–	–		–
Total Capital Expenditure on new assets	1	728 936	612 034	612 019	136 849	138 909	102 004	(36 904)	-36.2%	612 019

Expenditure on Repairs and Maintenance by Asset class

DC26 Zululand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02

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								%	
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		217 020	43 013	59 873	3 864	8 618	8 512	(106)	-1.2%	59 873
Roads Infrastructure		–	–	–	–	–	–	–		–
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	–	–	–	–	–	–		–
Water Supply Infrastructure		217 020	43 013	59 873	3 864	8 618	8 512	(106)	-1.2%	59 873
<i>Bulk Mains</i>		114 249	34 513	51 373	3 864	4 055	7 096	3 041	42.9%	51 373
<i>Distribution Points</i>		102 771	8 500	8 500	–	4 563	1 417	(3 146)	-222.1%	8 500
Sanitation Infrastructure		–	–	–	–	–	–	–		–
<i>Waste Water Treatment Works</i>		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Community Assets		360	700	700	–	–	117	117	100.0%	700
Community Facilities		360	700	700	–	–	117	117	100.0%	700
<i>Airports</i>		360	700	700	–	–	117	117	100.0%	700
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Other assets		32	–	–	–	–	–	–		–
Operational Buildings		32	–	–	–	–	–	–		–
<i>Municipal Offices</i>		32	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		208	110	110	–	–	18	18	100.0%	110
Furniture and Office Equipment		208	110	110	–	–	18	18	100.0%	110
Machinery and Equipment		28	–	–	–	–	–	–		–
Machinery and Equipment		28	–	–	–	–	–	–		–
Transport Assets		8 824	1 000	500	–	–	83	83	100.0%	500
Transport Assets		8 824	1 000	500	–	–	83	83	100.0%	500
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Immature		–	–	–	–	–	–	–		–
Total Repairs and Maintenance Ex	1	226 472	44 823	61 183	3 864	8 618	8 731	113	1.3%	61 183

Depreciation by Asset class

DC26 Zululand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M02 August

Description	Ref	2025/26 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2026/27 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		117 225	84 024	84 024	7 084	14 169	14 004	(165)	-1.2%	84 024
Roads Infrastructure		—	—	—	64	127	—	(127)	#DIV/0!	—
Roads		—	—	—	64	127	—	(127)	#DIV/0!	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	3	6	—	(6)	#DIV/0!	—
LV Networks		—	—	—	3	6	—	(6)	#DIV/0!	—
Water Supply Infrastructure		116 555	82 671	82 671	6 820	13 640	13 779	138	1.0%	82 671
Dams and Weirs		1 693	1 992	1 992	247	493	332	(161)	-48.6%	1 992
Boreholes		1 731	1 779	1 779	42	83	296	213	71.9%	1 779
Reservoirs		9 438	8 962	8 962	620	1 240	1 494	254	17.0%	8 962
Pump Stations		6 627	1 742	1 742	394	788	290	(498)	-171.5%	1 742
Water Treatment Works		10 426	7 601	7 601	586	1 173	1 267	94	7.4%	7 601
Bulk Mains		63 291	40 258	40 258	3 035	6 071	6 710	639	9.5%	40 258
Distribution		23 283	20 268	20 268	1 889	3 778	3 378	(400)	-11.8%	20 268
PRV Stations		66	70	70	7	14	12	(3)	-75.2%	70
Sanitation Infrastructure		669	1 353	1 353	198	395	225	(170)	1.2%	1 353
Pump Station		203	207	207	17	34	35	0	—	207
Refuse/Refuse		336	342	342	153	304	57	(247)	-433.6%	342
Waste Water Treatment Works		130	804	804	29	57	134	77	57.4%	804
Outfall Sewers		—	—	—	—	—	—	—	—	—
Toilet Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Community Assets		1 148	1 210	1 210	75	151	202	51	25.2%	1 210
Community Facilities		1 014	1 075	1 075	55	110	179	69	38.6%	1 075
Halls		—	—	—	—	—	—	—	—	—
Centres		—	—	—	—	—	—	—	—	—
Crèches		—	—	—	—	—	—	—	—	—
Clinics/Care Centres		—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—
Testing Stations		—	—	—	—	—	—	—	—	—
Museums		—	—	—	—	—	—	—	—	—
Galleries		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—
Police		—	—	—	—	—	—	—	—	—
Purfs		—	—	—	—	—	—	—	—	—
Public Open Space		—	—	—	—	—	—	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		344	344	344	—	—	57	57	100.0%	344
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		670	731	731	55	110	122	12	9.7%	731
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		135	135	135	20	41	22	(18)	-81.4%	135
Outdoor Facilities		135	135	135	20	41	22	(18)	-81.4%	135
Heritage assets		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Other assets		1 303	1 953	1 953	121	242	326	84	25.7%	1 953
Operational Buildings		1 303	1 953	1 953	121	242	326	84	25.7%	1 953
Municipal Offices		1 303	1 953	1 953	116	232	326	93	28.6%	1 953
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	—	—	—
Stores		—	—	—	5	9	—	(9)	#DIV/0!	—
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		3	11	11	2	4	2	(2)	-96.5%	11
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		3	11	11	2	4	2	(2)	-96.5%	11
Computer Software and Applications		3	11	11	2	4	2	(2)	-96.5%	11
Unspecified		—	—	—	—	—	—	—	—	—
Computer Equipment		680	1 273	1 273	87	174	212	38	17.9%	1 273
Computer Equipment		680	1 273	1 273	87	174	212	38	17.9%	1 273
Furniture and Office Equipment		345	375	375	51	101	62	(39)	-62.3%	375
Furniture and Office Equipment		345	375	375	51	101	62	(39)	-62.3%	375
Machinery and Equipment		1 562	694	694	32	65	116	51	44.1%	694
Machinery and Equipment		1 562	694	694	32	65	116	51	44.1%	694
Transport Assets		1 084	1 460	1 460	464	928	243	(685)	-281.4%	1 460
Transport Assets		1 084	1 460	1 460	464	928	243	(685)	-281.4%	1 460
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Living resources		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Total Depreciation	1	123 349	91 000	91 000	7 917	15 833	15 167	(667)	-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.



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

Date: 14/09/2026