

ZULULAND DISTRICT MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

31 DECEMBER 2025

MFMA S72 REPORT

2025/2026 FINANCIAL YEAR

TABLE OF CONTENTS:

PART 1 – IN-YEAR REPORT

- 1.1 MAYOR'S REPORT
- 1.2 RESOLUTIONS
- 1.3 EXECUTIVE SUMMARY
- 1.4 OPERATING REVENUE PERFORMANCE

- 1.5 OPERATING EXPENDITURE PERFORMANCE
- 1.6 CAPITAL EXPENDITURE AND FUNDING
- 1.7 IN-YEAR BUDGET TABLES:
 - Table C1: Monthly Budget Statement – Summary
 - Table C2: Monthly Budget Statement – financial Performance (standard classification)
 - Table C3: Monthly Budget Statement- Financial Performance (revenue and expenditure by municipal vote)
 - Table C4: Monthly Budget Statement – financial performance (Revenue and expenditure)
 - Table C5: Monthly Budget Statement-capital expenditure by vote, standard classification and funding
 - Table C6: Monthly Budget Statement- financial position
 - Table C7: Monthly Budget Statement- Cash Flow Statement and supporting tables SC1 to SC13c

PART 2 – SUPPORTING DOCUMENTATION

- 2.1 DEBTORS ANALYSIS
- 2.2 CREDITORS ANALYSIS
- 2.3 INVESTMENT PORTFOLIO
- 2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE
- 2.5 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS
- 2.6 MATERIAL VARIANCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
- 2.7 PARENT MUNICIPALITY FINANCIAL PERFORMANCE
- 2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE
- 2.9 CAPITAL PROGRAMME PERFORMANCE
- 2.10 OTHER SUPPORTING DOCUMENTS
- 2.11 IN-YEAR REPORT OF MUNICIPAL ENTITIES
- 2.12 MUNICIPAL MANAGERS QUALITY CERTIFICATION

ATTACHMENTS

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 DECEMBER 2025
SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
ANNUAL REPORT 2024/2025

1.1 MAYOR`S REPORT

MID-YEAR REPORT FOR THE HONOURABLE MAYOR OF ZULULAND DISTRICT MUNICIPALITY, HIS WORSHIP DT BUTHELEZI

To be attached

1.2 council resolutions

To be attached

1.3 EXUCUTIVE SUMMARY

BUDGET PERFORMANCE ANALYSIS

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

Summary Statement of Financial Performance

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

Operating revenue Performance

Total operating revenue generated by the Municipality as at **31 December 2025** is **R594.7 million**, which is **73%** of the approved operating revenue budget. The **R594.7 million** year to date Actual is **above** the **Six months** baseline projection or year-to-date budget of **R414.3 million**, a variance of **R180.3 million or 44% is observed**. This variance is a result of equitable share which is not received monthly but in trenches three times a year as per approved transfer schedule. Operating revenue comprises of equitable share and other operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Operating revenue is explained by source in Section 1.4 Operating Revenue Performance.

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

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

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

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

Operating Expenditure Performance

Total Operating Expenditure as at **31 December 2025** is **R442.6 million** which is **80%** of the approved operating expenditure budget. The **R442.6 million** year to date actual is **above** the **Six months** baseline projection or year-to-date budget of **R285.3 million**, a variance of **R157.3 million or 55% is observed.**, there are line items such as inventory and debt impairment has either slow or no movement in previous months, on the other hand other expenditure is moving faster than the year to date budget.

Major Variances between actuals and year to date budget on Operating Expenditure

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

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

Grants

Summary of capital and operating grants expenditure and receipts

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

The Municipality is still expecting the revised DORA. The adjustments from Provincial Treasury has been received, the adjustment budget will be in Art Centre grant from **R1.7 million** to **R2.6 million** and LGSETA grant of **R99 thousand** and AMAFA **R200 thousand**.

Rolled over grants such as COGTA Boreholes will be catered.

Mid-year performance analysis								
DETAILS	APPROVED BUDGET	YTD ACTUAL	%	ANALYSIS	VARIANCE	REMEDIAL OR CORRECTIVE STEPS OR REMARKS	Action Date	
Service charges - Water	63 953 799	24 982 017	39%	This is the amount billed on customers that are connected to water system, The Year to date actual is below 50%.	1.Variance is caused by the installation of prepaid meters or working conventional meters which indicates the actual consumption compared to interim that was used to those specific meters. 2. Majority of accounts remains being billed with interim billing while interim does not indicate the actual consumption. 3. Most meters have reached their life span which causes them to be non functional along the way which then forces for interim billing which is not the actual or true reflection of what is actually consumed. infrastructure (meters) that is currently being used for billing, majority has reached the life span	1. Accelerate prepaid and conventional meter installation programme 2 Reduce interim billing and enforce actual meter readings 3. Adjust revenue budget to realistic billing levels	30-Jun-26	
Service charges - Waste Water	18 494 481	8 409 838	45%	This is the amount billed on customers that are connected to sewer system, The Year to date actual is slightly above 50%, No adjustment needed.	1.Variance is caused by the installation of prepaid meters or working conventional meters which indicates the actual consumption compared to interim that was used to those specific meters. 2. Majority of accounts remains being billed with interim billing while interim does not indicate the actual consumption. 3. Most meters have reached their life span which causes them to be non functional along the way which then forces for interim billing which is not the actual or true reflection of what is actually consumed. infrastructure (meters) that is currently being used for billing, majority has reached the life span	Installation of meters which will assist monthly billings, the budget to be adjusted.	Jun-26	
Sale of Goods and Rendering of	800 364	539 922	67%	The sale of tender documents, sale of consumables and clearance certificate, this one depends on the new tender documents sales.	The sale of tender documents in the first half of the has been above the expected benchmark of 50%. This was determined by the number of sales of tender documents	Revise budget upward based on confirmed tender activity	28-Feb-26	
Interest earned from Receivab	858 158	308 053	36%	This is interest from outstanding debtors, this is charged on businesses and government, it is below 50%.	The interest is based on the opening balance of debtors being charged interest such as commercial accounts. The Reflecting balance is on average based on 24/25 financial year, that was used as the basis for increase of the budget. There is no increase on debtors that may yield more interest in current year that can be equivalent to the budget.	1 Strengthen debt collection enforcement 2 The budget for interest will be adjusted	28-Feb-26	
Interest from Current and Non	8 000 000	2 379 744	30%	This is interest on current and short term investments, The interest is below the 50% benchmark.	The reasons for variances can be attributed to the availability of cash to be invested to date. the municipality withdraw early therefore yielding less interest. Interest from Current and Non-Current Assets is below the target. The grants balances still to be received is less than what the municipality has already received, therefore less investment is expected which will affect the interest to be accumulated	1. Revise interest revenue to realistic levels based on debtor book 2. Adjust interest projections to align with liquidity-driven investment strategy	28-Feb-26	
Rental from Fixed Assets	503 998	242 297	48%	The year to date actual is slightly 50%	The billing is according to lease contracts	No adjustment needed	Monthly	
Licence and permits	294 835	94 558	32%	This item needs to be adjusted because it depends on the renewal and issues of new certificates	Only dependant on renewals	No adjustment is required since this depends on the renewals which is not easy to determine when exactly the customers will renew their certificate or apply for the new certificates	Monthly	
Operational Revenue	1 344 003	208 854	16%	This includes claims from insurance	The variance to this line item can be attributed the non-receipt of Skills Development Refund, Registration Fees, Handling Fees which is not benchmarked by year to date.	No adjustment is recommended		
Fines, penalties, and forfeits	605 170	147 623	24%	This line item needs to be adjusted	Only dependant on number of temperings	The budget to be adjusted	Monthly	
Transfers and subsidies - Oper	720 384 000	557 454 100	77%	These are the grants as per DORA and provincial allocation	The grants are in order, they are received according transfer schedule approved by National Treasury	Continue monitoring against approved DORA transfer schedule	As per transfer s	
Employee & councillors related costs								
Employee related costs	302 180 376	178 917 693	59%	The employee cost is above the 50% benchmark, this means that the municipality has appointed or given the benefits to employees that were not initially part of the approved budget.	The municipality approved the budget with the expectation that all vacant positions will not be filled, EPWP employees will be limited to grant and all contracts that are not in the organogram be will terminated. There fact that there is no change in these line items results in budget overspending	Enforce funded organogram	Jan-26	
Remuneration of councillors	11 640 129	5 459 074	47%	The gazette for upper limit resulted in the increase in the councillors' allowance and the adjustment is required	The municipality has considered the upper limit of councillors in the budget	The municipality will not adjust the budget		

DETAILS	APPROVED BUDGET	YTD ACTUAL	%	ANALYSIS	VARIANCE	REMEDIAL OR CORRECTIVE STEPS OR REMARKS	Action Date
Inventory							
Inventory consumed	10 250 000	230 018	2%	This line item is committed, the reason the expenditure is low is because of non-payment of bulk water supply providers.	There are commitments in this line item but there payments that the municipality is expecting which have not been received yet.	1. Obtain outstanding invoices 2. Monitor commitments to avoid year-end spikes	Janary 2026
Contracted services							
Security	7 000 000	26 763 245	382%	All items on contracted services needs full attention, the clear strategy is needed on how the municipality can reduce cost but continue obtaining the same benefit and the Adjustment is recommended depending on the availability of funds. This includes system support from BCX, Payday,IMPI This includes meter audit, meter management and replacement These are the audit fees paid to internal auditors These are legal services provided to municipality, and they depend on the litigations against the municipality, the item may need adjustment	The variance results from the fact that the budget was very limited but the actual commitments and contracts remain the same	The municipality should review the budget, try other means of raising the the income. The municipality should review all exising contract The adjustment budget is recommended.	
Water Tankers	7 000 000	7 680 711	110%				
Gardening Services		3 973 846	0%				
Maintenance of Vehicles		3 636 359	0%				
Operation and Maintenance Rural Scheme PJJ	7 000 000	658 369	9%				
Operation and Maintenance - Bulk	15 000 000	18 071 345	120%				
System support	370 170	1 153 674	312%				
Meter management		419 100	0%				
Internal audit fees		523 383	0%				
Legal Cost		314 663	0%				
Legal settlement		10 062 500	0%		This includes legal settlement,There was not budgeted due to limited funding but the municipality incurred the expenditure	1. Strengthen litigation management 2.The adjustment is recommended	28-Feb-26
Community participation		5 752 502	0%	This item is used by the office of the mayor to engage community and give assistance where needed or requested. This item need adjustment but depending on the availability of funds	There was no budget approved due to limited funding but the municipality incurred the expenditure	The adjustment is recommended	28-Feb-26
Budget & IDP Road shows		32 193 818	0%	This item is mandatory because its compliance	There was no budget approved due to limited funding but the municipality incurred the expenditure	Due to limited funding the municipality must change the implementation strategyThe adjustment is recommended	28-Feb-26
Legacy CUP		15 552 843			There was no budget approved due to limited funding but the municipality incurred the expenditure	The adjustment is recommended	28-Feb-26
Mayoral CUP		1 901 061			There was no budget approved due to limited funding but the municipality incurred the expenditure	The adjustment is recommended	28-Feb-26
SALGA games		7 697 173			There was no budget approved due to limited funding but the municipality incurred the expenditure	The adjustment is recommended	28-Feb-26
Other General Expenses			0%				
Eskom-Municipal Services	20 875 323	55 260 339	265%	These are the expenses that need attention because they are key to service delivery. The adjustment is recommended in the below items Such as:- Eskom-Municipal Services- Municipal Services (Rates, Refuse, Electricity) _Wet Fuel-Traveling Claimd- Councillors-Traveling Claims- Employees-Fleet lease:Transport Asset, lease of machinery and Equipment & community participation. Some of items are once off items and has no future financial implications, such insurance,Bargaining council	The municipality under budgeted these line items due to limited funding, but the reality exist that there are items that the municipality does not have control on, things like ESKOM. Most of the items are crucial for the daily running of the municipality, the municipality ended up paying for items that were never or under budgeted	The adjustment budget is recommended The municipality need to increase collection to assist in the funding of operating expenses	
Municipal Services (Rates, Refuse, Electricity)	500 000	2 113 849	423%				
Communication			0%				
Wet Fuel	820 000	11 221 916	1369%				
Telephone		604 220	0%				
External Audit		1 657 743	0%				
Bargaining Council		3 337 010	0%				
Insurance			0%				
Travelling Claims: Councillors		2 414 112	0%				
Travelling Claims: Employees		488 427	0%				
Internate charge		498 706	0%				
Leases: Machinery and Equipment	120 000	269 884	225%				
Leases: Transport Assets	10 000 000	14 910 658	149%				
Software licences		1 209 081	0%				
Rental property		475 187	0%				
Subsistance & travelling (acco	409 500	738 711	180%				28-Feb-26

THERE WAS NO APPROVED BUDGET BUT THERE IS EXPENDITURE (UNAUTHORISED EXPENDITURE)					
	APPROVED BUDGET	BUDGET AFTER VIREMENTS	YTD EXPENDITURE	BALANCE	
ADVERTISING	-	76 000.00	67 384.50	8 615.50	89%
AMAKHOSI MADICAL AID	-	-	368 823.00	- 368 823.00	0%
BANK CHARGES	-	-	288 357.03	- 288 357.03	0%
BARGAINING COUNCIL (ANNUAL FEE)	-	-	3 337 010.28	- 3 337 010.28	0%
BUDGET AND IDP ROADSHOWS	-	-	32 193 818.32	- 32 193 818.32	0%
CAR HIRE	-	-	929 227.61	- 929 227.61	0%
CASH DISCOUNT	-	-	1 158 061.18	- 1 158 061.18	0%
CELL PHONE CONTRACT	-	-	21 241.11	- 21 241.11	0%
COMMUNITY PARTICIPATION	-	-	5 752 502.30	- 5 752 502.30	0%
DISABILITY PROGRAMS	-	-	5 536.25	- 5 536.25	0%
DISASTER PROGRAMME	-	-	20 250.00	- 20 250.00	0%
EXTERNAL AUDIT	-	-	1 657 742.74	- 1 657 742.74	0%
FOREIGN ACCOMMODATION	-	-	35 180.76	- 35 180.76	0%
FUEL	-	459 365.00	3 973 846.47	- 3 514 481.47	865%
GARDENING SERVICES	-	511 608.00	2 669 259.78	- 2 157 651.78	522%
GOLDEN GAMES	-	-	28 961.84	- 28 961.84	0%
INTEREST ON LATE PAYMENTS	-	-	18 538.17	- 18 538.17	0%
INTEREST ON LOAN	-	-	5 470 878.14	- 5 470 878.14	0%
INTERNAL AUDIT FEES	-	-	523 383.05	- 523 383.05	0%
INTERNATE CHARGE	-	-	498 705.71	- 498 705.71	0%
LEASES MACHINERY & EQUIPMENT	-	120 000.00	269 884.18	- 149 884.18	225%
LEGACY CUP	-	-	15 552 843.32	- 15 552 843.32	0%
LEGAL COST	-	-	611 662.79	- 611 662.79	0%
LEGAL SETTLEMENT	-	-	10 062 500.00	- 10 062 500.00	0%
MAINTENANCE OF EQUIPMENT	-	70 000.00	71 830.35	- 1 830.35	103%
MAINTENANCE OF VEHICLES	-	-	3 636 359.09	- 3 636 359.09	0%
MANAGEMENT FEE	-	-	223 243.24	- 223 243.24	0%
METER MANAGEMENT	-	-	419 100.00	- 419 100.00	0%
MAYORAL CUP	-	-	1 901 061.25	- 1 901 061.25	0%
REFRESHMENTS	-	-	28 903.46	- 28 903.46	0%
RENTAL PROPERTY	-	-	475 186.89	- 475 186.89	0%
ROYAL ACTIVITIES	-	-	540 000.00	- 540 000.00	0%
RURAL HORSE RACE & AGRICULTURAL SHOW	-	-	2 848 132.32	- 2 848 132.32	0%
SALGA GAMES	-	-	7 697 173.15	- 7 697 173.15	0%
SOFTWARE LICENCES	-	-	1 209 080.94	- 1 209 080.94	0%
SUBSISTANCE & TRAVELLING	-	11 000.00	366 791.50	- 355 791.50	3334%
SYSTEM SUPPORT	-	370 170.00	1 153 674.28	- 783 504.28	312%
TELEPHONE	-	-	604 220.26	- 604 220.26	0%
QUALIFICATION VERIFICATION	-	-	20 943.00	- 20 943.00	0%
TRAVELLING CLAIMS - COUNCILLORS	-	-	2 414 111.98	- 2 414 111.98	0%
TRAVELLING CLAIMS - EMPLOYEES	-	-	488 426.67	- 488 426.67	0%
TOTAL	-	1 618 143.00	91 801 328.73	- 90 183 185.73	5673%

BUDGETED BUT OVERSPENT (UNAUTHORISED EXPENDITURE)					
	APPROVED BUDGET	BUDGET AFTER VIREMENTS	YTD EXPENDITURE	BALANCE	%
SKILLS DEVELOPMENT FUND LEVY	52 556.00	52 556.00	1 518 357.59	- 1 465 801.59	2889%
FLEET LEASE	10 000 000.00	10 000 000.00	14 910 657.74	- 4 910 657.74	149%
MUNICIPAL SERVICES(ESKOM)	20 875 323.00	20 889 323.00	55 260 339.05	- 34 371 016.05	265%
MUNICIPAL SERVICES(REFUSE,RATES, etc)	500 000.00	500 000.00	2 113 848.69	- 1 613 848.69	423%
OPERATIONS AND MAINTENANCE (BULK)	15 000 000.00	15 000 000.00	18 071 345.25	- 3 071 345.25	120%
SECURITY SERVICES	7 000 000.00	6 488 392.00	26 763 244.75	- 20 274 852.75	412%
SKILLS DEVELOPMENT FUND LEVY	43 038.00	43 038.00	61 561.52	- 18 523.52	143%
WATER TANKERS	7 000 000.00	7 000 000.00	7 680 711.06	- 680 711.06	110%
WET FUEL	820 000.00	820 000.00	7 988 030.57	- 6 428 069.11	974%
TOTAL	61 290 917.00	60 793 309.00	134 368 096.22	- 72 834 825.76	221%

Total unauthorised expenditure for the first half of the year is **R163 018 011,49**

Expenditure funded through equitable share and service charges

Item	Amount
Income	
From Equitable share	532 844 000.00
From VAT refund	83 944 718.00
Service charges	26 473 540.17
Total received to date	643 262 258.17
Salaries to date	R194 544309.00
Outstanding Grants	R127 758 917.00
June Liabilities	R227 944 773
July to December Expenses	R307 330 855
Total paid to date	R857 578 855
Surplus/(deficit) (Owing to Grants)	-214 316 596.39
Equitable share March transfer	177 615 000.00
deficit before next 6 months Expenditure	-36 701 596.39
Service charges	26 473 540.17
Salaries next 6 months	194 544 309.00
Operating expenses for next 6 months	307 330 855.18
Expected deficit at end of June 2026	-512 103 220.40

Creditors Position

Description	Amount
Creditors (AFS 24/25)	741 342 369.00
Paid to date (25/26)	-355 703 690.38
Outstanding 25/26	385 638 678.62
DWS Incentive Scheme	-127 701 114.94
Net creditors Outstanding from opening	257 937 563.68
Expected outstanding from 2526	512 103 220.00
Total expected Liabilities	770 040 783.68

Capital grants

	Budget	Receipts	Paid (cash)	Retention	Still to pay	% Budget	% Receipts
RBIG	544 478 000	382 700 000	216 143 590	9 571 186	156 985 224	40%	56%
MIG	268 969 000	245 000 000	135 095 739	3 793 079	106 111 182	50%	55%
WSIG	100 000 000	70 000 000	28 027 808	2 266 091	39 706 101	28%	40%
RRAMS	2 772 000	1 940 000	907 452	-	1 032 548	33%	47%
TOTAL	916 219 000	699 640 000	380 174 589	15 630 356	303 835 055	41%	54%

Capital Expenditure and Funding

Summary Statement of Capital Expenditure and Funding

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

Total Capital Expenditure as at **31 Decem 2025** is **R330.6 million** which is **45%** of the approved capital budget. The **R330.6 million** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R374.3 million**, a variance of **R43.7 million or 12%..**

Major Variances between actuals 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 year-to-date budget. **MIG** is at **52%**, **RBIG** is at **41%**, **WSIG** is at **30%** **RRAMG** is at **33%**.

Financial Position Framework

Summary of Statement of Financial position:

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

The current assets year to date actual is **R405.3 million**, which is **60%** of the approved budget. **Non - Current assets** year to date actual is **R6.3 billion**, which is

107% of the approved budget. **Current Liabilities** year to date actual is **R765.5 million** which is **188%** of the approved budget. **Non- Current Liabilities** year to date is **R131.7 million** which is **52%** of the approved budget. **Accumulated surplus** year to date actual is **R7.5 billion** which is **155.9%** of the approved budget.

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

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

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

This means the municipality is not in the position to fulfil the obligations.

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

Major Variances between actuals and year to date budget

Variances between year to date actual and year to date budget are highlighted in Section 1.4 Operating Revenue Performance and 1.5 Operating Expenditure Performance.

On Revenue there seem to be major variances between year-to-date budget and year to date actual, these variances are on transfers and subsidies, Fines penalties and forfeits, licenses and permits, sale of goods and services and other revenue.

Major variances on expenditure are on contracted and other expenditure.

Remedial and corrective steps taken to ensure the budget is implemented as approved.

The municipality adopted the budget implementation guidelines.

The municipality is in the process to develop and monitor a credible budget funding plan as the commitments seems to be above municipality means.

1.4 OPERATING REVENUE PERFORMANCE

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water		55 414	63 954	63 954	3 675	24 982	31 977	(6 995)	-22%	63 954
Service charges - Waste Water Management		18 129	18 494	18 494	1 450	8 410	9 247	(837)	-9%	18 494
Service charges - Waste management										
Sale of Goods and Rendering of Services		627	800	800	200	540	400	140	35%	800
Agency services										
Interest										
Interest earned from Receivables		746	858	858	57	320	429	(109)	-25%	858
Interest from Current and Non Current Assets		8 129	8 000	8 000	118	2 380	4 000	(1 620)	-41%	8 000
Dividends										
Rent on Land										
Rental from Fixed Assets		463	504	504	49	242	252	(10)	-4%	504
Licence and permits		277	295	295	7	95	147	(53)	-36%	295
Special rating levies										
Operational Revenue		1 542	1 344	1 344	11	211	672	(460)	-69%	1 344
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits		449	605	605	3	148	303	(155)	-51%	605
Licence and permits										
Transfers and subsidies - Operational		680 583	720 384	740 965	239 898	557 454	366 956	190 498	52%	740 965
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains		1 705								
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		768 065	815 238	835 819	245 468	594 782	414 383	180 399	44%	835 819

The year-to-date actual indicates operating revenue of **R594.7 million** for **December**, The **R594.7 million** year to date actual is **above** the **six months** baseline projection or year-to-date budget of **R414.3 million**, a variance of **R180.3 million** or **44%** is observed. The total revenue to-date represents **73%** of the operating revenue budget. Included in operating revenue is an amount of revenue recognized on operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). The sources of funding are important to ensure that the expenditure is funded, and cash backed. Each line item on the face of financial performance is explained below:

Service charges – Water revenue.

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

1.Variance is caused by the installation of prepaid meters or working conventional meters which indicates the actual consumption compared to interim that was used to those specific meters.

2. Majority of accounts remains being billed with interim billing while interim does not indicate the actual consumption.
3. Most meters have reached their life span which causes them to be nonfunctional along the way which then forces for interim billing which is not the actual or true reflection of what is actually consumed. infrastructure (meters) that is currently being used for billing, majority has reached the life span.

The original budget for service charges water is **R63.9 million**, based on the year-to-date actual of **R13.9 million** a downward adjustment is recommended.

Service charges – Sanitation revenue.

This is the amounts billed on customers that are connected to the sewer system, the year-to-date actual is **R8.4 million** which is **46%** of the approved budget. The **R8.4 million** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R9.2 million**. A variance of **R837 thousand** or **9%** is observed.

1. Variance is caused by the installation of prepaid meters or working conventional meters which indicates the actual consumption compared to interim that was used to those specific meters.
2. Majority of accounts remains being billed with interim billing while interim does not indicate the actual consumption.
3. Most meters have reached their life span which causes them to be nonfunctional along the way which then forces for interim billing which is not the actual or true reflection of what is actually consumed. infrastructure (meters) that is currently being used for billing, majority has reached the life span.

The original budget for service charges sanitation is **R18.5 million**. **Based** on the year-to-date actual of **R8.4 million**, service charges sanitation revenue should remain the same. No adjustment recommended since the difference is less than 5%.

Sale of goods and rendering of services

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

There was sale of tender documents in this period which is above 50%. adjustment **R280 thousand** is recommended.

Interest earned - outstanding debtors.

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

The interest is based on the opening balance of debtors being charged interest such as commercial accounts. The Reflecting balance is on average based on 24/25 financial year, that was used as the basis for increase of the budget. There is no increase on debtors that may yield more interest in current year that can be equivalent to the budget

This is a positive indication that business adhere to payments terms.

The original budget for Interest earned - outstanding debtors is **R858 thousand**, based on the year-to-date actual of **R320 thousand**, The adjustment of **R242 thousand** is recommended.

Interest from Current and Non-Current Assets

Rea Interest on investment is interest received when the Municipality makes cash investments, the year-to-date actual is **R2.3 million** which is **29%** of the approved budget. The **R2.3 million** year-to-date actual is **below the Six-month** baseline projection or year-to-date budget of **R4 million**. A variance of **R1.6 million** or **41%** is observed.

The reasons for variances can be attributed to the availability of cash to be invested to date. the municipality withdraw early therefore yielding less interest. Interest from Current and Non-Current Assets is below the target. The grants balances still to be received is less than what the municipality has already received, therefor less investment is expected which will affect the interest to be accumulated.

The original budget for Interest on investment is **R8 million**, based on the year-to-date actual of **R3.2 million**, interest from current and non-current should be adjusted by **R3.2 million**.

Rent of facilities

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

The original budget for Rental of facilities is **R504 thousand**, based on the year-to-date actual of **R242 thousand**, rental from fixed land should remain the same. No adjustment recommended.

Licences and permits.

Licences and permits year-to-date actual is **R95 thousand** which is **32%** of the approved budget. the **R95 thousand** year to date actual is **below** the **six months** baseline projection or year-to-date budget of **R147 thousand**. A variance of **R53 thousand** or **36%** is observed.

The original budget for Licences and permits is **R194 thousand**, based on the year-to-date actual of **R95 thousand**. No adjustment is required since this depends on the renewals which is not easy to determine when exactly the customers will renew their certificate or apply for the new certificates.

Fines, penalties, and forfeits

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

This amount depends on the number of illegal connections detected.

The original budget for Fines, penalties and forfeits is **R605 thousand**, based on the year-to-date actual of **R148 thousand**, an Adjustment downward of **R309 thousand** is recommended.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2022; 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 condition has been met, except for equitable share, which is not a conditional grant.

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

This variance is a result of equitable share which is not received monthly but three times a year as per approved transfer schedule.

The original budget for Transfers and subsidies is **R720 million**. Transfers and subsidies are based on the transfer schedule, Division of Revenue act. The municipality received additional funds from Amafa Grant. An additional allocation of **R1.3 million** is recommended. The additional allocations are from Indonsa art Centre grant **R956 thousand**, AMAFA **R200 thousand** and LGSETA **R99 thousand**

Operational revenue

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

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

The approved budget is **R1.3 million**, the receipts to date is **R208 thousand**, no adjustment is recommended, since there are still expected claims to be received from insurance companies.

1.5 OPERATING EXPENDITURE PERFORMANCE

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

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

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

Employee Related Costs

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

The municipality approved the budget with the expectation that all vacant positions will not be filled, EPWP employees will be limited to grant and all contracts that are not in the organogram be will terminated. There fact that there is no change in these line items results in budget overspending

The original budget for employee related costs is **R302 million**, based on the year-to-date actual of **R179 million**, an increase of **R55.6 million** is recommended. A revised allocation of **R357.8 million** is recommended based on the year-to-date actual full year projection. The adjustment is necessary, however the funding may not be sufficient.

Remuneration of Councillors

The result for change in Remuneration of councillors is based on the upper limits gazette. Remuneration of Councillor's is paid for councillor's allowances, service-related benefits and contributions. The year-to-date actual is **R5.3 million** which is **46%** of the approved budget. The **R5.3 million** year-to-date actual is **below** the **six-month**

baseline projection or year-to-date budget of **R5.8 million**. A variance of **R461 thousand** or **8%** is observed.

The original budget for Remuneration of Councillors is **R11.6 million**, based on the year-to-date actual of **R5.4 million**, No adjustment is recommended since the difference is below 5%.

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The year-to-date actual is a negative amount (**-R5.2 million**), which means there were transaction performed incorrectly. The municipality has prepare a journal to correct that. This is the value of inventory we have issued from main stores.

The original budget for Inventory consumed is **R10.5 million**, based on the year-to-date actual

of **-R5.2**, the municipality still has commitments on this line item which will escalate expenditure in the second half of the financial year, no adjustment is necessary since there are commitments available in this line item.

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.

Municipality calculate debt impairment once at year end.

The municipality is looking into the process of assessing debtors for impairment on the monthly basis.

Depreciation

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

The original budget for **Depreciation** is **R95 million**, based on the year-to-date actual of **R59.5 million**, an adjustment is recommended as there are assets under work in progress that will be completed. Since there is no enough funding this item may not be adjusted since it is non- cash item.

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.

Finance charges

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

The variance result from the payment of loan in December, the interest is high since the loan is new.

The original budget for finance charges is **R7.5 million**, based on the year-to-date actual of **R5.5 million**, an upward adjustment of **R3.4 million** is recommended based on the year-to-date actual full year projection.

Contracted services.

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The year-to-date actual is **R98 million** which is **112%** of the approved budget. The **R98 million** year to date actual is **above** the **six-month** baseline projection or year-to-date budget of **R52 million**. A variance of **46 million** or **89%** is observed.

The variance is caused by the municipality honouring service level agreements that speak directly to service delivery and Contractual commitments which is higher than the budget provided. The measure activities that are necessary for service delivery are water tankers, security, O&M maintenance, Bulk Maintenance, vehicle maintenance etc.

The original budget for Contracted services is **R87.6 million**, based on the year-to-date actual of **R98.1 million**, an increase of **R108.5 million** is recommended; and a revised allocation of **R196.2 million** is recommended based on the year-to-date actual full year projection.

Expanding the budget to meet the full year projection is not possible at this stage since the municipality has limited funding sources. The Municipality will prepare a budget funding plan and use initiatives proposed to curb and halt expenditure.

Transfers and subsidies paid.

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

This expenditure item is seasonal therefore expenditure cannot be benchmarked on a straight-line method.

The original budget for transfers and subsidies is **0 million**, based on the year-to-date actual of **R2 thousand**, a revised allocation of **R4 thousand** is recommended.

Operational Cost

Operational costs are all other expenditure not classified above. The year-to-date actual is **R100.5 million** which is **282%** of the approved budget. the **R100.5 million** year-to-date actual is **above** the **six months** baseline projection or year-to-date budget of **R18.2 million**. A variance of **R82.3 million** or **452%** is observed.

This expenditure item includes cost of electricity for water/sewer plants, Municipal services, external Audit fees, subsistence and travel, fuel, insurance, software licences, SALGA bargaining council levy, telephone, Hiring charges, uniforms & protective clothing, operating leases, and other operating cost. Some of the expenditure items are once off and incurred in the first half of the budget year and will not be incurred in the second half of the financial year e.g., SALGA bargaining council levy, software licences, insurance, uniforms & protective clothing, and external audit fees.

The municipality has taken a decision to limit nonpriority items that do not impact on service delivery directly. This will help reduce cost so that the municipality spends within the limits of the budget.

The original budget for other expenditure is **R35.6 million**, based on the year-to-date actual full year projection an increase of **R165 million** is recommended; and a revised allocation of **R201 million** is recommended.

Expanding the budget to meet the full year projection is not possible at this stage since the municipality has limited funding sources. The Municipality will prepare a budget

funding plan in the next adjustment budget and use initiatives proposed to curb and halt expenditure.

The Municipality will also identify savings and reallocate to those needy expenditure items.

Operating Grants Expenditure Performance

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

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

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

Operating grant receipts to date are presented on section 1.7 in year budget tables, MBRR Table C7 Monthly Budget Statement Cash Flow Statement MBRR Table C7 - Monthly Budget Statement Cash Flow Statement.

Grants Rollovers

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

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

Summary of Revenue and Operational Expenditure Performance

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

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

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 the following sources:

- Government Grants
- Internally Generated Funds

The summary report indicates the following: -

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

The capital expenditure amounts to **R330.6 million** which is **45%** of the capital budget, after a period of **six months**.

Capital Grant Expenditure as per MFMA circular no. 58.

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

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

An amount of **R1.4 million** for COGTA Boreholes provincial grant was rolled over from the previous budget year.

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

Capital budget summary.

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

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

Governance and administration

The municipality did not budget for Governance and administration.

Community and public safety

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

The variance is attributed by the ongoing procurement processes for Indonsa Equipment. No adjustment recommended as this is grant funded and procurement process are ongoing.

Economic and environmental services

Economic and environmental services year-to-date actual is **R789** which is **33%** of the approved budget. the **R789** year to date actual is **below six-month** baseline projection or year-to-date budget of **R1.2 million**. A variance of **R416 thousand** or **35%** is observed. Adjustment is not recommended as this is grant funded.

Trading services

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

. This depends on grants spending and when each trench will be received. No adjustment is recommended.

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.

1.7 IN-YEAR BUDGET TABLES

The following part of in-year reporting presented below focuses on monthly budget statement tables as required in terms of regulation 31 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's 2023/2024 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 **December 2025**.

Table C1 – Monthly Budget Statement Summary

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

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

MBRR Table C1 – Monthly Budget Statement Summary

Table C1 is a summary of all budgeted financial statements such as: financial performance, financial position, cash flow, debtors age analysis and creditors age analysis.

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

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

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

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

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

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

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

Table C3 is a view of the actual financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating

performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

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

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

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

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

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

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

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

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

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

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		23 103	479 180	479 180	231 535	479 180
Trade and other receivables from exchange transactions		16 131	99 976	99 976	30 993	99 976
Receivables from non-exchange transactions		1 012	5 696	5 696	589	5 696
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 013	3 966	3 966	21 589	3 966
VAT		99 250	64 744	64 744	94 182	64 744
Other current assets		26 669	23 584	23 584	26 446	23 584
Total current assets		169 179	677 146	677 146	405 333	677 146
Non current assets						
Investments						
Investment property						
Property, plant and equipment		6 099 628	5 974 921	5 975 008	6 370 665	5 975 008
Biological assets						
Living and non-living resources						
Heritage assets		7 817	7 817	7 817	7 817	7 817
Intangible assets		8	3	3	3	3
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		1	10	10	1	10
Total non current assets		6 107 453	5 982 751	5 982 838	6 378 485	5 982 838
TOTAL ASSETS		6 276 632	6 659 897	6 659 984	6 783 818	6 659 984
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		17 951	18 318	18 318	8 952	18 318
Consumer deposits		3 372	3 463	3 463	3 371	3 463
Trade and other payables from exchange transactions		741 342	345 272	345 272	400 088	345 272
Trade and other payables from non-exchange transactions		9 219	1 446	1 446	310 570	1 446
Provision		37 937	27 940	27 940	37 937	27 940
VAT		2 073	9 725	9 725	4 639	9 725
Other current liabilities		–	–	–	–	–
Total current liabilities		811 894	406 164	406 164	765 557	406 164
Non current liabilities						
Financial liabilities		75 704	59 706	59 706	81 254	59 706
Provision		50 514	51 070	51 070	50 514	51 070
Long term portion of trade payables		–	143 370	143 370	–	143 370
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		126 218	254 146	254 146	131 768	254 146
TOTAL LIABILITIES		938 112	660 310	660 310	897 325	660 310
NET ASSETS	2	5 338 520	5 999 587	5 999 674	5 886 493	5 999 674
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 644 524	4 821 896	4 821 896	5 885 579	4 821 896
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	5 644 524	4 821 896	4 821 896	5 885 579	4 821 896

MBRR Table C6 - Monthly Budget Statement Financial Position

Table C6 is consistent with international standards of good financial management practice and improves the understanding ability of councillors 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 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 December 2025** indicates a Bank balance of **R91.5 million**

Call Investments Deposits

Call investments as at **31 December 2025** is **R140 million**.

Consumer debtors

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

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

Classification of Consumer Debtors per Service type

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

➤ **Water Debtors**

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

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

➤ **Sanitation Debtors**

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

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

➤ **Property Rentals Debtors**

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

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

➤ **Other Consumer debtors**

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

Gross Other Debtors	R1.3 million
Less Impairment	(R925.7 thousand)
Net Other Debtors	R873.8 thousand

➤ **Other receivables from exchange**

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

Classification of Consumer Debtors per Customer group

Households	R224.9 million
Commercial/Businesses	R 20.5 million
Organs of State (excl shared services of R3.3 mill)	R 43.8 million
Total	R288.9 million

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

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

Receivables from non – exchange

Fruitless expenditure

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

Inventory

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

VAT Receivable

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

Other debtors

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

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

➤ Deposits Made

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

Eskom Deposits	R26 million
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 **R115 thousand**, these are shared services debtors to be collected or refunded from Local Municipalities, and small differences caused by under/over banking.

➤ **Operating lease and Insurance claim**

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

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

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

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

Heritage Assets

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

Intangible

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

Opening balance	R3 thousand
Additions	R 0

Depreciation (R)
Closing Balance **R3 thousand**

Other non-current assets

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

CURRENT LIABILITIES

Financial Liabilities

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

Current portion of Long Term Loan	R17.4 million
Current portion of Finance lease BCX	R206.3 thousand

Total Financial liabilities R17.6 million

Consumer deposits

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

Trade and other payables from exchange transactions

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

Trade Creditors	R94.1 million
Retention	R130.8 million
Department of Water & Sanitation	R91.4 million
Employee related cost	R0 million
Advance Payments	R1.9 million
Salary Suspense Accounts	R21 thousand
Leave accrual	R0 thousand
Other Suspense	R2419 thousand
Unpaid cheques	R3.4 million
Refund	R145 thousand

Over/Under Banking	R603 Rands
Inventory	R300 thousand
Other Creditors	R557 thousand
Fleet Horizon	R9.6 Million
WSSA	R67.3 million
Closing Balance	R400 million

Trade and other payables from non-exchange transactions

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

Current Provision

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

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

VAT Payables

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

NON-CURRENT LIABILITIES

Financial liabilities

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

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

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

The municipality is paying monthly instalments o service the lease agreement.

Non-current Provisions

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

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

Accumulated surplus

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

MBRR Table C7 - Monthly Budget Statement Cash Flow Statement

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

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

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

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

CASHFLOW FROM OPERATING ACTIVITIES

Service charges

The Municipality has budgeted to collect **R58.4 million** on service charges, the estimated collection amount is based on the **60%** collection rate. The collection rate is also based on previous years actual collection and the initiatives the Municipality has taken to improve collection. The Municipality has collected **R21.5 million** to date. This is **37%** of budgeted collection and **57%** of year-to-date billing.

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

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

Other Revenue

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

Transfers and subsidies – Operational

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

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

Transfers and subsidies – Capital

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

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

Interest

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

Payments - Suppliers and employees

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

CASHFLOW FROM INVESTING ACTIVITIES

Payments - Capital Assets

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

Cash and cash equivalents at the end

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

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

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTORS ANALYSIS

Debtors age analysis as of 31 December 2024

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

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	4 538	5 213	3 564	3 630	3 849	3 530	21 232	178 966	224 522	211 207	-	206 027
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	1 496	1 399	1 054	867	880	837	4 800	46 053	57 396	53 447	-	52 703
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	18	12	12	12	12	11	78	316	473	430	-	401
Interest on Arrear Debtor Accounts	1810	57	58	57	58	57	55	345	1 397	2 083	1 912	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	6 110	6 681	4 680	4 567	4 798	4 433	26 464	226 733	284 474	266 995	-	259 131
2024/25 - totals only		7996368	7489494	5954619	6219315	5566411	5632506	27875999	151070978	217 806	196 365	0	227668690 2/5
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 948	2 964	1 193	762	873	906	6 445	28 743	43 834	37 730	-	-
Commercial	2300	954	596	473	432	381	436	2 874	14 106	20 251	18 228	-	-
Households	2400	3 219	3 131	3 247	3 389	3 595	3 209	17 390	187 720	224 900	215 303	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	6 122	6 691	4 913	4 583	4 849	4 551	26 709	230 569	288 986	271 260	-	-

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

the municipality was not able to collect everything it is billing. This is concerning and needs urgent intervention.

- There is a challenge of high level of debt that calls for a continuous assessment for indigency and impairment/write off.
- The increase is due to non-payment by low-cost housing consumers, businesses, and organs of state.
- A senior manager debt collection position has been established to assist with collection.

2.2 CREDITORS ANALYSIS

Creditors age analysis as of 31 December 2025 as per Table SC4

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

Description	NT Code	Budget Year 2025/26									Total	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			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100											-
Bulk Water	0200											-
PAYE deductions	0300											-
VAT (output less input)	0400											-
Pensions / Retirement deductions	0500											-
Loan repayments	0600											-
Trade Creditors	0700	618	3 496	18	4 808	12 194	-	-	-		21 134	32 126
Auditor General	0800											-
Other	0900											-
Medical Aid deductions	0950											-
Total By Customer Type	1000	618	3 496	18	4 808	12 194	-	-	-		21 134	32 126

2.3 INVESTMENT PORTFOLIO

Investments as of 31 December 2025

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

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

The municipalities investment portfolio depends on grants money not immediately due for payment, because of accelerated implementation of capital projects, the municipality does not hold funds for extended period to be available for investment.

2.4 ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

Grants Receipts

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

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

Grants are received as per transfer schedule and have been received. Grants are recognized as revenue as when the condition is met as per GRAP 23.

Grant Expenditure

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

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		893 351	587 778	584 327	74 252	357 640	291 914	65 726	22.5%	584 327
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		872 475	576 385	576 382	73 068	351 048	288 194	62 854	21.8%	576 382
Expanded Public Works Programme Integrated Grant		7 077	5 227	5 227	1 111	6 088	2 614	3 475	133.0%	5 227
Local Government Financial Management Grant		1 200	1 201	1 201	74	490	600	(110)	-18.4%	1 201
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		10 017	4 966	-	-	-	0	(0)	-100.0%	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	1 500	-	9	500	(491)	-98.3%	1 500
Rural Road Asset Management Systems Grant		2 582	-	18	-	5	6	(1)	-21.6%	18
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		3 630	1 711	1 711	-	2	856	(854)	-99.8%	1 711
Capacity Building and Other Grants		3 630	1 711	1 711	-	2	856	(854)	-99.8%	1 711
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		102 328	89 505	89 505	19 071	29 182	44 753	(15 571)	-34.8%	89 505
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		1 694	1 259	1 259	73	934	629	304	48.3%	1 259
National Skills Fund		100 634	88 246	88 246	18 998	28 248	44 123	(15 875)	-36.0%	88 246
Total operating expenditure of Transfers and Grants:		999 309	678 995	675 544	93 323	386 823	337 522	49 301	14.6%	675 544
Capital expenditure of Transfers and Grants										
National Government:		660 294	496 073	499 521	68 273	414 314	250 014	164 300	65.7%	499 521
Municipal Infrastructure Grant		214 555	220 723	225 689	32 166	199 052	112 844	86 208	76.4%	225 689
Regional Bulk Infrastructure Grant		362 622	186 087	184 587	25 895	141 099	92 543	48 556	52.5%	184 587
Rural Road Asset Management Systems Grant		-	2 307	2 289	-	-	1 147	(1 147)	-100.0%	2 289
Water Services Infrastructure Grant		83 116	86 957	86 957	10 212	74 162	43 478	30 684	70.6%	86 957
Provincial Government:		277	174	174	-	-	87	(87)	-100.0%	174
Capacity Building and Other Grants		-	-	-	-	-	-	-	-	-
Infrastructure Grant		277	174	174	-	-	87	(87)	-100.0%	174
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		9	-	-	-	-	-	-	-	-
Unspecified		9	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		660 580	496 247	499 695	68 273	414 314	250 101	164 213	65.7%	499 695
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 659 888	1 175 242	1 175 239	161 596	801 137	587 622	213 514	36.3%	1 175 239

Most conditional grants actual year-to-date expenditure are below year-to-date budget, with exception of EPWP and RBIG year-to-date actual expenditure is above year to year-to-date budget.

Grants Roll over.

The municipality has closing balance on COGTA Boreholes that need to be approved by the council and the funder to be rolled over and expenditure amount will be inclusive of VAT as per MFMA circular no. 58.

2.5 COUNCILLOR AND BOARD MEMBER ALLOWENCES AND EMPLOYEE BENEFITS

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

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

The municipality has no active entity

ACTUAL AND REVISED TARGETS FOR RECEIPTS

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

Description	Ref	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework			
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
Cash Receipts By Source																	
Property rates																	
Service charges - Electricity revenue																	
Service charges - Water revenue		1 927	2 564	2 862	2 974	3 526	1 891	3 696	3 696	3 696	3 696	3 696	10 127	44 350	46 390	48 432	
Service charges - Waste Water Management		733	929	1 082	1 103	1 222	749	1 177	1 177	1 177	1 177	1 177	2 422	14 127	14 777	15 427	
Service charges - Waste Management																	
Rental of facilities and equipment		41	40	40	40	40	50	48	48	48	48	48	88	580	580	580	
Interest earned - external investments			552	582	246	882	118	667	667	667	667	667	2 287	8 000	8 366	8 736	
Interest earned - outstanding debtors		21	22	12	14	19	13	43	43	43	43	43	200	516	540	563	
Dividends received																	
Fines, penalties and forfeits		85	25	14	11	8	3	50	50	50	50	50	205	605	633	661	
Licences and permits		29	17	14	12	16	7	25	25	25	25	25	77	295	308	322	
Agency services																	
Transfers and Subsidies - Operational		298 080	15 102		1 536	2 883	237 163	60 032	60 032	60 032	60 032	60 032	(134 539)	720 384	757 969	792 384	
Other revenue		153 072	31 983	62 669	150 257	316 080	161 451	10 377	10 377	10 377	10 377	10 377	(802 874)	124 523	131 589	154 075	
Cash Receipts by Source		453 989	51 233	67 276	156 193	324 676	401 445	76 115	(922 007)	913 379	961 150	1 021 179					
Other Cash Flows by Source																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		138 000	217 700	81 000	31 940	165 000	66 000	76 352	76 352	76 352	76 352	76 352	###	916 219	756 955	800 198	
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)													###				
Proceeds on Disposal of Fixed and Intangible Assets																4 000	
Short term loans																	
Borrowing long term/refinancing																	
Increase (decrease) in consumer deposits				(4)	0	1	0						3				
VAT Control (receipts)								10 315	10 315	10 315	10 315	10 315	72 203	123 776	106 387	114 681	
Decrease (increase) in non-current receivables																	
Decrease (increase) in non-current investments																	
Total Cash Receipts by Source		591 989	268 933	148 272	188 133	489 677	467 445	162 781	(1 014 980)	1 953 374	1 824 489	1 940 059					
Cash Payments by Type																	
Employee related costs		31 133	31 157	31 664	30 803	30 642	31 157	25 168	25 168	25 168	25 168	25 168	(10 382)	302 013	315 906	329 805	
Remuneration of councillors		899	908	976	874	1 022	1 034	970	970	970	970	970	1 078	11 640	12 176	12 711	
Interest																	
Bulk purchases - Electricity		23 855	3 627	12 967	58 694	7 218	13 843						(120 203)				
Acquisitions - water & other inventory			1 559	5 183	423	4 853	1 820	982	982	982	982	982	(6 962)	11 788	12 311	12 835	
Contracted services		(4 648)	(27 782)	(6 675)	(55 000)	(83 257)	(8 115)	17 688	17 688	17 688	17 688	17 688	309 295	212 260	172 013	187 345	
Transfers and subsidies - other municipalities																	
Transfers and subsidies - other																	
Other expenditure		220 420	102 347	74 771	70 983	165 916	146 771	3 413	3 413	3 413	3 413	3 413	(757 319)	40 953	42 736	44 569	
Cash Payments by Type		271 658	111 816	118 886	106 777	126 394	186 510	48 221	(584 493)	578 653	555 142	587 266					
Other Cash Flows/Payments by Type																	
Capital assets		51 836	34 131	35 136	73 570	108 576	27 358	71 192	71 192	71 192	71 192	71 192	167 740	854 309	747 707	803 584	
Repayment of borrowing			63	190			8 746	1 476	1 476	1 476	1 476	1 476	1 333	17 712	17 712	17 712	
Other Cash Flows/Payments			602	315	1 649	3 803	1 536						(7 905)				
Total Cash Payments by Type		323 493	146 612	154 526	181 997	238 773	224 151	120 889	(423 325)	1 450 674	1 320 561	1 408 561					
NET INCREASE/(DECREASE) IN CASH HELD		268 495	122 321	(6 254)	6 137	250 904	243 294	41 892	(591 655)	502 700	503 929	531 497					
Cash/cash equivalents at the month/year beginning:		23 103	291 598	413 919	407 664	413 801	664 705	908 000	949 892	991 783	1 033 675	1 075 567	1 117 458	23 103	525 800	1 029 732	
Cash/cash equivalents at the month/year end:		291 598	413 919	407 664	413 801	664 705	908 000	949 892	991 783	1 033 675	1 075 567	1 117 458	525 803	525 803	1 029 732	1 561 229	

2.6 MATERIAL VARIENCES TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
Revenue			
Service charges - Water	-22%	<p>1.Variance is caused by the installation of prepaid meters or working conventional meters which indicates the actual consumption compared to interim that was used to those specific meters.</p> <p>2. Majority of accounts remains being billed with interim billing while interim does not indicate the actual consumption.</p> <p>3. Most meters have reached their life span which causes them to be non functional along the way which then forces for interim billing which is not the actual or true reflection of what is actually consumed. infrastructure (meters) that is currently being used for billing, majority has reached the life span.</p>	<p>1. Accelerate prepaid and conventional meter installation programme</p> <p>2 Reduce interim billing and enforce actual meter readings</p> <p>3. Adjust revenue budget to realistic billing levels</p>
Service charges - Waste Water	-9%	<p>1.Variance is caused by the installation of prepaid meters or working conventional meters which indicates the actual consumption compared to interim that was used to those specific meters.</p> <p>2. Majority of accounts remains being billed with interim billing while interim does not indicate the actual consumption.</p> <p>3. Most meters have reached their life span which causes them to be non functional along the way which then forces for interim billing which is not the actual or true reflection of what is actually consumed. infrastructure (meters) that is currently being used for billing, majority has reached the life span.</p>	Installation of meters which will assist monthly billings, the budget to be adjusted.
Sale of Goods and Rendering of	35%	The sale of tender documents in the first half of the has been above the the expected benchmark of 50%. This was determined by the number of sales of tender documents	Revise budget upward based on confirmed tender activity
Interest earned from Receivables	-25%	The interest is based on the opening balance of debtors being charged interest such as commercial accounts. The Reflecting balance is on average based on 24/25 financial year, that was used as the basis for increase of the budget. There is no increase on debtors that may yield more interest in current year that can be equivalent to the budget.	<p>1 Strengthen debt collection enforcement</p> <p>2 The budget for interest will be adjusted</p>
Interest from Current and Non Current Assets	-41%	The reasons for variances can be attributed to the availability of cash to be invested to date. the municipality withdraw early therefore yielding less interest. Interest from Current and Non-Current Assets is below the target. The grants balances still to be received is less than what the municipality has already received, therefor less investment is expected which will affect the interest to be accumulated	<p>1. Revise interest revenue to realistic levels based on debtor book</p> <p>2. Adjust interest projections to align with liquidity-driven investment strategy</p>
Rental from Fixed Assets	-4%	The billing is according to lease contracts	No adjustment needed
Licence and permits	-36%	Only dependant on renewals	No adjustment is required since this depends on the renewals which is not easy to determine when exactly the customers will renew their certificate or apply for the new certificates
Operational Revenue	-69%	The variance to this line item can be attributed the non-receipt of Skills Development Refund, Registration Fees, Handling Fees which is not benchmarked by year to date.	No adjustment is recommended
Fines, penalties and forfeits	-51%	Only dependent on number of temperings	The budget to be adjusted
Transfers and subsidies - Operational	52%	The grants are in order, they are received according transfer schedule approved by National Treasury	Continue monitoring against approved DORA transfer schedule

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
Expenditure By Type			
		The municipality approved the budget with the expectation that all vacant positions will not be filled, EPWP employees will be limited to grant and all contracts that are not in the organogram be will terminated.	
Employee related costs	18%	There fact that there is no change in these line items results in budget overspending	Enforce funded organogram
Remuneration of councillors	-8%	The municipality has considered the upper limit of councillors in the budget	The municipality will not adjust the budget
Inventory consumed	-204%	There are commitments in this line item but there payments that the municipality is expecting	1. Obtain outstanding invoices 2. Monitor commitments to avoid year-end spikes
Debt impairment	-100%	Municipality calculate debt impairment once at year end	The municipality is looking into the process of assessing debtors for impairment on the monthly basis
Depreciation and amortisation	25%	The municipality under budgeted	an adjustment is recommended as there are assets under work in progress that will be completed.
Interest	50%	The variance result from the payment of loan in December, the interest is high since the loan is new	Adjustment is recommended
Contracted services	89%	The variance is caused by the municipality honouring service level agreements that speak directly to service delivery and Contractual commitments which is higher than the budget provided. The measure activities that are necessary for service delivery are water tankers, security, O&M maintenance, Bulk Maintenance, vehicle maintenance etc.	The municipality should review the budget, try other means of raising the the income. The municipality should review all existing contract The adjustment budget is recommended
Transfers and subsidies	#DIV/0!	The municipality under budgeted these line items due to limited funding, but the reality exist that there are items that the municipality does not have control on, things like ESKOM. Most of the items are crucial for the daily running of the municipality, the municipality ended up paying for items that were never or under budgeted	he adjustment budget is recommended The municipality need to increase collection to assist in the funding of operating expenses
Operational costs	452%		
Capital Expenditure			
Governance and administration		The municipality did not budget for Governance and administration.	
Community and public safety	-100%	This depends on grants spending and when each trench will be received	Adjustment is not recommended as this is grant funded.
Economic and environmental services	-35%	This depends on grants spending and when each trench will be received	Adjustment is not recommended as this is grant funded.
Trading services	-12%	Adjustment is not recommended as this is grant funded.	Adjustment is not recommended as this is grant funded.

2.7 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any entities.

2.8 MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The Municipality does not have any active entities.

2.9 CAPITAL PROGRAMME PERFORMANCE

Capital Expenditure by month.

DC26 Zululand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

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

The actual capital expenditure is greater than year-to-date spending.

Summary of Capital Expenditure by asset class and sub-class

EXPENDITURE ON REPAIRS AND MAINTAINANCE BY ASSET CLASS

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

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

Expenditure on Repairs and Maintenance by Asset class

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

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

Depreciation by Asset class

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

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		111 632	85 014	85 014	20 851	56 273	42 507	(13 766)	-32.4%	85 014
Roads Infrastructure		—	762	762	(318)	—	381	381	100.0%	762
Roads		—	762	762	(318)	—	381	381	100.0%	762
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	39	39	(16)	—	19	19	100.0%	39
LV Networks		—	39	39	(16)	—	19	19	100.0%	39
Water Supply Infrastructure		110 950	81 842	81 842	21 508	55 608	40 921	(14 687)	-35.9%	81 842
Dams and Weirs		1 968	2 959	2 959	(254)	979	1 479	501	33.9%	2 959
Boreholes		1 833	500	500	666	874	250	(624)	-249.7%	500
Reservoirs		9 438	7 438	7 438	1 560	4 659	3 719	(940)	-25.3%	7 438
Pump Stations		6 613	4 729	4 729	1 342	3 312	2 364	(947)	-40.1%	4 729
Water Treatment Works		7 419	7 037	7 037	802	3 734	3 519	(215)	-6.1%	7 037
Bulk Mains		56 690	36 425	36 425	13 935	29 112	18 212	(10 899)	-59.8%	36 425
Distribution		26 914	22 668	22 668	3 460	12 905	11 334	(1 571)	-13.9%	22 668
PRV Stations		75	86	86	(1)	35	43	9	43.9%	86
Sanitation Infrastructure		683	2 371	2 371	(323)	665	1 185	521	0.5%	2 371
Pump Station		203	205	205	17	102	102	1	0.5%	205
Reticulation		(311)	1 824	1 824	(592)	168	912	744	81.6%	1 824
Waste Water Treatment Works		790	342	342	252	395	171	(224)	-130.8%	342
Outfall Sewers		—	—	—	—	—	—	—	—	—
Toilet Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Community Assets		1 210	905	905	228	605	452	(152)	-33.7%	905
Community Facilities		1 075	660	660	262	538	330	(207)	-62.8%	660
Halls		—	—	—	—	—	—	—	—	—
Centres		—	—	—	—	—	—	—	—	—
Crèches		—	—	—	—	—	—	—	—	—
Clinics/Care Centres		—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—
Testing Stations		—	—	—	—	—	—	—	—	—
Museums		—	—	—	—	—	—	—	—	—
Galleries		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—
Police		—	—	—	—	—	—	—	—	—
Parks		—	—	—	—	—	—	—	—	—
Public Open Space		—	—	—	—	—	—	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		344	—	—	172	172	—	(172)	#DIV/0!	—
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		731	660	660	91	366	330	(36)	-10.8%	660
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		135	244	244	(34)	67	122	55	44.9%	244
Outdoor Facilities		135	244	244	(34)	67	122	55	44.9%	244
Heritage assets		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment Properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Other assets		1 246	1 451	1 451	222	827	725	(101)	-14.0%	1 451
Operational Buildings		1 246	1 451	1 451	222	827	725	(101)	-14.0%	1 451
Municipal Offices		1 246	1 394	1 394	246	827	697	(130)	-18.6%	1 394
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	—	—	—
Stores		—	57	57	(24)	—	28	28	100.0%	57
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		20	21	21	(4)	5	11	6	56.2%	21
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		20	21	21	(4)	5	11	6	56.2%	21
Computer Software and Applications		18	21	21	(4)	5	11	6	56.2%	21
Unspecified		2	—	—	—	—	—	—	—	—
Computer Equipment		1 368	1 046	1 046	198	634	523	(111)	-21.3%	1 046
Computer Equipment		1 368	1 046	1 046	198	634	523	(111)	-21.3%	1 046
Furniture and Office Equipment		556	609	609	(69)	185	304	119	39.3%	609
Furniture and Office Equipment		556	609	609	(69)	185	304	119	39.3%	609
Machinery and Equipment		1 818	388	388	181	342	194	(148)	-76.4%	388
Machinery and Equipment		1 818	388	388	181	342	194	(148)	-76.4%	388
Transport Assets		2 898	5 568	5 568	(1 615)	705	2 784	2 079	74.7%	5 568
Transport Assets		2 898	5 568	5 568	(1 615)	705	2 784	2 079	74.7%	5 568
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Living resources		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Total Depreciation	1	120 749	95 000	95 000	19 992	59 575	47 500	(12 075)	-25.4%	95 000

1.10 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 not have any entities.

APPROVAL BY THE HONORABLE MAYOR

I, the Mayor of the Zululand District Municipality, have reviewed the Mid-Year assessment.

I have ascertained that:

- (a) The budget of the municipality is being implemented in terms of the municipality's SDBIP.
- (b) Monthly Budget Statement (S71) has been reviewed.

I further request the Accounting Officer, in terms of S 54(d) of the MFMA, to ensure that the following is done:

- (a) The Adjustments Budget for the 2025/26 financial year be tabled for approval before the end of February 2026.
- (b) The financial recovery plan is developed.
- (c) Ensure that the necessary reports are submitted to the Provincial and National Treasuries.
- (d) Ensure that the 2025/26 SDBIP is revised to take the Budget Adjustments into account.
- (e) Take all necessary steps to ensure that the variances revealed by the Mid-Year assessment are addressed, and that overall performance is improved during the second half of the financial year.

Signature: _____

Date: _____

HON. MAYOR: CLLR MK KHUMALO

ANNEXURE

S

MONTHLY BUDGET STATEMENT

S72(a) of the Municipal Finance Management Act require the Accounting Officer to also include the Budget Statements for the first half of the financial year.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Service Delivery and Budget Implementation Plan for the first six months has been reviewed as said in S54 (1) (c) and S72 (1) (a).

The performance as per service delivery budget and implementation plans are categorized per main votes of the municipality including the following:

- (i) Budget and Treasury Office.
- (ii) Corporate services.
- (iii) Planning department.
- (iv) Technical services.
- (v) Community services; and
- (vi) The office of the Municipal Manager

Each of these departments will reflect on the mid-year performance on their service delivery and budget implementation plans. However, it is noted that SDBIP are not conclusive to what the departments are doing. Critical determining activities must inform the direction the municipality must take to attend to plethora of issues pertinent to the survival of the municipality.

Common to all departmental functionality is the IDP and Budget. This section is set to show progress in the implementation of these two processes.

ANNUAL REPORT

S72(a) of the Municipal Finance Management Act require the Accounting Officer to also include the past year's annual report, and progress on resolving problems identified in the annual report.