" The City of Heritage "

ULUNDI MUNICIPALITY

MUNICIPAL SPECIAL ADJUSTMENTS BUDGET

2025/2026

EXECUTIVE SUMMARY

The municipality infrastructure grant (MIG) is a conditional grant aimed at providing basic, reliable services to poor households. This application seeks a disaster management to the current allocation to address immediate, unforeseen project funding shortages, high service backlog, and to ensure the sustainability of municipal infrastructure. The disaster grant is critical to prevent blockages from drains due unforeseen weather and to increased material costs, rising construction inflation, or expanded project scopes necessary to meet minimum service standards.

Below is a table showing a consolidated overview of the adjustment budget for 2025/2026:

No	Description	Original Budget R	Adjustment(s) R	Final/Adjusted Budget R
1.	Operating Revenue	508 183 000	87 206 000	595 389 000
2.	Operating Expenditure	580 064 000	70 803	650 867 000
3.	Capital Expenditure	44 593 000	30 000 000	74 593 000
4.	Surplus/(Deficit)	-27 288 000	57 136 000	15 115 000

COUNCIL RESOLUTION

" The City of Heritage "

ULUNDI MUNICIPALITY

EXTRACT

FROM MINUTES OF THE 2025/2026 SPECIAL MEETING OF THE ULUNDI MUNICIPAL COUNCIL IN ACCORDANCE WITH SECTION 29 (1) READ WITH SECTION 18 (2) OF LOCAL GOVERNMENT OF THE MUNICIPAL STRUCTURES ACT NO. 117 OF 1998, HELD PHYSICALLY **IN THE COUNCIL CHAMBER, ULUNDI CIVIC CENTRE AT BA 81, PRINCE MANGOSUTHU STREET ON TUESDAY, 10 MARCH 2026 AT 10H30**

A1. **APPROVAL OF MEDIUM-TERM REVENUE AND EXPENDITURE SPECIAL ADJUSTMENT BUDGET FOR 2025/2026 FINANCIAL YEAR** (A1./3)
5/1/1

Resolved: -

THAT an additional funding of R30 000 000.00 in respect of Disaster Relief Program from Provincial COGTA be approved.

CERTIFIED A TRUE COPY

DNS Buthelezi: Director
CORPORATE AND MANAGEMENT SERVICES

Ref: 5/1/1

UMASIPALA WASOLUNDI
Private Bag X17
Ulundi
3838

" The City of Heritage "

ULUNDI MUNICIPALITY
Tel: 035 - 8745100
Fax: 035 – 8745174

Website:
http://www.ulundi.local.gov.za

Certification that the Special Adjustment for 2025/26 is correctly captured and locked on the municipality's financial management system

(as requested by National Treasury in terms of section 74 of the MFMA, with reference to paragraph 6.3 of MFMA Budget Circular 59 dated 16 March 2012)

I, Sandile Martin Khomo, in my capacity as accounting officer of the municipality, hereby certify that:

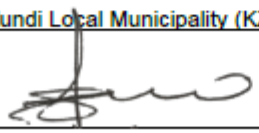
- The Final budget has been captured on the municipality's financial system;
- There is 100 per cent reconciliation between the budget on the system and the budget adopted by council;
- The adopted annual budget on the municipality's financial system is locked and will not be changed as it serves as the baseline against which to monitor and measure performance; and
- The relevant budget return forms have been submitted to the local government database.

I, further certify that the municipality has in place controls to ensure that any changes to the adopted budget will be captured separately and only in accordance with:

- a virement authorised by the municipal manager, or duly delegate official, in terms of a council approved virements policy; and
- an adjustments budget approved by council.

Print Name SANDILE MARTIN KHOMO

Municipal manager of Ulundi Local Municipality (KZN266)

Signature 

Date 10 March 2026

SPECIAL ADJUSTMENTS BUDGET TABLES

KZN266 Ulundi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	110 480	–	–	–	–	–	–	–	110 480	115 449	118 333
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	12 114	–	–	–	–	–	–	–	12 114	12 659	12 975
Sale of Goods and Rendering of Services		702	(290)						–	411	767	1 077
Agency services		2 500	–						–	2 500	2 613	2 678
Interest		–	–						–	–	–	–
Interest earned from Receivables		1 025	(0)						–	1 025	–	–
Interest earned from Current and Non Current Assets		2 192	–					–	–	2 192	3 558	3 690
Dividends		–	–					–	–	–	–	–
Rent on Land		–	–					–	–	–	–	–
Rental from Fixed Assets		2 205	–					–	–	2 205	2 304	2 362
Licence and permits		355	–					–	–	355	371	381
Special rating levies		–	–					–	–	–	–	–
Operational Revenue		189	–					–	–	189	143	164
Non-Exchange Revenue										–		
Property rates	2	149 885	5 000	–	–	–	–	–	–	154 885	142 433	145 994
Surcharges and Taxes		–	–					–	–	–	–	–
Fines, penalties and forfeits		600	–					–	–	600	627	643
Licences or permits		–	–					–	–	–	–	–
Transfer and subsidies - Operational		222 682	745					31 380	31 380	254 807	219 873	229 752
Interest		3 254	4 000						–	7 254	2 695	2 787
Fuel Levy		–	–						–	–	–	–
Operational Revenue		–	–						–	–	–	–
Gains on disposal of Assets		–	–						–	–	–	–
Other Gains		–	47 751						–	47 751	–	–
Discontinued Operations		–	–					–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**508 183**	**57 206**	**–**	**–**	**–**	**–**	**31 380**	**31 380**	**596 769**	**503 492**	**520 835**
Expenditure By Type												
Employee related costs		190 207	(0)	–	–	–	–	2 811	2 811	193 017	197 778	202 554
Remuneration of councillors		18 358	750					1 997	1 997	21 105	19 044	19 442
Bulk purchases - electricity		170 966	–	–	–	–	–	(2 000)	(2 000)	168 966	180 875	185 397
Inventory consumed		6 348	864	–	–	–	–	437	437	7 649	8 529	8 754
Debt impairment		26 584	–					(7 000)	(7 000)	19 584	27 781	28 475
Depreciation and amortisation		74 391	(15 000)					(29 500)	(29 500)	29 891	75 243	77 102
Interest		–	5 500					25 550	25 550	31 050	–	–
Contracted services		45 979	78 155	–	–	–	–	43 612	43 612	167 746	39 737	40 951
Transfers and subsidies		–	–					1 026	1 026	1 026	–	–
Irrecoverable debts written off		3 562	1 595					17 500	17 500	22 658	1 681	1 723
Operational costs		43 669	(1 061)					21 604	21 604	64 212	37 223	38 153
Losses on disposal of Assets		–	–						–	–	–	–
Other Losses		–	–						–	–	–	–
Total Expenditure		**580 064**	**70 803**	**–**	**–**	**–**	**–**	**76 037**	**76 037**	**726 904**	**587 890**	**602 552**
Surplus/(Deficit)		**(71 881)**	**(13 597)**	**–**	**–**	**–**	**–**	**(44 657)**	**(44 657)**	**(130 135)**	**(84 399)**	**(81 716)**
Transfers and subsidies - capital (monetary allocations)		44 593	–					–	–	44 593	40 608	42 356
Transfers and subsidies - capital (in-kind - all)		–	–					–	–	–	–	–
Surplus/(Deficit) before taxation		**(27 288)**	**(13 597)**	**–**	**–**	**–**	**–**	**(44 657)**	(44 657)	(85 542)	**(43 791)**	**(39 360)**
Income Tax		–	–					–	–	–	–	–
Surplus/(Deficit) after taxation		**(27 288)**	**(13 597)**	**–**	**–**	**–**	**–**	**(44 657)**	**(44 657)**	**(85 542)**	**(43 791)**	**(39 360)**
Share of Surplus/Deficit attributable to Joint Venture												
Share of Surplus/Deficit attributable to Minorities		–	–					–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(27 288)**	**(13 597)**	**–**	**–**	**–**	**–**	**(44 657)**	(44 657)	(85 542)	**(43 791)**	**(39 360)**
Share of Surplus/Deficit attributable to Associate												
Intercompany/Parent subsidiary transactions		–	–					–	–	–	–	–
Surplus/ (Deficit) for the year	1	**(27 288)**	**(13 597)**	**–**	**–**	**–**	**–**	**(44 657)**	**(44 657)**	**(85 542)**	**(43 791)**	**(39 360)**

KZN266 Ulundi - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure *to be adjusted*	2											
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport & Recreation		–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning & Development		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Road Transport		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Energy Sources		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Management		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Finance and Admin2		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	3	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be adjusted*	2											
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		14 952	(339)	–	–	–	–	–	–	(339)	1 285	1 317
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		22 552	(6 017)	–	–	–	–	20 517	20 517	14 500	37 876	42 075
Vote 5 - Sport & Recreation		–	6 087	–	–	–	–	–	–	6 087	–	–
Vote 6 - Public Safety		400	135	–	–	–	–	–	–	135	418	428
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning & Development		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Road Transport		10 725	–	–	–	–	–	2 091	2 091	12 816	13 368	16 241
Vote 11 - Energy Sources		3 700	(395)	–	–	–	–	–	–	(395)	1 359	1 392
Vote 12 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Waste Management		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Finance and Admin2		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**52 329**	**(530)**	**–**	**–**	**–**	**–**	**22 609**	**22 609**	**32 804**	**54 306**	**61 454**
Total Capital Expenditure - Vote		**52 329**	**(530)**	**–**	**–**	**–**	**–**	**22 609**	**22 609**	**32 804**	**54 306**	**61 454**
Capital Expenditure - Functional												
Governance and administration		**14 952**	**(339)**	**–**	**–**	**–**	**–**	**–**	**–**	**(339)**	**1 285**	**1 317**
Executive and council		–	–					–	–	–	–	–
Finance and administration		14 952	(339)					–	–	(339)	1 285	1 317
Internal audit		–	–					–	–	–	–	–
Community and public safety		**22 952**	**205**	**–**	**–**	**–**	**–**	**20 517**	**20 517**	**20 722**	**38 294**	**42 503**
Community and social services		22 552	(6 017)					20 517	20 517	14 500	37 876	42 075
Sport and recreation		–	6 087						–	6 087	–	–
Public safety		400	135						–	135	418	428
Housing		–	–						–	–	–	–
Health		–	–					–	–	–	–	–
Economic and environmental services		**10 725**	**–**	**–**	**–**	**–**	**–**	**2 091**	**2 091**	**12 816**	**13 368**	**16 241**
Planning and development		–	–					–	–	–	–	–
Road transport		10 725	–					2 091	2 091	12 816	13 368	16 241
Environmental protection		–	–					–	–	–	–	–
Trading services		**3 700**	**(395)**	**–**	**–**	**–**	**–**	**–**	**–**	**(395)**	**1 359**	**1 392**
Energy sources		3 700	(395)					–	–	(395)	1 359	1 392
Water management		–	–					–	–	–	–	–
Waste water management		–	–					–	–	–	–	–
Waste management		–	–					–	–	–	–	–
Other		–	–					–	–	–	–	–
Total Capital Expenditure - Functional	3	**52 329**	**(530)**	**–**	**–**	**–**	**–**	**22 609**	**22 609**	**32 804**	**54 306**	**61 454**
Funded by:												
National Government		27 109	–					22 609	22 609	49 717	27 168	33 451
Provincial Government		6 087	–					–	–	6 087	–	–
District Municipality		–	–					–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–					–	–	–	–	–
Transfers recognised - capital	4	**33 196**	**–**	**–**	**–**	**–**	**–**	**22 609**	**22 609**	**55 804**	**27 168**	**33 451**
Borrowing		–	–					–	–	–	–	–
Internally generated funds		19 133	(530)					–	–	(530)	3 783	3 877
Total Capital Funding		**52 329**	**(530)**	**–**	**–**	**–**	**–**	**22 609**	**22 609**	**55 275**	**30 951**	**37 329**

KZN266 Ulundi - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		132 511	16 192					–	–	148 703	138 413	141 873
Service charges		126 242	–					–	–	126 242	131 923	135 221
Other revenue		46 943	23 075					–	–	70 019	49 290	51 847
Transfers and Subsidies - Operational	1	222 682	30 745					30 000	30 000	283 427	219 873	229 752
Transfers and Subsidies - Capital	1	44 593	–						–	44 593	40 608	42 356
Interest		5 447	5 025					–	–	10 471	4 988	5 182
Dividends		–	–					–	–	–	–	–
Payments												
Suppliers and employees		(503 148)	(83 235)					(35 003)	(35 003)	(621 386)	(476 686)	(482 003)
Finance charges		–	(5 500)						–	(5 500)	–	–
Transfers and Subsidies	1	–	–						–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**75 270**	**(13 698)**	**–**	**–**	**–**	**–**	**(5 003)**	**(5 003)**	**56 569**	**108 409**	**124 228**
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		(60 178)	990					(29 900)	(29 900)	(89 089)	(35 594)	(42 928)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(60 178)**	**990**	**–**	**–**	**–**	**–**	**(29 900)**	**(29 900)**	**(89 089)**	**(35 594)**	**(42 928)**
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–					–	–	–	–	–
Borrowing long term/refinancing		–	–					–	–	–	–	–
Increase (decrease) in consumer deposits		–	–					–	–	–	–	–
Payments												
Repayment of borrowing		–	–					–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**15 091**	**(12 708)**	**–**	**–**	**–**	**–**	**(34 903)**	**(34 903)**	**(32 519)**	**72 815**	**81 300**
Cash/cash equivalents at the year begin:	2	4 872	(677)						–	(677)	7 044	5 219
Cash/cash equivalents at the year end:	2	19 964	(13 385)	–	–	–	–	(34 903)	(34 903)	(33 196)	79 859	86 519

KZN266 Ulundi - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Budget Year 2025/26							Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F		
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
Operating expenditure of Transfers and Grants										
National Government:		**220 390**	**–**	**–**	**–**	**–**	**–**	**220 390**	**2 200**	**2 300**
Local Government Financial Management Grant	_	2 000	–	–	–	–	–	2 000	2 200	2 300
EPWP Incentive	_	3 029						3 029		
Local Government Equitable Share	_	215 361						215 361		
KwaZulu-Natal_Infrastructure_Specify (Add grant description)_Receipts	_									
	_									
Provincial Government:		**2 292**	**745**	**–**	**–**	**–**	**–**	**3 037**	**2 330**	**2 439**
KwaZulu-Natal	_	2 292	745	–	–	–	–	3 037	2 330	2 439
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other Transfers Public Corporations	_	–								
	_									
Total operating expenditure of Transfers and Grants:		**222 682**	**745**	**–**	**–**	**–**	**–**	**223 427**	**4 530**	**4 739**
Capital expenditure of Transfers and Grants										
National Government:		**37 593**	**–**	**–**	**30 000**	**–**	**26 000**	**67 593**	**43 118**	**44 929**
Integrated National Electrification Programme Grant	_	–	–	–	–	–	–		2 510	2 573
Municipal Infrastructure Grant	_	37 593		–	30 000	–	–	67 593	40 608	42 356
							_	_		
Provincial Government:		**7 000**	**–**	**–**	**–**	**–**	**–**	**7 000**	**–**	**–**
KwaZulu-Natal	_	7 000	–	–		–	7 000	7 000	–	–
							_	_		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
							_	_		
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total capital expenditure of Transfers and Grants		**44 593**	**–**	**–**	**30 000**	**–**	**26 000**	**74 593**	**43 118**	**44 929**
Total capital expenditure of Transfers and Grants		**267 275**	**745**	**–**	**30 000**	**–**	**26 000**	**298 020**	**47 648**	**49 668**

The adjusted capital expenditure is funded as follows:

No	Description	Amount 'R
1.	Municipal Infrastructure Grant (MIG)	R74 593 000.00

ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

- The municipality will receive an additional amount of R30 000 000 grant from provincial government

ADJUSTMENT TO CAPITAL EXPENDITURE

- The municipality adjusted upwards the capital budget by an amount of R30 000 000.00 towards its capital projects

Below is a list of capital projects:

No.	PROJECTS PRIORITISED BY THE MUNICIPALITY FOR 2025/2026 FINANCIAL YEAR	APPROVED AMOUNT
1.	Reconstruction of Dlebe Gravel Access Roads in Ward 6	5 981 487,32
2.	Reconstruction of Zilulwane Gravel Access Roads in Ward 14	3 764 078,54
3.	Reconstruction of Thokoza Gravel Access Roads in Ward 18	4 455 739,11
4.	Reconstruction of Sbunjane Gravel Access Roads in Ward 21	6 845 893,67
5.	Reconstruction of Denny Dalton Gravel Access Roads in Ward 23	5 048 692,77
6.	Reconstruction of Nhlungwane Gravel Access Roads in Ward 20	3 912 560,32
TOTAL: PROJECT: 06		R30 000 000

MUNICIPAL MANAGER'S SPECIAL ADJUSTMENT BUDGET QUALITY CERTIFICATE

UMASIPALA WASOLUNDI

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3838

" The City of Heritage "

ULUNDI MUNICIPALITY

Tel: 035 - 8745100
Fax: 035 – 8745174
E-mail: tmagwaza@ulundi.gov.za

I, Sandile Martin Khomo, Municipal Manager of Ulundi Municipality, hereby certify that

□ Special Adjustment budget of Ulundi local Municipality for 2025/26 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: SANDILE MARTIN KHOMO

Municipal Manager of Ulundi Municipality (KZN266)

Signature:-_____

Date: 10 March 2026