



Zululand
District Municipality

SECOND ADJUSTMENT BUDGET 2024-2025

Table of Contents

PART 1 – ADJUSTMENT BUDGET	3
1.1 MAYOR’S REPORT	3
1.2 COUNCIL RESOLUTIONS	5
1.3 EXECUTIVE SUMMARY	6
1.5 OPERATING EXPENDITURE FRAMEWORK	11
1.7 ADJUSTED BUDGET TABLES	15
PART 2 – SUPPORTING DOCUMENTS	36
2.1 ADJUSTMENTS TO BUDGET ASSUMPTIONS	36
2.2 ADJUSTMENTS TO BUDGET FUNDING	36
2.3 ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES	37
2.4 ADJUSTMENTS TO ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY	38
2.5 ADJUSTMENTS TO COUNCILLORS ALLOWANCE AND EMPLOYEE BENEFITS.....	39
2.6 ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN	40
2.7 ADJUSTMENTS TO CAPITAL EXPENDITURE	41
2.8 OTHER SUPPORTING DOCUMENTS.....	41
2.9 MUNICIPAL MANAGER’S QUALITY CERTIFICATION.....	42

GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

Unauthorized Expenditure – generally spending without or more than an approved budget.

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 – ADJUSTMENT BUDGET

1.1 MAYOR’S REPORT

ADJUSTMENT BUDGET SPEECH BY THE HONOURABLE MAYOR OF ZULULAND DISTRICT MUNICIPALITY, COUNCILLOR MB KHUMALO DELIVERED TO THE MUNICIPAL COUNCIL FOR 2024/2025 ADJUSTMENT BUDGET IN COUNCIL CHAMBER.

Honourable Speaker,
Honourable Deputy Mayor,
AmaKhosi aseNdlunkulu
Councillors,
Municipal Manager,
Directors,
Staff,
Ladies and Gentlemen

It is indeed a great honor for me, as we look on the second half of the financial year in this term of office, to present to you, the 2024/2025 and 2025/2026 2026/2027 multi-term budget. The Municipal Finance Management Act, No. 56 of 2003 continues to emphasize reforms to all of us as it aims to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all.

Zululand District Municipality, as a medium Capacity Municipality, is among those that complied with the Budget regulations and has been submitting multi-term budgets in an MSCOA format. Chapter 7 of the MFMA places major responsibilities on the mayor.

Honorable Speaker, the ability to comply is one thing. Delivering services as per our mandate is what brought us to this institution. We cannot afford to fail on this mandate. As this government in office, we have no liberty to point at the past, but to forge ahead. We acknowledge that we are coming from a very low base on all National key performance areas. At the core of this is the sustainability of the municipality. Key pillars to reverse this are strong leadership, financial stability, smart deliverables and compliance with laws and regulations. This budget is a step towards that direction.

Water and sanitation are our main core functions. Bulk of the budget is directed at this. Sanitation is one area in which we must push on the backlog. Many of our households are either on a full flush waterborne or septic tank system. The rest of the households need to be provided with ventilated improved pit latrines (VIPs).

Honorable Speaker, we all know that besides our staff helping us, outsourced duties remain our core duties. Technical consultants form the biggest component to this. Contract management is the only tool to ensure value for money on this front.

Having said all this let me now come to the core of our business for today.

Honorable Speaker, it is important to mention that there has been an increase in expenditure.

Honorable Speaker, there has been an increase in operating and capital grants and transfers; the expectation is the 100% expenditure and commitment for all these grants. Procurement plans are part and parcel of the adjustment budget process.

Honorable Speaker, in conclusion I would like to take this opportunity to express my sincere thanks to the Municipal Manager, Heads of Departments and staff involved, for their dedication and commitment to this adjustment budget.

Lastly, Honorable Speaker, I wish to state that this adjustment Budget Speech represents an executive summary of our Municipality's adjustment budget 2024/2025 Financial Year.

I thank you.

1.2 COUNCIL RESOLUTIONS

The council resolves that:

2024/2025 adjustment budget be approved as set-out in the following tables:

Table B1 Budget Summary.

Table B2 Budgeted Financial Performance (revenue and expenditure by standard classification).

Table B3 Budgeted Financial Performance (revenue and expenditure by municipal vote).

Table B4 Budgeted Financial Performance (revenue and expenditure).

Table B5 Budgeted Capital expenditure by vote, standard classification and funding.

That the financial position, cash flow, cash backed reserve/accumulated surplus, asset management and basic delivery targets are adopted as set out in the following tables:

Table B6 Budgeted Financial Position.

Table B7 Budgeted Cash Flows

Table B8 Cash backed reserves/accumulated surplus reconciliation.

Table B9 Asset Management

Table B10 Basic service delivery measurements

The Quality Certificate be approved.

1.3 EXECUTIVE SUMMARY

MAIN BUDGET SUMMARY

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

	FINAL BUDGET 2024/ 2025	MOVEMENTS	ADJUSTED BUDGET 2024/ 2025	2ND MOVEMENTS	2ND ADJUSTED BUDGET 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
OPERATING REVENUE	865 669 793	- 7 248 771	858 421 022	- 37 257 534	821 163 488	814 065 166	858 823 200
CAPITAL GRANTS AND TRANSFERS	576 195 000	- 2 603 000	573 592 000	277 885 000	851 477 000	651 991 000	923 733 000
TOTAL BUDGET REVENUE	1 441 864 793	- 9 851 771	1 432 013 022	240 627 466	1 672 640 488	1 466 056 166	1 782 556 200
OPERATING EXPENDITURE	768 086 309	256 993 579	1 025 079 887	- 38 378 547	986 701 340	704 130 845	736 520 864
CONTRIBUTION TO CAPITAL	500 594 866	33 358 440	533 953 306	241 639 130	775 592 436	571 681 076	808 196 603
TOTAL BUDGET EXPENDITURE EXCLUDING VAT CAPEX	1 268 681 175	290 352 018	1 559 033 193	203 260 583	1 762 293 777	1 275 811 921	1 544 717 467
CAPITAL EXPENDITURE - GRANTS AND TRANSFERS	496 247 040	1 184 525	497 431 565	241 639 130	739 070 695	567 133 250	803 439 576
CAPITAL EXPENDITURE - EXTERNAL LOAN FUNDING		-	-		-	-	
CAPITAL EXPENDITURE - INTERNALLY FUNDED ASSETS	4 347 827	32 173 913	36 521 740		36 521 740	4 547 826	4 757 026
TOTAL CAPITAL EXPENDITURE	500 594 867	33 358 438	533 953 305	241 639 130	775 592 435	571 681 076	808 196 603
TOTAL BUDGET REVENUE	1 441 864 793	- 9 851 771	1 432 013 022	240 627 466	1 672 640 488	1 466 056 166	1 782 556 200
TOTAL BUDGET EXPENDITURE	1 268 681 176	290 352 016	1 559 033 192	203 260 583	1 762 293 776	1 275 811 921	1 544 717 467
SURPLUS/DEFICIT	173 183 618	- 300 203 788	- 127 020 170	37 366 883	- 89 653 288	190 244 245	237 838 733
EXTERNAL LOAN FUNDING						-	
SURPLUS/DEFICIT	173 183 618	- 300 203 788	- 127 020 170	37 366 883	- 89 653 288	190 244 245	237 838 733

The Municipality is largely dependent on government grants for its operations and the small portion generated from service charges. The budget was assessed as funded, which meant the municipality had to maintain that funded position status. The municipality adjustment budget is highlighted below which shows the increase in capital budget and increase on operating budget.

The total budget has increased by **R240.6 million** from **R1.4 billion** to **R1.6 billion**.

The movement in the total budget is highlighted below:

The Municipality has received second adjusted DORA which increased the capital grants (MIG increased by **R6 million** from **R256.9 million** to **R262.9 million**, RBIG by **R217.2 million** from **R214 million** to **R431.2 million**, WSIG by **R55.4 million** from **R100 million** to **R155.4 million**) a decrease on RRAMS of **R796 thousand** from **R2.6 million** to **R1.8 million**. An increase in operating grants of **R9 million** for Disaster Relief Management Grant, a decrease of **R210 thousand** in LGSETA grant, And a grant funding of **R77 thousand** from National Art Council.

Operating revenue Framework

OPERATING REVENUE	FINAL BUDGET 2024/2025	MOVEMENTS	ADJUSTED BUDGET 2024/2025	2ND MOVEMENTS	2ND ADJUSTED BUDGET 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Service charges - water revenue	68 294 245.00	- 6 977 086.38	61 317 158.62		61 317 158.62	71 435 782.73	74 721 828.73
Service charges - sanitation revenue	17 732 004.00		17 732 004.00		17 732 004.00	18 547 675.13	19 400 868.19
Rental of facilities and equipment	503 998.00		503 998.00		503 998.00	527 181.91	551 432.28
Interest earned - external investments	7 500 000.00		7 500 000.00		7 500 000.00	7 845 000.00	8 205 870.00
Interest earned - outstanding debtors	822 778.01		822 778.01		822 778.01	860 625.80	900 214.59
Fines, penalties and forfeits	1 466 871.00	- 886 649.74	580 221.26		580 221.26	1 534 346.67	1 604 926.62
Licences and permits	176 275.68	106 402.27	282 677.96		282 677.96	184 384.36	192 866.04
Transfers and subsidies	768 030 055.00	133 464.00	768 163 519.00	- 37 257 534	730 905 985.00	711 934 000.00	751 994 000.00
Other revenue	1 143 565.70	375 098.57	1 518 664.27		1 518 664.27	1 196 169.72	1 251 193.53
TOATL OPERATING REVENUE	865 669 792	- 7 248 771	858 421 021	- 37 257 534	821 163 487	814 065 166	858 823 199.97

Operating Revenue has decreased by **R37.2 million** from **R768 million** to **R730 million**, this decrease is because the municipality has received an additional funding of **R9 million** for disaster relief grant from COGTA, a reduced allocation of **R46.2 million** from National Skills Fund and a reduced allocation of **R210 thousand** on LGSETA.

Operating Expenditure Framework

OPERATING EXPENDITURE	FINAL BUDGET 2024/2025	MOVEMENTS	ADJUSTED BUDGET 2024/2025	2ND MOVEMENTS	2ND ADJUSTED BUDGET 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Employee related costs	310 171 839	17 173 926	327 345 765	76 229	327 421 994	324 439 733	339 363 960.75
Remuneration of councillors	9 465 497	1 289 409	10 754 906		10 754 906	9 900 908	10 356 349.67
Debt impairment	6 000 000		6 000 000		6 000 000	6 276 000	6 564 696.00
Depreciation & asset impairment	91 314 533		91 314 533		91 314 533	95 515 001	99 908 691.07
Finance charges	7 013 197	4 962 812	11 976 009	20 000	11 996 009	7 335 804	7 673 251.05
Inventory consumed	25 676 000	- 401 600	25 274 400		25 274 400	26 386 396	27 600 170.22
Contracted services	203 357 643	151 558 069	354 915 712	- 38 433 059	316 482 653	114 104 570	119 353 380.54
Transfers and subsidies	2 100 000	265 000	2 365 000	- 28 900	2 336 100	2 196 600	2 297 643.60
Other expenditure	112 987 600	82 145 963	195 133 563	- 12 817	195 120 746	117 975 833	123 402 721.26
TOTAL EXPENDITURE	768 086 308.53	256 993 579.17	1 025 079 887.70	- 38 378 547.00	986 701 340.70	704 130 845.28	736 520 864.16

Operating expenditure has decreased by **R38.3 million** from **R1 billion** to **R986.87million**.

This decrease is because of the following.

The Municipality further adjusted employee related costs by **R77 thousand** from **R327.3 million** to **R327.4 million**, Contracted services by **R37.3 million** from **R354.9 million** to **R317.5 million**.

Capital Expenditure and Funding

CAPITAL EXPENDITURE 2024-2025	FINAL BUDGET 2024/2025	MOVEMENTS	ADJUSTED BUDGET 2024/2025	2ND MOVEMENTS	2ND ADJUSTED BUDGET 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
MUNICIPAL INFRASTRUCTURE GRANT	220 722 693	2 702 525	223 425 218	5 217 391	228 642 609	237 266 087	258 812 174
REGIONAL BULK INFRASTRUCTURE GRANT	186 086 957	- 1 500 000	184 586 957	188 910 435	373 497 392	240 315 652	441 913 043
WATER SERVICES INFRASTRUCTURE GRANT	86 956 521		86 956 521	48 203 478	135 159 999	86 956 521	100 000 000
RURAL ROAD ASSET MANAGEMENT GRANT	2 306 957	- 18 000	2 288 957	- 692 174	1 596 783	2 413 077	2 524 078
INDONSA GRANT	173 913		173 913		173 913	181 913	190 281
ACCELERATED WATER INTERVENTION PROGRAM			-		-		
INTERNALLY FUNDED ASSETS	4 347 827	32 173 913	36 521 740		36 521 740	4 547 826	4 757 026
TOTAL CAPITAL EXPENDITURE	500 594 868.00	33 358 437.78	533 953 305.78	241 639 130.43	775 592 436.22	571 681 075.79	808 196 602.57

Capital expenditure has increased by **R241 million** VAT exclusively from **R533.9 million** to **R775.5 million**, this increase is because of the following:

The Municipality has received an adjusted DORA with an additional funding allocation of **R6 million** for MIG, **R55.4 million** for WSIG, **R217.2 million** for RBIG and a reduced allocation of **R796 thousand** for RRAMS.

MFMA mSCOA circular number 13 requires that capital expenditure be budgeted exclusively of VAT. An amount of **R36.2 million** has been reallocated from capital expenditure to the VAT vote.

Financial Position Framework

Summary of Statement of Financial position

	FINAL BUDGET 2024/2025	MOVEMENTS	ADJUSTED BUDGET 2024/2025	2ND MOVEMENTS	2ND ADJUSTED BUDGET 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Current Assets	612 157 378.00	- 459 035 468.71	153 121 909.29	36 245 869.00	189 367 778.29	889 283 148.00	1 218 456 407.00
Non-Current Assets	5 319 118 713.00	549 708 250.00	5 868 826 963.00	241 639 131.00	6 110 466 094.00	5 294 689 919.00	5 431 296 756.00
Current Liabilities	468 128 948.00	81 132 791.49	549 261 739.49	-	549 261 739.49	469 586 552.00	470 263 652.00
Non-Current Liabilities	154 477 420.00	- 38 422 387.00	116 055 033.00	-	116 055 033.00	144 383 695.00	135 129 311.00
Accumulated surplus	5 308 669 723.00	47 962 376.80	5 356 632 099.80	277 885 000.00	5 634 517 099.80	5 570 002 820.00	6 044 360 200.00

Current assets have been revised upwards by **R36.2 million** from **R153.1 million** to **R189.3 million**, Non-current Assets have been revised upwards by **R241.6 million** from **R5.8 billion** to **R6.1 billion**, Current Liabilities have been revised upwards by **R81.1 million** from **R468.1 million** to **R549.6 million**, Non-current liabilities have been revised downwards by **R38.4 million** from **R154.7 million** to **R116 million** & Accumulated surplus has been revised downwards by **R47.9 million** from **R5.30 billion** to **R5.35 billion**.

The Current ratio is **0.3: 1 [R189million/549 million]**

Cash position of the municipality has decreased, liabilities have increased.

After the thorough engagement of cash position, the municipality has outlined the plan on how the liabilities will be eliminated.

1.4 OPERATING REVENUE FRAMEWORK

Following Table is a high-level summary of the 2024/2025 Adjusted budget, indicated is the budgeted revenue by source.

DC26 Zululand - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 20/06/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		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	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	68 294	61 317	-	-	-	-	-	-	61 317	63 954	66 896
Service charges - Waste Water Management	2	17 732	17 732	-	-	-	-	-	-	17 732	18 494	19 345
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		578	230	-	-	-	-	-	-	230	800	837
Agency services												
Interest												
Interest earned from Receivables		823	823	-	-	-	-	-	-	823	858	898
Interest earned from Current and Non Current Assets		7 500	7 500	-	-	-	-	-	-	7 500	8 000	8 368
Dividends												
Rent on Land												
Rental from Fixed Assets		504	504	-	-	-	-	-	-	504	504	504
Licence and permits		176	283	-	-	-	-	-	-	283	295	308
Operational Revenue		565	1 288	-	-	-	-	-	-	1 288	1 344	1 405
Non-Exchange Revenue												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes												
Fines, penalties and forfeits		1 467	580	-	-	-	-	-	-	580	605	633
Licences or permits												
Transfer and subsidies - Operational		768 030	768 164	-	-	-	-	(37 258)	(37 258)	730 906	720 384	757 969
Interest		-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations												
Total Revenue (excluding capital transfers and contributions)		865 670	858 421	-	-	-	-	(37 258)	(37 258)	821 163	815 238	857 164

Operating Revenue has decreased by **R37.2 million** from **R858.4 million** to **R821.1 million** this decrease is because of the following:

The Municipality adjusted transfers and subsidies downwards by **R37.2 million**.

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

Service charges – Water revenue

This is the amount billed on customers for water used, approved adjustment budget of **R61.3 million** in service charges water revenue will remain the same as per the first adjustment.

Service charges – Sanitation revenue

This is the amounts billed on customers that are connected to the sewer system, approved adjustment budget of **R17.7 million** in service charges sanitation will remain the same as per the first adjustment.

Rent of facilities

Rental of facilities is amounts billed for office space leased out, approved adjustment budget of **R503 thousand**. The rent on facilities will remain the same as per mid-year analysis.

Interest in investment

Interest in investment is interest received when the municipality makes cash investments. The approved adjustment budget of **R7.5 million** will remain the same as per mid-year analysis.

Interest earned - outstanding debtors.

Interest earned - outstanding debtors are charged on businesses for accounts in arrears. The approved adjustment budget of **R822 thousand** will also remain the same as per the mid-year analysis.

Fines, penalties, and forfeits

Fines, penalties, and forfeits are mainly amounts charged on illegal connections. The approved adjustment budget of **R580 thousand** will remain the same as per the first adjustment budget.

Licenses and permits.

This amount is for Licenses and permits issued for certain businesses. The approved adjustment budget of **R283 thousand** will remain the same as per the first adjustment.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2024; 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 recognized/recorded as revenue when conditions have been met, except for equitable share which is not a conditional grant.

All grants are received as per transfer schedule except for Municipal systems improvement grant.

Reasons for variances can be attributed to the nature of transfers and subsidies which depend on the transfer schedule and cannot be benchmarked against the year-to-date budget. Grants are not received monthly but in trenches as per the approved transfer schedule.

Based on the developments, transfers and subsidies have been adjusted downwards by **R37.2 million**. The municipality received an additional amount of **R9 million** from COGTA for Disaster Relief Grant, **R77 thousand** from NAC, adjusted NSF downwards by **R46.2 million** from **R88 million** to **R42 million** and adjusted LGSETA downwards by **R210 thousand**. This from **R210 thousand** to **R0**, this is due to the change on scope.

Other revenue

Other revenue includes amounts for tender fees, skills development levy refund and any other revenue the municipality may be entitled to receive such as sale of consumables, insurance claims, etc. The approved adjustment budget of **R1.5 million** remains the same as the first adjustment budget.

1.5 OPERATING EXPENDITURE FRAMEWORK

The following Table is a high-level summary of the 2024/2025 Adjusted budget, indicated is the budgeted expenditure by source.

DC26 Zululand - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 20/06/2025												
Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		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
		3	4	5	6	7	8	9	10			
R thousands	1	A	A1	B	C	D	E	F	G	H		
Expenditure By Type		-	-	-	-	-	-	-	-	-	-	-
Employee related costs		310 172	327 346	-	-	-	-	76	76	327 422	302 013	315 906
Remuneration of councillors		9 465	10 755	-	-	-	-	-	-	10 755	11 640	12 176
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		25 676	25 274	-	-	-	-	-	-	25 274	10 250	10 705
Debt impairment		6 000	6 000	-	-	-	-	-	-	6 000	4 000	4 184
Depreciation and amortisation		91 315	91 315	-	-	-	-	-	-	91 315	95 000	99 370
Interest		7 013	11 976	-	-	-	-	20	20	11 996	7 575	7 924
Contracted services		203 358	354 916	-	-	-	-	(38 433)	(38 433)	316 483	87 677	64 771
Transfers and subsidies		2 100	2 365	-	-	-	-	(29)	(29)	2 336	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-
Operational costs		112 988	195 134	-	-	-	-	(13)	(13)	195 121	35 611	37 162
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		768 086	1 025 080	-	-	-	-	(38 379)	(38 379)	986 701	553 766	552 197

Operating Expenditure has decreased by **R38.3 million** from **R1 billion** to **R986.7 million** this decrease is because of contracted services.

Employee Related Costs

Employee related costs are amounts paid for salaries, allowances, service-related benefits, and contributions. The municipality has adjusted the employee's cost by **R77 thousand from R327.3 million to R327.4 million**. This results from the additional funding received from NAC to fund the help desk position.

Remuneration of Councilors

Remuneration of Councilors is paid for councilors allowances, service-related benefits, and contributions. The approved adjustment budget of **R10.7 million** will remain the same as the first adjustment budget.

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.

The municipality is in the process of aligning its processes to allow calculation of debt impairment monthly.

Depreciation

This is a non-cash item budgeted for as per the stipulation of the accounting standards. The depreciation budget will not change because it is more likely that all projects on the ground will be disclosed as work in progress at the end of June.

Bulk purchases – electricity

The Municipality does not incur bulk purchases electricity since the Municipality does not sell electricity.

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The approved adjustment budget of **R25.2 million** will remain the same as the first adjustment budget.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors.

Contracted services have been adjusted down by **38.4 million** from **R354.9 million** to **R316.4 million** because the municipality received an additional funding of **R9 million** for Disaster relief grants and adjusted the NSF grant by **46.2 million** from **R88.2 million** to **R42 million** because of change in scope of work.

Transfers and subsidies paid.

Transfers and subsidies are paid as subsidies to the communities for poverty alleviation and transfers to support businesses. The nature of this expenditure item is occasional and cannot be benchmarked on a straight-line method. The municipality adjusted the budget downwards by

R28 thousand from **R2.36 million** to **R2.33 million**, the decrease is based on reallocation of funds through virement process.

Other expenditure

Other expenditure is all other expenditure not classified above, this expenditure item includes cost of electricity for water/sewer plants, Municipal services, external Audit fees, subsistence and travel, fuel, insurance, software licenses, 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 financial year and will not be incurred in the second half of the financial year e.g., SALGA bargaining council levy, software licenses, insurance, uniforms & protective clothing, and external audit fees. The municipality has adjusted this line item downwards by **R13 thousand** from **R195.13 million** to **R195.12 million**. The decrease is based on reallocation of funds through virement process.

1.6 CAPITAL BUDGETING

Table B5 indicates budgeted capital Expenditure by Municipal Vote and standard classification, the budgeted amount is funded from grants and own funds, the funding is taken from table B4 surplus.

DC26 Zululand - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 20/06/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjus. 10	Total Adjus. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		3 478	3 478	-	-	-	-	-	-	3 478	-	-
Vote 03 - Finance		870	870	-	-	-	-	-	-	870	-	-
Vote 04 - Community Development		174	174	-	-	-	-	-	-	174	87	88
Vote 05 - Planning & Wsa		489 900	497 258	-	-	-	-	241 639	241 639	738 897	742 790	650 093
Vote 06 - Technical Services		6 173	0	-	-	-	-	-	-	0	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	32 174	-	-	-	-	-	-	32 174	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		500 595	533 953	-	-	-	-	241 639	241 639	775 592	742 877	650 180
Total Capital Expenditure - Vote		500 595	533 953	-	-	-	-	241 639	241 639	775 592	742 877	650 180
Capital Expenditure - Functional												
Governance and administration		4 348	4 348	-	-	-	-	-	-	4 348	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		4 348	4 348	-	-	-	-	-	-	4 348	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		174	174	-	-	-	-	-	-	174	87	88
Community and social services		174	174	-	-	-	-	-	-	174	87	88
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2 307	2 289	-	-	-	-	(692)	(692)	1 597	2 410	2 499
Planning and development		2 307	2 289	-	-	-	-	(692)	(692)	1 597	2 410	2 499
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		493 766	527 143	-	-	-	-	242 331	242 331	769 474	740 380	647 593
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		493 766	527 143	-	-	-	-	242 331	242 331	769 474	740 380	647 593
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	500 595	533 953	-	-	-	-	241 639	241 639	775 592	742 877	650 180

Capital budget is funded 99% by grants as per DORA, 1% is from internally generated funds. Capital budget funding is as follows: Municipal Infrastructure Grant (MIG), Water Services Infrastructure Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG) and internally generated funds.

Governance and administration

Governance and administration include furniture, ICT infrastructure, safety box and printing machine. The Governance and administration budget will remain the same.

Community and public safety

Community and public include furniture and equipment. The Community and public safety budget will remain the same.

Economic and environmental services

Economic and environmental services approved budget of **R2.3 million**.

Economic and environmental includes road restoration and rural roads, this line item has decreased by **R692 thousand**. The decrease of **R692 thousand** is based on the second adjusted DORA with a decreased allocation to RRAMS.

Trading services

Trading services include capital grant (MIG, WSIG, and RBIG). Trading services have been revised upwards by **R242 million**. The increase of **R242 million** results from the second adjusted DORA with increased allocation on MIG, WSIG and RBIG.

Other

Others include furniture, there are no revised allocations. Others will remain the same.

Projects to be Implemented as per Capital budget.

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 EXPENDITURE 2024-2025	FINAL BUDGET 2024/2025	MOVEMENTS	ADJUSTED BUDGET 2024/2025	2ND MOVEMENTS	2ND ADJUSTED BUDGET 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
MUNICIPAL INFRASTRUCTURE GRANT	220 722 693	2 702 525	223 425 218	5 217 391	228 642 609	237 266 087	258 812 174
REGIONAL BULK INFRASTRUCTURE GRANT	186 086 957	- 1 500 000	184 586 957	188 910 435	373 497 392	240 315 652	441 913 043
WATER SERVICES INFRASTRUCTURE GRANT	86 956 521		86 956 521	48 203 478	135 159 999	86 956 521	100 000 000
RURAL ROAD ASSET MANAGEMENT GRANT	2 306 957	- 18 000	2 288 957	- 692 174	1 596 783	2 413 077	2 524 078
INDONGA GRANT	173 913		173 913		173 913	181 913	190 281
ACCELERATED WATER INTERVENTION PROGRAM			-		-		
INTERNALLY FUNDED ASSETS	4 347 827	32 173 913	36 521 740		36 521 740	4 547 826	4 757 026
TOTAL CAPITAL EXPENDITURE	500 594 868.00	33 358 437.78	533 953 305.78	241 639 130.43	775 592 436.22	571 681 075.79	808 196 602.57

1.7 ADJUSTED BUDGET TABLES

The following part of the budget presentation portrayed below focuses on budget tables as required in terms of regulation 9 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's 2024/2025 budget and MTREF as approved by the

Council. Below each table there is a provision of clarification pertaining to what is depicted from the provided tables

Table B1 - Budget Summary

DC26 Zululand - Table B1 Adjustments Budget Summary - 20/06/2025

Description	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	–	–	–	–	–	–	–	–	–	–	–
Service charges	86 026	79 049	–	–	–	–	–	–	79 049	82 448	86 241
Investment revenue	7 500	7 500	–	–	–	–	–	–	7 500	8 000	8 368
Transfers recognised - operational	768 030	768 164	–	–	–	–	(37 258)	(37 258)	730 906	720 384	757 969
Other own revenue	4 113	3 708	–	–	–	–	–	–	3 708	4 406	4 586
Total Revenue (excluding capital transfers and contributions)	865 670	858 421	–	–	–	–	(37 258)	(37 258)	821 163	815 238	857 164
Employee costs	310 172	327 346	–	–	–	–	76	76	327 422	302 013	315 906
Remuneration of councillors	9 465	10 755	–	–	–	–	–	–	10 755	11 640	12 176
Depreciation & asset impairment	97 315	97 315	–	–	–	–	–	–	97 315	99 000	103 554
Finance charges	7 013	11 976	–	–	–	–	20	20	11 996	7 575	7 924
Inventory consumed and bulk purchases	25 676	25 274	–	–	–	–	–	–	25 274	10 250	10 705
Transfers and subsidies	2 100	2 365	–	–	–	–	(29)	(29)	2 336	–	–
Other expenditure	316 345	550 049	–	–	–	–	(38 446)	(38 446)	511 603	123 288	101 932
Total Expenditure	768 086	1 025 080	–	–	–	–	(38 379)	(38 379)	986 701	553 766	552 197
Surplus/(Deficit)	97 583	(166 659)	–	–	–	–	1 121	1 121	(165 538)	261 472	304 967
Transfers and subsidies - capital (monetary allocations)	576 195	573 592	–	–	–	–	277 885	277 885	851 477	916 219	781 371
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	673 778	406 933	–	–	–	–	279 006	279 006	685 939	1 177 691	1 086 338
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	673 778	406 933	–	–	–	–	279 006	279 006	685 939	1 177 691	1 086 338
Capital expenditure & funds sources											
Capital expenditure	500 595	533 953	–	–	–	–	241 639	241 639	775 592	742 877	650 180
Transfers recognised - capital	496 247	497 432	–	–	–	–	241 639	241 639	739 071	742 877	650 180
Borrowing	–	32 174	–	–	–	–	–	–	32 174	–	–
Internally generated funds	4 348	4 348	–	–	–	–	–	–	4 348	–	–
Total sources of capital funds	500 595	533 953	–	–	–	–	241 639	241 639	775 592	742 877	650 180
Financial position											
Total current assets	612 157	153 122	–	–	–	–	36 246	36 246	189 368	677 146	1 207 433
Total non current assets	5 319 119	5 868 827	–	–	–	–	241 639	241 639	6 110 466	5 982 751	5 790 684
Total current liabilities	468 129	549 262	–	–	–	–	–	–	549 262	406 164	410 711
Total non current liabilities	154 477	116 055	–	–	–	–	–	–	116 055	253 363	243 575
Community wealth/Equity	5 308 220	5 355 400	–	–	–	–	279 006	279 006	5 634 406	5 999 587	6 343 048
Cash flows											
Net cash from (used) operating	742 935	742 935	–	–	–	–	18 793	18 793	761 728	1 252 482	1 164 567
Net cash from (used) investing	(500 595)	(500 595)	–	–	–	–	(274 998)	(274 998)	(775 592)	(854 309)	(747 707)
Net cash from (used) financing	(18 093)	(18 093)	–	–	–	–	–	–	(18 093)	(17 712)	(17 712)
Cash/cash equivalents at the year end	417 032	281 318	–	–	–	–	(256 204)	(256 204)	25 114	405 575	804 723
Cash backing/surplus reconciliation											
Cash and investments available	424 138	(5 480)	–	–	–	–	36 246	36 246	30 766	484 876	979 945
Application of cash and investments	363 734	447 415	–	–	–	–	(2 400)	(2 400)	445 015	295 727	292 254
Balance - surplus (shortfall)	60 404	(452 895)	–	–	–	–	38 646	38 646	(414 248)	189 150	687 692
Asset Management											
Asset register summary (WDV)	4 003 766	4 513 891	–	–	–	–	241 639	241 639	4 755 530	4 627 814	4 435 748
Depreciation	91 315	91 315	–	–	–	–	–	–	91 315	95 000	99 370
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	70 993	138 358	–	–	–	–	8 799	8 799	147 157	45 589	52 551
Free services											
Cost of Free Basic Services provided	5 000	(62)	–	–	–	–	–	–	(62)	5 063	5 296
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–	–
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	6	–	–	–	–	–	–	–	6	7	6
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

DC26 Zululand - Table B2 Adjustments Budget Financial Performance (functional classification) - 20/06/2025

Standard Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		769 935	770 614	-	-	-	-	(46 420)	(46 420)	724 194	722 663	767 033
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		769 935	770 614	-	-	-	-	(46 420)	(46 420)	724 194	722 663	767 033
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		3 215	2 474	-	-	-	-	9 162	9 162	11 636	2 118	2 136
Community and social services		1 911	2 091	-	-	-	-	9 162	9 162	11 253	1 719	1 719
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		1 304	383	-	-	-	-	-	-	383	399	417
Economic and environmental services		2 721	2 653	-	-	-	-	(796)	(796)	1 857	2 772	2 899
Planning and development		2 721	2 653	-	-	-	-	(796)	(796)	1 857	2 772	2 899
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		665 936	656 215	-	-	-	-	278 681	278 681	934 896	1 003 344	865 804
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		647 830	638 250	-	-	-	-	278 681	278 681	916 931	984 607	846 204
Waste water management		18 106	17 965	-	-	-	-	-	-	17 965	18 738	19 599
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		57	57	-	-	-	-	-	-	57	560	663
Total Revenue - Functional	2	1 441 865	1 432 913	-	-	-	-	240 627	240 627	1 672 540	1 731 457	1 638 535
Expenditure - Functional												
Governance and administration		312 391	397 557	-	-	-	-	(46 390)	(46 390)	351 168	157 805	165 205
Executive and council		35 144	41 132	-	-	-	-	(260)	(260)	40 873	32 580	34 079
Finance and administration		248 883	293 010	-	-	-	-	(46 130)	(46 130)	246 880	114 888	120 313
Internal audit		28 364	63 415	-	-	-	-	-	-	63 415	10 338	10 813
Community and public safety		28 084	29 541	-	-	-	-	9 162	9 162	38 703	26 183	27 313
Community and social services		9 176	9 901	-	-	-	-	9 162	9 162	19 063	13 973	14 541
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		6 234	7 405	-	-	-	-	-	-	7 405	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		12 674	12 235	-	-	-	-	-	-	12 235	12 210	12 772
Economic and environmental services		22 960	23 260	-	-	-	-	-	-	23 260	20 747	21 701
Planning and development		22 960	23 260	-	-	-	-	-	-	23 260	20 747	21 701
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		393 586	563 331	-	-	-	-	-	-	563 331	339 990	328 521
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		378 362	552 249	-	-	-	-	-	-	552 249	326 178	314 074
Waste water management		15 224	11 082	-	-	-	-	-	-	11 082	13 812	14 447
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		10 615	10 940	-	-	-	-	(30)	(30)	10 910	9 041	9 457
Total Expenditure - Functional	3	767 636	1 024 630	-	-	-	-	(37 258)	(37 258)	987 372	553 766	552 197
Surplus/ (Deficit) for the year		674 228	407 383	-	-	-	-	277 885	277 885	685 268	1 177 691	1 086 338

MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional and the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table B4.

DC26 Zululand - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 20/06/2025

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjus. 8	Total Adjus. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		89 962	89 916	-	-	-	-	(46 420)	(46 420)	43 496	977	1 099
Vote 03 - Finance		680 030	680 755	-	-	-	-	-	-	680 755	722 246	766 596
Vote 04 - Community Development		3 215	2 474	-	-	-	-	9 162	9 162	11 636	2 118	2 136
Vote 05 - Planning & Wsa		581 490	578 819	-	-	-	-	277 885	277 885	856 704	922 625	781 371
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		69 061	62 084	-	-	-	-	-	-	62 084	64 754	67 732
Vote 09 - Waste Water		18 106	17 965	-	-	-	-	-	-	17 965	18 738	19 599
Vote 10 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 441 865	1 432 013	-	-	-	-	240 627	240 627	1 672 640	1 731 457	1 638 535
Expenditure by Vote	1											
Vote 01 - Council		45 311	53 058	-	-	-	-	(40)	(40)	53 018	39 008	40 802
Vote 02 - Corporate Services		211 286	286 880	-	-	-	-	(46 420)	(46 420)	240 460	70 945	74 209
Vote 03 - Finance		59 309	60 548	-	-	-	-	40	40	60 588	45 795	48 041
Vote 04 - Community Development		47 801	51 280	-	-	-	-	9 162	9 162	60 442	49 235	51 425
Vote 05 - Planning & Wsa		27 462	23 789	-	-	-	-	-	-	23 789	75 338	51 740
Vote 06 - Technical Services		5 758	5 639	-	-	-	-	(30)	(30)	5 609	6 413	6 708
Vote 07 - Water Purification		47 565	50 610	-	-	-	-	-	-	50 610	48 672	50 911
Vote 08 - Water Distribution		307 920	481 744	-	-	-	-	30	30	481 774	204 548	213 913
Vote 09 - Waste Water		15 224	11 082	-	-	-	-	-	-	11 082	13 812	14 447
Vote 10 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	767 636	1 024 630	-	-	-	-	(37 258)	(37 258)	987 372	553 766	552 197
Surplus/ (Deficit) for the year	2	674 228	407 383	-	-	-	-	277 885	277 885	685 268	1 177 691	1 086 338

MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table B3 is a view of the budgeted 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 organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

DC26 Zululand - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 20/06/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		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	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water	2	68 294	61 317	–	–	–	–	–	–	61 317	63 954	66 896
Service charges - Waste Water Management	2	17 732	17 732	–	–	–	–	–	–	17 732	18 494	19 345
Service charges - Waste Management	2	–	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		578	230	–	–	–	–	–	–	230	800	837
Agency services		–	–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		823	823	–	–	–	–	–	–	823	858	898
Interest earned from Current and Non Current Assets		7 500	7 500	–	–	–	–	–	–	7 500	8 000	8 368
Dividends		–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		504	504	–	–	–	–	–	–	504	504	504
Licence and permits		176	283	–	–	–	–	–	–	283	295	308
Operational Revenue		565	1 288	–	–	–	–	–	–	1 288	1 344	1 405
Non-Exchange Revenue												
Property rates	2	–	–	–	–	–	–	–	–	–	–	–
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 467	580	–	–	–	–	–	–	580	605	633
Licences or permits		–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		768 030	768 164	–	–	–	–	(37 258)	(37 258)	730 906	720 384	757 969
Interest		–	–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		865 670	858 421	–	–	–	–	(37 258)	(37 258)	821 163	815 238	857 164
Expenditure By Type												
Employee related costs		310 172	327 346	–	–	–	–	76	76	327 422	302 013	315 906
Remuneration of councillors		9 465	10 755	–	–	–	–	–	–	10 755	11 640	12 176
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		25 676	25 274	–	–	–	–	–	–	25 274	10 250	10 705
Debt impairment		6 000	6 000	–	–	–	–	–	–	6 000	4 000	4 184
Depreciation and amortisation		91 315	91 315	–	–	–	–	–	–	91 315	95 000	99 370
Interest		7 013	11 976	–	–	–	–	20	20	11 996	7 575	7 924
Contracted services		203 358	354 916	–	–	–	–	(38 433)	(38 433)	316 483	87 677	64 771
Transfers and subsidies		2 100	2 365	–	–	–	–	(29)	(29)	2 336	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–
Operational costs		112 988	195 134	–	–	–	–	(13)	(13)	195 121	35 611	37 162
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		768 086	1 025 080	–	–	–	–	(38 379)	(38 379)	986 701	553 766	552 197
Surplus/(Deficit)		97 583	(166 659)	–	–	–	–	1 121	1 121	(165 538)	261 472	304 967
Transfers and subsidies - capital (monetary allocations)		576 195	573 592	–	–	–	–	277 885	277 885	851 477	916 219	781 371
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation		673 778	406 933	–	–	–	–	279 006	279 006	685 939	1 177 691	1 086 338
Income Tax		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		673 778	406 933	–	–	–	–	279 006	279 006	685 939	1 177 691	1 086 338
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		673 778	406 933	–	–	–	–	279 006	279 006	685 939	1 177 691	1 086 338
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	1	673 778	406 933	–	–	–	–	279 006	279 006	685 939	1 177 691	1 086 338

MBRR Table B4 - Budgeted Financial Performance (revenue and expenditure)

Table B4 indicates the budgeted revenue and expenditure by source, and the calculated surplus which will be used to fund Capital Expenditure on table B5.

DC26 Zululand - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 20/06/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjus. 10	Total Adjus. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Finance		-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Community Development		-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Planning & Wsa		-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		3 478	3 478	-	-	-	-	-	-	3 478	-	-
Vote 03 - Finance		870	870	-	-	-	-	-	-	870	-	-
Vote 04 - Community Development		174	174	-	-	-	-	-	-	174	87	88
Vote 05 - Planning & Wsa		489 900	497 258	-	-	-	-	241 639	241 639	738 897	742 790	650 093
Vote 06 - Technical Services		6 173	0	-	-	-	-	-	-	0	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	32 174	-	-	-	-	-	-	32 174	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		500 595	533 953	-	-	-	-	241 639	241 639	775 592	742 877	650 180
Total Capital Expenditure - Vote		500 595	533 953	-	-	-	-	241 639	241 639	775 592	742 877	650 180
Capital Expenditure - Functional												
Governance and administration		4 348	4 348	-	-	-	-	-	-	4 348	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		4 348	4 348	-	-	-	-	-	-	4 348	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		174	174	-	-	-	-	-	-	174	87	88
Community and social services		174	174	-	-	-	-	-	-	174	87	88
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2 307	2 289	-	-	-	-	(692)	(692)	1 597	2 410	2 499
Planning and development		2 307	2 289	-	-	-	-	(692)	(692)	1 597	2 410	2 499
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		493 766	527 143	-	-	-	-	242 331	242 331	769 474	740 380	647 593
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		493 766	527 143	-	-	-	-	242 331	242 331	769 474	740 380	647 593
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	500 595	533 953	-	-	-	-	241 639	241 639	775 592	742 877	650 180
Funded by:												
National Government		496 073	497 258	-	-	-	-	241 639	241 639	738 897	742 790	650 093
Provincial Government		174	174	-	-	-	-	-	-	174	87	88
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	496 247	497 432	-	-	-	-	241 639	241 639	739 071	742 877	650 180
Borrowing		-	32 174	-	-	-	-	-	-	32 174	-	-
Internally generated funds		4 348	4 348	-	-	-	-	-	-	4 348	-	-
Total Capital Funding		500 595	533 953	-	-	-	-	241 639	241 639	775 592	742 877	650 180

MBRR Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table B5 indicates budgeted capital Expenditure by Municipal Vote and standard classification, the budgeted amount is funded from grants and own funds, the funding is taken from table B4 surplus.

DC26 Zululand - Table B6 Adjustments Budget Financial Position - 20/06/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash and cash equivalents		417 029	(11 176)	-	-	-	-	36 246	36 246	25 070	479 180	974 249
Trade and other receivables from exchange transactions	1	79 729	66 307	-	-	-	-	-	-	66 307	99 976	135 193
Receivables from non-exchange transactions	1	7 109	5 696	-	-	-	-	-	-	5 696	5 696	5 696
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		2 824	3 966	-	-	-	-	-	-	3 966	3 966	3 966
VAT		80 813	64 744	-	-	-	-	-	-	64 744	64 744	64 744
Other current assets		24 653	23 584	-	-	-	-	-	-	23 584	23 584	23 584
Total current assets		612 157	153 122	-	-	-	-	36 246	36 246	189 368	677 146	1 207 433
Non current assets												
Investments									-	-		
Investment property									-	-		
Property, plant and equipment	3	5 311 270	5 860 992	-	-	-	-	241 639	241 639	6 102 631	5 974 921	5 782 861
Biological assets									-	-		
Living and non-living resources									-	-		
Heritage assets		7 817	7 817	-	-	-	-	-	-	7 817	7 817	7 817
Intangible assets		32	8	-	-	-	-	-	-	8	3	(3)
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	10	-	-	-	-	-	-	10	10	10
Total non current assets		5 319 119	5 868 827	-	-	-	-	241 639	241 639	6 110 466	5 982 751	5 790 684
TOTAL ASSETS		5 931 276	6 021 949	-	-	-	-	277 885	277 885	6 299 834	6 659 897	6 998 117
LIABILITIES												
Current liabilities												
Bank overdraft									-	-		
Financial liabilities		1 556	18 318	-	-	-	-	-	-	18 318	18 318	18 318
Consumer deposits		3 702	3 463	-	-	-	-	-	-	3 463	3 463	3 463
Trade and other payables from exchange transactions		450 406	485 717	-	-	-	-	-	-	485 717	345 272	345 272
Trade and other payables from non-exchange transactions		-	1 446	-	-	-	-	-	-	1 446	1 446	1 446
Provisions		2 154	34 940	-	-	-	-	-	-	34 940	27 940	27 940
VAT		10 311	5 378	-	-	-	-	-	-	5 378	9 725	14 272
Other current liabilities									-	-		
Total current liabilities		468 129	549 262	-	-	-	-	-	-	549 262	406 164	410 711
Non current liabilities												
Borrowing	1	80 589	69 060	-	-	-	-	-	-	69 060	58 924	49 136
Provisions	1	41 109	44 070	-	-	-	-	-	-	44 070	51 070	51 070
Long term portion of trade payables		32 779	2 925	-	-	-	-	-	-	2 925	143 370	143 370
Other non-current liabilities									-	-		
Total non current liabilities		154 477	116 055	-	-	-	-	-	-	116 055	253 363	243 575
TOTAL LIABILITIES		622 606	665 317	-	-	-	-	-	-	665 317	659 527	654 286
NET ASSETS	2	5 308 670	5 356 632	-	-	-	-	277 885	277 885	5 634 517	6 000 370	6 343 830
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		5 308 220	5 355 400	-	-	-	-	279 006	279 006	5 634 406	5 999 587	6 343 048
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other									-	-		
TOTAL COMMUNITY WEALTH/EQUITY		5 308 220	5 355 400	-	-	-	-	279 006	279 006	5 634 406	5 999 587	6 343 048

MBRR Table B6 - Budgeted Financial Position

Table A6 is consistent with international standards of good financial management practice and improves the understanding ability of councilors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth.

Table SB2 provides a detailed analysis of the major components of several items, including:

Call investments deposits.

Cash & Overdraft

Consumer debtors.

Property, plant, and equipment.

Trade and other payables.

Provisions

Debt impairment

The financial position determines whether the Municipality will be able to generate enough revenue from its assets to service its liabilities and maintain its operations. Below each line item on the face of financial position will be explained.

CURRENT ASSETS

Cash

Cash at the end of the financial year is expected to be **R25 million**. This represents an increase of **R36.2 million** from **-R11.1 million** as per approved adjustment budget, this is because of changes in Cash position resulting from performance of the municipality.

Consumer debtors

Consumer debtors include debtors from water and sanitation services, the expected balance at the end of the financial year is **R66.3 million**. Consumer debtors therefore remain the same.

Consumer debtors are calculated as follows:

Opening balance	R36.5 million
Current year billing	R91.4 million
Collection	(R55.1 million)
Provision	(R6.5 million)
Debtors Balance	R66.3 million

Other debtors

Other debtors consist of debtors other than consumer debtors, which include Security deposits, VAT Receivable, Prepayments, Overpayments, etc. The budgeted balance at the end of the financial year is **94 million**.

Other debtors have remained the same as the approved first adjustment budget.

Other debtors are calculated as follows:

VAT	R64.7 million
Deposit made	R19.4 million
Third Party Refunds	R3.8 million
UWIF	R5.6 million
Debtors Balance	R94 million

Inventory

The inventory is assumed to be **R3.9 million** by the end of the financial year. Inventories consist of water stock and consumable stores.

Inventory have been revised upwards by **R1.1 million** from **R2.8 million** to **R3.9 million**, the revised amount is attributed to change in opening balances. Inventory will remain the same.

Opening balance	R3.9 million
Bulk water purchases	R18.5 million
Bulk water Billed	(R18.5 million)
Materials and supplies Acquisition	R4.9 million
Materials and supplies Issues	(R4.9 million)
Consumable stores Acquisition	R1.3 million
Consumable stores Issues	(R1.3 million)
Closing balance	R3.9 million

NON-CURRENT ASSETS

Long term receivables

The Municipality does not have receivables classified as long-term receivables.

Property plant and equipment

Property plant and equipment includes capital acquisition from table B5, and the carrying amount of all assets owned by the municipality, total expected balance at the end of the financial year is **R6.1 billion**.

Property plant and equipment has been revised upwards by **R241.6 million** from **R5.8 billion** to **R6.1 billion**, the revised amount is attributed to the additional capital funding.

Intangible

The approved adjustment budget of **R24 thousand** on intangible assets will remain the same as per the approved first adjustment budget.

CURRENT LIABILITIES

Financial liabilities

This includes the loan repayment and financial lease payments, the budget amounts to **R18.3 million**.

Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, the expected balance at the end of the financial year is **R3.4 million**. The approved adjustment budget of **R3.4 million** remains the same as the first adjustment budget.

Trade and other payables

Trade and other payables are amounts owed by the municipality. Trade and other payables are based on the 23/24 audited Annual financial statements (AFS), Trade and other payables amount to **R492.5 million** remain the same as the first adjustment.

Below is the breakdown of trade and other payables.

Calculation of Trade and other payables are calculated as follows.

Creditors Control		R293.9 million
Retention	-	R84.9 million
Leave Accrual		R109.5 thousand.
DWS		R91.4 million
Output VAT		R5.3 million
Advance payments		R2.1 million
Unspent grant		R1.4 million
Eskom		R11.8 million
Unallocated Deposits		R474 thousand
Employee related		R836 thousand
Closing balance		R492.5 million

Current Provisions

Current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. Current Provisions have not been from **R34.9 million**.

NON-CURRENT LIABILITIES

Borrowing

Relates to finance lease of asset, the municipality has entered into a lease agreement for the procurement of laptops. The provisions are for long service awards and post-retirement medical aid benefits.

Borrowing has not been revised but remains at R69 million.

Non- Current Provisions

Non - Current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. The provisions are for long service awards and post-retirement medical aid benefits. Non - Current Provisions have not been adjusted from **R44 million** from the first adjustment budget.

Long-term portion of trade payables

This is the non-current opening balance of water bulk purchases. The approved adjusted budget of **R2.9 million** will remain as the first adjustment budget.

The accumulated surplus is the net worth of the Municipality, sitting at **R5.6 billion**.

DC26 Zululand - Table B7 Adjustments Budget Cash Flows - 20/06/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates									-	-		
Service charges		60 766	60 766	-	-	-	-	(4 700)	(4 700)	56 066	58 477	61 167
Other revenue		121 898	121 898	-	-	-	-	24 148	24 148	146 045	126 002	133 106
Transfers and Subsidies - Operational	1	768 030	768 030	-	-	-	-	8 725	8 725	776 756	720 384	757 969
Transfers and Subsidies - Capital	1	576 195	576 195	-	-	-	-	276 078	276 078	852 273	916 219	756 953
Interest		7 995	7 995	-	-	-	-	-	-	7 995	8 516	8 908
Dividends									-	-		
Payments												
Suppliers and employees		(789 533)	(789 533)	-	-	-	-	(285 153)	(285 153)	(1 074 687)	(577 116)	(553 536)
Finance charges									-	-		
Transfers and Subsidies	1	(2 415)	(2 415)	-	-	-	-	(305)	(305)	(2 720)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		742 935	742 935	-	-	-	-	18 793	18 793	761 728	1 252 482	1 164 567
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		(500 595)	(500 595)	-	-	-	-	(274 998)	(274 998)	(775 592)	(854 309)	(747 707)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(500 595)	(500 595)	-	-	-	-	(274 998)	(274 998)	(775 592)	(854 309)	(747 707)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									-	-		
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		3	3	-	-	-	-	-	-	3	-	-
Payments												
Repayment of borrowing		(18 096)	(18 096)	-	-	-	-	-	-	(18 096)	(17 712)	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(18 093)	(18 093)	-	-	-	-	-	-	(18 093)	(17 712)	(17 712)
NET INCREASE/ (DECREASE) IN CASH HELD		224 247	224 247	-	-	-	-	(256 204)	(256 204)	(31 957)	380 462	399 148
Cash/cash equivalents at the year begin:	2	192 785	57 071	-	-	-	-	-	-	57 071	25 114	405 575
Cash/cash equivalents at the year end:	2	417 032	281 318	-	-	-	-	(256 204)	(256 204)	25 114	405 575	804 723

MBRR Table B7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

Cashflow from Operating Activities

Receipts

Service charges

The **R56 million** on service charges is based on the **60%** collection rate. Service charges will remain the same.

The municipality will also take the following initiatives to boost the collection rate:

- The municipality is also collecting 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.
- Municipality has set a target to collect all debts from Government departments.
- The installation of new meters will assist a lot because there will be customer confidence.

- Municipality have adopted the indigent policy, that will assist in determination of the indigent households. The indigent register is in progress.

Other Revenue

Other revenue is mainly VAT refunds and any other revenue that might be received by the municipality. Other Revenue is **R146 million**.

Other Revenue has been revised upwards by **R24.1 million** from **R121.8 million** to **R146 million**, the revised amount is attributed to an increase in VAT refund that is based on the mid-year performance assessment.

Transfers and subsidies – Operational

Transfers and subsidies - Operational - are expected to be received as per DoRA, these are grants received to fund operational expenditure.

Transfers and subsidies – Operational have been revised upwards by **R8.7 million** from **R768 million** to **R776.7 million**, the revised amount is attributed to grants received of **R9 million** and reduction of **R210 thousand**.

Transfers and subsidies – Capital

Transfers and subsidies - Capital are expected to be received as per DORA. These are grants received to fund capital expenditure.

Transfers and subsidies – Capital have been revised upwards by **R276 million** from **R573.5 million** to **R852.2 million**, the revised amount is attributed to the revised gazette that increases MIG, WSIG and RBIG.

Interest

Interest of **R7 million** is based on the year to date actual, this interest includes both interest on investments made and interest on bank balance. Interest will remain the same.

Payments to Suppliers and employees

The municipality is expecting to spend 100% of what has been budgeted on 2024-2025 Table B4 but excluding non-cash items such as depreciation and debt impairment. **R1 billion** will be paid.

Payments to Suppliers and employees has been revised upwards by **R285 million** from **R789 million** to **R1 billion**, the revised amount is attributed to expenditure adjustments on table B4 and payment of balance sheet items such as retention released, accrued bonus, finance lease payments, and post-retirement employee benefit payments.

Transfers and grants paid.

Transfers and grants are expected to be 100% spent, these cash payment are included on payments to suppliers and employees. Transfers and grants will remain the same at **R2.7 million** as per the first adjustment budget.

Cashflow from Investing activities

Payments Capital Assets

The capital budget is expected to be 100% spent by the end of the financial year, **R775 million**.

Cash and cash equivalents at the end

Cash and cash equivalents are expected to be **R25 million** and this is what is available to apply on working capital on table A8

Cash backed reserves/accumulated surplus reconciliation.

DC26 Zululand - Table B8 Cash backed reserves/accumulated surplus reconciliation - 20/06/2025

2025 Estimate - Table 25 Cash-backed reserves/accumulated surplus recommendation - 20/09/2025												
Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
<u>Cash and investments available</u>												
Cash/cash equivalents at the year end	1	417 032	281 318	–	–	–	–	(256 204)	(256 204)	25 114	405 575	804 723
Other current investments > 90 days		7 106	(286 798)	–	–	–	–	292 450	292 450	5 653	79 301	175 222
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		424 138	(5 480)	–	–	–	–	36 246	36 246	30 766	484 876	979 945
<u>Applications of cash and investments</u>												
Unspent conditional transfers		–	1 446	–	–	–	–	–	–	1 446	1 446	1 446
Unspent borrowing		–	–	–	–	–	–	–	–	–	–	–
Statutory requirements		(70 502)	(59 366)	–	–	–	–	–	–	(59 366)	(55 019)	(50 472)
Other working capital requirements	2	432 082	470 395	–	–	–	–	(2 400)	(2 400)	467 995	321 360	313 340
Other provisions		2 154	34 940	–	–	–	–	–	–	34 940	27 940	27 940
Long term investments committed		–	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		363 734	447 415	–	–	–	–	(2 400)	(2 400)	445 015	295 727	292 254
Surplus(shortfall)		60 404	(452 895)	–	–	–	–	38 646	38 646	(414 248)	189 150	687 692

MBRR Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

Based on the recalculated Funding position it is evident that, the 2023/2024 Adjusted budget is unfunded.

The cause of the unfunded position is that the municipality has a large volume of creditors accumulated from previous financial years. Trade and other payables are **R492.5million.**

Corrective steps and remedial actions taken by the municipality:

The Municipality has prepared a Budget funding plan showing an improving funding position starting from 2024/2025 budget year, the budget funding plan has been tabled and adopted by council. Which include utilization of VAT refunds from capital grants to reduce creditors. This also includes the arrangements to be made with the suppliers so the municipality can pay at an affordable pace and defer the balance to the next financial year.

DC26 Zululand - Table B9 Asset Management - 20/06/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		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	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	500 595	533 953	-	-	-	-	241 639	241 639	775 592	742 877	650 180
Roads Infrastructure		2 307	2 289	-	-	-	-	(692)	(692)	1 597	2 410	2 499
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		489 059	494 969	-	-	-	-	242 331	242 331	737 300	740 380	647 593
Sanitation Infrastructure		4 707	0	-	-	-	-	-	-	0	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		496 073	497 258	-	-	-	-	241 639	241 639	738 897	742 790	650 093
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		3 913	3 913	-	-	-	-	-	-	3 913	-	-
Furniture and Office Equipment		435	435	-	-	-	-	-	-	435	-	-
Machinery and Equipment		174	32 348	-	-	-	-	-	-	32 348	87	88
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets to be adjusted	2a	-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	500 595	533 953	-	-	-	241 639	241 639	775 592	742 877	650 180	
Roads Infrastructure		2 307	2 289	-	-	-	(692)	(692)	1 597	2 410	2 499	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		489 059	494 969	-	-	-	242 331	242 331	737 300	740 380	647 593	
Sanitation Infrastructure		4 707	0	-	-	-	-	-	0	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	
Infrastructure		496 073	497 258	-	-	-	241 639	241 639	738 897	742 790	650 093	
Community Facilities		-	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	-	-	-	-	-	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	
Other Assets		-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	
Computer Equipment		3 913	3 913	-	-	-	-	-	3 913	-	-	
Furniture and Office Equipment		435	435	-	-	-	-	-	435	-	-	
Machinery and Equipment		174	32 348	-	-	-	-	-	32 348	87	88	
Transport Assets		-	-	-	-	-	-	-	-	-	-	
Land		-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	-	
TOTAL CAPITAL EXPENDITURE to be adjusted	4	500 595	533 953	-	-	-	241 639	241 639	775 592	742 877	650 180	

ASSET REGISTER SUMMARY - PPE (WDV)	5	4 003 766	4 513 891	-	-	-	-	241 639	241 639	4 755 530	4 627 814	4 435 748
Roads Infrastructure		14 974	1 571	-	-	-	-	(692)	(692)	879	931	222
Storm water Infrastructure				-	-	-	-	-	-	-	-	-
Electrical Infrastructure		813	(36)	-	-	-	-	-	-	(36)	(75)	(116)
Water Supply Infrastructure		3 875 470	4 370 017	-	-	-	-	242 331	242 331	4 612 348	4 533 586	4 355 193
Sanitation Infrastructure		39 555	36 724	-	-	-	-	-	-	36 724	34 353	31 874
Solid Waste Infrastructure				-	-	-	-	-	-	-	-	-
Rail Infrastructure				-	-	-	-	-	-	-	-	-
Coastal Infrastructure				-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure				-	-	-	-	-	-	-	-	-
Infrastructure		3 930 812	4 408 276	-	-	-	-	241 639	241 639	4 649 915	4 568 795	4 387 173
Community Assets		31 026	29 330	-	-	-	-	-	-	29 330	29 276	29 235
Heritage Assets		7 849	7 825	-	-	-	-	-	-	7 825	7 820	7 813
Investment properties				-	-	-	-	-	-	-	-	-
Other Assets		21 653	21 821	-	-	-	-	-	-	21 821	20 370	18 853
Biological or Cultivated Assets				-	-	-	-	-	-	-	-	-
Intangible Assets				-	-	-	-	-	-	-	-	-
Computer Equipment		7 622	5 515	-	-	-	-	-	-	5 515	(295)	(2 294)
Furniture and Office Equipment		(1 393)	1 611	-	-	-	-	-	-	1 611	567	(69)
Machinery and Equipment		5 591	38 362	-	-	-	-	-	-	38 362	5 713	5 308
Transport Assets		606	681	-	-	-	-	-	-	681	(4 902)	(10 741)
Land		-	470	-	-	-	-	-	-	470	470	470
Zoo's, Marine and Non-biological Animals				-	-	-	-	-	-	-	-	-
Living Resources				-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	4 003 766	4 513 891	-	-	-	-	241 639	241 639	4 755 530	4 627 814	4 435 748
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		91 315	91 315	-	-	-	-	-	-	91 315	95 000	99 370
<u>Repairs and Maintenance by asset class</u>	3	70 993	138 358	-	-	-	-	8 799	8 799	147 157	45 589	52 551
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		67 193	126 776	-	-	-	-	9 085	9 085	135 861	45 389	52 351
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		67 193	126 776	-	-	-	-	9 085	9 085	135 861	45 389	52 351
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		2 000	1 950	-	-	-	-	(366)	(366)	1 584	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		2 000	1 950	-	-	-	-	(366)	(366)	1 584	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		300	300	-	-	-	-	-	-	300	200	200
Machinery and Equipment		100	165	-	-	-	-	80	80	245	-	-
Transport Assets		1 400	9 167	-	-	-	-	-	-	9 167	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		162 308	229 673	-	-	-	-	8 799	8 799	238 471	140 589	151 921

MBRR Table B9 - Asset Management

Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

The infrastructure is funded solely by grants such as MIG, RBIG and WISG, most portions is spent on water provision. The municipal budget for repairs and maintenance is not 8% of PPE, funding is very limited; at the moment there is nothing the municipality can do to fund the budget.

DC26 Zululand - Table B10 Basic service delivery measurement - 20/06/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjus. 12 F	Total Adjus. 13 G	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
Household service targets	1											
Water:												
Piped water inside dwelling		0	0	0	0	0	0	0	-	-	0	0
Piped water inside yard (but not in dwelling)		9200	0	0	0	0	0	0	-	9	10120	10616
Using public tap (at least min.service level)	2									-		
Other water supply (at least min.service level)		8200	0	0	0	0	0	0	-	8	9	9
<i>Minimum Service Level and Above sub-total</i>												
Using public tap (< min.service level)	3	17	-	-	-	-	-	-	-	17	19	20
Other water supply (< min.service level)	3.4	0	0	0	0	0	0	0	-	-	0	0
No water supply									-	-		
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	17	-	-	-	-	-	-	-	17	19	20
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		0	0	0	0	0	0	0	-	-	0	0
Flush toilet (with septic tank)									-	-		
Chemical toilet									-	-		
Pit toilet (ventilated)		0	0	0	0	0	0	0	-	-	0	0
Other toilet provisions (> min.service level)									-	-		
<i>Minimum Service Level and Above sub-total</i>												
Bucket toilet									-	-		
Other toilet provisions (< min.service level)		6190	0	0	0	0	0	0	-	6 190	6809	6396
No toilet provisions									-	-		
<i>Below Minimum Service Level sub-total</i>		6 190	-	-	-	-	-	-	-	6 190	6 809	6 396
Total number of households	5	6 190	-	-	-	-	-	-	-	6 190	6 809	6 396
Energy:												
Electricity (at least min. service level)									-	-		
Electricity - prepaid (> min.service level)									-	-		
<i>Minimum Service Level and Above sub-total</i>												
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Refuse:												
Removed at least once a week (min.service)									-	-		
<i>Minimum Service Level and Above sub-total</i>												
Removed less frequently than once a week									-	-		
Using communal refuse dump									-	-		
Using own refuse dump									-	-		
Other rubbish disposal									-	-		
No rubbish disposal									-	-		
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		13	-	-	-	-	-	-	-	13	14	15
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-	-	-
<i>Informal Settlements</i>		13	-	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		5 000	(62)	-	-	-	-	-	-	(62)	5 063	5 296
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)												
Total cost of FBS provided		5 000	(62)	-	-	-	-	-	-	(62)	5 063	5 296
Highest level of free service provided												
Property rates (R'000 value threshold)									-	-		
Water (kilolitres per household per month)									-	-		
Sanitation (kilolitres per household per month)									-	-		
Sanitation (Rand per household per month)									-	-		
Electricity (kwh per household per month)									-	-		
Refuse (average litres per week)									-	-		
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)									-	-		
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates									-	-		
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-	-	-
Other									-	-		
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-	-	-

B10 Basic service delivery measurement

More details are provided in Table B10 Basic service delivery measurement.

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The information in the B10 is provided or taken from the municipality WSDP for 2021/2022. The Zululand district municipality is operating in the area that is dominated by rural areas, most households seem to be indigent as we are in the process of updating the register, the households that are getting billed are people from small urban areas, so the number of households with access to water will increase but not correlating with the increase in service charges. The municipality still stand with the target that was outlined in approved budget.

PART 2 – SUPPORTING DOCUMENTS

2.1 ADJUSTMENTS TO BUDGET ASSUMPTIONS

The adjustment to the budget assumptions is driven by performance against approved budget. There are movements and adjustments made to operating budget and capital budget. The municipality decided to approach the budget in the way that is cost saving and avoid unnecessary expenditure and prioritize service delivery programs.

2.2 ADJUSTMENTS TO BUDGET FUNDING

The funding of the adjustment budget is structured as follows:

	FINAL BUDGET 2024/ 2025	MOVEMENTS	ADJUSTED BUDGET 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
Employee related costs	310 171 839	17 173 926	327 345 765	324 439 733	339 363 960.75
Remuneration of councillors	9 465 497	1 289 409	10 754 906	9 900 908	10 356 349.67
Debt impairment	6 000 000		6 000 000	6 276 000	6 564 696.00
Depreciation & asset impairment	91 314 533		91 314 533	95 515 001	99 908 691.07
Finance charges	7 013 197	4 962 812	11 976 009	7 335 804	7 673 251.05
Inventory consumed	25 676 000	- 401 600	25 274 400	26 386 396	27 600 170.22
Contracted services	203 357 643	151 558 069	354 915 712	114 104 570	119 353 380.54
Transfers and subsidies	2 100 000	265 000	2 365 000	2 196 600	2 297 643.60
Other expenditure	112 987 600	82 145 963	195 133 563	117 975 833	123 402 721.26
TOTAL EXPENDITURE	768 086 308.53	256 993 579.17	1 025 079 887.70	704 130 845.28	736 520 864.16

The way that the budget is funded will ensure that the municipality will be sustainable on the short term.

Planned savings and efficiencies.

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

Telephone costs

Overtime

Non-priority projects

Investments

Short-term investments are anticipated to take place during the financial year, but no investment is projected at year-end of the budget financial year.

2.3 ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

There have been amendments to grants allocation as per provincial gazette allocation. The expectation is that the remaining balance on all grant's allocation will be exhausted at the end of the year.

Budgeted allocations and grants

Please refer to Supporting Table SB8: Expenditure on transfers and grant programmed.

DC26 Zululand - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 20/06/2025

Description	Ref	Budget Year 2024/25							Budget Year	Budget Year
		Original	Prior Adjusted	Multi-year	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	
		Budget	2	capital	Govt			Budget	Budget	
R thousands		A	A1	B	C	D	E	F		
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
Operating expenditure of Transfers and Grants										
National Government:		587 778	844 639	–	–	9 085	9 085	853 724	461 848	456 124
Equitable Share		576 385	836 693	–	–	–	–	836 693	400 220	418 630
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		5 227	5 227	–	–	–	–	5 227	6 406	6 656
Local Government Financial Management Grant		1 201	1 201	–	–	–	–	1 201	1 300	1 500
Municipal Disaster Relief Grant		–	–	–	–	9 085	9 085	9 085	–	–
Municipal Infrastructure Grant		4 966	0	–	–	–	–	0	53 922	29 339
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	1 500	–	–	–	–	1 500	–	–
Rural Road Asset Management Systems Grant		–	18	–	–	–	–	18	–	–
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		1 711	1 891	–	–	77	77	1 968	2 119	2 142
Capacity Building and Other Grants		1 711	1 891	–	–	77	77	1 968	2 119	2 142
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		89 505	89 459	–	–	(46 420)	(46 420)	43 039	–	–
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		1 259	1 212	–	–	(210)	(210)	1 002	–	–
National Skills Fund		88 246	88 246	–	–	(46 210)	(46 210)	42 037	–	–
Total operating expenditure of Transfers and Grants:		678 995	935 988	–	–	(37 258)	(37 258)	898 731	463 967	458 266
Capital expenditure of Transfers and Grants										
National Government:		496 073	497 258	–	–	241 639	241 639	738 897	742 790	650 093
Municipal Infrastructure Grant		220 723	223 425	–	–	5 217	5 217	228 643	179 964	225 780
Regional Bulk Infrastructure Grant		186 087	184 587	–	–	188 910	188 910	373 497	473 459	321 813
Rural Road Asset Management Systems Grant		2 307	2 289	–	–	(692)	(692)	1 597	2 410	2 499
Water Services Infrastructure Grant		86 957	86 957	–	–	48 203	48 203	135 160	86 957	100 000
Provincial Government:		174	174	–	–	–	–	174	87	88
Capacity Building and Other Grants		–	–	–	–	–	–	–	–	–
Infrastructure Grant		174	174	–	–	–	–	174	87	88
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		496 247	497 432	–	–	241 639	241 639	739 071	742 877	650 180
Total capital expenditure of Transfers and Grants		1 175 242	1 433 420	–	–	204 382	204 382	1 637 801	1 206 844	1 108 447

2.4 ADJUSTMENTS TO ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

Please refer to Supporting Table SB10 Transfers and grants made by the municipality.
The Municipality subsidies households and business through its relief programme

DC26 Zululand - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality - 20/06/2025

Budget Year 2024/25												Budget Year +1 2025/26	Budget Year +2 2026/27
Description	Ref	Original Budget	Prior Adjusted 6 A1	Accum. Funds 7 B	Multi-year capital 8 C	Unfore. Unavoid. 9 D	Nat. or Prov. Govt 10 E	Other Adjusts. 11 F	Total Adjusts. 12 G	Adjusted Budget 13 H	Adjusted Budget	Adjusted Budget	
R thousands		A	A1	B	C	D	E	F	G	H			
Cash transfers to other municipalities													
Dm Kzn: Zululand - Planning &Dev	1	-	-	-	-	-	-	-	-	-	-	-	
Dm Kzn: Zululand - Planning &Dev		-	-	-	-	-	-	-	-	-	-	-	
[insert description]									-	-			
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-	
Cash transfers to Entities/Other External Mechanisms													
[insert description]	2								-	-			
[insert description]									-	-			
[insert description]									-	-			
TOTAL ALLOCATIONS TO ENTITIES/EMs'		-	-	-	-	-	-	-	-	-	-	-	
Cash transfers to other Organs of State													
Ts_O_M_Da&A_Nda_Lgw&Rs Seta Fire&Rescue	3	-	-	-	-	-	-	-	-	-	-	-	
Ts_O_M_Da&A_Nda_Lgw&Rs Seta Waste Water		-	-	-	-	-	-	-	-	-	-	-	
[insert description]									-	-			
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-	
Cash transfers to other Organisations													
[insert description]	4								-	-			
[insert description]									-	-			
[insert description]									-	-			
TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-	
Groups of Individuals													
[insert description]													
[insert description]													
[insert description]													
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-	-	
TOTAL CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-	
Non-cash transfers to other municipalities													
[insert description]	1								-	-			
[insert description]									-	-			
[insert description]									-	-			
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-	
Non-cash transfers to Entities/Other External Mechanisms													
[insert description]	2								-	-			
[insert description]									-	-			
[insert description]									-	-			
TOTAL ALLOCATIONS TO ENTITIES/EMs'		-	-	-	-	-	-	-	-	-	-	-	
Non-cash transfers to other Organs of State													
[insert description]	3								-	-			
[insert description]									-	-			
[insert description]									-	-			
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-	
Non-cash transfers to other Organisations													
Ts_O_Ik_Np Ins_Unspecified	4	-	-	-	-	-	-	-	-	-	-	-	
Ts_O_Ik_Np Ins_Unspecified		1 500	1 765	-	-	-	-	(29)	(29)	1 736	-	-	
[insert description]									-	-			
Total Non-Cash Grants To Organisations		1 500	1 765	-	-	-	-	(29)	(29)	1 736	-	-	
Groups of Individuals													
Hh Ssp Soc Ass: Poverty Relief		-	-	-	-	-	-	-			-	-	
Ts_O_Ik_Hth_Soc Assis_Social Relief		600	600	-	-	-	-	-			-	-	
[insert description]													
Total Non-Cash Grants To Groups Of Individuals:		600	600	-	-	-	-	-	-	-	-	-	
TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:		2 100	2 365	-	-	-	-	(29)	(29)	1 736	-	-	
TOTAL NON-CASH TRANSFERS	5	2 100	2 365	-	-	-	-	(29)	(29)	1 736	-	-	
TOTAL TRANSFERS		2 100	2 365	-	-	-	-	(29)	(29)	1 736	-	-	

2.5 ADJUSTMENTS TO COUNCILLORS ALLOWANCE AND EMPLOYEE BENEFITS

No adjustment budgets on the salaries and allowances of municipal staff and councilors. Please refer to Supporting Table SB11 Councilors Allowances, Senior Managers, and all employees.

DC26 Zululand - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 20/06/2025

Summary of remuneration	Ref	Budget Year 2024/25									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	5	6	7	8	9	10	11	12	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		–	–			–		–	–	–	
Pension and UIF Contributions		563	587			–		–	–	587	4.2%
Medical Aid Contributions		41	51			–		–	–	51	23.8%
Motor Vehicle Allowance		2 012	2 368			–		–	–	2 368	17.7%
Cellphone Allowance		483	784			–		–	–	784	
Housing Allowances		180	180			–		–	–	180	
Other benefits and allowances		6 187	6 785			–		–	–	6 785	
Sub Total - Councillors		9 465	10 755			–		–	–	10 755	13.6%
% increase			0								
Senior Managers of the Municipality											
Basic Salaries and Wages		8 555	8 185	–		–		–	–	8 185	-4.3%
Pension and UIF Contributions		444	492	–		–		–	–	492	10.7%
Medical Aid Contributions		123	130	–		–		–	–	130	6.1%
Overtime		–	–	–		–		–	–	–	
Performance Bonus		166	166	–		–		–	–	166	
Motor Vehicle Allowance		1 997	2 678	–		–		–	–	2 678	34.1%
Cellphone Allowance		317	317	–		–		–	–	317	0.0%
Housing Allowances		13	13	–		–		–	–	13	
Other benefits and allowances		249	249	–		–		–	–	249	
Payments in lieu of leave		–	–	–		–		–	–	–	
Long service awards		–	–	–		–		–	–	–	
Post-retirement benefit obligations		–	–	–		–		–	–	–	
Entertainment		–	–	–		–		–	–	–	
Scarcity		–	–	–		–		–	–	–	
Acting and post related allowance		–	–	–		–		–	–	–	
In kind benefits		–	–	–		–		–	–	–	
Sub Total - Senior Managers of Municipality		11 865	12 230	–		–		–	–	12 230	3.1%
% increase			0								
Other Municipal Staff											
Basic Salaries and Wages		221 924	216 595	–	–	–	–	75	75	216 671	-2.4%
Pension and UIF Contributions		24 008	30 573	–	–	–	–	1	1	30 574	27.4%
Medical Aid Contributions		17 029	18 301	–	–	–	–	–	–	18 301	7.5%
Overtime		5 780	5 780	–	–	–	–	–	–	5 780	0.0%
Performance Bonus		14 733	15 267	–	–	–	–	–	–	15 267	
Motor Vehicle Allowance		12 000	22 844	–	–	–	–	–	–	22 844	90.4%
Cellphone Allowance		821	821	–	–	–	–	–	–	821	0.0%
Housing Allowances		1 758	1 758	–	–	–	–	–	–	1 758	
Other benefits and allowances		253	3 175	–	–	–	–	0	0	3 176	
Payments in lieu of leave		–	–	–	–	–	–	–	–	–	
Long service awards		–	–	–	–	–	–	–	–	–	
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–	
Entertainment		–	–	–	–	–	–	–	–	–	
Scarcity		–	–	–	–	–	–	–	–	–	
Acting and post related allowance		–	–	–	–	–	–	–	–	–	
In kind benefits		–	–	–	–	–	–	–	–	–	
Sub Total - Other Municipal Staff		298 307	315 116	–	–	–	–	76	76	315 192	5.7%
% increase											
Total Parent Municipality		319 637	338 101	–	–	–	–	76	76	338 177	5.8%

Board Members of Entities											
Basic Salaries and Wages								-	-		
Pension and UIF Contributions								-	-		
Medical Aid Contributions								-	-		
Overtime								-	-		
Performance Bonus								-	-		
Motor Vehicle Allowance								-	-		
Cellphone Allowance								-	-		
Housing Allowances								-	-		
Other benefits and allowances								-	-		
Board Fees								-	-		
Payments in lieu of leave								-	-		
Long service awards								-	-		
Post-retirement benefit obligations	5							-	-		
Entertainment								-	-		
Scarcity								-	-		
Acting and post related allowance								-	-		
In kind benefits								-	-		
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-		
% increase											
Senior Managers of Entities											
Basic Salaries and Wages								-	-		
Pension and UIF Contributions								-	-		
Medical Aid Contributions								-	-		
Overtime								-	-		
Performance Bonus								-	-		
Motor Vehicle Allowance								-	-		
Cellphone Allowance								-	-		
Housing Allowances								-	-		
Other benefits and allowances								-	-		
Payments in lieu of leave								-	-		
Long service awards								-	-		
Post-retirement benefit obligations	5							-	-		
Entertainment								-	-		
Scarcity								-	-		
Acting and post related allowance								-	-		
In kind benefits								-	-		
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-		
% increase											
Other Staff of Entities											
Basic Salaries and Wages								-	-		
Pension and UIF Contributions								-	-		
Medical Aid Contributions								-	-		
Overtime								-	-		
Performance Bonus								-	-		
Motor Vehicle Allowance								-	-		
Cellphone Allowance								-	-		
Housing Allowances								-	-		
Other benefits and allowances								-	-		
Payments in lieu of leave								-	-		
Long service awards								-	-		
Post-retirement benefit obligations	5							-	-		
Entertainment								-	-		
Scarcity								-	-		
Acting and post related allowance								-	-		
In kind benefits								-	-		
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-		
% increase											
Total Municipal Entities		-	-	-	-	-	-	-	-		
TOTAL SALARY, ALLOWANCES & BENEFITS		319 637	338 101	-	-	-	-	76	76	338 177	5.8%
% increase											
TOTAL MANAGERS AND STAFF		310 172	327 346	-	-	-	-	76	76	327 422	5.6%

2.6 ADJUSTMENTS TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

There are adjustments towards service delivery and budget implementation, since the budget has increased, the targets are revised, and key performances indicators have been amended accordingly.

2.7 ADJUSTMENTS TO CAPITAL EXPENDITURE

There has been an increase in the capital budget, resulting from receipts of revised allocation by provincial gazette and revised DORA. The adjustments are as follows:

CAPITAL EXPENDITURE 2024-2025	FINAL BUDGET 2024/2025	MOVEMENTS	ADJUSTED BUDGET 2024/2025	2ND MOVEMENTS	2ND ADJUSTED BUDGET 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
MUNICIPAL INFRASTRUCTURE GRANT	253 831 097	3 107 903	256 939 000	6 000 000	262 939 000	272 856 000	297 634 000
REGIONAL BULK INFRASTRUCTURE GRANT	214 000 001	- 1 725 000	212 275 001	217 247 000	429 522 001	276 363 000	508 200 000
WATER SERVICES INFRASTRUCTURE GRANT	99 999 999	-	99 999 999	55 434 000	155 433 999	99 999 999	115 000 000
RURAL ROAD ASSET MANAGEMENT GRANT	2 653 001	- 20 700	2 632 301	- 796 000	1 836 301	2 775 038	2 902 690
INDONSA GRANT	200 000	-	200 000		200 000	209 200	218 823
ACCELERATED WATER INTERVENTION PROGRAM	-	-	-		-	-	-
INTERNALLY FUNDED ASSETS	5 000 001	37 000 000	42 000 001		42 000 001	5 230 000	5 470 580
TOTAL CAPITAL EXPENDITURE VAT INCLUSIVE	575 684 098	38 362 203	614 046 302	277 885 000.00	891 931 302	657 433 237	929 426 093

Please refer to Supporting Table SB18 capital expenditure on new assets by asset class

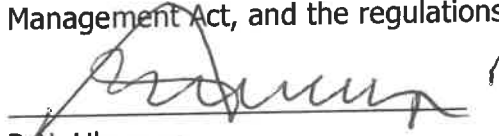
2.8 OTHER SUPPORTING DOCUMENTS

MSCOA BUDGETING AND REPORTING REQUIREMENTS AND CHALLENGES; MSCOA MODULES, IMPLEMENTED AND IN USE BY THE MUNICIPALITY

- Balance sheet budgeting using all the 6 regulated segments is possible however there are issues on the system that need to be corrected.
- Cashflow Budgeting remains a challenge with regards to treatment of VAT on capital
- Posting of some transaction is still a challenge, functionality on the system is the main hinderance.
- These inefficiencies affect accuracy of information being reported.
- The Municipality has appointed mSCOA Steering committee and mSCOA implementation committee.
- Development of a roadmap with time frames has been achieved.

2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

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



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

Date: 26/05/25