



Zululand
District Municipality

ADJUSTMENT BUDGET 2024-2025

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GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

GRAP – Generally 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 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 NATAL SPAR CONFERENCE ROOM AT EDUMBE.

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 to that direction.

Water and sanitation are our main core functions. Bulk of the budget is directed to 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 a 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 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 comments on mid-year budget and performance assessment by provincial treasury be noted.

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	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
OPERATING REVENUE	865 669 793	- 7 248 771	858 421 022	814 065 166	858 823 200
CAPITAL GRANTS AND TRANSFERS	576 195 000	- 2 603 000	573 592 000	651 991 000	923 733 000
TOTAL BUDGET REVENUE	1 441 864 793	- 9 851 771	1 432 013 022	1 466 056 166	1 782 556 200
OPERATING EXPENDITURE	768 086 309	256 993 579	1 025 079 887	704 130 845	736 520 864
CONTRIBUTION TO CAPITAL	500 594 866	34 876 438	535 471 304	571 681 076	808 196 603
TOTAL BUDGET EXPENDITURE EXCLUDING VAT CAPEX	1 268 681 175	291 870 016	1 560 551 191	1 275 811 921	1 544 717 467
CAPITAL EXPENDITURE - GRANTS AND TRANSFERS	496 247 040	1 184 525	497 431 565	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	4 547 826	4 757 026
TOTAL CAPITAL EXPENDITURE	500 594 867	33 358 438	533 953 305	571 681 076	808 196 603
TOTAL BUDGET REVENUE	1 441 864 793	- 9 851 771	1 432 013 022	1 466 056 166	1 782 556 200
TOTAL BUDGET EXPENDITURE	1 268 681 176	290 352 016	1 559 033 192	1 275 811 921	1 544 717 467
SURPLUS/DEFICIT	173 183 618	- 300 203 788	- 127 020 170	190 244 245	237 838 733
EXTERNAL LOAN FUNDING				-	
SURPLUS/DEFICIT	173 183 618	- 300 203 788	- 127 020 170	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 adjustment budget will have a deficit of **R127 million** if considering total revenue and total expenditure but the operating deficit is **R166.6 million**, this is because the municipality adjusted only the line items that are the core functions of the municipality's service delivery. The municipality has developed a funding plan on how the municipality will eliminate deficit while maintaining the service delivery.

Operating revenue Framework

OPERATING REVENUE	FINAL BUDGET 2024/2025	MOVEMENTS	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	71 435 782.73	74 721 828.73
Service charges - sanitation revenue	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	527 181.91	551 432.28
Interest earned - external investments	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	860 625.80	900 214.59
Fines, penalties and forfeits	1 466 871.00	- 886 649.74	580 221.26	1 534 346.67	1 604 926.62
Licences and permits	176 275.68	106 402.27	282 677.96	184 384.36	192 866.04
Transfers and subsidies	768 030 055.00	133 464.00	768 163 519.00	711 934 000.00	751 994 000.00
Other revenue	1 143 565.70	375 098.57	1 518 664.27	1 196 169.72	1 251 193.53
TOATL OPERATING REVENUE	865 669 792	- 7 248 771	858 421 021	814 065 166	858 823 199.97

Operating Revenue has decreased by **R7.2 million** from **R865.6 million** to **R858.4 million**, this decrease is because of the following:

The Municipality adjusted service charges water revenue downward by **R6.9 million** from **R68.2 million** to **R61.3 million**, fines penalties and forfeits by **R886 thousand** from **R1.4 million** to **R580 thousand**. The municipality also had an upward adjustment on licenses and permits of **R106 thousand** from **R176 thousand** to **R282 thousand**, Transfers and subsidies **R133 thousands** from **R768 million** to **R768.1 million** and other revenue **R375 thousands** from **R1.1 million** to **R1.5 million**. This movements are based on the mid-year assessment recommendations.

Operating Expenditure Framework

	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

Operating expenditure has increased by **R256.9 million** from **R768 million** to **R1 billion**.

This increase is because of the following.

The Municipality also adjusted employee related cost from **R310 million** to **R327 million**, Remuneration of councilors from **R9.4 million** to **R10.7 million**, finance charges from **R7 million** to **R11.9 million**, inventory consumed decreased from **R25.6 million** to **R25.2 million**, contracted services from **R203.3 million** to **R354.9 million**, transfers and subsidies

from **R2.1 million** to **R2.3 million** and other expenditure from **R112.9 million** to **R195.1 million**.

After the assessment of our creditors balances, current commitments, cash position and the fact that the budget was approved with limited allocation in some of the items. The municipality only adjusted the items that are core to the municipality's service delivery which cannot be avoided. The municipality has also established the plan on how they are going to pay for the additional items.

Capital Expenditure and Funding

CAPITAL EXPENDITURE 2024-2025	FINAL BUDGET 2024/2025	MOVEMENTS	ADJUSTED BUDGET 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
MUNICIPAL INFRASTRUCTURE GRANT	220 722 693	2 702 525	223 425 218	237 266 087	258 812 174
REGIONAL BULK INFRASTRUCTURE GRANT	186 086 957	- 1 500 000	184 586 957	240 315 652	441 913 043
WATER SERVICES INFRASTRUCTURE GRANT	86 956 521		86 956 521	86 956 521	100 000 000
RURAL ROAD ASSET MANAGEMENT GRANT	2 306 957	- 18 000	2 288 957	2 413 077	2 524 078
INDONSA GRANT	173 913		173 913	181 913	190 281
ACCELERATED WATER INTERVENTION PROGRAM			-		
INTERNALLY FUNDED ASSETS	4 347 827	32 173 913	36 521 740	4 547 826	4 757 026
TOTAL CAPITAL EXPENDITURE	500 594 868.00	33 358 437.78	533 953 305.78	571 681 075.79	808 196 602.57

Capital expenditure has increased by **R33.3 million** VAT exclusive from **R500.5 million** to **R533.9 million**, this increase is because of the following:

The Municipality has received an adjusted DORA with a reduced allocation of **R2.6 million** from MIG. The decrease in RBIG and RRAMS is because of the reallocation from capital to operating. The municipality has also included the budget for backup generators.

MFMA mSCOA circular number 13 requires that capital expenditure be budgeted exclusive of VAT. An amount of **R5 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	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Current Assets	612 157 378.00	- 459 035 468.71	153 121 909.29	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	5 294 689 919.00	5 431 296 756.00
Current Liabilities	468 128 948.00	81 132 791.49	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	144 383 695.00	135 129 311.00
Accumulated surplus	5 308 669 723.00	47 962 376.80	5 356 632 099.80	5 570 002 820.00	6 044 360 200.00

Current assets have been revised downwards by **R459 million** from **R612.1 million** to **R153.1 million**, Non-current Assets have been revised upwards by **R549 million** from **R5.3 billion** to **R5.8 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**.

Specific major changes are summarized below:

Total creditors amount to **R549 million**, this represents an increase of **R81.1 million** from **R468 million**.

The Current ratio is **0.3: 1 [R153 million/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.

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) - 28/02/2025

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	-	-	-	-	-	(6 977)	(6 977)	61 317	71 436	74 722
Service charges - Waste Water Management	2	17 732	-	-	-	-	-	-	-	17 732	18 548	19 401
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		578	-	-	-	-	-	(348)	(348)	230	605	633
Agency services												
Interest												
Interest earned from Receivables		823	-	-	-	-	-	-	-	823	861	900
Interest earned from Current and Non Current Assets		7 500	-	-	-	-	-	-	-	7 500	-	-
Dividends												
Rent on Land												
Rental from Fixed Assets		504	-	-	-	-	-	-	-	504	527	551
Licence and permits		176	-	-	-	-	-	106	106	283	184	193
Operational Revenue		565	-	-	-	-	-	723	723	1 288	591	618
Non-Exchange Revenue												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 467	-	-	-	-	-	(887)	(887)	580	1 534	1 605
Licences or permits												
Transfer and subsidies - Operational		768 030	-	-	-	-	-	133	133	768 164	711 934	751 994
Interest		-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations												
Total Revenue (excluding capital transfers and contributions)		865 670	-	-	-	-	-	(7 249)	(7 249)	858 421	806 220	850 617

Operating Revenue has decreased by **R7.2 million** from **R865.6 million** to **R858.4 million** this decrease is because of the following:

The municipality adjusted service charges downwards by **R6.9 million**, sale of goods and rendering of services downwards by **R348 thousand**, fines, penalties and forfeits downwards by **R887 thousand**. The municipality also adjusted licences and permits by **R106 thousand**, operational revenue by **R723 thousand** and operational transfer and subsidies by **R133 thousand**.

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, the municipality has adjusted the budget downwards by **R6.9 million** from **R68.2 million** to **R61.3 million**. This decrease results from higher number of faulty meters, therefore the municipality ends up billing with average. The adjusted budget is based on previous performance. The municipality is in a process of sourcing funds to fund the purchase and installation of meters.

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 mid-year analysis.

Rent of facilities

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

Interest on investment

Interest on 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 is 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 municipality has adjusted the budget downwards by **R886 thousand** from **R1.4 million** to **R580 thousand**. This decrease is based on the fact that the municipality has just undergone training for peace officers now awaiting for confirmation from the court, therefore the budget for the first half of the financial year had to be reduced.

Licenses and permits.

This amount is for Licenses and permits issued for certain businesses. The municipality has adjusted the budget for this line item upwards by **R106 thousand** from **R176 thousand** to **R283 thousand**. The reason for this increase is there has been renewal of existing certificates and new applications.

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 condition has been met, except for equitable share which is not a conditional grant.

All grants are received as per transfer schedule with the exception of Municipal systems improvement grant.

Reasons for variances can be attributed to 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 tranches as per approved transfer schedule.

Based on the developments, transfers and subsidies has been adjusted upward by **R133 thousand**. The municipality received an additional amount of **R180 million** from AMAFA and adjusted LGSETA downwards by **R46 thousand** from **R1.25 million** to **R1.21 million**, this is due 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 municipality adjusted the budget upwards by **R375 thousand** from **R1.1 million** to **R1.5 million**. This results from the refund for insurance claims.

1.5 OPERATING EXPENDITURE FRAMEWORK

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) - 28/02/2025												
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	3	4	5	6	7	8	9	10		
		A	A1	B	C	D	E	F	G	H		
Expenditure By Type												
Employee related costs		310 172	-	-	-	-	-	17 174	17 174	327 346	324 440	339 364
Remuneration of councillors		9 465	-	-	-	-	-	1 289	1 289	10 755	9 901	10 356
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		25 676	-	-	-	-	-	(402)	(402)	25 274	26 857	28 093
Debt impairment		6 000	-	-	-	-	-	-	-	6 000	6 276	6 565
Depreciation and amortisation		91 315	-	-	-	-	-	-	-	91 315	95 515	99 909
Interest		7 013	-	-	-	-	-	4 963	4 963	11 976	7 336	7 673
Contracted services		203 358	-	-	-	-	-	151 558	151 558	354 916	113 895	119 135
Transfers and subsidies		2 100	-	-	-	-	-	265	265	2 365	2 197	2 298
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-
Operational costs		112 988	-	-	-	-	-	82 146	82 146	195 134	118 185	123 622
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		768 086	-	-	-	-	-	256 994	256 994	1 025 080	704 602	737 013
Surplus/(Deficit)		97 583	-	-	-	-	-	(264 242)	(264 242)	(166 659)	101 619	113 604

Operating Expenditure has increased by **R256.9 million** from **R768 million** to **R1 billion** this increase is because of the employee related costs, remuneration of councilors, finance charges, contracted services, transfers and subsidies and other expenditure.

Employee Related Costs

Employee related costs are amounts paid for salaries, allowances, service-related benefits, and contributions. The municipality has adjusted down the employee's cost by **R17.1 million from R310 million to R327 million**. This results from the change in organogram and new positions have been budgeted to be filled during the year and also the effect of the increase of the medical aid has been taken into account.

Remuneration of Councilors

Remuneration of Councilors are amounts paid for councilors allowances, service-related benefits, and contributions. The municipality has adjusted the budget upwards by **R1.2 million** from **R9.4 million** to **R10.7 million**. This increase is based on the fact that the municipality has considered the effect of the latest upper limits gazette.

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 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 municipality has adjusted this line item downwards by **R402 thousand** from **R25.6 million** to **R25.2 million**. This results from the virements to general expenses.

Contracted services

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

Contracted services have been adjusted up because the municipality received the grants and must appoint service providers to assist with the service required. The contracted services were

adjusted upwards by **R151.5 million from R203.3 million to R354.9 million**. The municipality has underbudgeted for contracted services that are crucial to service delivery, yet the commitments remain the same. The municipality has increased the budget considering the implementation plan to reduce the cost in future.

Transfers and subsidies paid.

Transfers and subsidies are amounts 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 upwards by **R265 thousand** from **R2.1 million** to **R2.3 million**, the increase 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 upwards by **R82.1 million** from **R112.9 million** to **R195.1 million**. This adjustment is based on the increases in municipal services, Eskom and wet fuel, these are the costs the municipality cannot avoid because they are key to service delivery.

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 - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
R thousands		A										
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	3 638	3 806
Vote 03 - Finance		870	-	-	-	-	-	-	-	870	910	951
Vote 04 - Community Development		174	-	-	-	-	-	-	-	174	182	190
Vote 05 - Planning & Wsa		489 900	-	-	-	-	-	7 358	7 358	497 258	554 104	779 179
Vote 06 - Technical Services		6 173	-	-	-	-	-	(6 173)	(6 173)	-	12 847	24 070
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	32 174	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	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197
Total Capital Expenditure - Vote		500 595	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197
Capital Expenditure - Functional												
Governance and administration		4 348	-	-	-	-	-	-	-	4 348	4 548	4 757
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		4 348	-	-	-	-	-	-	-	4 348	4 548	4 757
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		174	-	-	-	-	-	-	-	174	182	190
Community and social services		174	-	-	-	-	-	-	-	174	182	190
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2 307	-	-	-	-	-	(18)	(18)	2 289	2 413	2 524
Planning and development		2 307	-	-	-	-	-	(18)	(18)	2 289	2 413	2 524
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		493 766	-	-	-	-	-	33 376	33 376	527 143	564 538	800 725
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		493 766	-	-	-	-	-	33 376	33 376	527 143	564 538	800 725
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	500 595	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197
Funded by:												
National Government		496 073	-	-	-	-	-	1 185	1 185	497 258	566 951	803 249
Provincial Government		174	-	-	-	-	-	-	-	174	182	190
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	496 247	-	-	-	-	-	1 185	1 185	497 432	567 133	803 440
Borrowing		-	-	-	-	-	-	32 174	32 174	32 174	-	-
Internally generated funds		4 348	-	-	-	-	-	-	-	4 348	4 548	4 757
Total Capital Funding		500 595	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197

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. Governance and administration budget will remain the same.

Community and public safety

Community and public include furniture and equipment. 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 road, this line item has decreased by **R18 thousand**. The decreased of R18 thousand is because of reclassification of capital to operating.

Trading services

Trading services includes capital grant (MIG, WSIG, and RBIG). Trading services has been revised upwards by **R33.3 million**. The increase of **R33.3 million** results from funding of backup generators through the loan that was raised in 23/24 financial year.

Other

Other includes furniture, there are no revised allocations. Other 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	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
MUNICIPAL INFRASTRUCTURE GRANT	253 831 097	3 107 903	256 939 000	272 856 000	297 634 000
REGIONAL BULK INFRASTRUCTURE GRANT	214 000 001	- 1 725 000	212 275 001	276 363 000	508 200 000
WATER SERVICES INFRASTRUCTURE GRANT	99 999 999	-	99 999 999	99 999 999	115 000 000
RURAL ROAD ASSET MANAGEMENT GRANT	2 653 001	- 20 700	2 632 301	2 775 038	2 902 690
INDONSA GRANT	200 000	-	200 000	209 200	218 823
ACCELERATED WATER INTERVENTION PROGRAM	-	-	-	-	-
INTERNALLY FUNDED ASSETS	5 000 001	37 000 000	42 000 001	5 230 000	5 470 580
TOTAL CAPITAL EXPENDITURE VAT INCLUSIVE	575 684 098.20	38 362 203.45	614 046 301.65	657 433 237.15	929 426 092.95

1.7 ADJUSTED BUDGET TABLES

The following part of 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 - 45780

Description	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted 1 A1	Accum. Funds 2 B	Multi-year capital 3 C	Unfore. Unavoid. 4 D	Nat. or Prov. Govt 5 E	Other Adjusts. 6 F	Total Adjusts. 7 G	Adjusted Budget 8 H	Adjusted Budget	Adjusted Budget
R thousands	A		B	C	D	E	F	G	H		
Financial Performance											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	86 026	-	-	-	-	-	(6 977)	(6 977)	79 049	89 983	94 123
Investment revenue	7 500	-	-	-	-	-	-	-	7 500	-	-
Transfers recognised - operational	768 030	-	-	-	-	-	133	133	768 164	711 934	751 994
Other own revenue	4 113	-	-	-	-	-	(405)	(405)	3 708	4 303	4 501
Total Revenue (excluding capital transfers and contributions)	865 670						(7 249)	(7 249)	858 421	806 220	850 617
Employee costs	310 172	-	-	-	-	-	17 174	17 174	327 346	324 440	339 364
Remuneration of councillors	9 465	-	-	-	-	-	1 289	1 289	10 755	9 901	10 356
Depreciation & asset impairment	97 315	-	-	-	-	-	-	-	97 315	101 791	106 473
Finance charges	7 013	-	-	-	-	-	4 963	4 963	11 976	7 336	7 673
Inventory consumed and bulk purchases	25 676	-	-	-	-	-	(402)	(402)	25 274	26 857	28 093
Transfers and subsidies	2 100	-	-	-	-	-	265	265	2 365	2 197	2 298
Other expenditure	316 345	-	-	-	-	-	233 704	233 704	550 049	232 080	242 756
Total Expenditure	768 086						256 994	256 994	1 025 080	704 602	737 013
Surplus/(Deficit)	97 583						(264 242)	(264 242)	(166 659)	101 619	113 604
Transfers and subsidies - capital (monetary allocations)	576 195	-	-	-	-	-	(2 603)	(2 603)	573 592	651 991	923 733
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	673 778						(266 845)	(266 845)	406 933	753 610	1 037 337
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	673 778						(266 845)	(266 845)	406 933	753 610	1 037 337
Capital expenditure & funds sources											
Capital expenditure	500 595						33 358	33 358	533 953	571 681	808 197
Transfers recognised - capital	496 247	-	-	-	-	-	1 185	1 185	497 432	567 133	803 440
Borrowing	-	-	-	-	-	-	32 174	32 174	32 174	-	-
Internally generated funds	4 348	-	-	-	-	-	-	-	4 348	4 548	4 757
Total sources of capital funds	500 595						33 358	33 358	533 953	571 681	808 197
Financial position											
Total current assets	612 157	-	-	-	-	-	(459 035)	(459 035)	153 122	861 758	1 190 936
Total non current assets	5 319 119	-	-	-	-	-	549 708	549 708	5 868 827	5 274 466	5 412 566
Total current liabilities	468 129	-	-	-	-	-	81 133	81 133	549 262	469 012	469 689
Total non current liabilities	154 477	-	-	-	-	-	(38 422)	(38 422)	116 055	144 384	135 129
Community wealth/Equity	5 308 220						47 180	47 180	5 355 400	5 561 687	6 035 662
Cash flows											
Net cash from (used) operating	742 935	-	-	-	-	-	(259 092)	(259 092)	483 843	835 205	1 121 825
Net cash from (used) investing	(500 595)	-	-	-	-	-	(33 358)	(33 358)	(533 953)	(571 681)	(808 197)
Net cash from (used) financing	(18 093)	-	-	-	-	-	-	-	(18 093)	(17 430)	(16 913)
Cash/cash equivalents at the year end	417 032						(428 164)	(428 164)	(11 132)	234 963	531 677
Cash backing/surplus reconciliation											
Cash and investments available	424 138	-	-	-	-	-	(429 618)	(429 618)	(5 480)	666 746	959 813
Application of cash and investments	363 734	-	-	-	-	-	80 677	80 677	444 411	383 027	369 995
Balance - surplus (shortfall)	60 404						(510 295)	(510 295)	(449 891)	283 719	589 818
Asset Management											
Asset register summary (WDV)	4 003 766	-	-	-	-	-	510 125	510 125	4 513 891	3 959 113	4 097 214
Depreciation	91 315	-	-	-	-	-	-	-	91 315	95 515	99 909
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	70 993	-	-	-	-	-	67 365	67 365	138 358	69 064	72 241
Free services											
Cost of Free Basic Services provided	5 000	-	-	-	-	-	(5 062)	(5 062)	(62)	5 230	5 471
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) - 28/02/2025

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												
<i>Governance and administration</i>		769 935	-	-	-	-	-	679	679	770 614	711 636	751 683
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		769 935	-	-	-	-	-	679	679	770 614	711 636	751 683
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		3 215	-	-	-	-	-	(742)	(742)	2 474	3 275	3 426
Community and social services		1 911	-	-	-	-	-	180	180	2 091	1 911	1 999
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		1 304	-	-	-	-	-	(922)	(922)	383	1 364	1 427
<i>Economic and environmental services</i>		2 721	-	-	-	-	-	(68)	(68)	2 653	2 843	2 973
Planning and development		2 721	-	-	-	-	-	(68)	(68)	2 653	2 843	2 973
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		665 936	-	-	-	-	-	(9 721)	(9 721)	656 215	740 396	1 016 205
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		647 830	-	-	-	-	-	(9 580)	(9 580)	638 250	721 457	996 395
Waste water management		18 106	-	-	-	-	-	(141)	(141)	17 965	18 939	19 811
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		57	-	-	-	-	-	-	-	57	60	63
Total Revenue - Functional	2	1 441 865	-	-	-	-	-	(9 852)	(9 852)	1 432 013	1 458 211	1 774 350
Expenditure - Functional												
<i>Governance and administration</i>		312 391	-	-	-	-	-	85 166	85 166	397 557	233 139	243 863
Executive and council		35 144	-	-	-	-	-	5 789	5 789	40 933	36 761	38 452
Finance and administration		248 883	-	-	-	-	-	44 327	44 327	293 210	166 709	174 378
Internal audit		28 364	-	-	-	-	-	35 051	35 051	63 415	29 669	31 033
<i>Community and public safety</i>		28 084	-	-	-	-	-	1 457	1 457	29 541	29 376	30 727
Community and social services		9 176	-	-	-	-	-	725	725	9 901	9 598	10 040
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		6 234	-	-	-	-	-	1 172	1 172	7 405	6 520	6 820
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		12 674	-	-	-	-	-	(439)	(439)	12 235	13 257	13 867
<i>Economic and environmental services</i>		22 960	-	-	-	-	-	300	300	23 260	24 017	25 121
Planning and development		22 960	-	-	-	-	-	300	300	23 260	24 017	25 121
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		393 586	-	-	-	-	-	169 745	169 745	563 331	406 497	425 195
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		378 362	-	-	-	-	-	173 887	173 887	552 249	395 802	414 009
Waste water management		15 224	-	-	-	-	-	(4 142)	(4 142)	11 082	10 694	11 186
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		10 615	-	-	-	-	-	325	325	10 940	11 104	11 614
Total Expenditure - Functional	3	767 636	-	-	-	-	-	256 994	256 994	1 024 630	704 131	736 521
Surplus/ (Deficit) for the year		674 228	-	-	-	-	-	(266 845)	(266 845)	407 383	754 080	1 037 829

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) - 28/02/2025

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	-	-	-	-	-	(47)	(47)	89 916	478	500
Vote 03 - Finance		680 030	-	-	-	-	-	726	726	680 755	711 218	751 245
Vote 04 - Community Development		3 215	-	-	-	-	-	(742)	(742)	2 474	3 275	3 426
Vote 05 - Planning & Wsa		581 490	-	-	-	-	-	(2 671)	(2 671)	578 819	652 062	923 807
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		69 061	-	-	-	-	-	(6 977)	(6 977)	62 084	72 238	75 561
Vote 09 - Waste Water		18 106	-	-	-	-	-	(141)	(141)	17 965	18 939	19 811
Vote 10 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 441 865	-	-	-	-	-	(9 852)	(9 852)	1 432 013	1 458 211	1 774 350
Expenditure by Vote	1											
Vote 01 - Council		45 311	-	-	-	-	-	7 727	7 727	53 038	47 396	49 576
Vote 02 - Corporate Services		211 286	-	-	-	-	-	75 593	75 593	286 880	127 383	133 243
Vote 03 - Finance		59 309	-	-	-	-	-	1 239	1 239	60 548	62 037	64 891
Vote 04 - Community Development		47 801	-	-	-	-	-	3 500	3 500	51 300	50 000	52 300
Vote 05 - Planning & Wsa		27 462	-	-	-	-	-	(3 673)	(3 673)	23 789	23 530	24 613
Vote 06 - Technical Services		5 758	-	-	-	-	-	(119)	(119)	5 639	6 023	6 300
Vote 07 - Water Purification		47 565	-	-	-	-	-	3 045	3 045	50 610	49 753	52 042
Vote 08 - Water Distribution		307 920	-	-	-	-	-	173 824	173 824	481 744	327 315	342 371
Vote 09 - Waste Water		15 224	-	-	-	-	-	(4 142)	(4 142)	11 082	10 694	11 186
Vote 10 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	767 636	-	-	-	-	-	256 994	256 994	1 024 630	704 131	736 521
Surplus/ (Deficit) for the year	2	674 228	-	-	-	-	-	(266 845)	(266 845)	407 383	754 080	1 037 829

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) - 28/02/2025

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	-	-	-	-	-	(6 977)	(6 977)	61 317	71 436	74 722
Service charges - Waste Water Management	2	17 732	-	-	-	-	-	-	-	17 732	18 548	19 401
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		578	-	-	-	-	-	(348)	(348)	230	605	633
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		823	-	-	-	-	-	-	-	823	861	900
Interest earned from Current and Non Current Assets		7 500	-	-	-	-	-	-	-	7 500	-	-
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		504	-	-	-	-	-	-	-	504	527	551
Licence and permits		176	-	-	-	-	-	106	106	283	184	193
Operational Revenue		565	-	-	-	-	-	723	723	1 288	591	618
Non-Exchange Revenue												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 467	-	-	-	-	-	(887)	(887)	580	1 534	1 605
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		768 030	-	-	-	-	-	133	133	768 164	711 934	751 994
Interest		-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		865 670	-	-	-	-	-	(7 249)	(7 249)	858 421	806 220	850 617
Expenditure By Type												
Employee related costs		310 172	-	-	-	-	-	17 174	17 174	327 346	324 440	339 364
Remuneration of councillors		9 465	-	-	-	-	-	1 289	1 289	10 755	9 901	10 356
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		25 676	-	-	-	-	-	(402)	(402)	25 274	26 857	28 093
Debt impairment		6 000	-	-	-	-	-	-	-	6 000	6 276	6 565
Depreciation and amortisation		91 315	-	-	-	-	-	-	-	91 315	95 515	99 909
Interest		7 013	-	-	-	-	-	4 963	4 963	11 976	7 336	7 673
Contracted services		203 358	-	-	-	-	-	151 558	151 558	354 916	113 895	119 135
Transfers and subsidies		2 100	-	-	-	-	-	265	265	2 365	2 197	2 298
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-
Operational costs		112 988	-	-	-	-	-	82 146	82 146	195 134	118 185	123 622
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		768 086	-	-	-	-	-	256 994	256 994	1 025 080	704 602	737 013
Surplus/(Deficit)		97 583	-	-	-	-	-	(264 242)	(264 242)	(166 659)	101 619	113 604
Transfers and subsidies - capital (monetary allocations)		576 195	-	-	-	-	-	(2 603)	(2 603)	573 592	651 991	923 733
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		673 778	-	-	-	-	-	(266 845)	(266 845)	406 933	753 610	1 037 337
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		673 778	-	-	-	-	-	(266 845)	(266 845)	406 933	753 610	1 037 337
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		673 778	-	-	-	-	-	(266 845)	(266 845)	406 933	753 610	1 037 337
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	673 778	-	-	-	-	-	(266 845)	(266 845)	406 933	753 610	1 037 337

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 - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget A	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjus. 10 F	Total Adjus. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
R thousands												
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	3 638	3 806
Vote 03 - Finance		870	-	-	-	-	-	-	-	870	910	951
Vote 04 - Community Development		174	-	-	-	-	-	-	-	174	182	190
Vote 05 - Planning & Wsa		489 900	-	-	-	-	-	7 358	7 358	497 258	554 104	779 179
Vote 06 - Technical Services		6 173	-	-	-	-	-	(6 173)	(6 173)	-	12 847	24 070
Vote 07 - Water Purification		-	-	-	-	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	-	-	-	32 174	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	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197
Total Capital Expenditure - Vote		500 595	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197
Capital Expenditure - Functional												
Governance and administration		4 348	-	-	-	-	-	-	-	4 348	4 548	4 757
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		4 348	-	-	-	-	-	-	-	4 348	4 548	4 757
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		174	-	-	-	-	-	-	-	174	182	190
Community and social services		174	-	-	-	-	-	-	-	174	182	190
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2 307	-	-	-	-	-	(18)	(18)	2 289	2 413	2 524
Planning and development		2 307	-	-	-	-	-	(18)	(18)	2 289	2 413	2 524
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		493 766	-	-	-	-	-	33 376	33 376	527 143	564 538	800 725
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		493 766	-	-	-	-	-	33 376	33 376	527 143	564 538	800 725
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	500 595	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197
Funded by:												
National Government		496 073	-	-	-	-	-	1 185	1 185	497 258	566 951	803 249
Provincial Government		174	-	-	-	-	-	-	-	174	182	190
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	-	-	-	-	-	1 185	1 185	497 432	567 133	803 440
Borrowing		-	-	-	-	-	-	32 174	32 174	32 174	-	-
Internally generated funds		4 348	-	-	-	-	-	-	-	4 348	4 548	4 757
Total Capital Funding		500 595	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197

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 - 28/02/2025

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												
ASSETS												
Current assets												
Cash and cash equivalents		417 029	–	–	–	–	–	(428 205)	(428 205)	(11 176)	659 636	952 704
Trade and other receivables from exchange transactions	1	79 729	–	–	–	–	–	(13 422)	(13 422)	66 307	114 247	150 353
Receivables from non-exchange transactions	1	7 109	–	–	–	–	–	(1 413)	(1 413)	5 696	7 109	7 109
Current portion of non-current receivables	2	–	–	–	–	–	–	–	–	–	–	–
Inventory		2 824	–	–	–	–	–	1 142	1 142	3 966	2 824	2 824
VAT		80 813	–	–	–	–	–	(16 069)	(16 069)	64 744	53 288	53 288
Other current assets		24 653	–	–	–	–	–	(1 068)	(1 068)	23 584	24 653	24 653
Total current assets		612 157	–	–	–	–	–	(459 035)	(459 035)	153 122	861 758	1 190 932
Non current assets												
Investments									–	–		
Investment property									–	–		
Property, plant and equipment	3	5 311 270	–	–	–	–	–	549 722	549 722	5 860 992	5 266 638	5 404 760
Biological assets									–	–		
Living and non-living resources									–	–		
Heritage assets		7 817	–	–	–	–	–	–	–	7 817	7 817	7 817
Intangible assets		32	–	–	–	–	–	(24)	(24)	8	11	(10)
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	10	10	10	–	–
Total non current assets		5 319 119	–	–	–	–	–	549 708	549 708	5 868 827	5 274 466	5 412 566
TOTAL ASSETS		5 931 276	–	–	–	–	–	90 673	90 673	6 021 949	6 136 224	6 603 498
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Financial liabilities		1 556	–	–	–	–	–	16 762	16 762	18 318	1 556	1 570
Consumer deposits		3 702	–	–	–	–	–	(239)	(239)	3 463	3 702	3 702
Trade and other payables from exchange transactions		450 406	–	–	–	–	–	35 311	35 311	485 717	446 831	442 831
Trade and other payables from non-exchange transactions		–	–	–	–	–	–	1 446	1 446	1 446	–	–
Provisions		2 154	–	–	–	–	–	32 786	32 786	34 940	2 154	2 154
VAT		10 311	–	–	–	–	–	(4 933)	(4 933)	5 378	14 769	19 431
Other current liabilities									–	–		
Total current liabilities		468 129	–	–	–	–	–	81 133	81 133	549 262	469 012	469 689
Non current liabilities												
Borrowing	1	80 589	–	–	–	–	–	(11 529)	(11 529)	69 060	70 496	61 241
Provisions	1	41 109	–	–	–	–	–	2 961	2 961	44 070	41 109	41 109
Long term portion of trade payables		32 779	–	–	–	–	–	(29 854)	(29 854)	2 925	32 779	32 779
Other non-current liabilities									–	–		
Total non current liabilities		154 477	–	–	–	–	–	(38 422)	(38 422)	116 055	144 384	135 129
TOTAL LIABILITIES		622 606	–	–	–	–	–	42 710	42 710	665 317	613 396	604 818
NET ASSETS	2	5 308 670	–	–	–	–	–	47 962	47 962	5 356 632	5 522 828	5 998 680
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		5 308 220	–	–	–	–	–	47 180	47 180	5 355 400	5 561 687	6 035 662
Funds and Reserves		–	–	–	–	–	–	–	–	–	–	–
Other												
TOTAL COMMUNITY WEALTH/EQUITY		5 308 220	–	–	–	–	–	47 180	47 180	5 355 400	5 561 687	6 035 662

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 is providing 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 **-R11.1 million**. This represents a decrease of **R428.2 million** from **R417 million** as per approved 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 **R36 million**. Consumer debtors therefore remain the same.

Consumer debtors are calculated as follows:

Opening balance	R6.2 million
Current year billing	R92.3 million
Collection	(R55.6 million)
Provision	R6.9 million
Debtors Balance	R36 million

Other debtors

Other debtors consist of debtor other than consumer debtors, which include Security deposits, VAT Receivable, Prepayments, Overpayments, etc. The budgeted balance at the end of the financial year is **R124.3 million**.

Other debtors have been revised upwards by **R9.9 million** from **R114 million** to **R124 million**, the revised amount is attributed to change in opening balances, mainly the change is on VAT receivable subsequent to the increase in year-end creditors.

Other debtors are calculated as follows:

VAT	R64.7 million
Deposit made	R19 million
Third Party Refunds	R3.8 million
UWIF	R5.6 million
Employee Salary Advances	R36.5 thousand
Accrued Debtors	R295.4 thousand
Prepaid Payments	R30.2 million
Operating lease	R5.2 thousand
Debtors Balance	R124.3 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 **R5.3 billion**.

Property plant and equipment has been revised upwards by **R549 million** from **R5.3 billion** to **R5.8 billion**, the revised amount is attributed to correction of budgeted amount.

Intangible

The intangible assets will be adjusted by **R24 thousand** from **R32 thousand** to **R8 thousand**, the revised amount is attributed to correction of opening balances.

CURRENT LIABILITIES

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 municipality adjusted consumer deposits downwards by **R239 thousand** from **R3.7 million** to **R3.4 million**.

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 **R491 million**. There is a little change in trade and other payable of **R30.3 million**. This large volume of creditors has a significant impact on the funding position of the Municipality.

Below is the breakdown of trade and other payables.

Calculation of Trade and other payables are calculated as follows.

Creditors Control		R305.7 million
Retention	-	R84.9 million
Leave Accrual		R109.5 thousand.
DWS		R91.4 million
Output VAT		R5.3 million

Advance payments	R2.1 million
Bonus Accrual	R4.1 thousand
Unallocated Deposits	R474 thousand
Other suspense	R832 thousand
Closing balance	R491 million

Current Provisions

Current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. Current Provisions have been adjusted upwards by **R32.7 million** from **R2.1 million** to **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 benefit.

Borrowing has been revised downwards by **R11.5 million** from **R80.5 million** to **R69 million**, the revised amount is attributed to change in opening balances and repayment of loan.

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 benefit. Non - Current Provisions have been adjusted upwards by **R2.9 million** from **R41.1 million** to **R44 million**. This increase results from the revised calculation by the actuarial as disclosed in the AFS.

Long term portion of trade payables

This is the non-current opening balance of water bulk purchases. The municipality has adjusted non-current water bulk purchases downwards by **R29.5 million** from **R32.7 million** to **R2.9 million**. This decrease results from the transfer that was made to current liabilities.

Accumulated surplus is the net worth of the Municipality, sitting at **R5.4 billion**.

DC26 Zululand - Table B7 Adjustments Budget Cash Flows - 45780

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		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates									–	–		
Service charges		60 766	–	–	–	–	–	(4 700)	(4 700)	56 066	63 561	66 485
Other revenue		121 898	–	–	–	–	–	40 507	40 507	162 405	118 722	155 716
Transfers and Subsidies - Operational	1	768 030	–	–	–	–	–	(227)	(227)	767 804	711 934	751 994
Transfers and Subsidies - Capital	1	576 195	–	–	–	–	–	(2 603)	(2 603)	573 592	651 991	923 733
Interest		7 995	–	–	–	–	–	–	–	7 995	8 362	8 747
Dividends									–	–		
Payments												
Suppliers and employees		(789 533)	–	–	–	–	–	(291 765)	(291 765)	(1 081 298)	(716 839)	(782 208)
Finance charges									–	–		
Transfers and Subsidies	1	(2 415)	–	–	–	–	–	(305)	(305)	(2 720)	(2 526)	(2 642)
NET CASH FROM/(USED) OPERATING ACTIVITIES		742 935	–	–	–	–	–	(259 092)	(259 092)	483 843	835 205	1 121 825
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)	–	–	–	–	–	(33 358)	(33 358)	(533 953)	(571 681)	(808 197)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(500 595)	–	–	–	–	–	(33 358)	(33 358)	(533 953)	(571 681)	(808 197)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		3	–	–	–	–	–	–	–	3	–	–
Payments												
Repayment of borrowing		(18 096)	–	–	–	–	–	–	–	(18 096)	(17 430)	(16 913)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(18 093)	–	–	–	–	–	–	–	(18 093)	(17 430)	(16 913)
NET INCREASE/ (DECREASE) IN CASH HELD												
		224 247	–	–	–	–	–	(292 450)	(292 450)	(68 203)	246 095	296 715
Cash/cash equivalents at the year begin:	2	192 785	–	–	–	–	–	(135 714)	(135 714)	57 071	(11 132)	234 963
Cash/cash equivalents at the year end:	2	417 032	–	–	–	–	–	(428 164)	(428 164)	(11 132)	234 963	531 677

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 has been reduced by **R4.7 million**.

The municipality will also take the following initiatives to boost 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 **R162.2 million**.

Other Revenue has been revised upwards by **R40.5 million** from **R121.8 million** to **R162.4 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 downwards by **R227 thousand** from **R768 million** to **R767.8 million**, the revised amount is attributed to grants received of **R180 thousand** and reduction of **R46 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 downwards by **R2.6 million** from **R576.1 million** to **R573.5 million**, the revised amount is attributed to the revised gazette that reduces MIG.

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 **R291 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. The municipality adjusted the budget upwards by **R305 thousand** from **R2.4 million** to **R2.7 million**, the increase is based on reallocation of funds through virement process.

Cashflow from Investing activities

Payments Capital Assets

The capital budget is expected to be 100% spent by the end of the financial year, **R533 million**.

Cash and cash equivalents at the end

Cash and cash equivalents are expected to be **-R11.1 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 - 45780

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 and investments available												
Cash/cash equivalents at the year end	1	417 032	–	–	–	–	–	(428 164)	(428 164)	(11 132)	234 963	531 677
Other current investments > 90 days		7 106	–	–	–	–	–	(1 453)	(1 453)	5 653	431 783	428 136
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		424 138	–	–	–	–	–	(429 618)	(429 618)	(5 480)	666 746	959 813
Applications of cash and investments												
Unspent conditional transfers		–	–	–	–	–	–	1 446	1 446	1 446	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–	–
Statutory requirements		(70 502)	–	–	–	–	–	11 136	11 136	(59 366)	(38 520)	(33 857)
Other working capital requirements	2	432 082	–	–	–	–	–	35 310	35 310	467 392	419 393	401 698
Other provisions		2 154	–	–	–	–	–	32 786	32 786	34 940	2 154	2 154
Long term investments committed		–	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		363 734	–	–	–	–	–	80 677	80 677	444 411	383 027	369 995
Surplus(shortfall)		60 404	–	–	–	–	–	(510 295)	(510 295)	(449 891)	283 719	589 818

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 **R491 million**.

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 - 28/02/2025

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 Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	13	14	15	16	17	18
R thousands		A	A1	B	C	D	E	F	G	H			
CAPITAL EXPENDITURE													
Total New Assets to be adjusted	1	500 595	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197	
Roads Infrastructure		2 307	-	-	-	-	-	(18)	(18)	2 289	2 413	2 524	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		489 059	-	-	-	-	-	5 909	5 909	494 969	559 615	795 575	
Sanitation Infrastructure		4 707	-	-	-	-	-	(4 707)	(4 707)	-	4 923	5 150	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		496 073	-	-	-	-	-	1 185	1 185	497 258	566 951	803 249	
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	4 093	4 281	
Furniture and Office Equipment		435	-	-	-	-	-	-	-	435	455	476	
Machinery and Equipment		174	-	-	-	-	-	32 174	32 174	32 348	182	190	
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		-	-	-	-	-	-	-	-	-	-	-	

DC26 Zululand - Table B9 Asset Management - 28/02/2025

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 Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	13	14			
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
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	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197
Roads Infrastructure		2 307	-	-	-	-	-	(18)	(18)	2 289	2 413	2 524
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		489 059	-	-	-	-	-	5 909	5 909	494 969	559 615	795 575
Sanitation Infrastructure		4 707	-	-	-	-	-	(4 707)	(4 707)	-	4 923	5 150
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		496 073	-	-	-	-	-	1 185	1 185	497 258	566 951	803 249
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	4 093	4 281
Furniture and Office Equipment		435	-	-	-	-	-	-	-	435	455	476
Machinery and Equipment		174	-	-	-	-	-	32 174	32 174	32 348	182	190
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	500 595	-	-	-	-	-	33 358	33 358	533 953	571 681	808 197

DC26 Zululand - Table B9 Asset Management - 28/02/2025

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 Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	13	14			
R thousands		A	A1	B	C	D	E	F	G	H		
ASSET REGISTER SUMMARY - PPE (WDV)	5	4 003 766	–	–	–	–	–	510 125	510 125	4 513 891	3 959 113	4 097 214
Roads Infrastructure		14 974	–	–	–	–	–	(13 402)	(13 402)	1 571	14 329	13 655
Storm water Infrastructure												
Electrical Infrastructure		813	–	–	–	–	–	(850)	(850)	(36)	775	735
Water Supply Infrastructure		3 875 470	–	–	–	–	–	494 546	494 546	4 370 017	3 863 480	4 013 097
Sanitation Infrastructure		39 555	–	–	–	–	–	(2 831)	(2 831)	36 724	37 437	35 222
Solid Waste Infrastructure												
Rail Infrastructure												
Coastal Infrastructure												
Information and Communication Infrastructure												
Infrastructure		3 930 812	–	–	–	–	–	477 463	477 463	4 408 276	3 916 021	4 062 709
Community Assets		31 026	–	–	–	–	–	(1 696)	(1 696)	29 330	30 986	30 945
Heritage Assets		7 849	–	–	–	–	–	(24)	(24)	7 825	7 828	7 806
Investment properties												
Other Assets		21 653	–	–	–	–	–	168	168	21 821	–	–
Biological or Cultivated Assets												
Intangible Assets												
Computer Equipment		7 622	–	–	–	–	–	(2 107)	(2 107)	5 515	5 913	4 125
Furniture and Office Equipment		(1 393)	–	–	–	–	–	3 003	3 003	1 611	(1 974)	(2 583)
Machinery and Equipment		5 591	–	–	–	–	–	32 771	32 771	38 362	5 215	4 821
Transport Assets		606	–	–	–	–	–	76	76	681	(4 876)	(10 611)
Land		–	–	–	–	–	–	470	470	–	–	–
Zoo's, Marine and Non-biological Animals												
Living Resources												
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	4 003 766	–	–	–	–	–	510 125	510 125	4 513 891	3 959 113	4 097 214
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		91 315	–	–	–	–	–	–	–	91 315	95 515	99 909
<u>Repairs and Maintenance by asset class</u>	3	70 993	–	–	–	–	–	67 365	67 365	138 358	69 064	72 241
Roads Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		67 193	–	–	–	–	–	59 583	59 583	126 776	65 089	68 084
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		67 193	–	–	–	–	–	59 583	59 583	126 776	65 089	68 084
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		2 000	–	–	–	–	–	(50)	(50)	1 950	2 092	2 188
Housing		–	–	–	–	–	–	–	–	–	–	–
Other Assets		2 000	–	–	–	–	–	(50)	(50)	1 950	2 092	2 188
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		300	–	–	–	–	–	–	–	300	314	328
Machinery and Equipment		100	–	–	–	–	–	65	65	165	105	109
Transport Assets		1 400	–	–	–	–	–	7 767	7 767	9 167	1 464	1 532
Land		–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	6	–	–	–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–	–	–

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 - 28/02/2025

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
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		0	0	0	0	0	0	0	0	0	0	0
Piped water inside yard (but not in dwelling)		9200	0	0	0	0	0	0	0	9	10120	10616
Using public tap (at least min.service level)	2	8200	0	0	0	0	0	0	0	8	9	9
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>	3	17	0	0	0	0	0	0	0	17	19	20
Using public tap (< min.service level)	3.4	0	0	0	0	0	0	0	0	0	0	0
Other water supply (< min.service level)												
No water supply												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5	17	0	0	0	0	0	0	0	17	19	20
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		0	0	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	0	0
Other toilet provisions (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Bucket toilet		6190	0	0	0	0	0	0	0	6190	6809	6396
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>		6190	0	0	0	0	0	0	0	6190	6809	6396
Total number of households	5	6190	0	0	0	0	0	0	0	6190	6809	6396
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)												
Minimum Service Level and Above sub-total												
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	0	0	0	0	0	0	0	13	14	15
Sanitation (free minimum level service)		0	0	0	0	0	0	0	0	0	0	0
Electricity/other energy (50kwh per household per month)		0	0	0	0	0	0	0	0	0	0	0
Refuse (removed at least once a week)		0	0	0	0	0	0	0	0	0	0	0
<i>Informal Settlements</i>		13	0	0	0	0	0	0	0	13	14	15
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		5 000	0	0	0	0	0	(5 062)	(5 062)	(62)	5 230	5 471
Sanitation (free sanitation service to indigent households)		0	0	0	0	0	0	0	0	0	0	0
Electricity/other energy (50kwh per indigent household per month)		0	0	0	0	0	0	0	0	0	0	0
Refuse (removed once a week for indigent households)		0	0	0	0	0	0	0	0	0	0	0
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		5 000	0	0	0	0	0	(5 062)	(5 062)	(62)	5 230	5 471
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												
Other												
Total revenue cost of subsidised services provided	6											

B10 Basic Services 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 following.

	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 - 28/02/2025

Description	Ref	Budget Year 2024/25						Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F	
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1								
Operating expenditure of Transfers and Grants									
National Government:		587 778	-	-	-	256 860	256 860	844 639	609 622
Equitable Share		576 385	-	-	-	260 308	260 308	836 693	602 899
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		5 227	-	-	-	(0)	(0)	5 227	5 467
Local Government Financial Management Grant		1 201	-	-	-	-	-	1 201	1 256
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		4 966	-	-	-	(4 966)	(4 966)	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	1 500	1 500	1 500	-
Rural Road Asset Management Systems Grant		-	-	-	-	18	18	18	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-
Provincial Government:		1 711	-	-	-	180	180	1 891	1 790
Capacity Building and Other Grants		1 711	-	-	-	180	180	1 891	1 790
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		89 505	-	-	-	(47)	(47)	89 459	-
Electricity Distribution Industry Holdings		-	-	-	-	-	-	-	-
KwazuluNatal Provincial Planning and Development Commission		-	-	-	-	-	-	-	-
Local Government Water and Related Service SETA		1 259	-	-	-	(47)	(47)	1 212	-
National Skills Fund		88 246	-	-	-	-	-	88 246	-
Total operating expenditure of Transfers and Grants:		678 995	-	-	-	256 994	256 994	935 988	611 412
Capital expenditure of Transfers and Grants									
National Government:		496 073	-	-	-	1 185	1 185	497 258	566 951
Municipal Infrastructure Grant		220 723	-	-	-	2 703	2 703	223 425	237 266
Regional Bulk Infrastructure Grant		186 087	-	-	-	(1 500)	(1 500)	184 587	240 316
Rural Road Asset Management Systems Grant		2 307	-	-	-	(18)	(18)	2 289	2 413
Water Services Infrastructure Grant		86 957	-	-	-	-	-	86 957	86 957
Provincial Government:		174	-	-	-	-	-	174	182
Capacity Building and Other Grants		-	-	-	-	-	-	-	-
Infrastructure Grant		174	-	-	-	-	-	174	182
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		496 247	-	-	-	1 185	1 185	497 432	567 133
Total capital expenditure of Transfers and Grants		1 175 242	-	-	-	258 178	258 178	1 433 420	1 178 545

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 subsidises households and business through its relief programme

DC26 Zululand - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality - 28/02/2025

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		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	-	-	-	-	-	265	265	1 765	1 569	1 641
[insert description]									-	-		
Total Non-Cash Grants To Organisations		1 500	-	-	-	-	-	265	265	1 765	1 569	1 641
Groups of Individuals												
Hh Sap Soc Ass: Poverty Relief		-	-	-	-	-	-	-			-	-
Ts_O_Ik_Hh_Soc Assis_Social Relief		600	-	-	-	-	-	-			628	656
[insert description]												
Total Non-Cash Grants To Groups Of Individuals:		600	-	-	-	-	-	-	-	-	628	656
TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:		2 100	-	-	-	-	-	265	265	1 765	2 197	2 298
TOTAL NON-CASH TRANSFERS	5	2 100	-	-	-	-	-	265	265	1 765	2 197	2 298
TOTAL TRANSFERS		2 100	-	-	-	-	-	265	265	1 765	2 197	2 298

2.5 ADJUSTMENTS TO COUNCILLORS ALLOWANCE AND EMPLOYEE BENEFITS

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

DC26 Zululand - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 28/02/2025

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	
			5	6	7	8	9	10	11	12	
R thousands		A	A1	B	C	D	E	F	G	H	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		–	–			–		–	–	–	
Pension and UIF Contributions		563	–			–		24	24	587	4.2%
Medical Aid Contributions		41	–			–		10	10	51	23.8%
Motbr Vehicle Allowance		2 012	–			–		356	356	2 368	17.7%
Cellphone Allowance		483	–			–		301	301	784	
Housing Allowances		180	–			–		–	–	180	
Other benefits and allowances		6 187	–			–		598	598	6 785	
Sub Total - Councillors		9 465	–			–		1 289	1 289	10 755	13.6%
% increase			(0)							0	
Senior Managers of the Municipality											
Basic Salaries and Wages		8 555	–	–		–		(371)	(371)	8 185	-4.3%
Pension and UIF Contributions		444	–	–		–		47	47	492	10.7%
Medical Aid Contributions		123	–	–		–		8	8	130	6.1%
Overtime		–	–	–		–		–	–	–	
Performance Bonus		166	–	–		–		–	–	166	
Motbr Vehicle Allowance		1 997	–	–		–		681	681	2 678	34.1%
Cellphone Allowance		317	–	–		–		–	–	317	0.0%
Housing Allowances		13	–	–		–		–	–	13	
Other benefits and allowances		249	–	–		–		–	–	249	
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 Municipality		11 865	–	–		–		365	365	12 230	3.1%
% increase			(0)							0	
Other Municipal Staff											
Basic Salaries and Wages		221 924	–	–	–	–	–	(5 328)	(5 328)	216 595	-2.4%
Pension and UIF Contributions		24 008	–	–	–	–	–	6 566	6 566	30 573	27.3%
Medical Aid Contributions		17 029	–	–	–	–	–	1 272	1 272	18 301	7.5%
Overtime		5 780	–	–	–	–	–	–	–	5 780	0.0%
Performance Bonus		14 733	–	–	–	–	–	534	534	15 267	
Motbr Vehicle Allowance		12 000	–	–	–	–	–	10 844	10 844	22 844	90.4%
Cellphone Allowance		821	–	–	–	–	–	–	–	821	0.0%
Housing Allowances		1 758	–	–	–	–	–	–	–	1 758	
Other benefits and allowances		253	–	–	–	–	–	2 922	2 922	3 175	
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 Municipal Staff		298 307	–	–	–	–	–	16 809	16 809	315 116	5.6%
% increase											
Total Parent Municipality		319 637	–	–	–	–	–	18 463	18 463	338 101	5.8%

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	
		A	A1	B	C	D	E	F	G	H	
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									-	-	
Scaroty									-	-	
Acting and postrelated 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									-	-	
Scaroty									-	-	
Acting and postrelated 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									-	-	
Scaroty									-	-	
Acting and postrelated allowance									-	-	
In kind benefits									-	-	
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-	
% increase											
Total Municipal Entities		-	-	-	-	-	-	-	-	-	
TOTAL SALARY, ALLOWANCES & BENEFITS		319 637	-	-	-	-	-	18 463	18 463	338 101	5.8%
% increase											
TOTAL MANAGERS AND STAFF		310 172	-	-	-	-	-	17 174	17 174	327 346	5.5%

2.6 ADJUSTMENTS TO 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 following:

CAPITAL EXPENDITURE 2024-2025	FINAL BUDGET 2024/ 2025	MOVEMENTS	ADJUSTED BUDGET 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
MUNICIPAL INFRASTRUCTURE GRANT	220 722 693	2 702 525	223 425 218	237 266 087	258 812 174
REGIONAL BULK INFRASTRUCTURE GRANT	186 086 957	- 1 500 000	184 586 957	240 315 652	441 913 043
WATER SERVICES INFRASTRUCTURE GRANT	86 956 521		86 956 521	86 956 521	100 000 000
RURAL ROAD ASSET MANAGEMENT GRANT	2 306 957	- 18 000	2 288 957	2 413 077	2 524 078
INDONSA GRANT	173 913		173 913	181 913	190 281
ACCELERATED WATER INTERVENTION PROGRAM			-		
INTERNALLY FUNDED ASSETS	4 347 827	32 173 913	36 521 740	4 547 826	4 757 026
TOTAL CAPITAL EXPENDITURE	500 594 868.00	33 358 437.78	533 953 305.78	571 681 075.79	808 196 602.57

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

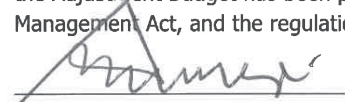
2.8 OTHER SUPPORTING DOCUMENTS

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: 2025-02-25