



ANNUAL BUDGET AND SUPPORTING DOCUMENTATION 2022/2023



ZULULAND DISTRICT MUNICIPALITY
UMKHANDLU WESIFUNDA SASE ZULULAND

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GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

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

MSCOA – Municipal Standard Chart of Accounts

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

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

LED – Local Economic Development

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

MIG – Municipal Infrastructure Grant

MSIG – Municipal Systems Improvement Grant

WSIG – Water services Infrastructure Grant

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

MWIG – Municipal Water Infrastructure Grant

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

R & M – Repairs and Maintenance

SCM - Supply Chain Management

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

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

Unauthorised Expenditure – generally spending without or in excess of an approved budget

Virement – transfer of budget

ZDM – Zululand District Municipality

PART 1 - ANNUAL BUDGET

1.1 MAYORS REPORT

BUDGET SPEECH 2022 / 2023 BY THE MAYOR OF ZULULAND DISTRICT MUNICIPALITY CLLR T D BUTHELEZI IN THE COUNCIL CHAMBERS ON 30 JUNE 2022

Honourable Speaker.

Deputy Mayor;

Members of the Executive Committee;

Fellow Councillors;

AmaKhosi aseNdlunkulu;

Members of the Media;

Honourable Speaker, coming from the intense process of public participation we emerge with virgae and a purpose made budget that is cast by the community's expectations.

It became clear that a credible budget is not always the realistic budget. Credibility goes with perception. We had to choose to be realistic to firstly achieve a funded budget assessment status. This goes a long way to our journey for sustainability. This will bring back confidence and certainty to our stakeholders. The implication of all this is a spin-off for affordability which is key to deliver on our commitment to manifesto.

The fundamental of this budget is the ability to manage revenue. The most important pillars are firstly, to increase our revenue base. We are more than ready to implement the flat rate tariff of R50 as was overwhelmingly welcome by the communities. It is now upon this house and the traditional leadership to close the circle. It is estimated that 40 000 households will participate in this, with a revenue of at least R24 million. Secondly, the demand side of the budget dictates that less we can do to deliver. Therefore, every effort must be made to collect on billed revenue from the existing customers. We stand ready to introduce capabilities that will change the approach on how we handle the outstanding debt from customers. Capacity in the unit of credit control is improved just for this purpose.

Honourable Speaker. Allow me to state the obvious: The administration is committed to clean governance and compliance with all applicable prescripts of the law with a budget that is premised on our determination to stabilise the municipality's finances. This is last lap in our turn around strategies. The next milestone on this journey is the viability assessment. This is informed by the liquidity of the municipality.

The budget was prepared and guided by these pillars following the legislative requirements.

The Municipality commits itself to:

- Ensuring optimal use of resources by reviewing current activities for operational efficiency;
- Investing in repairs and maintenance and capital infrastructure;
- Creating opportunities for employment; and most importantly
- Ensuring that the tariffs are affordable to poorer households.

Honourable Speaker, I am well aware that I cannot present the budget of the Municipality without first reflecting on the current economic status of the country.

South Africa's GDP growth improved to 2.9% in 2021/22 after the pandemic period of 2020/21. The medium-term outlook was weaker than projected in the 2021/22 Medium-Term Budget Policy Statement at 4.5%. Economic growth is expected to reach 4.8% this year and reach 4.4% in the outer year forecasted to 4.5% by 2024/25.

People have shown trust in us to serve them. But we have also had to deal with challenges. Before mentioning challenges, let one appreciate the few that we have achieved.

This municipality has improved in its audit outcome for last financial year.

This municipality has achieved a draft funded budget assessment.

This municipality has now filled vacant post of senior managers.

This municipality has put in place policies and governance systems required.

In the interest of transparency, I will mention the major challenges that still faces this budget and seeks to address.

- Currently, the municipality is still facing an infrastructure backlog on sanitation and water provision.
- We still struggle to meet our financial obligations
- The poverty levels are at alarmingly high rates.
- The municipality has not reached its investment potential – we need to cut overreliance on grants.

2022/23 BUDGET OVERVIEW

OPERATING BUDGET

Honourable Speaker and Councillors, I am once again pleased to report that we are entering this 2022/23 budget with a funded. Our total budget is R1,06 billion, with the operating budget being R626.1 million.

The Technical department is the focal point in this budget with the allocation of R141 million in its operations excluding employee cost. This is 40% of the budget. R95 million is ringfenced to deal with the backlog of obligations, this will ensure that once and for all we cut the historical burden that remained a cloud for unfunded budget. R276.9 million is our employees' cost, which accounts for 40% of our budget, just a norm as determined by National treasury.

This means we must redirect the resources to the basic services we are mandated to do by eliminating the nice to have.

We must now focus on internal resources to deliver by insourcing activities and assist in job creation.

By far our highest source of employment opportunities stems from the Extended Public Works Programme.

From what we proposed as draft budget, we further proposed the following to allow heritage and social cohesion to flourish.

Enyokeni access road (to recover from department of transport)	4 500 000
SALGA games	6 000 000
District development agency	500 000
Legacy cup	5 000 000
King coronation	1 000 000
Rehabilitation of airport	3 500 000
Water meters	4 000 000

CAPITAL BUDGET

The total capital budget amounts to R389 million for 2022/23, R413 million for 2023/24 and R477 million for 2024/25.

The national grant being the highest contributor to our funding structure we are obliged to distribute the projects to all local municipalities. As we have been engaging the communities, our allocation is as follows.

Ulundi Local Municipality	R135.8 million
Nongoma Local Municipality	R165.2 million
UPhongolo Local Municipality	R 18 million
EDumbe Local Municipality	R11.9 million
AbaQulusi Municipality	R23 million

Key major projects to the grants we posed to receive are as follows:

Ceza Phase 4: Bulk Water Supply Pipeline	R12 440 661,84
Mhlangeni Stand Alone Water Supply Scheme	R18 932 556,88
Mandlakazi Phase 5.1 - Zone B / B1	R18 154 351,98
Mandlakazi Phase 5.1 - Zone C1 / D1	R16 115 353,59
Mandlakazi Phase 5.1 - Zone H1 / H2	R21 431 024,71
Mandlakazi Upstream Bulk Section 1A	R15 247 000,00
Ulundi WTW to Mabedlane Reservoir	R17 916 419,58
Simdlangentsha Central - Phase 3 2.5 MI	R14 336 445,94
Usuthu Reticulation network Phase 3B	R30 569 888,00
Augmentation of eMakhosini Water Supply	R22 810 881,94
Njomelwane Water Supply Scheme	R25 575 666,61

This budget, like any other, is always a task that requires collaboration from all the Municipality's departments, scrutiny of the MTREF and a closer look at Integrated

Development Plans (IDPs) in order to be consolidated to address the needs of the people of Zululand District.

I would therefore like to extend my appreciation to everyone who worked tirelessly to ensure that the numbers are collated and that this administration remains on track to achieve its goals.

We will not only submit the IDP and Budget as per the legislation, but we will also be submitting the SDBIP and procurement plans to ensure that all capital projects budgeted for are implemented timely.

Madam Speaker, the presentation of this budget demonstrates our commitment to improve the lives of the people of Zululand District through service delivery.

The Budget is detailed in the document circulated with the agenda. I therefore propose the adoption of the Budget for MTREF 2022/ 2023 with its outer years as per the budget resolutions detailed on page 18 of the agenda.

I Thank you.

1.2 RESOLUTIONS

The council resolves that:

That in terms of section 16 of the Municipal Finance Management Act 56 of 2003, the Annual budget of the municipality for the financial year 2022/23 and indicative allocations for the two projected outer years 2023/24 and 2024/25 be approved as set-out in the following tables:

- Table A1 Budget Summary.
- Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification).
- Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote).
- Table A4 Budgeted Financial Performance (revenue and expenditure).
- Table A5 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 A6 Budgeted Financial Position.
- Table A7 Budgeted Cash Flows
- Table A8 Cash backed reserves/accumulated surplus reconciliation
- Table A9 Asset Management
- Table A10 Basic service delivery measurements

The Municipal Manager to be authorized to proceed with the procedure as stipulated in the MFMA and in terms of the guidelines stipulated by the Minister in terms of Section 168(1) of the Act.

The grants be accepted and approved with appreciation.

The Quality Certificate be approved.

The schedule of tariffs be approved as budgeted.

That the budget related policies be implemented with amendments.

The Municipal staff structure be reviewed for approval.

EXECUTIVE SUMMARY

1. MAIN BUDGET SUMMARY

	ORIGINAL BUDGET 2021/2022	ADJUSTMENT BUDGET 2021/2022	DRAFT BUDGET Tabled 2022/2023	BUDGET FINAL BEFORE ABAQULUSI RESOLUTION 2022/2023	ABAQULUSI ADJUSTMENT	BUDGET FINAL 2022/2023	BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025
OPERATING REVENUE	602 842 000	603 353 124	739 434 986	763 934 986	- 75 000 000	688 934 986	806 226 986	866 200 986
CAPITAL GRANTS AND TRANSFERS	574 058 000	583 658 320	372 306 000	372 306 000		372 306 000	405 137 000	438 209 000
TOTAL BUDGET REVENUE	1 176 900 000	1 187 011 444	1 111 740 986	1 136 240 986	- 75 000 000	1 061 240 986	1 211 363 986	1 304 409 986
OPERATING EXPENDITURE	596 623 000	595 234 124	635 958 407	658 958 407	- 32 797 849	626 160 558	685 277 278	723 687 092
CONTRIBUTION TO CAPITAL	580 277 000	591 777 320	380 486 000	381 986 000		381 986 000	410 574 500	443 916 875
TOTAL BUDGET EXPENDITURE	1 176 900 000	1 187 011 444	1 016 444 407	1 040 944 407	- 32 797 849	1 040 944 407	1 095 851 778	1 167 603 967
CAPITAL EXPENDITURE - GRANTS AND TRANSFERS	574 058 000	583 658 320	372 336 000	372 336 000		372 336 000	405 137 000	438 209 000
CAPITAL EXPENDITURE - INTERNALLY FUNDED ASSETS	6 219 000	8 119 000	8 150 000	9 650 000		9 650 000	5 437 500	5 707 875
TOTAL CAPITAL EXPENDITURE	580 277 000	591 777 320	380 486 000	381 986 000	-	381 986 000	410 574 500	443 916 875
TOTAL BUDGET REVENUE	1 176 900 000	1 187 011 444	1 111 740 986	1 136 240 986	- 75 000 000	1 061 240 986	1 211 363 986	1 304 409 986
TOTAL BUDGET EXPENDITURE	1 176 900 000	1 187 011 444	1 016 444 407	1 040 944 407	- 32 797 849	1 008 146 558	1 095 851 778	1 167 603 967
SURPLUS/DEFICIT	-		95 296 579	95 296 579	- 42 202 151	53 094 428	115 512 208	136 806 019

The 2022/2023 final budget is **R1.06 billion**, which represent a decrease of **R125 million** from the 2021/2022 adjusted budget of **R1.18 billion**. This represents a decrease of **11%**.

This decrease is a result of a negative change on Capital Grants as per Division of Revenue Bill (DORA).

Based on the above background, it is important to highlight components of the annual budget, operating revenue, operating expenditure, capital expenditure and financing, financial position, cashflow and Cash backed reserves/accumulated surplus reconciliation.

1.1 Operating Revenue Framework

The 2022/2023 final Operating Revenue budget is **R688 million**. This represents an increase of **R85 million** or **14%** from 2021/2022 adjustment budget of **R603 million**. This increase is due to a positive change in Equitable share of **R61.7 million**, Service charges of **R83 million**, and Fines of **R100 thousand**.

The Operating Revenue amount largely comprises of equitable share and operating conditional grants in terms of Division of revenue Act. Operating revenue is explained by source in Section 1.4 Operating Revenue Framework.

1.2 Operating Expenditure Framework

The 2022/2023 final Operating Expenditure budget is **R626 million**. This represents an increase of **R30 million** or **5%** from 2021/2022 adjustment budget of **R596 million**.

The Operating Expenditure amount is explained by expenditure type in Section 1.5 Operating Expenditure Framework.

1.3 Capital Expenditure and Financing Framework

The 2022/2023 final Capital Expenditure and Financing budget is **R381.9 million** VAT inclusive. This represents a decrease of **R209 million** or **35%** from 2021/2022 adjustment budget of **R591.7 million**. This drastic decrease is a result of a negative change on Capital Grants as per Division of Revenue Bill (DORA). Capital expenditure is budgeted at **R332.1 million** VAT exclusive on table A5 as per mSCOA circular 13 guideline.

The Capital expenditure budget is detailed by vote and functional classification in Section 1.6 Capital Expenditure and Funding.

The following is the list of projects to be implemented in 2022-2023

LOCAL MUNICIPALITY	PROJECT NAME	PROJECT DESCRIPTION	FUNDING SOURCE	2022/2023 BUDGET ALLOCATION
Ulundi LM	Nkonjeni Augmentation of Production Borehole Water Supply	Equipping of boreholes (Eskom connections, pumps, motors, protective housing and fittings). Earthworks for pipelines (pipe trenches), Medium pressure pipeline. Installation of air – isolating and – scour valves. Construction of new valve chambers, Float valve and fittings for existing reservoirs (where applicable). Installation of booster pump stations (where applicable). Construction of a new 100KL reservoir. Refurbishment and repairs to existing pipelines and networks and Leak detection.	MIG	5 520 508.1
	Upgrading of existing Nkonjeni WTW power supply to 22KVA	Upgrading existing WTW power supply	MIG	8 500 000.0
	Construction of Rising Main from Ulundi WTW to Mabelane Reservoir	Installation of 750m long 800mm dia Steel Pipe, 1.2km long 800mmØ oPVC Pipe and associated chambers Installation of surge protection vessels and the refurbishment of the existing 500mm dia outlet pipe in the clean water pumpstation	MIG	17 916 419.1
	Upgrade of Ulundi Water Treatment Works: Mechanical & Electrical - Stage1A	Installation of Transformers at Raw Water Pump Station, MCC, High Lift Pump Station. Upgrade Chlorination Room and Telemetry and SCADA. Refurbishment of Old high lift pumps and blowers. Replacement of Filter Gallery Piping and existing High lift Manifold.	MIG	387 435.0
	Upgrade of Ulundi Water Treatment Works & refurbishment/ upgrade of the Nkonjeni RWSS - Stage1A - Civil Works	Construction of Raw Water pump station Slab, Concrete Road and new Office Block	MIG	3 735 101.0
	Simdlangentsha Central RWSS - Phase 3 : The Construction of A 2.5 Ml Reinforced Concrete Reservoir At Ombimbini Village	Construction of a 2.5ML reinforced concrete Reservoir Construction and assembly of an Inlet- and - Outlet Chambers and associated pipework	MIG	14 336 445.1
	Augmentation of eMakhosini Water Supply	Borehole pump station, Bulk pipeline, retic 250kl Res.	MIG	22 810 881.1
	Njomelwane Water Supply Scheme	Borehole pump station, Bulk pipeline, retic 600kl and 150kl Res.	MIG	25 575 666.0
Phongolo LM	Simdlangentsha East RWWS : Internal Water Reticulation - Phase 1B (3A)	Installation of various diameter reticulation pipework from 20mm to 110mm; - Installation of 445 water house connections (Ngedele and Mshushulu) - Various valve chamber (i.e. scour, isolation and pressure	MIG	9 693 452.0
	Simdlangentsha East Internal Water Reticulation - Phase 3B	The construction of a new 1ML Steel Reservoir at Ntsibila Village (S1) and Mechanical pipework and connection to the existing infrastructure	MIG	8 400 000.0
Edumbe LM	Simdlangentsha West RWSS: Construction of Rising Main From Frischgewaagd Abstraction Works To Bilanyoni Terminal Reservoir	The installation of 128m of 500mm dia oPVC, 3.5km of 630mm and 150m of 315mm oPVC PN20 pipeline and associated valves.	MIG	5 268 925.0
	Simdlangentsha West RWSS: Construction Frischgewaagd, Abstraction Works, Staff Accommodation and Bilanyoni Booster Pumpstation.	demand of 26ML/day. The abstraction works consist of inlet canal works, sedimentation tanks, pump sump, generator room, pipework electrical works and mechanical works in the pump house and Staff accommodation. 1ML reservoir with associated valves and gravel access road.	MIG	6 711 068.1
Abaqulusi LM	Ndulinde Rudimentary Water Scheme	The construction of 12km 110-20 mm diameter HDPE pipe, Borehole equipping, 50kl Elevated tank, Pipe jacking, valve chambers and associated fitting	MIG	2 727 651.0
Nongoma LM	Usuthu RWSS: Ward 14 Nongoma Ph 1	The project comprises of the installation approximately 18500m of HDPE piping ranging from 50-90mm including the installation of 346 yard connections with associated valves	MIG	2 223 973.0
	Usuthu RWSS : Ward 14 Nongoma Ph 2	The installation of approximately 32 050 m of HDPE pipes ranging from 50 mm to 90 mm. In addition, the installation of 514 No yard stand connections as well as all associated valves.	MIG	9 659 881.0
	The Installation of ± 1000 pre-cast concrete VIP toilet units at Zululand District Municipality South	The scope consists of manufacturing and installation of ± 1000 Pre-Cast Concrete VIP toilet units around Ulundi and Nongoma	MIG	10 987 048.0
	The Installation of ± 1000 pre-cast concrete VIP toilet units at Zululand District Municipality (North)	The scope consists of manufacturing and installation of ± 1000 Pre-Cast Concrete VIP toilet units around Abaqulusi, Edumbe and oPhongola	MIG	10 347 152.0
	Completion of Ophalule Phase 1 : Bulk Line Reticulation		MIG	2 737 670.0
	Zululand Rudimentary Programme	Sitting, Drilling, Testing and Equipping of Boreholes North	MIG	10 388 800.1
	Zululand Rudimentary Programme	Sitting, Drilling, Testing and Equipping of Boreholes South	MIG	6 287 430.1
	Zululand Rudimentary Programme	Spring protection , pipelines, plastic tanks tap tands - North	MIG	5 603 987.1
	Zululand Rudimentary Programme	Spring protection , pipelines, plastic tanks tap tands - South	MIG	4 150 581.1
	Construction of Usuthu Water Reticulation network (Ezilonyeni)- Nongoma	Construction of Usuthu Water Reticulation network (Ezilonyeni)- Nongoma	MIG	30 569 888.0
	Gomondo, Ezilonyeni and Matshepuzi Water Reticulation Network		MIG	12 976 500.0
	Top Slice	PMU Support	MIG	31 435 595.0
	MIG Project allocation of Civil Engineering Professional Fees	Professional Consultant fees capped @ max 14% of the total project costs allocation	MIG	15 247 000.0
Nongoma LM	Mandlakazi Bulk Water Supply Scheme: Upstream Bulk Section 1A	The construction of 4km of 1m diameter PVC-O pipe, including valve chambers and associated fittings.	RBIG	15 247 000.0
Ulundi LM	Ceza SAWSS Phase 4: Nhlonga Bulk	The construction of 7,6km 200mmØ PVC-O pipeline with associated valves and chambers. 500kl Concrete Reservoir with associated valves and chambers and fittings. 1.9km access road and fencing.	WSIG	2 567 050.0
	Ceza SAWSS Phase 4: Nhlonga Reticulation and Weir	The construction of 1.44km of 160PVC-O, 30.15 km of 110 - 50mm diameter HDPE Reticulation pipelines, 365-yard connections and Concrete Weir with associated valve chambers and fittings.	WSIG	2 097 404.1
	Ceza SAWSS Phase 4: Bulk Water Supply Pipeline	Construction of new 120m 250mmØ Steel pipe, 4100m 250mmØ o-PVC pipeline, 4000m 50 & 90mmØ HDPE pipeline with associated chambers.	WSIG	12 440 661.1
	Nkonjeni Water Demand	Construction of a living area for the operator at the WTW. Enclosure of the existing steel structure at the Ceza WTW. Borehole installation and fencing.	WSIG	10 000 000.0
Abaqulusi LM	eMondlo Bulk Phase1	WCDM	WSIG	1 644 213.0
	Mhlangeni Stand Alone Water Supply Scheme	Refurbishments and additions various pipe diameters ranging from 25mm to 75mm for HDPE and 75mm to 250mm for oPVC pipes. Including 570 yard tap connections, boreholes equipping and construction of 500kl reservoir including associated ancillaries fitting including all related valves within eMhlangeni and eMadwaleni.	WSIG	18 932 556.0
Nongoma LM	Mandlakazi RWSS Phase 5.1 - Zone B / B1	Construction of approximately 33.380km reticulation network with pipe diameters between 25mm to 160mm on 277 yard taps. Along with are air scour and isolating valves, valve chambers and break pressure tanks.	WSIG	18 154 351.1
	Mandlakazi RWSS Phase 5.1 - Zone C1 / D1	Construction of approximately 29.730km reticulation network with pipe diameters between 125mm to 160mm on 165 yard taps. Along with are air scour and isolating valves, valve chambers and break pressure tanks.	WSIG	16 115 353.1
	Mandlakazi RWSS Phase 5.1 - Zone H1 / H2		WSIG	21 431 024.1
	Professional Fees	Civil Engineering Services	WSIG	1 617 382.0

2 BUDGETED FINANCIAL POSITION

The budgeted financial position indicates current ratio that has improved compared to 2020/2021 Audited AFS, the municipality has budgeted for cash at year end of **R241 million**. The municipality has budgeted to reduce liabilities to improve going concern and liquidity position, additions to assets will amount to **R332.1 million** which is funded mostly by grants. Budgeted financial position is explained per component type in section 1.7 Annual Budget Tables MBRR Table A6.

2.1 Budgeted Cashflow

The municipality has budgeted to generate total cash of **R1.12 billion**, this receipt is comprised of capital and operating grants, service charges collection, interest on investment and other revenue. The municipality has budgeted to pay **R903 million**, operating expenditure payments is **570 million**, and capital asset payments is **R332 million** vat exclusive. The payment to suppliers and employees is VAT inclusive and Capital acquisition is VAT exclusive due to limitations from the system. The VAT on capital Expenditure is **R49,8 million**. In total the municipality will pay **R952.8 million**.

Budgeted cashflow is explained by cashflow type in section 1.7 Annual Budget Tables MBRR Table A7.

2.2 Cash backed reserves/accumulated surplus reconciliation

This is a utilization of cash available at the end as per cashflow and investments to determine whether the budget is funded or not by applying net-working capital. Net-working capital is determined by debtors less creditors. The budget appears to be funded by **R197.5 million** as per A8.

3. NATIONAL POLICY KEY IMPERATIVES

After the State of the Nation Address by the President and the Budget speech by the Minister of Finance key priorities were noted and became our policy imperative. National Treasury subsequently issued MFMA Circular No. 115 to give guidance on these imperatives.

There are key factors that have been taken into consideration in the compilation of the 2021/22 MTREF:

- (i) The general **inflationary outlook** and the impact on Municipality's residents and businesses

Table 1: Macroeconomic performance and projections, 2021-2025

Fiscal Year	2021/22 Estimates	2022/23	2023/24 forecast	2024/25 Forecast
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CPI Inflation	4.5%	4.8%	4.4%	4.5%
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(ii) **COVID-19** considerations

The municipality is one of those that are affected negatively by the impact of Covid-19 pandemic.

The risk exposure presented by the pandemic has been assessed which demanded a change in budget framework that affect conditional grants application for use to combat the virus, the ability of customers to sustain the affordability to pay for services, the systems of sourcing service providers with minimal impact on compliance and the need to boost IT infrastructure to allow social distancing.

(iii) Division of Revenue Act and provincial gazette

The Act allocates grants to municipalities. Allocation made towards the municipality are tabled below.

GRANTS	ORIGINAL BUDGET 2021/2022	ADJUSTED BUDGET 2021/2022	FINAL BUDGET 2022/2023	BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025
EQUITABLE SHARE		564 272 000.00	586 391 000.00	630 327 000.00	677 132 000.00
FINANCE MANAGEMENT GRANT	1 200 000.00	1 200 000.00	1 200 000.00	1 200 000.00	1 200 000.00
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	4 031 000.00	4 031 000.00	2 787 000.00	2 380 000.00	2 380 000.00
AVIATION STRATEGY			500 000.00	-	-
MUNICIPAL DISASTER RELIEF			-	-	5 000 000.00
ART & CULTURE INDONSA GRANT		1 911 000.00	1 911 000.00	1 911 000.00	1 911 000.00
EXPANDED PUBLIC WORKS PROGRAMME	- 9 612 000.00	9 261 000.00	8 517 000.00	-	-
RURAL ROAD ASSET MANAGEMENT GRANT	2 416 000.00	2 416 000.00	2 529 000.00	2 539 000.00	2 631 000.00
MUNICIPAL INFRASTRUCTURE GRANT	239 111 000.00	239 111 000.00	259 530 000.00	271 718 000.00	284 684 000.00
REGIONAL BULK INFRASTRUCTURE GRANT	222 531 000.00	222 531 000.00	15 247 000.00	30 000 000.00	50 000 000.00
WATER SERVICES INFRASTRUCTURE GRANT	110 000 000.00	110 000 000.00	95 000 000.00	100 880 000.00	100 894 000.00
TOTAL GRANTS		1 154 733 000.00	973 612 000.00	1 040 955 000.00	1 125 832 000.00

(iv) The revenue budgets

An increase of **6%** is proposed to be affected on Tariffs.

Water tariffs have been determined as follows:

Kiloliters	Percentage increase
0- 6kl	Free basic water)
6- 30kl	6%
30-40kl	6%
>40kl	6%

The assumed collection rate based on the current collection level is expected to be **65%** of billable revenue.

(v) Employee related Costs

Three-year salary and wage collective agreement has been considered. The municipality has proposed 4.8% increase on salaries.

Cost containment measures

Cost containment measures continue as our resolution. Hence the budget is largely informed by this. We have reviewed existing Service Level Agreements and managed to reduce their costs for the 2022/2023 financial year. We continue to make it our practice, a call by the cost containment regulation to eliminate expenditures on the following:

Travel, Conferences, Catering, Entertainment, social functions, telephones, and wasteful expenditure

(vi) Budget related policies

The municipality in implementing this budget will rely mostly on its policies as being reviewed for the financial year. The following are policies applicable in the budget and treasury office.

- Budget Policy
- Virement Policy
- Credit control policy
- Debt write-off policy
- Banking and investment policy
- Funding and Reserve policy
- Supply Chain management policy
- Asset Management Policy
- Asset Loss control policy
- Indigent support policy
- Insurance Policy
- Tariff Policy
- Subsistence and Travelling Policy

All reviewed and new policies will be work shopped to stakeholders and Council.

4. BUDGET ASSUMPTIONS

- (i) Organogram is confirmed
- (ii) To make impact on current assessment of unfunded budget
- (iii) To provide for section 78 close out recommendations
- (iv) To identify revenue increase possibilities
- (v) To priorities compliance issues and SLA that are existing
- (vi) To consider budget Circular
- (vii) To consider the implications of RBIG grant
- (viii) To collect 45 % of current billing and 20 % of prior period
- (ix) To ringfence VAT refund for unauthorized expenditure
- (x) Management to commit on budget stringent measures (KPI)
- (xi) CPI is 4,8% on salaries
- (xii) Tariff Increase proposed is 6%

1.4 OPERATING REVENUE FRAMEWORK

The sources of funding are important to ensure that the budget is funded, and cash backed. The following items warrant specific mention:

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	23 258	27 255	41 251	43 000	42 186	42 186	43 279	68 000	71 400	74 970
Service charges - sanitation revenue	2	10 479	10 457	11 514	11 000	12 305	12 305	12 494	12 500	13 125	13 781
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		156	159	179	210	183	183	195	183	183	183
Interest earned - external investments		7 803	4 760	3 226	6 000	6 000	6 000	3 461	6 000	6 000	6 000
Interest earned - outstanding debtors		40	27	29	85	85	85	288	85	85	85
Dividends received											
Fines, penalties and forfeits		18	4	7 543	638	48	48	139	150	155	160
Licences and permits		–	–	10	10	10	10	–	–	–	–
Agency services											
Transfers and subsidies		434 438	485 800	577 833	541 399	542 010	542 010	536 805	601 306	635 818	687 623
Other revenue	2	1 488	1 045	662	500	625	625	496	711	711	711
Gains		11 765	–	20 175	–	–	–	40	–	–	–
Total Revenue (excluding capital transfers and contributions)		489 444	529 507	662 422	602 842	603 453	603 453	597 197	688 935	727 477	783 513

Service charges water revenue

Service charges is the amount billed to consumers for water consumed. The Municipality budgeted an amount of **R68 million** under Service charges - water revenue, this represents an increase of **R26 million** or **62%** from an amount of **R42 million** in the **2021/22** Adjusted Budget. This amount excludes **R3 million** from free basic services. From the **2022/2023** Tabled budget, service charges have increased by **R24.4 million** which is a new revenue stream identified by the Municipality as explained below.

Service charges water revenue increased by **62%** instead of **6%** as per increase in tariffs schedule. This increase is due to the council seating which resolved that Rural households who have unmetered tap water inside dwelling should pay a flat rate of R50 for water usage per month while the municipality is trying to source funding to install meters. During the budget community participation, the Zululand community agreed to the flat rate fee of R50 per month. According to WSDP, Zululand has about 75 thousand household with unmetered taps. Some are receiving water on interval basis, and some receive water throughout the month. The Municipality will start billing R50 on households that receive water throughout the month.

The Municipality increased tariffs by 6% which is above 4.8 percent guideline as per MFMA circular No. 112, this was done to gradually achieve cost reflective tariffs, whilst maintaining customer affordability.

The Municipality budgeted a provision of **R3 million** for free basic water to those declared as indigent households. The Municipality is in progress with compiling the indigent register.

An amount of **R9 million** has been set aside as a provision for bad debt (provision for non-collection). The municipality is predominantly rural and there are no industries, the level of

employment is very low, as a result the municipality is working on updating the indigent register. At the moment the cost of production is higher than the revenue recovered since only urban areas are billed.

Service charges sanitation revenue

Sanitation revenue is amounts billed on a fraction of customers that are connected to the sewer system since our municipality is comprised by most rural areas, Sewer charge is fixed, but businesses and government are charged an additional sewer excess if they use more than 40kl of water per month. The Municipality budgeted an amount of **R12.5 million** under Service charges - sanitation revenue, this represents an increase of **R200 thousand** or **1%** from an amount of **R12.3 million** in the **2021/22** Adjusted Budget.

The Municipality does not provide free basic service for sewer charges since sewer charge is fixed thus no revenue forgone is recognized under sanitation revenue.

The Municipality increased tariffs by 6% which is above 4,8% guideline as per MFMA circular No. 112, this was done to gradually achieve cost reflective tariffs, whilst maintaining customer affordability. This increase will not clearly be identified as the municipality has just considered Abaqulusi water and sanitation department and will take some time to balance tariffs.

An amount of **R5 million** has been set aside as a provision for bad debt (provision for non-collection). The Municipality only charges sewer services to metered consumers.

Rental of facilities and equipment

The income is expected from renting of park homes and tourism hub that are used as offices. The Municipality budgeted an amount of **R183 thousand** excluding vat under rental of facilities and equipment. Increase is not equivalent to 4.8% because rentals are determined by the rental agreement. The 2022/23 total amount is **R210 thousand** Vat inclusive.

Interest earned - external investments

Interest on investment is interest generated from both current and investment accounts, the municipality makes cash investment deposits which are call and 32 days investment deposits. The Municipality budgeted an amount of **R6 million** under Interest on investment with no changes compared to the 2021/22 Adjusted budget. The municipality is considering engaging in 3 or 6 months investment to increase earnings.

The municipality invest funds available from grants not immediately due for payment. The municipality does not expect to have investments at the end of the financial year since the municipality is planning to make short term investments that does not exceed 12 months thus table SA15 does not reflect any balance.

Interest earned – outstanding debtors

Interest earned on outstanding debtors is an interest charged solely on businesses at a percentage of **5.25%** as per the municipality's Credit Control Policy, to business that owe more than **60 days**. The Municipality budgeted an amount of **R85 thousand** on interest

earned on outstanding debtors for the year 2022/23, which reflects no changes compared to the 2021/22 adjusted budget. The Municipality budgeted this amount based on current year trend.

Fines, penalties, and forfeits

Fines, penalties, and forfeits is amounts charged on illegal connections, deposit forfeits, health fines based on health inspections and reconnection fees on nonpaying disconnected customers. The Municipality budgeted an amount of **R150 thousand** under fines, penalties, and forfeits. This represents an increase of **R102 thousand** or **213%** from an amount of **R48 thousand** in the 2021/22 Adjusted Budget. The Municipality will train the environmental health practitioners so they can be able to fine stores that are not complying with health regulations. **R100 thousand** increase is due to the environmental health and safety fines expected. This increase is above 4.8% guideline as per MFMA circular No. 115.

Licences and permits

Licences and permits are mainly based on the licences issued by municipal health. The Municipality provides no budget for licenses and permits for the 2022/2023 financial year.

Transfer and subsidies

Transfers and subsidies budgeted amount is **R601 million** for the 2022/23 financial year. An increase of **R59 million** or **11%** is observed from the 2021/22 adjusted budget. It is assumed that the National and Provincial grants as per Division of Revenue Act (DORA) and Provincial gazette which have been included in the budget will be received during the 2022/2023 financial year. An amount of **R1.9 million** has been gazette to be received from the department of arts and culture, this grant will be used to facilitate projects in district art center (Indonsa art center). An amount of **R500 thousand** has been allocated to aviation strategy as the grant.

Other revenue

Other revenue in the budget consists of the amount that will be collected during the year such as tender fees, skills development levy refunds etc. The Municipality budgeted an amount of **R711 thousands** in 2022/23 financial year. This represents an increase of **R86 thousand** or **14%** from the amount of **R625 thousand** amount on the 2021/2022 Adjustment Budget.

This amount is based on the operational revenue the municipality expects to receive.

1.5 OPERATING EXPENDITURE FRAMEWORK

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type											
Employee related costs	2	201 677	219 973	241 953	255 269	255 269	255 269	256 016	268 152	281 560	295 638
Remuneration of councillors		8 089	8 372	8 489	8 537	9 037	9 037	8 638	8 771	9 209	9 670
Debt impairment	3	14 807	15 905	13 689	9 000	9 000	9 000	–	14 000	14 000	14 000
Depreciation & asset impairment	2	63 780	77 826	84 156	71 620	70 603	70 603	88 223	80 000	84 000	88 200
Finance charges		–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	2	72	(655)	–	–	–	–	–	–	–	–
Inventory consumed	8	1 620	3 027	3 332	24 194	26 142	26 142	314	33 320	34 979	36 721
Contracted services		203 115	241 433	294 507	139 336	196 869	196 869	206 217	106 388	111 081	121 535
Transfers and subsidies		962	6 292	12 891	11 950	11 496	11 496	11 295	3 070	3 224	3 385
Other expenditure	4, 5	92 680	99 255	113 097	76 716	109 866	109 866	114 156	112 460	112 787	118 379
Losses		–	37	2 416	–	–	–	–	–	–	–
Total Expenditure		586 803	671 465	774 531	596 623	688 282	688 282	684 859	626 161	650 840	687 527

Employee Related Costs

Employee related cost are amounts budgeted for employee benefits and company contribution. The Municipality budgeted an amount of **R268.1 million** under employee related costs, this represents an increase of **R12.9million** or **5%** from an amount of **R255.2 million** in the 2021/22 Adjusted Budget. The municipality has budgeted for a **4.8%** increase on salaries for each employee, the **4.8%** increase is based on CPI as per existing bargaining agreement and has taken into consideration the financial stability of the municipality.

Employee related costs is **44%** of the total operating budget inclusive of councilor's remuneration. The primary reason for the increase is an annual increment of **4.8%**, notch increases as per TASK grade implementation, as well as changes in other staff benefits that are percentage based to salary. This is above the norm of **25-40%** as per MFMA circular no. 71 guideline.

The implementation of Expanded public works programme has also contributed to the high level of expenditure on employee related cost. The Municipality budgeted an amount of **R8.5 million** for EPWP employees. This amount is included under employee related cost since the municipality pay this cost directly to EPWP employees. The EPWP grant funding is not sufficient to cover employees under the programme and supplemented by the municipality's own funds.

The municipality has budgeted an amount of **R12.7 million** for 13th cheque bonuses. This amount has been classified as Performance bonuses on table SA22.

Remuneration of Councilor's

Remuneration of Councilors are amounts budgeted for Councilors allowances and company contribution. The Municipality budgeted an amount of **R8.77 million** which reflect a **2.7%**

increase under Remuneration of Councilor's from an amount of **R8.5 million** in the 2021/22 Adjusted Budget.

A **4.8%** increment for Councilor's remuneration is provided and is equal to inflation target of **4.8%**, the budget provided is expected to cater for councilors upper limits. Remuneration of Councilor's budget is based on actual amounts paid in the current year plus **4.8%** increase.

Replacement of 100 percent serving Councilors with 40/60 percent serving Councilors has also deterred the increment.

Debt impairment

This is the provision for doubtful debts because of a non-collection level. It is based on the non-collection estimates. The Municipality budgeted an amount of **R14 million** under Debt impairment, this represents an increase of **R5 million** or **55.6%** from an amount of **R9 million** in the 2021/22 Adjusted Budget.

The municipality has increased the provision based on 2021-2022 budget collection level of **65%**. Assessment and provision for bad debts is done at year end, the municipality does not expect to impair the whole remaining 35% of billed consumers since some consumers do not meet the municipalities impairment criteria. For example, the municipality does not impair businesses and government institutions. Secondly, some consumers at least make the minimum number of payments per annum to disqualify them from being impaired.

Depreciation

This is a non-cash item budgeted for as per the stipulation of the general recognized accounting standards. The Municipality budgeted an amount of **R80 million** under Depreciation, this represents an increase of **R8.38 million** or **12%** from an amount of **R71.6 million** in the 2021/22 Adjusted Budget.

The depreciation is estimated based on the municipalities accounting policy and the new assets the municipality is expecting to acquire in 2021-2022. The depreciation calculation considers assets that are still in progress but will be completed in the following financial years (2022-2023).

The Municipality is also considering creating an asset replacement reserve to refurbish these assets and ensure continuous services delivery.

Inventory consumed

Inventory consumed includes the issues of bulk water, consumable stores, and materials and supplies. The Municipality budgeted an amount of **R33.3 million** under inventory consumed. This represents an increase of **R7.1 million** or **27%** from an amount of **R21.2 million** in the 2021/2022 Adjusted budget. The budget for water purchases has considered drought levy charge, and based on the trend, the municipality bulk purchases are only water, municipality purchases water from the likes of DWS and others raw water sources. Previously, the Municipality incorrectly budgeted meters under current assets. The increase of **R6 million** is for meters that are now correctly budgeted under inventory.

In the previous financial years, a bigger portion of the municipality's bulk water purchases budget was catered for Abaqulusi. Since the municipality is taking over the water and sanitation department from Abaqulusi, there will be a decrease in purchase of water. The Municipality considered the budget for Abaqulusi bulk water purchase for financial year 2022/23.

Contracted services

Contracted services consist of outsourced services, consultants and professional services and contractors.

The anticipated contracted services expenditure budgeted amount is **R106.42 million**, which is a decrease of **R90 million** or **46%** from the amount of **R196.8 million** in the 2021/2022 Adjustment Budget. It is highlighted that the Municipalities has decided to insource some contracted services. The Municipality reviewed existing Service Level Agreements and managed to reduce their costs for the 2022/2023 financial, the municipality has also engaged in some payment plan on contracted services.

Contracted services have decreased due to financial constraints, below are the highlights on the contracted services.

Outsourced Services

This includes security, internal audit, professional fees, and others. The decrease is because the municipality did not budget for water tankers and is decreasing the use of security services.

Consultants and Professional Services`

This is provision of professional services like audit committee, project management, facilitators etc. this has increased due to the Municipal systems improvement grant allocated, municipality will need specialised experts in identified projects.

Contractors

This includes costs for operations and maintenance of water and sewer infrastructure plants, maintenance and repairs of infrastructure and movable asset and municipality buildings.

Transfers and subsidies paid

Transfers and subsidies consist of Disaster relief material, and LED initiatives.

Transfers and subsidies amount is **R3.07 million**. The municipality has reduced the anticipated expenditure under this item by **R8.4 million** or **73%** when compared to an amount of **R11.5 million** reflected in the 2021/22 Adjustments Budget. This reduction is due to the Municipality not budgeting for the (COVID) economic recovery funds and poverty relief. This depends on the needs and request from the community and municipality provide budget for those needs.

The Transfers and subsidies budget is mainly for LED initiative and Disaster management initiatives.

Other expenditure

The municipality other expenditure includes all other expenditures that do not have line space in A4. This includes Operating cost, e.g., municipal services, Eskom(electricity), wet fuel, external audit fees, insurance premium, uniform and protective clothing, chemicals. etc. It is assumed that costs for services will increase in line with the CPI but others have remained the same due to municipal financial limitations. The increase in the price of electricity also have effect on the budget increase.

Other Expenditure

• Municipal Services (ESKOM)	R40 million
• Wet Fuel	R9 million
• External Audit fees	R3 million
• Insurance	R2.2 million
• Uniform	R2.8 million
• Management Fee	R5.5 million
• Municipal Services (RATES)	R4.2 million
• Advertisement and Publication	R2.9 million
• Operating Lease	R16.5 million
• Licences and Software	R2.4 million
• Bargaining Council (SALGA)	R2 million
• Worksmen Compensation	R2 million
• Legacy Cup	R5 million
• Achievement Awards	R192 thousand
• Transport	R1.2 million
• Hire Charges	R2.9 million
• Printing and publication	R768 thousand
• Subsistence and Travelling	R2.89 million
• Professional bodies	R264 thousand
• Vehicle registration	R800 thousand
• Learnership internship	R95 thousand
• Storage and files	R200 thousand
• Tools	R2.45 million
• Entertainment	R125 thousand
• Bank accounts	R250 thousand
• Communication & Telephone	R2 million
• Voluntarily workers – Honoraria	R130 thousand
• Cleaning Service	R50 thousand
• Seating Allowance	R100 thousand
Total	R112.4 million

1.6 CAPITAL EXPENEDITURE AND FUNDING

Capital Budget Summary

	ORIGINAL BUDGET 2021/ 2022	ADJUSTED BUDGET 2021/ 2022	DRAFT BUDGET 2022/ 2023	DRAFT BUDGET 2022/ 2023 - Changes	FINAL BUDGET 2022/ 2023 -	BUDGET YEAR 2023/ 2024	BUDGET YEAR 2024/ 2025
Grants - Capital	574 892 001.00	584 492 321.00	372 336 000.00	-	372 336 000.00	405 167 000.00	438 239 000.00
Internally Generated Funds	5 385 000.00	7 285 000.00	8 150 000.00	1 500 000.00	9 650 000.00	8 557 500.00	8 985 375.00
Total Capital Budget	580 277 001.00	591 777 321.00	380 486 000.00	1 500 000.00	381 956 000.00	413 724 500.00	447 224 375.00

The municipality has budgeted the capital expenditure exclusive of VAT as guided by mSCOA circular no. 13.

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional											
<i>Governance and administration</i>		669	1 241	4 482	3 885	7 245	7 245	7 262	3 652	3 835	4 027
Executive and council		-	-	-	3 500	6 700	6 700	6 594	-	-	-
Finance and administration		669	1 241	4 482	385	545	545	668	3 652	3 835	4 027
Internal audit											
<i>Community and public safety</i>		-	-	547	834	725	725	253	70	72	74
Community and social services		-	-	547	834	725	725	253	70	72	74
Sport and recreation											
Public safety											
Housing											
Health											
<i>Economic and environmental services</i>		5 960	-	3 322	2 416	10 441	10 441	7 979	6 112	2 208	2 288
Planning and development		5 960	-	3 322	2 416	10 441	10 441	7 979	6 112	2 208	2 288
Road transport											
Environmental protection											
<i>Trading services</i>		374 313	417 624	333 171	573 142	523 207	523 207	401 254	322 284	350 861	379 578
Energy sources											
Water management		374 313	417 624	333 171	573 142	523 207	523 207	401 254	322 284	350 861	379 578
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management											
<i>Other</i>		-	-	135	-	-	-	-	43	46	48
Total Capital Expenditure - Function	3	380 942	418 865	341 658	580 277	541 618	541 618	416 748	332 162	357 021	386 015
Funded by:											
National Government		374 313	407 237	333 171	574 058	525 260	525 260	402 680	323 744	352 293	381 051
Provincial Government		-	8 360	3 869	834	9 073	9 073	6 805	26	26	26
District Municipality (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational											
Transfers recognised - capital	4	374 313	415 596	337 040	574 892	534 333	534 333	409 486	323 770	352 319	381 077
Borrowing	6										
Internally generated funds		6 629	3 269	4 617	5 385	7 285	7 285	7 262	8 391	4 702	4 937
Total Capital Funding	7	380 942	418 865	341 658	580 277	541 618	541 618	416 748	332 162	357 021	386 015

Capital budget is funded 98% by grants as per DORA, a certain portion is funded by internally generated funds. 98% of capital budget is used for water infrastructure, internally generated funds will be used for the acquisition of ICT Infrastructure, Furniture ect.

Grant funded Assets

GRANT CAPITAL FINANCING	ORIGINAL BUDGET 2021/2022	ADJUSTMENT BUDGET 2021/2022	DRAFT BUDGET 2022/2023	BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025
RRAMS	2 416 000.00	2 416 000.00	2 529 000.00	2 539 000.00	2 631 000.00
MIG	239 111 001.00	239 111 001.00	259 530 000.00	271 718 000.00	284 684 000.00
RBIG	222 531 000.00	222 531 000.00	15 247 000.00	30 000 000.00	50 000 000.00
WSIG	110 000 000.00	110 000 000.00	95 000 000.00	100 880 000.00	100 894 000.00
TOTAL CAPITAL FINANCING			372 306 000.00	405 137 000.00	438 209 000.00

Internally funded assets

Assets to be purchased during the financial year using the internal generated funds listed below:

- Furniture R 600 000
 - ICT Infrastructure R 3 000 000
 - Microphone & Migration R 600 000
 - Printing & Machinery R 500 000
 - Excess road R 4 500 000
 - Equipment R 30 000
 - Park homes R 450 000
- R 9 680 000**

1.7 ANNUAL BUDGET TABLES

The following part of budget presentation portrayed below focuses on budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's 2022/2023 budget and MTREF as approved by the Council. Below in each table there is a provision of clarification pertaining to what is depicted from the provided tables.

TABLE A1 BUDGET SUMMARY

DC26 Zululand - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	33 737	37 712	52 765	54 000	54 491	54 491	48 164	155 500	163 275	171 439
Investment revenue	7 803	4 760	3 226	6 000	6 000	6 000	2 704	6 000	6 000	6 000
Transfers recognised - operational	434 438	485 800	577 833	541 399	542 010	542 010	536 661	601 306	635 818	687 623
Other own revenue	13 467	1 236	28 599	1 443	952	952	1 083	1 129	1 134	1 139
Total Revenue (excluding capital transfers and contributions)	489 444	529 507	662 422	602 842	603 453	603 453	588 612	763 935	806 227	866 201
Employee costs	201 677	219 973	241 953	255 269	255 269	255 269	233 404	294 950	309 697	325 182
Remuneration of councillors	8 089	8 372	8 489	8 537	9 037	9 037	7 814	8 771	9 209	9 670
Depreciation & asset impairment	63 780	77 826	84 156	71 620	71 620	71 620	73 662	80 000	84 000	88 200
Finance charges	–	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	1 692	2 372	3 332	24 194	21 285	21 285	309	33 370	35 032	36 776
Transfers and grants	962	6 292	12 891	11 950	11 396	11 396	11 295	3 070	3 224	3 385
Other expenditure	310 603	356 630	423 709	225 053	226 954	226 954	302 211	238 798	244 115	260 474
Total Expenditure	586 803	671 465	774 531	596 623	595 561	595 561	628 696	658 958	685 277	723 687
Surplus/(Deficit)	(97 359)	(141 958)	(112 109)	6 219	7 893	7 893	(40 084)	104 977	120 950	142 514
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	442 452	491 852	446 737	574 058	583 658	583 658	458 999	372 306	405 137	438 209
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	8 360	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	345 093	358 254	–	580 277	591 551	591 551	418 915	477 283	526 087	580 723
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	345 093	358 254	–	580 277	591 551	591 551	418 915	477 283	526 087	580 723
Capital expenditure & funds sources										
Capital expenditure	380 942	418 865	341 658	580 277	516 668	516 668	414 012	332 162	357 021	386 015
Transfers recognised - capital	374 313	415 596	337 040	574 892	509 383	509 383	406 652	323 770	352 319	381 077
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	6 629	3 269	4 617	5 385	7 285	7 285	7 361	8 391	4 702	4 937
Total sources of capital funds	380 942	418 865	341 658	580 277	516 668	516 668	414 012	332 162	357 021	386 015
Financial position										
Total current assets	(8 478)	88 332	110 882	212 072	237 099	237 099	194 209	400 340	630 077	884 439
Total non current assets	3 596 203	3 937 998	4 189 098	5 150 898	4 792 116	4 792 116	4 529 448	5 099 500	5 319 831	5 646 639
Total current liabilities	155 912	245 841	320 750	185 415	237 584	237 584	293 773	229 269	229 841	229 697
Total non current liabilities	39 503	65 053	33 042	47 047	34 153	34 153	33 904	33 904	33 904	33 904
Community wealth/Equity	3 433 376	3 744 825	4 039 005	5 132 359	4 759 103	4 759 103	4 426 389	4 904 506	5 329 142	5 881 463
Cash flows										
Net cash from (used) operating	–	–	801 255	639 282	658 430	658 430	399 325	566 597	628 572	697 880
Net cash from (used) investing	–	–	(395 419)	(580 277)	(591 777)	(591 777)	(409 035)	(332 162)	(357 021)	(386 015)
Net cash from (used) financing	(3 617)	5	(21)	13	(13)	(13)	13	–	–	–
Cash/cash equivalents at the year end	9 584	12 484	418 105	134 221	86 703	86 703	(9 698)	321 393	592 944	904 810
Cash backing/surplus reconciliation										
Cash and investments available	12 478	12 290	20 058	134 211	86 957	86 957	59 448	271 574	489 572	743 535
Application of cash and investments	219 486	224 884	(1 279 124)	134 072	91 287	91 287	(2 250 606)	101 245	78 945	69 623
Balance - surplus (shortfall)	(207 007)	(212 594)	1 299 182	139	(4 329)	(4 329)	2 310 053	170 329	410 627	673 912
Asset management										
Asset register summary (WDV)	2 253 566	2 888 144	2 969 993	4 228 870	3 917 345	3 917 345	3 917 345	4 272 908	4 690 946	5 156 703
Depreciation	63 780	77 826	84 156	71 620	71 620	71 620	80 000	84 000	88 200	88 200
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	76 696	80 516	79 770	69 150	60 728	60 728	60 728	77 146	80 998	85 043
Free services										
Cost of Free Basic Services provided	3 522	4 140	2 313	3 000	3 000	3 000	3 000	3 000	3 150	3 308
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	6	6	7	–	–	–	7	7	6	6
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC26 Zululand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional	1									
<i>Governance and administration</i>		435 231	471 993	597 246	536 634	536 733	536 733	594 535	638 471	685 276
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		435 231	471 993	597 246	536 634	536 733	536 733	594 535	638 471	685 276
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		1 911	2 507	1 921	2 511	2 021	2 021	2 011	2 016	7 021
Community and social services		1 911	2 507	1 911	1 911	2 011	2 011	1 911	1 911	6 911
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	10	600	10	10	100	105	110
<i>Economic and environmental services</i>		3 217	9 054	6 204	2 416	12 016	12 016	5 316	4 919	5 011
Planning and development		3 217	9 054	6 204	2 416	12 016	12 016	5 316	4 919	5 011
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		491 537	546 165	502 599	635 339	665 830	665 830	458 879	487 208	524 414
Energy sources		–	–	–	–	–	–	–	–	–
Water management		481 059	535 708	491 074	624 339	653 525	653 525	446 379	474 083	510 633
Waste water management		10 479	10 457	11 525	11 000	12 305	12 305	12 500	13 125	13 781
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>	4	–	–	1 189	–	511	511	500	–	–
Total Revenue - Functional	2	931 896	1 029 719	1 109 159	1 176 900	1 217 111	1 217 111	1 061 241	1 132 614	1 221 722
Expenditure - Functional										
<i>Governance and administration</i>		189 712	210 187	223 075	180 684	224 647	224 647	225 404	230 664	241 438
Executive and council		48 087	39 831	48 383	43 476	52 585	52 585	47 846	44 989	47 238
Finance and administration		141 625	170 355	174 692	137 208	172 062	172 062	177 558	185 676	194 199
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		16 428	18 209	18 419	24 007	25 532	25 532	25 580	26 765	33 009
Community and social services		5 794	7 397	7 084	12 000	13 656	13 656	13 202	13 769	19 363
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		10 635	10 812	11 336	12 007	11 876	11 876	12 378	12 997	13 646
<i>Economic and environmental services</i>		23 832	25 785	19 889	28 693	27 630	27 630	23 962	25 160	26 418
Planning and development		23 832	25 785	19 889	28 693	27 630	27 630	23 962	25 160	26 418
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		389 373	437 998	536 133	355 280	403 022	403 022	337 266	354 129	371 836
Energy sources		72	(655)	–	–	–	–	–	–	–
Water management		384 774	435 028	532 418	350 523	398 235	398 235	332 231	348 843	366 285
Waste water management		4 527	3 625	3 716	4 757	4 787	4 787	5 035	5 286	5 551
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>	4	8 523	8 676	8 517	7 958	8 380	8 380	13 948	14 121	14 827
Total Expenditure - Functional	3	627 868	700 854	806 034	596 623	689 210	689 210	626 161	650 840	687 527
Surplus/(Deficit) for the year		304 028	328 865	303 125	580 277	527 901	527 901	435 080	481 774	534 195

Table A2 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 areas which enables the National Treasury to compile 'whole of government' reports. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC26 Zululand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		435 231	471 993	597 246	536 634	536 733	536 733	594 535	638 471	685 276
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		435 231	471 993	597 246	536 634	536 733	536 733	594 535	638 471	685 276
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		1 911	2 507	1 921	2 511	2 021	2 021	2 011	2 016	7 021
Community and social services		1 911	2 507	1 911	1 911	2 011	2 011	1 911	1 911	6 911
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	10	600	10	10	100	105	110
<i>Economic and environmental services</i>		3 217	9 054	6 204	2 416	12 016	12 016	5 316	4 919	5 011
Planning and development		3 217	9 054	6 204	2 416	12 016	12 016	5 316	4 919	5 011
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		491 537	546 165	502 599	635 339	665 830	665 830	458 879	487 208	524 414
Energy sources		—	—	—	—	—	—	—	—	—
Water management		481 059	535 708	491 074	624 339	653 525	653 525	446 379	474 083	510 633
Waste water management		10 479	10 457	11 525	11 000	12 305	12 305	12 500	13 125	13 781
Waste management		—	—	—	—	—	—	—	—	—
<i>Other</i>	4	—	—	1 189	—	511	511	500	—	—
Total Revenue - Functional	2	931 896	1 029 719	1 109 159	1 176 900	1 217 111	1 217 111	1 061 241	1 132 614	1 221 722
Expenditure - Functional										
<i>Governance and administration</i>		189 712	210 187	223 075	180 684	224 589	224 589	225 404	230 664	241 438
Executive and council		48 087	39 831	48 383	43 476	52 164	52 164	47 846	44 989	47 238
Finance and administration		141 625	170 355	174 692	137 208	172 425	172 425	177 558	185 676	194 199
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		16 428	18 209	18 419	24 007	25 532	25 532	25 580	26 765	33 009
Community and social services		5 794	7 397	7 084	12 000	13 656	13 656	13 202	13 769	19 363
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		10 635	10 812	11 336	12 007	11 876	11 876	12 378	12 997	13 646
<i>Economic and environmental services</i>		23 832	25 785	19 889	28 693	27 511	27 511	23 962	25 160	26 418
Planning and development		23 832	25 785	19 889	28 693	27 511	27 511	23 962	25 160	26 418
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		389 373	437 998	536 133	355 280	403 473	403 473	337 266	354 129	371 836
Energy sources		72	(655)	—	—	—	—	—	—	—
Water management		384 774	435 028	532 418	350 523	398 687	398 687	332 231	348 843	366 285
Waste water management		4 527	3 625	3 716	4 757	4 787	4 787	5 035	5 286	5 551
Waste management		—	—	—	—	—	—	—	—	—
<i>Other</i>	4	8 523	8 676	8 517	7 958	8 181	8 181	13 948	14 121	14 827
Total Expenditure - Functional	3	627 868	700 854	806 034	596 623	689 286	689 286	626 161	650 840	687 527
Surplus/(Deficit) for the year		304 028	328 865	303 125	580 277	527 825	527 825	435 080	481 774	534 195

Table A3 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 organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

DC26 Zululand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote		1									
Vote 01 - Council			—	—	—	—	—	—	—	—	—
Vote 02 - Corporate Services			417	942	605	—	315	315	850	350	5 350
Vote 03 - Finance			434 814	471 647	596 641	536 634	536 418	536 418	594 185	638 121	684 926
Vote 04 - Community Development			1 911	1 911	6 931	2 511	12 132	12 132	2 011	2 016	2 021
Vote 05 - Planning & Wsa			3 217	507 220	452 177	583 670	613 670	613 670	383 610	407 517	440 589
Vote 06 - Technical Services			457 761	—	—	—	—	—	—	—	—
Vote 07 - Water Purification			—	—	—	—	—	—	—	—	—
Vote 08 - Water Distribution			23 298	37 542	41 280	43 085	42 271	42 271	68 085	71 485	75 055
Vote 09 - Waste Water			10 479	10 457	11 525	11 000	12 305	12 305	12 500	13 125	13 781
Vote 10 - .			—	—	—	—	—	—	—	—	—
Vote 11 - .			—	—	—	—	—	—	—	—	—
Vote 12 - .			—	—	—	—	—	—	—	—	—
Vote 13 - .			—	—	—	—	—	—	—	—	—
Vote 14 - *			—	—	—	—	—	—	—	—	—
Vote 15 - Other			—	—	—	—	—	—	—	—	—
Total Revenue by Vote		2	931 896	1 029 719	1 109 159	1 176 900	1 217 111	1 217 111	1 061 241	1 132 614	1 221 722
Expenditure by Vote to be appropriated		1									
Vote 01 - Council			48 087	39 831	48 383	43 476	52 164	52 164	47 846	44 989	47 238
Vote 02 - Corporate Services			79 891	96 926	99 575	81 077	107 058	107 058	98 375	102 768	112 907
Vote 03 - Finance			57 109	73 742	74 015	59 575	65 681	65 681	79 473	82 687	86 061
Vote 04 - Community Development			38 980	35 290	38 011	42 485	46 508	46 508	49 413	51 790	54 285
Vote 05 - Planning & Wsa			14 428	38 954	66 164	23 884	23 940	23 940	23 285	24 450	25 672
Vote 06 - Technical Services			25 102	7 894	7 640	2 549	2 964	2 964	5 992	6 292	6 606
Vote 07 - Water Purification			45 213	47 289	55 905	36 662	39 528	39 528	36 762	38 600	40 530
Vote 08 - Water Distribution			314 459	357 958	412 626	302 157	346 656	346 656	279 979	293 978	308 677
Vote 09 - Waste Water			4 527	3 625	3 716	4 757	4 787	4 787	5 035	5 286	5 551
Vote 10 - .			—	—	—	—	—	—	—	—	—
Vote 11 - .			—	—	—	—	—	—	—	—	—
Vote 12 - .			—	—	—	—	—	—	—	—	—
Vote 13 - .			72	(655)	—	—	—	—	—	—	—
Vote 14 - *			—	—	—	—	—	—	—	—	—
Vote 15 - Other			—	—	—	—	—	—	—	—	—
Total Expenditure by Vote		2	627 868	700 854	806 034	596 623	689 286	689 286	626 161	650 840	687 527
Surplus/(Deficit) for the year		2	304 028	328 865	303 125	580 277	527 825	527 825	435 080	481 774	534 195

Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure)

2020 Estimated - Table A4 Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	23 258	27 255	41 251	43 000	42 186	42 186	43 279	68 000	71 400	74 970
Service charges - sanitation revenue	2	10 479	10 457	11 514	11 000	12 305	12 305	12 494	12 500	13 125	13 781
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		156	159	179	210	183	183	195	183	183	183
Interest earned - external investments		7 803	4 760	3 226	6 000	6 000	6 000	3 461	6 000	6 000	6 000
Interest earned - outstanding debtors		40	27	29	85	85	85	288	85	85	85
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		18	4	7 543	638	48	48	139	150	155	160
Licences and permits		–	–	10	10	10	10	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		434 438	485 800	577 833	541 399	542 010	542 010	536 805	601 306	635 818	687 623
Other revenue	2	1 488	1 045	662	500	625	625	496	711	711	711
Gains		11 765	–	20 175	–	–	–	40	–	–	–
Total Revenue (excluding capital transfers and contributions)		489 444	529 507	662 422	602 842	603 453	603 453	597 197	688 935	727 477	783 513
Expenditure By Type											
Employee related costs	2	201 677	219 973	241 953	255 269	255 269	255 269	256 016	268 152	281 560	295 638
Remuneration of councillors		8 089	8 372	8 489	8 537	9 037	9 037	8 638	8 771	9 209	9 670
Debt impairment	3	14 807	15 905	13 689	9 000	9 000	9 000	–	14 000	14 000	14 000
Depreciation & asset impairment	2	63 780	77 826	84 156	71 620	70 603	70 603	88 223	80 000	84 000	88 200
Finance charges		–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	2	72	(655)	–	–	–	–	–	–	–	–
Inventory consumed	8	1 620	3 027	3 332	24 194	26 142	26 142	314	33 320	34 979	36 721
Contracted services		203 115	241 433	294 507	139 336	196 869	196 869	206 217	106 388	111 081	121 535
Transfers and subsidies		962	6 292	12 891	11 950	11 496	11 496	11 295	3 070	3 224	3 385
Other expenditure	4, 5	92 680	99 255	113 097	76 716	109 866	109 866	114 156	112 460	112 787	118 379
Losses		–	37	2 416	–	–	–	–	–	–	–
Total Expenditure		586 803	671 465	774 531	596 623	688 282	688 282	684 859	626 161	650 840	687 527
Surplus/(Deficit)		(97 359)	(141 958)	(112 109)	6 219	(84 829)	(84 829)	(87 662)	62 774	76 637	95 986
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		442 452	491 852	446 737	574 058	613 658	613 658	466 279	372 306	405 137	438 209
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	8 360	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		345 093	358 254	334 628	580 277	528 829	528 829	378 617	435 080	481 774	534 195
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		345 093	358 254	334 628	580 277	528 829	528 829	378 617	435 080	481 774	534 195
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		345 093	358 254	334 628	580 277	528 829	528 829	378 617	435 080	481 774	534 195
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		345 093	358 254	334 628	580 277	528 829	528 829	378 617	435 080	481 774	534 195

With the above background, it is important to highlight the major causes for such increases and decreases in both the operating and capital budgets respectively. This will be done through the highlights section, operating expenditure increased, and capital decreased

Sale of water is based on the current billing level. The amounts budgeted for has considered the level of billing and as a result, an amount of R14 000 000 has been set aside as a provision for working capital reserve (provision for non- collection). The municipality is predominantly rural and there are no industries, the level of employment is very low, as a result the municipality is working on updating the indigent register, at a moment the cost of production is higher than the revenue recovered.

MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	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	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 01 - Council		-	-	-	3 500	6 700	6 700	6 594	-	-	-
Vote 02 - Corporate Services		178	556	3 216	-	160	160	135	3 261	3 424	3 595
Vote 03 - Finance		491	686	1 402	385	385	385	533	478	502	527
Vote 04 - Community Development		5 960	-	3 869	834	9 073	9 073	6 805	26	26	26
Vote 05 - Planning & Wsa		-	409 264	333 171	574 058	525 300	525 300	402 680	327 657	352 293	381 051
Vote 06 - Technical Services		374 313	-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		-	-	-	-	-	-	-	348	365	383
Vote 08 - Water Distribution		-	8 360	-	1 500	-	-	-	391	411	431
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		380 942	418 865	341 658	580 277	541 618	541 618	416 748	332 162	357 021	386 015
Total Capital Expenditure - Vote		380 942	418 865	341 658	580 277	541 618	541 618	416 748	332 162	357 021	386 015
Capital Expenditure - Functional											
Governance and administration		669	1 241	4 482	3 885	7 245	7 245	7 262	3 652	3 835	4 027
Executive and council		-	-	-	3 500	6 700	6 700	6 594	-	-	-
Finance and administration		669	1 241	4 482	385	545	545	668	3 652	3 835	4 027
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	547	834	725	725	253	70	72	74
Community and social services		-	-	547	834	725	725	253	70	72	74
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		5 960	-	3 322	2 416	10 441	10 441	7 979	6 112	2 208	2 288
Planning and development		5 960	-	3 322	2 416	10 441	10 441	7 979	6 112	2 208	2 288
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		374 313	417 624	333 171	573 142	523 207	523 207	401 254	322 284	350 861	379 578
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		374 313	417 624	333 171	573 142	523 207	523 207	401 254	322 284	350 861	379 578
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	135	-	-	-	-	43	46	48
Total Capital Expenditure - Functional	3	380 942	418 865	341 658	580 277	541 618	541 618	416 748	332 162	357 021	386 015
Funded by:											
National Government		374 313	407 237	333 171	574 058	525 260	525 260	402 680	323 744	352 293	381 051
Provincial Government		-	8 360	3 869	834	9 073	9 073	6 805	26	26	26
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	374 313	415 596	337 040	574 892	534 333	534 333	409 486	323 770	352 319	381 077
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		6 629	3 269	4 617	5 385	7 285	7 285	7 262	8 391	4 702	4 937
Total Capital Funding	7	380 942	418 865	341 658	580 277	541 618	541 618	416 748	332 162	357 021	386 015

Capital budget is funded 98% by grants as per DORA, a certain portion is funded by internally generated funds. 98% of capital budget is used for water infrastructure, internally generated funds will be used for the acquisition of computers, transport assets, equipment, and the installation of the biometric system.

MBRR Table A6 - Budgeted Financial Position

DC26 Zululand - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS											
Current assets											
Cash		12 478	12 290	1 732 440	134 211	72 676	72 676	485 988	240 335	436 646	663 753
Call investment deposits	1	–	–	(470 000)	–	–	–	(455 000)	–	–	–
Consumer debtors	1	40 886	42 777	37 956	37 620	40 164	40 164	55 788	67 333	80 990	83 285
Other debtors		(63 976)	28 764	50 395	37 768	27 854	27 854	65 567	28 773	29 873	31 373
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	2 134	4 501	2 473	2 473	2 473	2 473	7 842	2 473	2 473	2 473
Total current assets		(8 478)	88 332	1 353 264	212 072	143 167	143 167	160 186	338 914	549 982	780 885
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	3 596 169	3 937 983	4 189 066	5 147 398	4 474 098	4 474 098	4 511 013	4 188 952	4 461 989	4 759 821
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		34	15	32	–	46	46	16	13	(3)	(20)
Other non-current assets		–	–	–	3 500	6 700	6 700	6 594	–	–	–
Total non current assets		3 596 203	3 937 998	4 189 098	5 150 898	4 480 845	4 480 845	4 517 623	4 188 965	4 461 986	4 759 801
TOTAL ASSETS		3 587 725	4 026 330	5 542 362	5 362 969	4 624 012	4 624 012	4 677 809	4 527 879	5 011 968	5 540 686
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	–	–	–	(208)	–	–	–
Consumer deposits		3 617	3 612	3 633	3 620	3 633	3 633	3 621	3 633	3 633	3 633
Trade and other payables	4	141 420	241 210	330 449	180 518	215 088	215 088	283 737	218 944	218 909	218 208
Provisions		10 874	1 019	2 774	1 278	1 755	1 755	1 755	1 755	1 755	1 755
Total current liabilities		155 912	245 841	336 856	185 415	220 477	220 477	288 905	224 332	224 297	223 596
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		39 503	65 053	33 042	47 047	33 904	33 904	33 904	33 904	33 904	33 904
Total non current liabilities		39 503	65 053	33 042	47 047	33 904	33 904	33 904	33 904	33 904	33 904
TOTAL LIABILITIES		195 414	310 894	369 899	232 462	254 381	254 381	322 809	258 236	258 201	257 500
NET ASSETS	5	3 392 311	3 715 436	5 172 463	5 130 507	4 369 631	4 369 631	4 354 999	4 269 643	4 753 767	5 283 185
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		3 433 376	3 744 825	4 039 005	5 132 359	4 372 410	4 372 410	4 386 104	4 269 643	4 753 767	5 283 185
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	3 433 376	3 744 825	4 039 005	5 132 359	4 372 410	4 372 410	4 386 104	4 269 643	4 753 767	5 283 185

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

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

Table SA3 is providing a detailed analysis and reconciliation of the major components of the Statement of Financial Position.

CURRENT ASSETS

Cash

Cashbook balance at end is estimated based on expected performance on expenditure and implementation of cost containment measures. Considering payments of suppliers and employees and payments of capital assets. The municipality has favorable cash balance at the end of the year

Cash Balance at the end is expected to be **R241 million**.

Call Investments Deposit

Since the Municipality is in a process to reduce creditors, the Municipality is expecting to have Investments at the end of the financial year.

Consumer Debtors

Consumer debtors include debtors from water and sanitation services, and rental properties.

Water	R 61 183 754
Sanitation	R 6 096 576
Rental properties	R 23 000
Other Service Charges	R 29 502
Debtors Balance	R 67 332 832

Water and Sanitation services are calculated as follows:

	Water	Sanitation
Opening balance	R 138 588 810	R 36 894 421
Current year billing	R 78 200 000	R 14 375 000
Collection	(R 50 830 000)	(R9 343 750)
Provision	(R 104 830 056)	(R35 859 094)
Interest Charges	R 55 000	R 30 000
Debtors Balance	R 61 183 754	R 6 069 576

Property Rentals are calculated as follows:

Opening balance	R 23 000
Current year billing	R 211 008
Collection	(R 211 008)
Provision	-
Debtors Balance	R 23 000

Other Service Charges are calculated as follows:

Opening balances	R29 502
Current year billing	-
Collection	-
Provision	-
Debtor Balances	R29 502

Other debtors

Other debtors include Vat Receivable, Overpayments, Eskom, Stowell & Federal Air deposits,

VAT receivable	R 4 400 000
Prepayments & Advances	R 1 152 321
Overpayments and Shared services	R 6 838 079
Accrued Income	-
Insurance Claims	R 80 488
Security Deposits	R 16 302 247
Debtors Balance	R 28 773 136

VAT receivable

VAT Receivable is the net amount of input VAT raised less output VAT received.

Security deposits

Eskom Deposits

This is the amount for security deposits on all accounts the municipality has with Eskom. As the Municipalities infrastructure program continues, new connections are expected to be made and municipality pays security deposits to Eskom. Security deposits are expected to **R 15 406 283.94**

Federal air deposits

Federal Air Deposits is the amount paid as a security deposit when Federal Air was first contracted amount to. **R 689 920** and Stowell Deposit is the amount paid as a security deposit when Stowell was first contracted amount to **R200 000**, and the deposit for office space rented in Vryheid amount to **R6 043.89**.

Inventory

Inventory includes Water stock, consumable stores, and materials and supplies.

The inventory level is determined to be the following:

Opening	R 2 472 959
Acquisition (water)	R 12 243 477
Issues (water)	R (12 243 477)
Acquisition (Materials & Supplies)	R 14 746 500
Issues (Materials & Supplies)	R (14 746 500)
Acquisition (Consumable stores)	R 6 380 000
Issues (Consumable stores)	R (6 380 000)
Closing	R 2 472 959

NON-CURRENT ASSETS

Long –term Receivables

Non-current receivables as per AFS consist of Eskom deposits and are included under other debtors as per MSCOA classification.

Property plant and equipment

Property plant and equipment includes capital acquisition from table A5, and the carrying amount of all assets owned by the municipality, Capital acquisition as per table A5 is **R 332.1 million**, which are additions to property plant and equipment.

Total PPE is expected to **R4.2 billion**.

Intangible Asset

The Municipality does not own most software licenses, the few that the municipality owns are expected to fully depreciate by the end of the financial year.

CURRENT AND NON-CURRENT LIABILITIES

Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, consumer deposits amount to **R3.6 million**. There are no new site establishment or development to the knowledge of the Municipality.

Consumer deposits are Classified as follows:

Consumer deposits Water	R 3 625 340
Consumer deposits Property Rentals	R 7 783
Total Consumer debtors	R 3 633 123

Trade and other payables

The determination of trade and other payables is based on the 2022/2023 audited annual financial statements, the current year level of payables, The budgeted amount is **R 223 million**.

Trade and other payables are determined as follows:

Accrued Leave	R 17 991 112
Accrued bonus	R 4 674 806
Retention	R 44 167 770
Trade Creditors	R 140 894 186
VAT Output	R 9 587 176
Unallocated deposits	R 130 817
Debtors with credit balances	R 2 497 886
Total Payables	R 219 943 753

- Municipality is planning to have fewer year-end payments by paying and complying with 30 days rule.
- Municipality has ring fenced all grant funds so that they are available when needed and not used to fund any project.

Current provisions

These provisions are based on actuarial estimates

Post Retirement benefit (Medical aid)	R 249 000
Long Service award	R1 506 000
Total current Provisions	R1 755 000

Non-current Provisions

Non-current Provisions amounts to **R 33.9 million**, this provision is for employee benefit provision (medical aid) and Employee benefit (long service awards.)

Post Retirement benefit (Medical aid)	R22.3 million
Long Service award	R11.6 million
Total Non-current Provisions	R33.9 million

These provisions are based on actuarial estimates

MBRR Table A7 - Budgeted Cash Flow Statement

DC26 Zululand - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates											
Service charges		–	–	37 536	32 800	50 532	50 532	43 203	60 574	68 463	76 989
Other revenue				1 051 926	1 358	127 066	127 066	1 048 960	80 905	84 621	90 537
Transfers and Subsidies - Operational	1		–	575 689	541 399	541 399	541 399	536 734	601 306	635 818	687 623
Transfers and Subsidies - Capital	1		–	446 416	574 058	611 879	611 879	611 879	372 306	405 137	438 209
Interest			–	1 571	6 000	6 000	6 000	3 461	6 000	6 000	6 000
Dividends									–	–	–
Payments											
Suppliers and employees		–	–	(1 311 883)	(516 333)	(623 941)	(623 941)	(1 781 531)	(570 446)	(593 150)	(628 330)
Finance charges									–	–	–
Transfers and Grants	1		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES			–	–	801 255	639 282	712 934	712 934	462 705	550 645	606 888
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			–	–	(395 419)	(580 277)	(541 618)	(541 618)	(415 889)	(332 162)	(357 021)
NET CASH FROM/(USED) INVESTING ACTIVITIES			–	–	(395 419)	(580 277)	(541 618)	(541 618)	(415 889)	(332 162)	(357 021)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits			(3 617)	5	(21)	13	(13)	(13)	12	–	–
Payments											
Repayment of borrowing										–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES			(3 617)	5	(21)	13	(13)	(13)	12	–	–
NET INCREASE/ (DECREASE) IN CASH HELD											
			(3 617)	5	405 815	59 018	171 303	171 303	46 829	218 483	249 867
Cash/cash equivalents at the year begin:	2		13 201	12 478	12 290	75 203	20 064	20 064	–	72 671	291 154
Cash/cash equivalents at the year end:	2		9 584	12 484	418 105	134 221	191 367	191 367	46 829	291 154	541 021

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

Service charges

The assumed collection rate is based on the current collection level and is expected to be **65%** of billed revenue, also considering that there are debtors paying for prior years.

The Municipality expects to collect **R60.5 million**.

The **65%** collection rate is budget based on the following:

- The municipality is not only collecting the current billing but also the debtors from previous financial years.
- The municipality has established a revenue enhancement steering committee
- The municipality has appointed the debt collector to enhance the collection
- The municipality has also appointed a senior person to assist with collection
- Municipality have adopted the indigent policy, that will assist in determining indigent households and cleansing debtor's book. The indigent register is in progress
- This has increased the municipality confidence that the collection will increase more than expected.

Other revenue

Other revenue is expected to be **R80.9 million**, this amount include revenue from sale of tender documents, rent income, licenses and permits, fines penalties and forfeits, SDL Refund and VAT Refund from SARS as per guideline of MFMA circular no. 58.

Transfers and subsidies – Operational

Operating grants are expected to be received as gazetted

Equitable share	R 586.3 million
Finance Management Grant	R 1.2 million
Expanded public works program	R 8.5 million
Municipal systems Improvement grant	R 2.8 million
Indonsa grant	R 1.9 million
Aviation strategy	R 500 thousand
Total Operational grants	R 601.3 million

Transfers and subsidies – Capital

Capital grants are expected to be received as gazetted

Municipal Infrastructure Grant	R 259 million
Regional Bulk Infrastructure Grant	R 15.2 million
Water services Infrastructure grant	R 95 million
Rural Road asset Management grant	R 2.5 million
Total Capital grants	R372.3 million

Interest

The Municipality expects to receive **R6 millions** of interests from Investment and current account.

Payments - Suppliers and employees

Municipality is expecting to spend 100% of what is budgeted in 2022-2023 - **R 570 million**, this excludes non-cash Items such as depreciation and debt impairment. This amount is VAT inclusive since suppliers claim VAT when the municipality make payments.

Payments - Transfers and Grants

The municipality expects to pay **R3.5 million for subsidies paid**, these subsidies have been included under Payments - Suppliers and employees.

Payments - Capital Assets

The capital budget is expected to be 100% spent by the end of the financial year - **R 332 162 000** Vat exclusive. Because of limitations to the Municipal financial system VAT input on capital assets payments does not populate, the VAT amount of **R49.8 million** becomes a reconciling item on table A8.

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

DC26 Zululand - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	9 584	12 484	418 105	134 221	191 367	191 367	46 829	291 154	541 021	826 034
Other current investments > 90 days		2 894	(194)	844 334	(11)	(118 691)	(118 691)	(15 840)	(50 819)	(104 375)	(162 280)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		12 478	12 290	1 262 440	134 211	72 676	72 676	30 988	240 335	436 646	663 753
Application of cash and investments											
Unspent conditional transfers		-	3 800	2 290	-	-	-	147 598	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	219 486	221 084	(1 265 308)	134 072	(7 520)	(7 520)	(2 221 647)	42 787	9 414	(7 145)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		219 486	224 884	(1 263 017)	134 072	(7 520)	(7 520)	(2 074 049)	42 787	9 414	(7 145)
Surplus(shortfall)		(207 007)	(212 594)	2 525 457	139	80 197	80 197	2 105 037	197 549	427 231	670 898

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

Debtors	-	-	1 573 096	46 446	217 877	217 877	2 329 686	166 570	198 126	213 685
Creditors due	219 486	221 084	307 788	180 518	210 357	210 357	108 039	209 357	207 540	206 540
Total	(219 486)	(221 084)	1 265 308	(134 072)	7 520	7 520	2 221 647	(42 787)	(9 414)	7 145

Debtors collection assumptions

Balance outstanding - debtors	(23 090)	71 541	88 351	75 388	68 017	68 017	121 355	96 106	110 863	114 658
Estimate of debtors collection rate	0.0%	0.0%	1780.5%	61.6%	320.3%	320.3%	1919.7%	173.3%	178.7%	186.4%

Long term investments committed

Balance (Insert description; eg sinking fund)

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

Cash and Investments available

Cash Table A6	R 241 335 120
Cash and cash equivalents at the end Table A7	R 291 154 064
Difference	R 49 818 944

The difference is the VAT Input for capital Assets which is not populating on Cashflow table A7. This is a limitation of the financial system which is unable to populate the VAT portion as part of the cashflow movements on Table A7.

Unspent conditional transfers

The Municipality is assuming all conditional grants will be spent by the end of the financial year. No roll overs are anticipated.

Unspent borrowings

The Municipality does not have borrowings.

Statutory requirements

The municipality's input VAT paid is always higher than output VAT collected thus the municipality is not expecting to pay any VAT to SARS rather the municipality is expecting to receive VAT refunds.

Surplus/Shortfall

The surplus on Table A8 is **R197 million**, this amount is overstated because of the following reasons, Net working capital has been heavily distorted by collection rate of debtors. Template formular for estimated collection rate reflected above is including other revenue as part of collectable amounts. Other revenue consists mostly of VAT refund from SARS which is estimated to be **R73 million**. Below is the recalculation of Net working capital and surplus/shortfall since Template is locked and cannot be edited.

Other working capital requirements

Analysis of components of working capital.

Consumer debtors	R 67 332 832
Other debtors	R 28 773 136
Total Debtors	R 96 105 698

An estimated collection rate of 65% is applied, Table A8 indicate a collection rate of 173% which is inaccurate, as explained above.

Estimated collection **R 60 573 750**

Analysis of trade and other payables:

Accrued Leave	R 17 991 112 (might not be payable within 12 months)
Accrued bonus	R 4 674 806 (has been budgeted under expenses)
Retention	R 44 167 770 (will not be payable within 12 months)
Trade Creditors	R 140 894 186 (will be payable within 12 months)
Unallocated deposits	R 130 817 (will not be payable but will be allocated)
Debtors with credit balances	R 2 497 886 (might not be claimed within 12 months)
Total Payables	R 210 356 577

Net working capital is:

Estimated collection	R 60 573 750
Less Payables	(R 210 356 577)
Net Working Capital	(R93 720 327)

Calculation of Surplus/Shortfall

Cash and Investments available	R 241 335 120
Less Net Working Capital	(R 93 720 327)
Surplus/Short fall	R 147 614 793

Due to inaccurate collection rate in A8 the working capital is not correct, therefore the surplus of **R197 million** on A8 should be **R147 million**

Funding status

The Municipal Final Budget appears to be **Funded**. The surplus appears to be large, below are the reasons thereof.

- The cash opening balance is **R72 million**, this balance is based on the 2021/2022 adjustment budget.
- Depreciation and debt impairment amount to **R80 million**, these are non-cash items that are not included on table A7 cash flow.
- Expenses have been reduced contributing to a large surplus on table A4 and subsequently on table A8.

Factors contributing to Other provisions

Provisions have been included on table A6 under trade and other payables.

Long term investments committed

The Municipality does not plan to have long term investments since the Municipality is planning to ringfence cash available to reduce creditors.

Reserves backed by cash/investments

The Municipality has not created any reserves due to financial constraints.

Table A9 - Asset Management**Capital Infrastructure Programme**

Table A9 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 WSIG, most portion is spent on water infrastructure.

The municipality budget does include budget for repairs and maintenance, even though it is very limited due to financial constraints. Municipality maintenance is not according to what is required by treasury.

DC26 Zululand - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	380 942	418 865	341 658	580 277	541 618	541 618	332 162	357 021	386 015
Roads Infrastructure		—	—	—	2 416	2 093	2 093	6 112	2 208	2 288
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		374 313	409 264	333 171	534 655	489 291	489 291	321 545	350 085	378 763
Sanitation Infrastructure		—	—	—	36 987	33 876	33 876	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		374 313	409 264	333 171	574 058	525 260	525 260	327 657	352 293	381 051
Community Facilities		—	—	3 322	—	8 348	8 348	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Community Assets		—	—	3 322	—	8 348	8 348	—	—	—
Heritage Assets		—	—	—	3 500	6 700	6 700	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	—	—	—	391	411	431
Housing		—	—	—	—	—	—	—	—	—
Other Assets		—	—	—	—	—	—	391	411	431
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	13	—	—	17	17	—	—	—
Intangible Assets		—	13	—	—	17	17	—	—	—
Computer Equipment		491	458	1 402	135	433	433	2 609	2 739	2 876
Furniture and Office Equipment		—	82	257	250	152	152	1 043	1 096	1 150
Machinery and Equipment		178	688	662	2 334	708	708	461	483	505
Transport Assets		5 960	8 360	2 844	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Capital Expenditure	4	380 942	418 865	341 658	580 277	541 618	541 618	332 162	357 021	386 015
Roads Infrastructure		—	—	—	2 416	2 093	2 093	6 112	2 208	2 288
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		374 313	409 264	333 171	534 655	489 291	489 291	321 545	350 085	378 763
Sanitation Infrastructure		—	—	—	36 987	33 876	33 876	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		374 313	409 264	333 171	574 058	525 260	525 260	327 657	352 293	381 051
Community Facilities		—	—	3 322	—	8 348	8 348	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Community Assets		—	—	3 322	—	8 348	8 348	—	—	—
Heritage Assets		—	—	—	3 500	6 700	6 700	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	—	—	—	391	411	431
Housing		—	—	—	—	—	—	—	—	—
Other Assets		—	—	—	—	—	—	391	411	431
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	13	—	—	17	17	—	—	—
Intangible Assets		—	13	—	—	17	17	—	—	—
Computer Equipment		491	458	1 402	135	433	433	2 609	2 739	2 876
Furniture and Office Equipment		—	82	257	250	152	152	1 043	1 096	1 150
Machinery and Equipment		178	688	662	2 334	708	708	461	483	505
Transport Assets		5 960	8 360	2 844	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class		380 942	418 865	341 658	580 277	541 618	541 618	332 162	357 021	386 015
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 253 566	2 888 144	2 969 993	4 228 870	3 441 008	3 441 008	3 149 128	3 089 988	3 030 781
Roads Infrastructure		17 494	16 790	15 394	2 416	16 379	16 379	15 186	14 563	14 563
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		994	969	950	—	894	894	862	827	792
Water Supply Infrastructure		2 131 528	2 765 833	2 852 185	4 130 652	3 277 763	3 277 763	3 040 623	2 996 298	2 948 469
Sanitation Infrastructure		48 616	46 510	44 376	36 987	77 714	77 714	42 026	40 124	38 126
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		2 198 632	2 830 101	2 912 905	4 170 058	3 372 750	3 372 750	3 103 271	3 052 436	3 001 950
Community Assets		36 059	35 240	35 061	36 839	12 595	12 595	4 806	4 768	4 728
Heritage Assets		—	—	—	3 500	6 700	6 700	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other Assets		46	32	(1 243)	—	28 136	28 136	27 314	26 059	24 741
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		34	15	32	—	46	46	13	(3)	(20)
Computer Equipment		1 801	1 398	1 987	268	1 424	1 424	1 402	(150)	(1 780)
Furniture and Office Equipment		(801)	(1 259)	(1 178)	(2 102)	(1 589)	(1 589)	(1 191)	(1 657)	(2 146)
Machinery and Equipment		4 258	4 647	4 942	6 205	5 324	5 324	2 327	2 066	1 609
Transport Assets		13 536	17 970	17 487	14 105	15 622	15 622	11 186	6 529	1 639
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 253 566	2 888 144	2 969 993	4 228 870	3 441 008	3 441 008	3 149 128	3 089 988	3 030 781
EXPENDITURE OTHER ITEMS		140 476	158 342	163 926	140 770	147 846	147 846	151 146	158 698	166 628
Depreciation	7	63 780	77 826	84 156	71 620	70 603	70 603	80 000	84 000	88 200
Repairs and Maintenance by Asset Class	3	76 696	80 516	79 770	69 150	77 243	77 243	71 146	74 698	78 428
Roads Infrastructure		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		69 854	74 533	70 951	64 950	72 213	72 213	63 392	66 561	69 889
Sanitation Infrastructure		932	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		70 786	74 533	70 951	64 950	72 213	72 213	63 392	66 561	69 889
Community Facilities		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Community Assets		—	—	—	—	—	—	—	—	—
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		2 979	3 880	3 259	2 000	2 007	2 007	6 150	6 458	6 780
Housing		—	—	—	—	—	—	—	—	—
Other Assets		2 979	3 880	3 259	2 000	2 007	2 007	6 150	6 458	6 780
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		5	80	94	100	22	22	420	441	463
Furniture and Office Equipment		—	72	—	100	—	—	100	100	100
Machinery and Equipment		124	0	505	2 000	3 001	3 001	34	36	37
Transport Assets		2 801	1 952	4 960	—	—	—	1 050	—	1 158
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS		140 476	158 342	163 926	140 770	147 846	147 846	151 146	158 698	166 628
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprec		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		2.1%	2.0%	1.9%	1.3%	1.7%	1.7%	1.8%	1.9%	1.9%
Renewal and upgrading and R&M as a % of PPE		3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%

A10 Basic service delivery measurement

DC26 Zululand - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	8 250
Piped water inside yard (but not in dwelling)		9 612	10 573	10 324	–	–	–	10 840	9 756	9 200
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	6 239	6 863	6 921	7 267	7 267	7 267	7 630	8 012	8 200
<i>Minimum Service Level and Above sub-total</i>		15 851	17 436	17 245	7 267	7 267	7 267	18 470	17 768	25 650
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	15 851	17 436	17 245	7 267	7 267	7 267	18 470	17 768	25 650
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		5 500	5 500	6 921	–	–	–	6 990	6 320	6 190
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		5 500	5 500	6 921	–	–	–	6 990	6 320	6 190
Total number of households	5	5 500	5 500	6 921	–	–	–	6 990	6 320	6 190
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		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		12 760	12 760	12 800	–	–	–	12 800	12 800	12 800
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		3 527	4 140	2 313	3 000	3 000	3 000	3 000	3 150	3 308
Sanitation (free sanitation service to indigent households)		(5)	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		3 522	4 140	2 313	3 000	3 000	3 000	3 000	3 150	3 308
Highest level of free service provided per household										
Property rates (R 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 subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (Impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		–	–	–	–	–	–	–	–	–
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–

More details are provided in Table A10 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 A10 is provided or taken from the municipality WSDP for 2020/2021. The Zululand District Municipality is operating in the area that is dominated by rural areas, most households seem to be indigen0074 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.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

Political oversight of the budget process.

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget. Section 21(1) of the MFMA states that the Mayor of a municipality must coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

This time schedule provides for political input from formal organizations such as portfolio Committees.

Mayor of municipality has also established the budget steering committee to provide technical assistance to the mayor in discharging responsibilities as set out in section 53 of the act.

Schedule of Key Deadlines relating to budget and IDP process [MFMA 21(1) (b)]

The IDP and Budget time schedule of the 2022/2023 budget cycle was approved by Council before end of August. The IDP and Budget Process Plan ensure that the role-players within the process are well prepared. All activities outlined within this document have been prepared in close inter-relation with the Framework that governs both the district and all local municipalities.

The publication of budget was done through website and public engagements, the public engagements were done through roadshows, the road shows were held throughout the district, in all local Municipalities.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

Integrated Development Plan Review Process

The Integrated Development Plan (IDP) Review Process is a vehicle through which Municipalities prepare strategic development plans called Integrated Development Plans for a five-year period. Because service delivery is progressive in nature, the IDP must be reviewed annually to keep up with the evolving nature of communities.

The Zululand District Municipality will embark on its IDP Review of the 5 Year cycle of IDP.

Legal Status

The IDP is a legislative requirement, has a legal status and therefore supersedes all other plans that guide development at local government level.

Vision

We are the Zululand region and proud of our heritage. We are mindful of the needs of the poor and we seek to reflect the aspirations of our communities. We are committed to responsible and accountable actions, tolerance and concern for racial harmony, the protection of our environment, and the strengthening of the role of women and youth. We will strive to improve the quality of life in Zululand by providing sustainable infrastructure, promoting economic development, and building capacity within our communities.” We serve our people.”

Mission

To create an affluent district by:

- Provision of optimal delivery of essential services.
- Supporting sustainable local economic development; and
- Community participation in service delivery

Core Values

- Transparency
- Commitment
- Innovation
- Integrity
- Co-operation

The above vision strategic focus areas of the Zululand District Municipality are:

- To facilitate the delivery of sustainable infrastructure and services
- To promote economic development
- To promote social development

Zululand District Municipality (Key Performance Areas)

These focus areas are broken down to objectives and strategies, which is used to set KPIs for the

measurement of the Municipality’s performance, and progress with its service delivery mandate. It is important to note that the national KPAs as set that relate to:

- Basic Service Delivery
- Municipal Financial viability and management
- Local Economic Development
- Good Governance & Public Participation
- Municipal transformation and institutional development

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance.

KEY FINANCIAL INDICATORS AND RATIOS

Information regarding key financial indicators and ratios are provided below on supporting table SA8.

DC26 Zululand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management				0	0	0	0	0			
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	(0.1)	0.4	4.0	1.1	0.6	0.6	0.5	1.5	2.4	3.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	(0.1)	0.4	4.0	1.1	0.6	0.6	0.5	1.5	2.4	3.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	3.7	0.7	0.3	0.3	0.1	1.1	1.9	2.9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	71.1%	60.7%	92.7%	92.7%	85.2%	75.2%	81.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	71.1%	60.7%	92.7%	92.7%	85.2%	75.2%	81.0%	86.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	-4.7%	13.5%	13.3%	12.5%	11.3%	11.3%	20.2%	13.9%	15.2%	14.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	13.5%	13.3%	12.5%	12.5%	12.5%	24.9%	18.9%	19.5%	18.4%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		2284.3%	1771.0%	73.6%	134.5%	92.8%	92.8%	228.8%	72.2%	38.7%	25.3%
Other Indicators											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (k€)	13 051	11 282	12 536	12 200	12 200	12 200	12 200	11 282	10 154	9 139
	Total Cost of Losses (Rand '000)	235175	262381	299838	255353	255353	255353	255353	236143	212529	191276
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)											
Employee costs	Employee costs/(Total Revenue - capital revenue)	41.2%	41.5%	36.5%	42.3%	42.3%	42.3%	43.2%	38.9%	38.7%	37.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	42.9%	43.1%	37.8%	43.8%	43.8%	43.8%		40.2%	40.0%	39.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	15.7%	15.2%	12.0%	11.5%	12.8%	12.8%		10.3%	10.3%	10.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.0%	14.7%	12.7%	11.9%	11.7%	11.7%	13.7%	11.6%	11.5%	11.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	27.8	14.1	10.2	10.2	10.2	9.2	14.6	15.3	16.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	-68.1%	188.9%	166.9%	139.1%	124.4%	124.4%	234.8%	119.1%	130.9%	128.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	0.3	8.3	3.6	5.3	5.3	1.1	7.9	14.1	20.4

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

Debtors > 90 days

Monthly fixed operational expenditure

Fixed operational expenditure % assumption

Own capex

Borrowing

38 743	43 727	50 323	36 902	42 890	42 890	43 234	36 858	38 414	40 683
40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
6 629	3 269	4 617	5 385	7 285	7 285	7 262	8 391	4 702	4 937
-	-	-	-	-	-	-	-	-	-

MEASURABLE PERFORMANCE OBJECTIVES

Information regarding revenue is provided as follows:

- **Revenue for each vote:** Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)
- **Revenue for each source:** Table A4 Budgeted Financial Performance (revenue and expenditure)

Provision of free basic services:

More details are provided in Table A10 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.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The following budget policies were considered when preparing for budget documentation:

- i. Budget Policy
- ii. Virement Policy
- iii. Credit control policy
- iv. Debt written off-policy
- v. Banking and investment policy
- vi. Funding and Reserve policy
- vii. Supply Chain management policy
- viii. Asset Management Policy
- ix. Asset Loss control policy
- x. Indigent support policy
- xi. Insurance Policy
- xii. Tariff Policy
- xiii. Subsistence and Travelling Policy

BUDGET POLICY**CREDIT CONTROL AND TARIFF BYLAWS**

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

Tariff policy on Water and Tariff Policy on Sanitation are included in our approved Credit Control and Debt Collection Policy. The Municipality's credit control and tariff policy state that every consumer and business owners who wants excess to water must apply from the municipality and the municipality must provide such service. After opening an account, the municipality charges or bill the consumer for water provided. If the consumer fails to pay the

charge the municipality than provide free basic water at 6kl per day while when businesses don't pay for more than 60 days, the municipality disconnect the services and charge and interest of 5.25% and a reconnection fee of R295.15.

BANKING AND INVESTMENT POLICY

The underlying cash is managed and invested in accordance with the Municipality's approved Cash Management and Investment Policy, which is aligned with National Treasury's municipal investment regulations dated 01 April 2005.

The Municipality's Banking and Investment policy includes cash management, investments, payments to creditors. According to this policy, the municipality is entitled to collect all monies or debt owed to the municipality, pay its debts on time or within 30 days before creditors charge interest, and must make a call out investment with its surpluses.

SUPPLY CHAIN MANAGEMENT POLICY

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Municipality's Supply Chain Management Policy was approved by Council. The recommended adjustments to the policy, is to align the policy with the new Preferential Procurement Regulations, and to streamline the policy to include best practices as advised by staff of the Provincial Government following their review of the policy.

This policy is inline with section 217 of the constitution. It states that the municipality before procuring goods and services that are less than 200 thousand must source three quotes from different service providers to compare and appoint the less quoted to render the service. Deviations must be approved by the Municipal Manager. All tenders advertised must go through all bid committees before a service provider is awarded.

ASSET MANAGEMENT POLICY

The aim of the policy is to ensure that the assets of the municipality are properly managed and accounted for.

The policy states that the municipality must have its asset register that has an asset description, date when the asset was acquired and the location of the asset. A fixed asset shall be capitalised, that is, recorded in the fixed assets register, as soon as it is acquired. If the asset is constructed over a period it shall be recorded as work-in-progress until it is available for use, whereafter it shall be appropriately capitalised as a fixed asset. It includes how the municipality should maintain, depreciate, safe keep, revalue, dispose of asset

IT POLICY

The installation of the municipality's information technology (IT) network represents a significant capital outlay, and the objective of this policy is therefore to ensure that this investment in modern technology is properly managed.

The Municipality's IT Policy give guidance to internet usage, backups, data ownership, excess control, physical controls, official websites. Where personal computers have been allocated to officials, such officials shall accept that these computers must be used to fulfil operational functions within the organisation, and that their use is restricted to such official functions only. All data contained or stored on Municipal systems is owned by the Zululand District

Municipality. No data should be altered or disclosed without the specific authorisation from the data owner. All officials, to whom user codes and passwords have been allocated, must ensure that these codes and passwords are properly safeguarded. Under no circumstances may employees share any user code or password with colleagues. The CITO shall have a list available of all user codes and passwords and shall ensure that this list is kept in a secure place with other IT related securities.

RISK MANAGEMENT POLICY

The objective is to review the effectiveness of the municipality's financial risk management strategies, with specific reference to the effectiveness with which the municipality's financial and other policies are being implemented. Review the effectiveness of the municipality's other operational risk management strategies, including environmental risks, risks relating to the safety and well-being of the municipality's employees and risks relating to inadequate training and functional capacitation of the municipality's employees. Identify and assess the significance of any risks not covered by existing risk management strategies and formulate means of addressing such risks.

This policy ensure that the financial policies promote accountability and transparency, and adequately address the risks associated with management of fixed assets, supply chain management, banking, investments and cash management, management of budgetary resources generally, management of revenues, including credit control and debt collection and management of indigents, payment of subsistence, travel and entertainment allowances.

INSURANCE POLICY

This insurance policy is aimed at ensuring that all assets, Councillors, employees and third parties are always insured economically and adequately.

FINANCIAL PLAN

The purpose of the financial plan is to set out details of the financial issues that need to be addressed in a financial year. It is meant to be a tool to highlight any financial shortcomings.

Indigent's policy and budget implementation and management policy are in progress, by the time of approval of the annual budget they were not on the final stage.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 Expenditure

2.5.1.1 Employee related costs and Remuneration of councillors

The assumption is based on the MFMA Budget circular together with the terms of the National Bargaining Council negotiations for salary increases. For the 2022/23 financial year, a 4.8% (CPI) increase is budgeted for qualifying employees. For Councillors allowances upper limits were considered for the 2022/23 financial year, and a 4.8% increase was budgeted.

2.5.1.2 Debt impairment

It is assumed assessment of consumer debtors will be performed and provision for debt impairment will be calculated, the provision for bad debts is only allowed to households.

2.5.1.3 Depreciation and Asset impairment

Budget for depreciation and asset impairment is based on 2021/22-year to date actual, the values of assets currently possessed by the municipality, and assets budgeted to be purchased within concerned budget period.

2.5.1.4 Finance charges

It is assumed the municipality will not have any borrowings thus the municipality will not incur finance charges

2.5.1.5 Inventory consumed

It is assumed Inventory consumed will be incurred in terms of GRAP 12, issues of inventory will be recorded on this line item.

2.5.1.6 Contracted services

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

2.5.1.7 Transfers and subsidies

It is assumed that transfers and subsidies will be paid

2.5.1.8 Other expenditure

It is assumed that costs for services will increase in line with the CPI. The current oil price is still a concern, and it is expected that the fuel price hikes will have a substantial effect on expenditure. It is also assumed that the capital projects for 2022/2023 will be completed during the financial year as there were budgeted for, the depreciation of such projects as per Generally Recognized Accounting Practice (GRAP) is also considered.

The depreciation for 2022/2023 is projected, there are projects that will be capitalised to assets which are in progress, and this will accelerate the depreciation expense. The depreciation will be funded by our reserves.

2.5.2 Income

2.5.2.1 Collection rate for municipal services

It is assumed that the Municipality will collect **65%** of what it has billed. The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring all people lead government.

In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends, but municipality has put forward the methods and strategies for the collection of current and previous debtors. The Municipality has established a Revenue enhancement steering committee.

2.5.2.2 Sale of water and sanitation fees

There will be a **6%** tariff increase for the budget year. The budget is based on the realistic billing figures and the projection was made. These increases are recommended to curb water consumption. The comparison between the tariff increase and the budgeted billing might be a bit off since service charges budget is estimated based on the current actual billing for both water and sanitation.

2.5.2.3 Rental of facilities and equipment

The Rental of facilities and equipment was based on signed contractual agreements.

2.5.2.4 Interest earned - external investments

The projection was made considering the 2022/2023 financial budget includes interest form invested reserves. The investment rate will be based on the highest financial institution offerings. Interest income will be generated from 32-day investments and call accounts which will occur during budget financial year. As a result, the municipality projects no long-term investments.

2.5.2.5 Interest earned - outstanding debtors

Interest on outstanding debtors is charged on businesses with amounts in arrears

2.5.2.6 Fines, penalties, and forfeits

Fines are charged on illegal connections

2.5.2.7 Licences and permits

Licences and Permits will be charged

2.5.2.8 Transfers and subsidies

It is assumed that the National and Provincial grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2022/2023 financial year.

2.5.2.9 Other revenue

Other revenue in the budget consists of the amount that will be collected during the year such as sale of tender documents.

2.5.3 FINANCIAL POSITION

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

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

2. Table SA3 is providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions

2.5.3.1 Cash

It is assumed that municipality will have cash at the end of the financial year that will be applied to working capital for determining funding position of the municipality.

2.5.3.2 Call Investment Deposits

For 2022/23 financial year, it is assumed that there will be no investments, since the municipality is in a process to reduce payables.

2.5.3.3 Consumer Debtors

It is assumed that, looking at our initiative of establishing Revenue enhancement strategy with a duty to strengthen collection of debts from consumers, there will be a decrease in consumer Debtors.

2.5.3.4 Other debtors

It is assumed there will be VAT receivable at the end of the financial year, and the municipality will have Eskom deposits for all accounts held.

2.5.3.5 Current portion of long-term receivables

The municipality does not have current portions of long-term receivables.

2.5.3.6 Inventory

The inventory level is assumed to increase in the next financial year based on the current stock level.

2.5.3.7 Long –term Receivables

Non-current receivables as per AFS consist of Eskom deposits and are included under other debtors as per MSCOA classification.

2.5.3.8 Property Plant and Equipment

It is assumed that looking at our current funding there will be an addition to PPE in 2022/2023. However, the carrying value will be less since most of our assets are depreciating.

2.5.3.9 Intangible Asset

The municipality does not own most of its software licences.

2.5.3.10 Consumer deposit

It is assumed that consumer deposits will remain steady.

2.5.3.11 Trade and other payables from exchange transactions

It is assumed, based on the Audited financial year and current year performance, that the payables will increase. An increase is also expected for the current budget year 2022/2023.

2.5.3.12 current provisions

Current provisions include Post Retirement benefit (Medical aid) and Long Service award.

2.5.4 Cash flow

The budgeted cash flow statement is the first measurement in determining if the budget is funded. The assumed collection rate is based on the current collection level which is expected to be 65% of billable revenue, considering that there are debtors paying for prior years. The figure for other revenue is assumed based on the last financial year AFS and current collection. All other activities are assumed based on the previous financial statements information and taking into account the current movements.

Additionally, the municipality has established revenue enhancement steering committee tasked with improving collection.

2.5.5 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.

2.6 OVERVIEW OF BUDGET FUNDING

SUMMARY

The operating budget for 2022/2023 to 2024/2025 will be financed as follows:

OPERATING REVENUE	ORIGINAL BUDGET 2021/2022	ADJUSTMENT BUDGET 2021/2022	DRAFT BUDGET 2022/2023	Tabled FINAL budget 2022/2023	Tabled FINAL budget 2022/2023	Second FINAL budget 2022/2023	BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025
EQUITABLE SHARE	524 645 000.00	524 645 000.00	586 391 000.00	586 391 000.00	-	586 391 000.00	630 327 000.00	677 132 000.00
INTEREST ON BANK ACCOUNTS	2 000 000.00	2 000 000.00	2 000 000.00	2 000 000.00	-	2 000 000.00	2 000 000.00	2 000 000.00
INTEREST ON INVESTMENTS	4 000 000.00	4 000 000.00	4 000 000.00	4 000 000.00	-	4 000 000.00	4 000 000.00	4 000 000.00
INTEREST EARNED - OUTSTANDING DEBTORS	85 000.00	85 000.00	85 000.00	85 000.00	-	85 000.00	85 000.00	85 000.00
AVIATION RELIEF			500 000.00	500 000.00	-	500 000.00		
MUNICIPAL DISASTER RELIEF					-			5 000 000.00
FMG	1 200 000.00	1 200 000.00	1 200 000.00	1 200 000.00	-	1 200 000.00	1 200 000.00	1 200 000.00
MSG	4 031 000.00	4 031 000.00	2 787 000.00	2 787 000.00	-	2 787 000.00	2 380 000.00	2 380 000.00
EPWP	9 612 000.00	9 612 000.00	8 517 000.00	8 517 000.00	-	8 517 000.00		
ART AND CULTURE - Indonsa	1 911 000.00	1 911 000.00	1 911 000.00	1 911 000.00	-	1 911 000.00	1 911 000.00	1 911 000.00
SERVICE CHARGES WATER	43 000 000.00	42 186 396.00	101 600 000.00	126 000 000.00	55 000 000.00	71 000 000.00	74 550 000.00	78 277 500.00
SERVICE CHARGES SANITATION	11 000 000.00	12 304 629.00	29 500 000.00	29 500 000.00	17 000 000.00	12 500 000.00	13 125 000.00	13 781 250.00
FINES, PENALTIES AND FORFEITS, LICENCES AND PERMITS	638 000.00	48 000.00	50 000.00	150 000.00	-	150 000.00	155 000.00	160 250.00
RENTAL OF FACILITIES AND EQUIPMENT	210 000.00	183 486.00	183 486.00	183 486.00	-	183 486.00	183 486.00	183 486.00
Other revenue	500 000.00	625 489.00	710 500.00	710 500.00	-	710 500.00	710 500.00	710 500.00
TOTAL OPERATING REVENUE	602 832 000.00	602 832 000.00	739 434 986.00	763 934 986.00	72 000 000.00	691 934 986.00	730 626 986.00	786 820 986.00

The capital budget for 2022/2025 to 2024/2025 will be financed as follows:

GRANT CAPITAL FINANCING	ORIGINAL BUDGET 2021/2022	ADJUSTMENT BUDGET 2021/2022	DRAFT BUDGET 2022/2023	BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025
RRMS	2 416 000.00	2 416 000.00	2 529 000.00	2 539 000.00	2 631 000.00
MIG	239 111 001.00	239 111 001.00	259 530 000.00	271 718 000.00	284 684 000.00
RBIG	222 531 000.00	222 531 000.00	15 247 000.00	30 000 000.00	50 000 000.00
WSIG	110 000 000.00	110 000 000.00	95 000 000.00	100 880 000.00	100 894 000.00
TOTAL CAPITAL FINANCING	574 058 001.00	574 058 001.00	372 306 000.00	405 137 000.00	438 209 000.00

The SA18 is detailing the funding in terms of grants.

Sustainability of municipality

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

Impact on tariffs

Water, sewerage together with the sundry tariffs is listed in tariffs schedule.

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
- Nonpriority projects

Investments

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

Planned proceeds of sale of assets

No significant revenue is expected from the sale of redundant assets.

Planned use of previous year's cash backed accumulated surplus

The previous year's surplus is cash backed.

New borrowings

There are no new borrowings proposed.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Particulars of budgeted allocations and grants

Please refer to Supporting Table SA20 below: Expenditure on transfers and grant programme and reconciliation of unspent grants.

DC26 Zululand - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Operating transfers and grants:	1.3									
National Government:			(3 800)	(2 290)						
Balance unspent at beginning of the year										
Current year receipts				(574 733)	(539 488)	(539 488)	(539 488)	(12 504)	(3 580)	(3 580)
Conditions met - transferred to revenue				574 733	539 488	539 488	539 488	12 504	3 580	3 580
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue				574 733	539 488	539 488	539 488	12 504	3 580	3 580
Total operating transfers and grants - CTBM	2									
Capital transfers and grants:	1.3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		(442 452)	(491 852)	(442 916)	(574 058)	(604 058)	(604 058)	(372 306)	(405 137)	(438 209)
Conditions met - transferred to revenue		442 452	491 852	442 916	574 058	604 058	604 058	372 306	405 137	438 209
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		442 452	491 852	442 916	574 058	604 058	604 058	372 306	405 137	438 209
Total capital transfers and grants - CTBM	2									
TOTAL TRANSFERS AND GRANTS REVENUE		442 452	491 852	1 017 649	1 113 546	1 143 546	1 143 546	384 810	408 717	441 789
TOTAL TRANSFERS AND GRANTS - CTBM										

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

Please refer to Supporting Table SA21 Transfers and grants made by the municipality

DC26 Zululand - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash Transfers to other municipalities											
<i>Dm Kzn: Zululand - Planning & Dev</i>	1	–	–	–	–	–	–	–	–	–	–
<i>Dm Kzn: Zululand - Planning & Dev</i>		78	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		78	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
	3										
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Total Cash Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals											
Total Cash Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	6	78	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other municipalities											
	1										
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State											
	3										
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations											
<i>Ts_O_Ik_Np Ins_Unspecified</i>	4	–	26	–	–	–	–	–	–	–	–
<i>Non Prof. Unspecified</i>		271	–	–	–	–	–	–	–	–	–
<i>Ts_O_Ik_Np Ins_Unspecified</i>		–	5 893	7 364	9 450	9 183	9 183	8 983	2 670	2 804	2 944
Total Non-Cash Grants To Organisations		271	5 919	7 364	9 450	9 183	9 183	8 983	2 670	2 804	2 944
Groups of Individuals											
<i>Hh Ssp Soc Ass: Poverty Relief</i>	5	613	373	5 526	2 500	2 313	2 313	2 313	–	–	–
<i>Ts_O_Ik_Hh_Soc Assis_Social Relief</i>		–	–	–	–	–	–	–	400	420	441
Total Non-Cash Grants To Groups Of Individuals:		613	373	5 526	2 500	2 313	2 313	2 313	400	420	441
TOTAL NON-CASH TRANSFERS AND GRANTS		884	6 292	12 891	11 950	11 496	11 496	11 295	3 070	3 224	3 385
TOTAL TRANSFERS AND GRANTS	6	962	6 292	12 891	11 950	11 496	11 496	11 295	3 070	3 224	3 385

2.9 COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Costs to Municipality: Councillors

Number of Councillors **36**

DC26 Zululand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		–	10	–	–	–	–	–	–	–
Pension and UIF Contributions		389	429	483	416	416	416	661	694	729
Medical Aid Contributions		238	251	75	206	206	206	–	–	–
Motor Vehicle Allowance		1 785	1 903	1 932	1 867	1 867	1 867	1 805	1 895	1 990
Cellphone Allowance		654	658	688	694	694	694	653	685	720
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		5 022	5 121	5 311	5 355	5 855	5 855	5 652	5 934	6 231
Sub Total - Councillors		8 089	8 372	8 489	8 537	9 037	9 037	8 771	9 209	9 670
% increase	4		3.5%	1.4%	0.6%	5.9%	–	(2.9%)	5.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5 228	6 011	6 136	6 570	6 570	6 570	6 555	6 883	7 227
Pension and UIF Contributions		9	2	9	66	66	66	55	58	61
Medical Aid Contributions		93	131	97	57	57	57	57	60	63
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		300	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		1 245	1 505	1 551	1 592	1 592	1 592	1 592	1 672	1 756
Cellphone Allowance		59	64	144	71	71	71	210	220	231
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		200	242	249	215	215	215	225	237	248
Payments in lieu of leave		–	–	324	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7 135	7 954	8 511	8 571	8 571	8 571	8 695	9 129	9 586
% increase	4		11.5%	7.0%	0.7%	–	–	1.4%	5.0%	5.0%
Other Municipal Staff										
Basic Salaries and Wages		125 145	135 668	151 163	175 275	175 275	175 275	185 935	195 232	204 994
Pension and UIF Contributions		16 313	17 879	19 592	22 634	22 634	22 634	25 886	27 181	28 540
Medical Aid Contributions		10 557	11 222	12 590	13 569	13 569	13 569	13 569	14 277	14 990
Overtime		511	(2)	54	1 130	1 130	1 130	320	336	353
Performance Bonus		8 689	9 291	10 711	11 670	11 670	11 670	12 786	13 426	14 097
Motor Vehicle Allowance		6 042	6 439	6 999	7 578	7 578	7 578	9 561	10 039	10 541
Cellphone Allowance		491	506	533	706	706	706	670	703	738
Housing Allowances		1 121	1 142	1 219	1 256	1 256	1 256	1 379	1 448	1 520
Other benefits and allowances		15 192	12 363	17 525	11 781	11 781	11 781	4 823	5 064	5 317
Payments in lieu of leave		4 756	5 465	4 630	–	–	–	–	–	–
Long service awards		2 401	2 312	2 246	–	–	–	–	–	–
Post-retirement benefit obligations		3 322	9 734	6 182	1 100	1 100	1 100	4 500	4 725	4 961
Sub Total - Other Municipal Staff		194 542	212 019	233 443	246 698	246 698	246 698	259 457	272 430	286 052
% increase	4		9.0%	10.1%	5.7%	–	–	5.2%	5.0%	5.0%
Total Parent Municipality		209 765	228 345	250 442	263 807	264 307	264 307	276 923	290 769	305 307
			8.9%	9.7%	5.3%	0.2%	–	4.8%	5.0%	5.0%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4									
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		209 765	228 345	250 442	263 807	264 307	264 307	276 923	290 769	305 307
% increase	4		8.9%	9.7%	5.3%	0.2%	–	4.8%	5.0%	5.0%
TOTAL MANAGERS AND STAFF	5.7	201 677	219 973	241 953	255 269	255 269	255 269	268 152	281 560	295 638

The municipality has **6** Senior Managers

Details of employee numbers can be obtained on Supporting Table SA24: Summary of personnel numbers below.

DC26 Zululand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	–	10	–	–	–	–	–	–	–
Pension and UIF Contributions		389	429	483	416	416	416	661	694	729
Medical Aid Contributions		238	251	75	206	206	206	–	–	–
Motor Vehicle Allowance		1 785	1 903	1 932	1 867	1 867	1 867	1 805	1 895	1 990
Cellphone Allowance		654	658	688	694	694	694	653	685	720
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		5 022	5 121	5 311	5 355	5 855	5 855	5 652	5 934	6 231
Sub Total - Councillors		8 089	8 372	8 489	8 537	9 037	9 037	8 771	9 209	9 670
% increase	4		3.5%	1.4%	0.6%	5.9%	–	(2.9%)	5.0%	5.0%

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

The monthly targets for revenue and expenditure are provided in Supporting Table SA25 Budgeted monthly revenue and expenditure.

DC26 Zululand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source																	
	Property rates													–	–	–	
	Service charges - electricity revenue													–	–	–	
	Service charges - water revenue	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	5 667	68 000	71 400	74 970
	Service charges - sanitation revenue	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	12 500	13 125	13 781
	Service charges - refuse revenue													–	–	–	
	Rental of facilities and equipment	15	15	15	15	15	15	15	15	15	15	15	15	15	183	183	183
	Interest earned - external investments	500	500	500	500	500	500	500	500	500	500	500	500	500	6 000	6 000	6 000
	Interest earned - outstanding debtors	7	7	7	7	7	7	7	7	7	7	7	7	7	85	85	85
	Dividends received													–	–	–	
	Fines, penalties and forfeits	12	12	12	12	12	12	12	12	12	12	12	12	13	150	155	160
	Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Agency services													–	–	–	
	Transfers and subsidies	50 109	50 109	50 109	50 109	50 109	50 109	50 109	50 109	50 109	50 109	50 109	50 109	50 109	601 306	635 818	687 623
	Other revenue	59	59	59	59	59	59	59	59	59	59	59	59	59	711	711	711
	Gains	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			57 411	57 411	57 411	57 411	57 411	57 411	57 411	57 411	57 411	57 411	57 411	57 411	688 935	727 477	783 513
Expenditure By Type																	
	Employee related costs		22 346	22 346	22 346	22 346	22 346	22 346	22 346	22 346	22 346	22 346	22 346	22 346	268 152	281 560	295 638
	Remuneration of councillors		731	731	731	731	731	731	731	731	731	731	731	731	8 771	9 209	9 670
	Debt impairment		1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	1 167	14 000	14 000	14 000
	Depreciation & asset impairment		6 667	6 667	6 667	6 667	6 667	6 667	6 667	6 667	6 667	6 667	6 667	6 666	80 000	84 000	88 200
	Finance charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Inventory consumed		2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	33 370	35 032	36 776
	Contracted services		8 869	8 869	8 869	8 869	8 869	8 869	8 869	8 869	8 869	8 869	8 869	8 868	106 423	111 118	121 573
	Transfers and subsidies		256	256	256	256	256	256	256	256	256	256	256	256	3 070	3 224	3 385
	Other expenditure		9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 365	9 364	112 375	112 697	118 286
	Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure			52 180	52 180	52 180	52 180	52 180	52 180	52 180	52 180	52 180	52 180	52 180	52 177	626 161	650 840	687 527
Surplus/(Deficit)			5 231	5 231	5 231	5 231	5 231	5 231	5 231	5 231	5 231	5 231	5 231	5 234	62 774	76 637	95 986
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			31 025	31 025	31 025	31 025	31 025	31 025	31 025	31 025	31 025	31 025	31 025	31 026	372 306	405 137	438 209
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 259	435 080	481 774	534 195
Taxation			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		1	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 256	36 259	435 080	481 774	534 195

**The monthly targets for cash flows are provided in Supporting Table SA30
Budgeted monthly
cash flow.**

DC26 Zululand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand													1		
Cash Receipts By Source															
Properly rates													–		
Service charges - electricity revenue													–		
Service charges - water revenue													50 930	50 930	57 582
Service charges - sanitation revenue													9 644	9 644	10 881
Service charges - refuse revenue													–		
Rental of facilities and equipment													394	394	394
Interest earned - external investments													6 000	6 000	6 000
Interest earned - outstanding debtors													–		
Dividends received													–		
Fines, penalties and forfeits													150	150	155
Licences and permits													–	–	–
Agency services													–	–	–
Transfers and Subsidies - Operational													601 306	601 306	635 818
Other revenue													80 361	80 361	84 068
Cash Receipts by Source													748 785	748 785	794 898
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)													372 306	372 306	405 137
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													–	–	–
Proceeds on Disposal of Fixed and Intangible Assets													–	–	–
Short term loans													–	–	–
Borrowing long term/financing													–	–	–
Increase (decrease) in consumer deposits													–	–	–
Decrease (increase) in non-current receivables													–	–	–
Decrease (increase) in non-current investments													–	–	–
Total Cash Receipts by Source													1 121 091	1 121 091	1 200 035
Cash Payments by Type															
Employee related costs													276 923	276 923	290 769
Remuneration of councillors													–	–	–
Finance charges													–	–	–
Bulk purchases - electricity													–	–	–
Acquisitions - water & other inventory													38 375	38 375	40 286
Contracted services													122 386	122 386	127 786
Transfers and grants - other municipalities													–	–	–
Transfers and grants - other													–	–	–
Other expenditure													132 762	132 762	133 309
Cash Payments by Type													570 446	570 446	592 150
Other Cash Flows/Payments by Type															
Capital assets													332 162	332 162	357 021
Repayment of borrowing													–	–	–
Other Cash Flows/Payments													–	–	–
Total Cash Payments by Type													902 608	902 608	949 171
NET INCREASE/(DECREASE) IN CASH HELD													218 483	218 483	250 864
Cash/cash equivalents at the month/year begin:	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	291 154	291 154
Cash/cash equivalents at the month/year end:	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	291 154	291 154	542 018

2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS INTERNAL DEPARTMENTS

Attached as Annexure

2.12 ANNUAL BUDGETS AND SERVICE DELIVERY AGREEMENTS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS

The Municipality does not have an entity

2.13 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

DC26 Zululand - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality: Revenue Obligation By Contract	2													
New Contract Nr 1		-	210	221	232	255	280	308	339	373	410	451	-	3 079
Total Operating Revenue Implication		-	210	221	232	255	280	308	339	373	410	451	-	3 079
Expenditure Obligation By Contract	2													
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities: Revenue Obligation By Contract	2													
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

In terms of Zululand District Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid evaluation or Adjudication committees must obtain formal financial comments from the financial Management Division of the Treasury Department.

2.14 CAPITAL EXPENDITURE DETAILS

Information/detail regarding capital projects by vote is provided in Supporting Table SA36: Detailed Capital budget.

DC26 Zululand - Supporting Table SA36 Detailed capital budget

ZC26 Zululand - Supporting Table SA08 Detailed capital budget										2023/24 Medium Term Revenue & Expenditure Framework						
Function	Project Description	Project Number	Type	WTF Service Outcome	ISIF	One Strategic Objective	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Actual Outcome 2020/21	Current Year Full Year Forecast	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Asset ownership All asset ownership proposed by Finance																
Administrative And Corporate Support	Infrastructure	PC02003034_2023	NEW	net effective and development oriented public	Gravels		Complex Equipment	Complex Equipment	ADMIN OR HEAD OFFICE	0	0	1	160	2 609	2 736	2 736
Administrative And Corporate Support	Infrastructure	PC02003035_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	207	-	-	-	-
Administrative And Corporate Support	Infrastructure	PC02003036_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	1	63	46	46	46
Administrative And Corporate Support	Infrastructure	PC02003037_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	122	546	546	546
Administrative And Corporate Support	Infrastructure	PC02003038_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	2 844	-	-	-	-
Administrative And Corporate Support	Infrastructure	PC02003039_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	43	46	46	46
Administrative And Corporate Support	Infrastructure	PC02003040_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	105	-	-	-	-
Administrative And Corporate Support	Infrastructure	PC02003041_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	1 922	3 946	-	-	-
Administrative And Corporate Support	Infrastructure	PC02003042_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	10	-	-	-	-
Administrative And Corporate Support	Infrastructure	PC02003043_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	19	-	-	-
Administrative And Corporate Support	Infrastructure	PC02003044_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	257	2 736	2 736	2 736	2 736
Administrative And Corporate Support	Infrastructure	PC02003045_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	43	46	46	46
Administrative And Corporate Support	Infrastructure	PC02003046_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	25 676	25 676	25 676	25 676
Administrative And Corporate Support	Infrastructure	PC02003047_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	6 722	6 722	6 722	6 722
Administrative And Corporate Support	Infrastructure	PC02003048_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	2 736	2 736	2 736	2 736
Administrative And Corporate Support	Infrastructure	PC02003049_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	3 913	-	-	-
Administrative And Corporate Support	Infrastructure	PC02003050_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	2 609	2 736	2 736	2 736	2 736
Administrative And Corporate Support	Infrastructure	PC02003051_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	1 462	271	2 609	2 736	2 736
Administrative And Corporate Support	Infrastructure	PC02003052_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	122	546	546	546
Administrative And Corporate Support	Infrastructure	PC02003053_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	110	43	46	46
Administrative And Corporate Support	Infrastructure	PC02003054_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	436	437	437	437
Administrative And Corporate Support	Infrastructure	PC02003055_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	26	-	-	-
Administrative And Corporate Support	Infrastructure	PC02003056_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	436	437	437	437
Administrative And Corporate Support	Infrastructure	PC02003057_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	670	201	411	411
Administrative And Corporate Support	Infrastructure	PC02003058_2023	NEW	net effective and development oriented public	Gravels		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	3 913	-	-	-
Administrative And Corporate Support	Infrastructure															

2.15 LEGISLATION COMPLIANCE STATUS

Zululand District Municipality complies in general with legislation applicable to municipalities.

- **MSCOA Regulations**

The Municipality is fully compliant with the MSCOA regulation as from 01 July 2018.

- **In year reporting**

Reporting to National Treasury in electronic format is fully complied with on monthly basis. Municipality send a data string every month Section 71 reporting to the Executive Mayor (within 10 working days) is also complied with.

- **Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and is already recruited five individuals who undergo training in various divisions of the Financial Services Department.

- **Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

- **Audit Committee**

The Audit Committee has met three times already this financial year compared to four times per financial year as legislated.

- **Annual Report**

The Final annual report was adopted at the end of May 2021, within nine months after the end of a financial year as required by Section 121 of MFMA, and it is 100% Complete.

2.16 OTHER SUPPORTING DOCUMENTS

DC26 Zululand - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates											
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)											
Net Property Rates		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	6										
Total Service charges - electricity revenue											
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	6										
Total Service charges - water revenue		26 784	31 395	43 564	46 000	45 186	45 186	39 320	71 000	74 550	78 278
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		3 527	4 140	2 313	3 000	3 000	3 000		3 000	3 150	3 308
Net Service charges - water revenue		23 258	27 255	41 251	43 000	42 186	42 186	39 320	68 000	71 400	74 970
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		10 474	10 457	11 514	11 000	12 305	12 305	11 379	12 500	13 125	13 781
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		(5)	-	-	-	-	-		-	-	-
Net Service charges - sanitation revenue		10 479	10 457	11 514	11 000	12 305	12 305	11 379	12 500	13 125	13 781
Service charges - refuse revenue	6										
Total refuse removal revenue											
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)											
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
Other Revenue by source											
Fuel Levy											
Other Revenue		1 488	1 045	662	500	625	625	496	711	711	711
Total 'Other' Revenue	1	1 488	1 045	662	500	625	625	496	711	711	711
EXPENDITURE ITEMS:											
Employee related costs	2										
Basic Salaries and Wages		130 374	141 679	157 299	181 845	181 845	181 845	177 334	192 490	202 114	212 220
Pension and UIF Contributions		16 323	17 881	19 601	22 699	22 699	22 699	22 759	25 941	27 238	28 600
Medical Aid Contributions		10 651	11 352	12 686	13 627	13 627	13 627	13 676	13 654	14 337	15 054
Overtime		511	(2)	54	1 130	1 130	1 130	(29)	320	336	353
Performance Bonus		8 989	9 291	10 711	11 670	11 670	11 670	10 935	12 786	13 426	14 097
Motor Vehicle Allowance		7 287	7 944	8 551	9 171	9 171	9 171	9 878	11 153	11 711	12 297
Cellphone Allowance		551	570	678	777	777	777	853	879	923	970
Housing Allowances		1 121	1 142	1 219	1 256	1 256	1 256	1 377	1 379	1 448	1 520
Other benefits and allowances		15 392	12 605	17 773	11 996	11 996	11 996	15 470	5 048	5 301	5 566
Payments in lieu of leave		4 756	5 465	4 953	-	-	-	2 495	-	-	-
Long service awards		2 401	2 312	2 246	-	-	-	1 317	-	-	-
Post-retirement benefit obligations		3 322	9 734	6 182	1 100	1 100	1 100	-	4 500	4 725	4 961
sub-total	5	201 677	219 973	241 953	255 269	255 269	255 269	256 064	268 152	281 560	295 638
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	201 677	219 973	241 953	255 269	255 269	255 269	256 064	268 152	281 560	295 638
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		63 644	76 114	83 479	71 617	70 600	70 600	81 058	79 984	83 984	88 183
Lease amortisation		137	33	21	3	3	3	16	16	16	17
Capital asset impairment		-	1 680	656	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	63 780	77 826	84 156	71 620	70 603	70 603	81 074	80 000	84 000	88 200
Bulk purchases - electricity											
Electricity bulk purchases	1	72	(655)	-	-	-	-	-	-	-	-
Total bulk purchases		72	(655)	-	-	-	-	-	-	-	-
Transfers and grants											
Cash transfers and grants		78	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		884	6 292	12 891	11 950	11 496	11 496	11 295	3 070	3 224	3 385
Total transfers and grants	1	962	6 292	12 891	11 950	11 496	11 496	11 295	3 070	3 224	3 385
Contracted services											
Outsourced Services		98 352	136 320	151 784	63 435	107 537	107 537	114 318	39 986	41 970	44 053
Consultants and Professional Services		22 578	19 511	20 120	9 611	13 945	13 945	11 522	8 586	8 421	13 772
Contractors		82 185	85 602	122 603	66 290	75 702	75 702	82 259	57 851	60 728	63 749
Total contracted services		203 115	241 433	294 507	139 336	197 184	197 184	208 099	106 423	111 118	121 573
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Audit fees		3 284	3 549	4 467	3 000	3 782	3 782	3 782	3 000	3 150	3 308
Other Expenditure		89 397	95 706	108 630	73 716	106 696	106 696	111 123	109 375	109 547	114 978
Total 'Other' Expenditure	1	92 680	99 255	113 097	76 716	110 479	110 479	114 906	112 375	112 697	118 286
by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)		2 102	2 536	343	-	41	41	41	13 960	14 658	15 391
Contracted Services		74 330	75 131	75 459	65 650	73 805	73 805	80 423	54 786	57 520	60 391
Other Expenditure		264	2 849	3 968	3 500	3 397	3 397	3 397	2 400	2 520	2 646
Total Repairs and Maintenance Expenditure	9	76 696	80 516	79 770	69 150	77 243	77 243	83 861	71 146	74 698	78 428
Inventory Consumed											
Inventory Consumed - Water		-	-	-	23 000	23 862	23 862	-	12 243	12 856	13 498
Inventory Consumed - Other		1 620	3 027	3 332	1 194	2 280	2 280	309	21 127	22 176	23 278
Total Inventory Consumed & Other Material		1 620	3 027	3 332	24 194	26 142	26 142	309	33 370	35 032	36 776

DC26 Zululand - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	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	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	68 000	-	-	-	-	-	-	-	68 000
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	12 500	-	-	-	-	-	-	12 500
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	183	-	-	-	-	-	-	-	-	-	-	-	-	183
Interest earned - external investments		-	-	6 000	-	-	-	-	-	-	-	-	-	-	-	-	6 000
Interest earned - outstanding debtors		-	-	-	-	-	-	-	85	-	-	-	-	-	-	-	85
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	50	100	-	-	-	-	-	-	-	-	-	-	-	150
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	350	361	-	-	-	-	-	-	-	-	-	-	-	-	711
Transfers and subsidies		-	500	587 591	1 911	11 304	-	-	-	-	-	-	-	-	-	-	601 306
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	850	594 185	2 011	11 304	-	-	68 085	12 500	-	-	-	-	-	-	688 935
Expenditure By Type																	
Employee related costs		20 124	35 014	38 315	35 656	20 312	2 254	36 721	74 722	5 035	-	-	-	-	-	-	268 152
Remuneration of councillors		8 771	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 771
Debt impairment		-	-	14 000	-	-	-	-	-	-	-	-	-	-	-	-	14 000
Depreciation & asset impairment		192	2 921	1 768	224	23	3 729	41	71 102	-	-	-	-	-	-	-	80 000
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		-	-	21 127	-	-	-	-	12 243	-	-	-	-	-	-	-	33 370
Contracted services		6 235	36 071	8 940	3 965	2 830	-	-	48 382	-	-	-	-	-	-	-	106 423
Transfers and subsidies		1 000	900	-	1 170	-	-	-	-	-	-	-	-	-	-	-	3 070
Other expenditure		11 485	23 218	10 380	7 632	100	-	-	59 550	-	-	-	-	-	-	-	112 375
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		47 806	98 123	94 540	48 647	23 265	5 982	36 762	265 999	5 035	-	-	-	-	-	-	626 161
Surplus/(Deficit)		(47 806)	(97 273)	499 645	(46 636)	(11 961)	(5 982)	(36 762)	(197 914)	7 465	-	-	-	-	-	-	62 774
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	372 306	-	-	-	-	-	-	-	-	-	-	372 306
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(47 806)	(97 273)	499 645	(46 636)	360 345	(5 982)	(36 762)	(197 914)	7 465	-	-	-	-	-	-	435 080

DC26 Zululand - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
ASSETS												
Consumer debtors												
Consumer debtors												
Less: Provision for debt impairment												
Total Consumer debtors												
Debt impairment provision												
Balance at the beginning of the year												
Contributions to the provision												
Bad debt written off												
Balance at end of year												
Inventory												
Water												
Opening Balance												
System Input Volume												
Water Treatment Works												
Bulk Purchases												
Natural Sources												
Authorised Consumption												
Billed Metered Consumption												
Free Basic Water												
Subsidised Water												
Revenue Water												
Billed Unmetered Consumption												
Free Basic Water												
Subsidised Water												
Revenue Water												
UnBilled Authorised Consumption												
Unbilled Metered Consumption												
Unbilled Unmetered Consumption												
Water Losses												
Apparent losses												
Unauthorised Consumption												
Customer Meter Inaccuracies												
Real losses												
Leakage on Transmission and Distribution Mains												
Leakage and Overflows at Storage Tanks/Reservoirs												
Leakage on Service Connections up to the point of Customer Meter												
Data Transfer and Management Errors												
Unrecoverable Annual Real Losses												
Non-revenue Water												
Closing Balance Water												
Agricultural												
Opening Balance												
Acquisitions												
Issues												
Adjustments												
Write-offs												
Closing balance - Agricultural												
Consumables												
Standard Rated												
Opening Balance												
Acquisitions												
Issues												
Adjustments												
Write-offs												
Closing balance - Consumables Standard Rated												
Zero Rated												
Opening Balance												
Acquisitions												
Issues												
Adjustments												
Write-offs												
Closing balance - Consumables Zero Rated												
Finished Goods												
Opening Balance												
Acquisitions												
Issues												
Adjustments												
Write-offs												
Closing balance - Finished Goods												
Materials and Supplies												
Opening Balance												
Acquisitions												
Issues												
Adjustments												
Write-offs												
Closing balance - Materials and Supplies												
Work-in-progress												
Opening Balance												
Materials												
Transfers												
Closing balance - Work-in-progress												
Housing Stock												
Opening Balance												
Acquisitions												
Transfers												
Sales												
Closing Balance - Housing Stock												
Land												
Opening Balance												
Acquisitions												
Sales												
Adjustments												
Correction of Prior period errors												
Closing Balance - Land												
Closing Balance - Inventory & Consumables												
Property, plant and equipment (PPE)												
PPE at cost/valuation (excl. finance leases)												
Less: Accumulated depreciation												
Total Property, plant and equipment (PPE)												
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)												
Current portion of long-term liabilities												
Total Current liabilities - Borrowing												
Trade and other payables												
Trade Payables												
Other creditors												
Unsettled conditional transfers												
VAT												
Total Trade and other payables												
Non-current liabilities - Borrowing												
Borrowing												
Finance leases (including PPP asset element)												
Total Non-current liabilities - Borrowing												
Provisions - non-current												
Retirement benefits												
Refuse landfill site rehabilitation												
Other												
Total Provisions - non-current												
CHANGES IN NET ASSETS												
Accumulated Surplus/(Deficit)												
Accumulated Surplus/(Deficit) - opening balance												
GRAT adjustments												
Restated balance												
Surplus/(Deficit)												
Transfers to/from Reserves												
Depreciation effects												
Other adjustments												
Accumulated Surplus/(Deficit)												
Reserves												
Housing Development Fund												
Capital replacement												
Self-insurance												
Other reserves												
Revaluation												
Total Reserves												
TOTAL COMMUNITY WEALTH/EQUITY												

DC26 Zululand - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	Basic Service Delivery & Infrastructure	A		—	596	—	—	—	—	—	—	5 000
DEMOCRACY AND GOOD GOVERNANCE				417	346	605	—	315	315	850	350	350
FINANCIAL VIABILITY AND MANAGEMENT				434 814	471 647	596 641	536 634	536 418	536 418	594 185	638 121	684 926
LOCAL ECONOMIC AND SOCIAL DEVELOPMENT				1 911	1 911	3 100	1 911	2 522	2 522	1 911	1 911	1 911
BASIC SERVICE DELIVERY AND INFRASTRUCTURE				52 302	55 007	62 076	64 297	64 198	64 198	91 989	87 095	91 327
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	489 444	529 507	662 422	602 842	603 453	603 453	688 935	727 477	783 513

DC26 Zululand - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
				72	(655)	–	–	–	–	–	–	–	
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT				1 439	2 088	440	6 936	7 204	7 204	6 676	7 010	12 361	
DEMOCRACY AND GOOD GOVERNANCE				171 730	181 894	203 110	150 197	187 863	187 863	172 431	175 277	184 041	
FINANCIAL VIABILITY AND MANAGEMENT				57 109	73 742	74 015	59 575	65 548	65 548	79 473	82 687	86 061	
LOCAL ECONOMIC AND SOCIAL DEVELOPMENT				28 346	24 478	26 675	30 479	34 632	34 632	37 036	38 794	40 639	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Basic Service Delivery & Infrastructure	A		369 172	419 306	501 794	349 437	393 963	393 963	330 545	347 072	364 426	
Allocations to other priorities													
Total Expenditure				1	627 868	700 854	806 034	596 623	689 210	689 210	626 161	650 840	687 527

DC26 Zululand - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	Basic Service Delivery & Infrastructure	A		—	—	—	—	—	—	43	46	48	
DEMOCRACY AND GOOD GOVERNANCE				178	556	3 216	3 500	6 860	6 860	3 565	3 743	3 931	
FINANCIAL VIABILITY AND MANAGEMENT				491	686	1 402	385	385	385	478	502	527	
LOCAL ECONOMIC AND SOCIAL DEVELOPMENT				5 960	—	3 869	834	9 073	9 073	26	26	26	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE				374 313	417 624	333 171	575 558	525 300	525 300	328 049	352 704	381 483	
Allocations to other priorities				3									
Total Capital Expenditure				1	380 942	418 865	341 658	580 277	541 618	541 618	332 162	357 021	386 015

DC26 Zululand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
05 - Planning & Wsa										
Water Management										
Water Distribution										
Formal Settlement Households Receiving Water	Households	12 760	12 760	12 800	–	–	–	12 800	12 800	12 800
Informal Settlements (R000)	Rand Value	–	–	–	–	–	–	–	–	–
Agreement (R000)	Rand Value	–	–	–	–	–	–	–	–	–
Other Households Receiving Water	Households	–	–	–	–	–	–	–	–	–
Other Water Supply (< Min.Service Level)	Households	–	–	–	–	–	–	–	–	–
Level)	Households	6 239	6 863	6 921	7 267	7 267	7 267	7 630	8 012	8 200
Piped Water Inside Dwelling	Households	–	–	–	–	–	–	–	–	8 250
Dwelling)	Households	9 612	10 573	10 324	–	–	–	10 840	9 756	9 200
09 - Waste Water										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	–	–	–	–	–	–	–	–	–
Other Toilet Provisions (< Min.Service Level)	Households	5 500	5 500	6 921	–	–	–	6 990	6 320	6 190
Other Toilet Provisions (> Min.Service Level)	Households	–	–	–	–	–	–	–	–	–

DC26 Zululand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management				0	0	0	0	0			
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	(0.1)	0.4	4.0	1.1	0.6	0.6	0.5	1.5	2.4	3.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	(0.1)	0.4	4.0	1.1	0.6	0.6	0.5	1.5	2.4	3.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	3.7	0.7	0.3	0.3	0.1	1.1	1.9	2.9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	71.1%	60.7%	92.7%	92.7%	85.2%	75.2%	81.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	71.1%	60.7%	92.7%	92.7%	85.2%	75.2%	81.0%	86.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	-4.7%	13.5%	13.3%	12.5%	11.3%	11.3%	20.2%	13.9%	15.2%	14.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	13.5%	13.3%	12.5%	12.5%	12.5%	24.9%	18.9%	19.5%	18.4%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		2284.3%	1771.0%	73.6%	134.5%	92.8%	92.8%	228.8%	72.2%	38.7%	25.3%
Other Indicators											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kV)										
	Total Cost of Losses (Rand '000)	13 051	11 282	12 536	12 200	12 200	12 200	12 200	11 282	10 154	9 139
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	235175	262381	299838	255353	255353	255353	255353	236143	212529	191276
Employee costs	Employee costs/(Total Revenue - capital revenue)	41.2%	41.5%	36.5%	42.3%	42.3%	42.3%	43.2%	38.9%	38.7%	37.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	42.9%	43.1%	37.8%	43.8%	43.8%	43.8%		40.2%	40.0%	39.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	15.7%	15.2%	12.0%	11.5%	12.8%	12.8%		10.3%	10.3%	10.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.0%	14.7%	12.7%	11.9%	11.7%	11.7%	13.7%	11.6%	11.5%	11.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	27.8	14.1	10.2	10.2	10.2	9.2	14.6	15.3	16.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	-68.1%	188.9%	166.9%	139.1%	124.4%	124.4%	234.8%	119.1%	130.9%	128.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	0.3	8.3	3.6	5.3	5.3	1.1	7.9	14.1	20.4

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

Debtors > 90 days

Monthly fixed operational expenditure

Fixed operational expenditure % assumption

Own capex

Borrowing

38 743	43 727	50 323	36 902	42 890	42 890	43 234	36 858	38 414	40 683
40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
6 629	3 269	4 617	5 385	7 285	7 285	7 262	8 391	4 702	4 937
-	-	-	-	-	-	-	-	-	-

DC26 Zululand - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			--	--	--	--	--	--	--	--	--	--
Females aged 5 - 14			--	--	--	--	--	--	--	1	1	1
Males aged 5 - 14			--	--	--	--	--	--	--	--	--	--
Females aged 15 - 34			--	--	--	--	--	--	--	1	1	1
Males aged 15 - 34			--	--	--	--	--	--	--	0	1	1
Unemployment			--	--	--	--	--	--	--	--	--	--
Monthly household income (no. of households)	1, 12											
No income			--	--	--	--	--	3 115	--	3 302	3 500	3 675
R1 - R1 600			--	--	--	--	--	--	--	--	--	--
R1 601 - R3 200			--	--	--	--	--	--	--	--	--	--
R3 201 - R6 400			--	--	--	--	--	8 826	--	9 356	9 917	10 413
R6 401 - R12 800			--	--	--	--	--	16 842	--	17 853	18 924	19 870
R12 801 - R25 600			--	--	--	--	--	37 581	--	39 636	42 226	44 337
R25 601 - R51 200			--	--	--	--	--	37 164	--	39 394	41 757	43 845
R52 201 - R102 400			--	--	--	--	--	17 159	--	18 189	19 280	20 244
R102 401 - R204 800			--	--	--	--	--	9 829	--	10 419	11 044	11 596
R204 801 - R409 600			--	--	--	--	--	6 066	--	6 430	6 816	7 157
R409 601 - R819 200			--	--	--	--	--	2 843	--	3 014	3 194	3 354
> R819 200			--	--	--	--	--	1 066	--	1 130	1 198	1 258
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household demographics (000)												
Number of people in municipal area												
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics	3											
Formal			--	--	--	--	--	170 198	--	180 409	191 234	210 357
Informal			--	--	--	--	--	21	--	22	24	26
Total number of households			--	--	--	--	--	170 219	--	180 431	191 258	210 383
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			--	--	--	--	--	--	--	--	--	--
Economic	6											
Inflation/inflation outlook (CPIX)						0.0%	0.0%	5.0%	0.0%	4.8%	4.4%	4.5%
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges						0.0%	0.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Rental of facilities & equipment						0.0%	0.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Interest - external investments						0.0%	0.0%	95.0%	0.0%	95.0%	95.0%	95.0%
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.	Household service targets (000)	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		Water:									
		Piped water inside dwelling	--	--	--	--	--	--	--	--	8 250
		Piped water inside yard (but not in dwelling)	9 612	10 573	10 324	--	--	--	10 840	9 756	9 200
8		Using public tap (at least min.service level)	--	--	--	--	--	--	--	--	--
10		Other water supply (at least min.service level)	6 239	6 863	6 921	7 267	7 267	7 267	7 630	8 012	8 200
		Minimum Service Level and Above sub-total	15 851	17 436	17 245	7 267	7 267	7 267	18 470	17 768	25 650
9		Using public tap (< min.service level)	--	--	--	--	--	--	--	--	--
10		Other water supply (< min.service level)	--	--	--	--	--	--	--	--	--
		No water supply	--	--	--	--	--	--	--	--	--
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	15 851	17 436	17 245	7 267	7 267	7 267	18 470	17 768	25 650
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	--	--	--	--	--	--	--	--	--
		Flush toilet (with septic tank)	--	--	--	--	--	--	--	--	--
		Chemical toilet	--	--	--	--	--	--	--	--	--
		Pit toilet (ventilated)	--	--	--	--	--	--	--	--	--
		Other toilet provisions (> min.service level)	--	--	--	--	--	--	--	--	--
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Bucket toilet	--	--	--	--	--	--	--	--	--
		Other toilet provisions (< min.service level)	5 500	5 500	6 921	--	--	--	6 990	6 320	6 190
		No toilet provisions	--	--	--	--	--	--	--	--	--
		Below Minimum Service Level sub-total	5 500	5 500	6 921	--	--	--	6 990	6 320	6 190
		Total number of households	5 500	5 500	6 921	--	--	--	6 990	6 320	6 190
		Energy:									
		Electricity (at least min.service level)	--	--	--	--	--	--	--	--	--
		Electricity - prepaid (min.service level)	--	--	--	--	--	--	--	--	--
		Minimum Service Level and Above sub-total	--	--	--	--	--	--	--	--	--
		Electricity (< min.service level)	--	--	--	--	--	--	--	--	--
		Electricity - prepaid (< min.service level)	--	--	--	--	--	--	--	--	--
		Other energy sources	--	--	--	--	--	--	--	--	--
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--
		Refuse:									
		Removed at least once a week	--	--	--	--	--	--	--	--	--
		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	--	--	--	--	--	--	--	--	--
		Below Minimum Service Level sub-total	--	--	--	--	--	--	--	--	--
		Total number of households	--	--	--	--	--	--	--	--	--

Municipal in-house services	Ref.		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		Household service targets (000)									
		Water:									
		- Piped water inside dwelling	-	-	-	-	-	-	-	-	8 250
		- Piped water inside yard (but not in dwelling)	9 612	10 573	10 324	-	-	-	10 840	9 756	9 200
8		- Using public tap (at least min.service level)									
10		- Other water supply (at least min.service level)	6 239	6 863	6 921	7 267	7 267	7 267	7 630	8 012	8 200
		Minimum Service Level and Above sub-total	15 851	17 436	17 245	7 267	7 267	7 267	18 470	17 768	25 650
9		- Using public tap (< min.service level)									
10		- Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		- No water supply	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	15 851	17 436	17 245	7 267	7 267	7 267	18 470	17 768	25 650
		Sanitation/sewerage:									
		- Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
		- Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
		- Chemical toilet	-	-	-	-	-	-	-	-	-
		- Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
		- Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
		- Bucket toilet	-	-	-	-	-	-	-	-	-
		- Other toilet provisions (< min.service level)	5 500	5 500	6 921	-	-	-	6 990	6 320	6 190
		- No toilet provisions	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	5 500	5 500	6 921	-	-	-	6 990	6 320	6 190
		Total number of households	5 500	5 500	6 921	-	-	-	6 990	6 320	6 190
		Energy:									
		- Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
		- Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
		- Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		- Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
		- Other energy sources	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		Refuse:									
		- Removed at least once a week	-	-	-	-	-	-	-	-	-
		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	-	-	-	-	-	-	-	-	-
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-

DC26 Zululand Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	9 584	12 484	418 105	134 221	226 767	226 767	46 829	291 154	542 018	828 028
Cash + investments at the yr end less applications - R'000	18(1)b	2	(207 007)	(212 594)	2 525 457	139	80 197	80 197	2 286 813	197 549	427 227	670 894
Cash year end/monthly employee/supplier payments	18(1)b	3	0.2	0.3	8.3	3.6	5.3	5.3	1.1	7.9	14.1	20.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	345 093	358 254	334 628	580 277	527 901	527 901	377 923	435 080	481 774	534 195
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	5.8%	33.9%	(3.7%)	(5.1%)	(6.0%)	(13.0%)	41.7%	(1.0%)	(1.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	1780.5%	61.6%	320.3%	320.3%	2109.7%	173.3%	178.7%	186.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	43.9%	42.2%	25.9%	16.7%	16.5%	16.5%	0.0%	17.4%	16.6%	15.8%
Capital payments % of capital expenditure	18(1)c,(19)	8	0.0%	0.0%	115.7%	100.0%	100.0%	100.0%	99.3%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								89324.4%	86690.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(409.8%)	23.5%	(14.7%)	(9.8%)	0.0%	75.6%	41.3%	15.4%	3.4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.1%	2.0%	1.9%	1.3%	1.7%	1.7%	1.6%	1.7%	1.8%	1.9%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			11.8%	39.9%	2.3%	0.9%	0.0%	(7.0%)	47.7%	5.0%	5.0%
% incr Property Tax	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - electricity revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - water revenue	18(1)a			17.2%	51.4%	4.2%	(1.9%)	0.0%	(6.8%)	61.2%	5.0%	5.0%
% incr Service charges - sanitation revenue	18(1)a			(0.2%)	10.1%	(4.5%)	11.9%	0.0%	(7.5%)	1.6%	5.0%	5.0%
% incr Service charges - refuse revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		33 737	37 712	52 765	54 000	54 491	54 491	50 699	80 500	84 525	88 751
Service charges			33 737	37 712	52 765	54 000	54 491	54 491	50 699	80 500	84 525	88 751
Property rates			-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			23 258	27 255	41 251	43 000	42 186	42 186	39 320	68 000	71 400	74 970
Service charges - sanitation revenue			10 479	10 457	11 514	11 000	12 305	12 305	11 379	12 500	13 125	13 781
Service charges - refuse removal			-	-	-	-	-	-	-	-	-	-
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			156	159	179	210	183	183	179	183	183	183
Capital expenditure excluding capital grant funding			6 629	3 269	4 617	5 385	7 285	7 285	7 262	8 391	4 702	4 937
Cash receipts from ratepayers	18(1)a		-	-	1 089 463	34 158	177 598	177 598	1 092 163	141 479	153 080	167 523
Ratepayer & Other revenue	18(1)a		35 439	38 948	61 188	55 443	55 443	55 443	51 770	81 629	85 659	89 890
Change in consumer debtors (current and non-current)			79 278	94 631	16 810	(12 963)	(20 334)	(20 334)	31 108	20 718	14 757	3 795
Operating and Capital Grant Revenue	18(1)a		876 890	977 652	1 024 570	1 115 457	1 155 668	1 155 668	1 003 084	973 612	1 040 955	1 125 832
Capital expenditure - total	20(1)(vi)		380 942	418 865	341 658	580 277	541 618	541 618	418 652	332 162	357 021	386 015
Capital expenditure - renewal	20(1)(vi)		-	-	-	-	-	-	-	-	-	-
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										566	573	-
DoRA capital grants total MFY										522	625	-
Provincial operating grants										2	2	-
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										1 090	1 201	-
Average annual collection rate (arrears inclusive)												

DC26 Zululand - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Property rates (rate in the Rand)	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kd)									
Water usage - life line tariff									
Water usage - Block 1 (c/kd)									
Water usage - Block 2 (c/kd)									
Water usage - Block 3 (c/kd)									
Water usage - Block 4 (c/kd)									
Other	2								
Waste water tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kd)									
Volumetric charge - Block 1 (c/kd)									
Volumetric charge - Block 2 (c/kd)									
Volumetric charge - Block 3 (c/kd)									
Volumetric charge - Block 4 (c/kd)									
Other	2								
Electricity tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
FBE									
Life-line tariff - meter									
Life-line tariff - prepaid									
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)									
Meter - IBT Block 2 (c/kwh)									
Meter - IBT Block 3 (c/kwh)									
Meter - IBT Block 4 (c/kwh)									
Meter - IBT Block 5 (c/kwh)									
Prepaid - IBT Block 1 (c/kwh)									
Prepaid - IBT Block 2 (c/kwh)									
Prepaid - IBT Block 3 (c/kwh)									
Prepaid - IBT Block 4 (c/kwh)									
Prepaid - IBT Block 5 (c/kwh)									
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/ fixed fee									
80l bin - once a week									
250l bin - once a week									

DC26 Zululand - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Exemptions, reductions and rebates (Rands)									
[Insert lines as applicable]									
Water tariffs									
Mangaung Water Tariff Description		Business	10	12	14	15	16	17	18
Waste water tariffs									
[Insert blocks as applicable]		0 (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)	-	-	-	-	-	-	-
Electricity tariffs									
[Insert blocks as applicable]		0 (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)	-	-	-	-	-	-	-

DC26 Zululand - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		7.18	8.44	–	10.12	10.12	10.12	–	11.00	12.00	–
Water: Consumption		187.58	206.34	–	264.55	264.55	264.55	–	291.00	320.10	–
Sanitation		88.97	107.66	–	143.23	143.23	143.23	–	157.56	173.31	–
Refuse removal											
Other											
sub-total		283.73	322.44	–	417.90	417.90	417.90	10.0%	459.56	505.41	–
VAT on Services											
Total large household bill:		283.73	322.44	–	417.90	417.90	417.90	10.0%	459.56	505.41	–
% increase/-decrease			13.6%	(100.0%)	–	–	–		10.0%	10.0%	(100.0%)
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		7.18	8.44	–	10.00	10.00	10.00	–	11.00	12.00	–
Water: Consumption		187.58	206.34	–	264.55	264.55	264.55	–	291.00	320.10	–
Sanitation		88.97	119.46	–	143.23	143.23	143.23	–	157.56	173.31	–
Refuse removal											
Other											
sub-total		283.73	334.24	–	417.78	417.78	417.78	10.0%	459.56	505.41	–
VAT on Services											
Total small household bill:		283.73	334.24	–	417.78	417.78	417.78	10.0%	459.56	505.41	–
% increase/-decrease			17.8%	(100.0%)	–	–	–		10.0%	10.0%	(100.0%)
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	3 000 000.00	3 000 000.00	3 000 000.00	#####	–	–	–
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		–	–	–	3 000 000.00	3 000 000.00	3 000 000.00	–	3 000 000.00	3 000 000.00	–
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		–	–	–	6 000 000.00	6 000 000.00	6 000 000.00	(50.0%)	3 000 000.00	3 000 000.00	–
VAT on Services											
Total small household bill:		–	–	–	6 000 000.00	6 000 000.00	6 000 000.00	(50.0%)	3 000 000.00	3 000 000.00	–
% increase/-decrease			–	–	–	–	–		(50.0%)	–	(100.0%)

DC26 Zululand - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		–	–	(110 000)	–	–	–	–	–	–
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits		–	–	(360 000)	–	–	–	–	–	–
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	–	–	(470 000)	–	–	–	–	–	–
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		–	–	(470 000)	–	–	–	–	–	–

DC26 Zululand - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		–	–	1 200	5 231	5 231	5 231	3 987	3 580	3 580
Local Government Equitable Share										
LGFMG: RECEIPTS		–	–	1 200	1 200	1 200	1 200	1 200	1 200	1 200
MSIG: RECEIPTS		–	–	–	4 031	4 031	4 031	2 787	2 380	2 380
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	–	–	1 200	5 231	5 231	5 231	3 987	3 580	3 580
<u>Capital Transfers and Grants</u>										
National Government:		442 452	491 852	442 916	574 058	604 058	604 058	372 306	405 137	438 209
MIG: RECEIPTS		220 762	225 574	221 235	239 111	269 111	269 111	259 530	271 718	284 684
NDPG: RECEIPTS		–	–	–	–	–	–	–	–	–
RBIG: RECEIPTS		131 498	163 774	113 798	222 531	222 531	222 531	15 247	30 000	50 000
RRAMS: RECEIPTS		2 364	2 504	2 383	2 416	2 416	2 416	2 529	2 539	2 631
WSIG: RECEIPTS		87 828	100 000	105 500	110 000	110 000	110 000	95 000	100 880	100 894
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	442 452	491 852	442 916	574 058	604 058	604 058	372 306	405 137	438 209
TOTAL RECEIPTS OF TRANSFERS & GRANTS		442 452	491 852	444 116	579 289	609 289	609 289	376 293	408 717	441 789

DC26 Zululand - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	-	1 200	5 231	5 231	5 231	3 987	3 580	3 580
Local Government Equitable Share										
LGFMG: TRSF TO REV		-	-	1 200	1 200	1 200	1 200	1 200	1 200	1 200
MSIG: TRSF TO REV		-	-	-	4 031	4 031	4 031	2 787	2 380	2 380
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		-	-	1 200	5 231	5 231	5 231	3 987	3 580	3 580
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		442 452	491 852	442 916	574 058	604 058	604 058	372 306	405 137	438 209
MIG: TRSF TO REV		220 762	225 574	221 235	239 111	269 111	269 111	259 530	271 718	284 684
NDPG: TRSF TO REV		-	-	-	-	-	-	-	-	-
RBIG: TRSF TO REV		131 498	163 774	113 798	222 531	222 531	222 531	15 247	30 000	50 000
RRAMS: TRSF TO REV		2 364	2 504	2 383	2 416	2 416	2 416	2 529	2 539	2 631
WSIG: TRSF TO REV		87 828	100 000	105 500	110 000	110 000	110 000	95 000	100 880	100 894
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		442 452	491 852	442 916	574 058	604 058	604 058	372 306	405 137	438 209
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		442 452	491 852	444 116	579 289	609 289	609 289	376 293	408 717	441 789

DC26 Zululand - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	(3 800)	(2 290)	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	(574 733)	(539 488)	(539 488)	(539 488)	(12 504)	(3 580)	(3 580)
Conditions met - transferred to revenue		-	-	574 733	539 488	539 488	539 488	12 504	3 580	3 580
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-	
Current year receipts	-	-	-	-	-	-	-	-	-	
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-	
Total operating transfers and grants revenue		-	-	574 733	539 488	539 488	539 488	12 504	3 580	3 580
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		(442 452)	(491 852)	(442 916)	(574 058)	(604 058)	(604 058)	(372 306)	(405 137)	(438 209)
Conditions met - transferred to revenue		442 452	491 852	442 916	574 058	604 058	604 058	372 306	405 137	438 209
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		442 452	491 852	442 916	574 058	604 058	604 058	372 306	405 137	438 209
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		442 452	491 852	1 017 649	1 113 546	1 143 546	1 143 546	384 810	408 717	441 789
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

DC26 Zululand - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash Transfers to other municipalities											
<i>Dm Kzn: Zululand - Planning & Dev</i>	1	-	-	-	-	-	-	-	-	-	-
<i>Dm Kzn: Zululand - Planning & Dev</i>		78	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		78	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	78	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Ts_O_Ik_Np Ins_Unspecified</i>	4	-	26	-	-	-	-	-	-	-	-
<i>Non Prof. Unspecified</i>		271	-	-	-	-	-	-	-	-	-
<i>Ts_O_Ik_Np Ins_Unspecified</i>		-	5 893	7 364	9 450	9 183	9 183	8 983	2 670	2 804	2 944
Total Non-Cash Grants To Organisations		271	5 919	7 364	9 450	9 183	9 183	8 983	2 670	2 804	2 944
Groups of Individuals											
<i>Hh Ssp Soc Ass: Poverty Relief</i>	5	613	373	5 526	2 500	2 313	2 313	2 313	-	-	-
<i>Ts_O_Ik_Hh_Soc Assis_Social Relief</i>		-	-	-	-	-	-	-	400	420	441
Total Non-Cash Grants To Groups Of Individuals:		613	373	5 526	2 500	2 313	2 313	2 313	400	420	441
TOTAL NON-CASH TRANSFERS AND GRANTS		884	6 292	12 891	11 950	11 496	11 496	11 295	3 070	3 224	3 385
TOTAL TRANSFERS AND GRANTS	6	962	6 292	12 891	11 950	11 496	11 496	11 295	3 070	3 224	3 385

DC26 Zululand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		–	10	–	–	–	–	–	–	–
Pension and UIF Contributions		389	429	483	416	416	416	661	694	729
Medical Aid Contributions		238	251	75	206	206	206	–	–	–
Motbr Vehicle Allowance		1 785	1 903	1 932	1 867	1 867	1 867	1 805	1 895	1 990
Cellphone Allowance		654	658	688	694	694	694	653	685	720
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		5 022	5 121	5 311	5 355	5 855	5 855	5 652	5 934	6 231
Sub Total - Councillors		8 089	8 372	8 489	8 537	9 037	9 037	8 771	9 209	9 670
% increase	4		3.5%	1.4%	0.6%	5.9%	–	(2.9%)	5.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5 228	6 011	6 136	6 570	6 570	6 570	6 555	6 883	7 227
Pension and UIF Contributions		9	2	9	66	66	66	55	58	61
Medical Aid Contributions		93	131	97	57	57	57	57	60	63
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		300	–	–	–	–	–	–	–	–
Motbr Vehicle Allowance	3	1 245	1 505	1 551	1 592	1 592	1 592	1 592	1 672	1 756
Cellphone Allowance	3	59	64	144	71	71	71	210	220	231
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	200	242	249	215	215	215	225	237	248
Payments in lieu of leave		–	–	324	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7 135	7 954	8 511	8 571	8 571	8 571	8 695	9 129	9 586
% increase	4		11.5%	7.0%	0.7%	–	–	1.4%	5.0%	5.0%
Other Municipal Staff										
Basic Salaries and Wages		125 145	135 668	151 163	175 275	175 275	175 275	185 935	195 232	204 994
Pension and UIF Contributions		16 313	17 879	19 592	22 634	22 634	22 634	25 886	27 181	28 540
Medical Aid Contributions		10 557	11 222	12 590	13 569	13 569	13 569	13 597	14 277	14 990
Overtime		511	(2)	54	1 130	1 130	1 130	320	336	353
Performance Bonus		8 689	9 291	10 711	11 670	11 670	11 670	12 786	13 426	14 097
Motbr Vehicle Allowance	3	6 042	6 439	6 999	7 578	7 578	7 578	9 561	10 039	10 541
Cellphone Allowance	3	491	506	533	706	706	706	670	703	738
Housing Allowances	3	1 121	1 142	1 219	1 256	1 256	1 256	1 379	1 448	1 520
Other benefits and allowances	3	15 192	12 363	17 525	11 781	11 781	11 781	4 823	5 064	5 317
Payments in lieu of leave		4 756	5 465	4 630	–	–	–	–	–	–
Long service awards		2 401	2 312	2 246	–	–	–	–	–	–
Post-retirement benefit obligations	6	3 322	9 734	6 182	1 100	1 100	1 100	4 500	4 725	4 961
Sub Total - Other Municipal Staff		194 542	212 019	233 443	246 698	246 698	246 698	259 457	272 430	286 052
% increase	4		9.0%	10.1%	5.7%	–	–	5.2%	5.0%	5.0%
Total Parent Municipality		209 765	228 345	250 442	263 807	264 307	264 307	276 923	290 769	305 307
			8.9%	9.7%	5.3%	0.2%	–	4.8%	5.0%	5.0%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motbr Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motbr Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motbr Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		209 765	228 345	250 442	263 807	264 307	264 307	276 923	290 769	305 307
% increase	4		8.9%	9.7%	5.3%	0.2%	–	4.8%	5.0%	5.0%
TOTAL MANAGERS AND STAFF	5.7	201 677	219 973	241 953	255 269	255 269	255 269	268 152	281 560	295 638

[illegible]

References

DC26 Zululand - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	36	–	36	36	–	36	36	–	36
Board Members of municipal entities	5									
Municipal employees										
Municipal Manager and Senior Managers	3	6	–	6	6	–	6	6	–	6
Other Managers	7									
Professionals		826	549	277	56	52	4	220	193	27
Finance		51	51	–	56	52	4	–	–	–
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water		595	318	277	–	–	–	–	–	–
Sanitation										
Refuse										
Other		180	180	–	–	–	–	220	193	27
Technicians		775	498	277	1 087	555	558	1 128	460	694
Finance										
Spatial/town planning		–	–	–	8	6	2	–	–	–
Information Technology										
Roads										
Electricity										
Water		595	318	277	902	394	508	1 099	431	668
Sanitation		–	–	–	26	26	26	26	26	26
Refuse										
Other		180	180	–	151	129	22	3	3	–
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	1 643	1 047	596	1 185	607	604	1 390	653	763
% increase					(27.9%)	(42.0%)	1.3%	17.3%	7.6%	26.3%
Total municipal employees headcount	6, 10	1 694	1 098	596	1 257	674	609	1 477	734	769
Finance personnel headcount	8, 10	51	51	–	56	52	4	71	66	5
Human Resources personnel headcount	8, 10	–	–	–	16	15	1	16	15	1

[illegible]

102 Exhibit - Supporting Table G-1: Budgeted Monthly Revenue and Expenditure (functional classification)																		
R thousand	Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
	Revenue - Functional																	
	Governance and administration		49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	594 535	638 471	685 276	
	Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Finance and administration		49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	49 545	594 535	638 471	685 276	
	Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Community and public safety		168	168	168	168	168	168	168	168	168	168	168	2 011	2 016	7 021		
	Community and social services		159	159	159	159	159	159	159	159	159	159	159	1 911	1 911	6 911		
	Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Health		8	8	8	8	8	8	8	8	8	8	8	100	105	110		
	Economic and environmental services		443	443	443	443	443	443	443	443	443	443	443	5 316	4 919	5 011		
	Planning and development		443	443	443	443	443	443	443	443	443	443	443	5 316	4 919	5 011		
	Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Trading services		38 240	38 240	38 240	38 240	38 240	38 240	38 240	38 240	38 240	38 240	38 240	458 879	487 208	524 414		
	Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Water management		37 198	37 198	37 198	37 198	37 198	37 198	37 198	37 198	37 198	37 198	37 198	446 379	474 083	510 633		
	Waste water management		1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	1 042	12 500	13 125	13 781		
	Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total		42	42	42	42	42	42	42	42	42	42	42	500	500	500		
	Other Revenue - Functional		88 437	88 437	88 437	88 437	88 437	88 437	88 437	88 437	88 437	88 437	88 437	1 061 241	1 132 614	1 221 722		
	Expenditure - Functional		18 784	18 784	18 784	18 784	18 784	18 784	18 784	18 784	18 784	18 784	18 784	18 783	225 404	230 664	241 438	
	Governance and administration		3 987	3 987	3 987	3 987	3 987	3 987	3 987	3 987	3 987	3 987	3 987	3 987	47 946	44 989	47 238	
	Executive and council		14 797	14 797	14 797	14 797	14 797	14 797	14 797	14 797	14 797	14 797	14 797	14 796	177 558	185 676	194 199	
	Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Community and public safety		2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 131	25 580	26 765	33 009	
	Community and social services</																	

DC26 Zululand - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Multi-year expenditure to be appropriated	1															
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	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		272	272	272	272	272	272	272	272	272	272	272	272	3 261	3 424	3 595
Vote 03 - Finance		40	40	40	40	40	40	40	40	40	40	40	40	478	502	527
Vote 04 - Community Development		2	2	2	2	2	2	2	2	2	2	2	2	26	26	26
Vote 05 - Planning & Wsa		27 305	27 305	27 305	27 305	27 305	27 305	27 305	27 305	27 305	27 305	27 305	27 305	327 657	352 293	381 051
Vote 06 - Technical Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Water Purification		29	29	29	29	29	29	29	29	29	29	29	29	348	365	383
Vote 08 - Water Distribution		33	33	33	33	33	33	33	33	33	33	33	33	391	411	431
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	332 162	357 021	386 015
Total Capital Expenditure	2	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	27 680	332 162	357 021	386 015

DC26 Zululand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	R thousand	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source														1		
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	50 930	50 930	64 772
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	9 644	9 644	12 217
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	394	394	394
Interest earned - external investments		-	-	-	-	-	-	-	-	-	-	-	-	6 000	6 000	6 000
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	150	150	160
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational		-	-	-	-	-	-	-	-	-	-	-	-	601 306	601 306	635 818
Other revenue		-	-	-	-	-	-	-	-	-	-	-	-	80 361	80 361	89 979
Cash Receipts by Source		-	-	-	-	-	-	-	-	-	-	-	-	748 785	748 785	861 146
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	-	-	-	-	372 306	372 306	405 137
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		-	-	-	-	-	-	-	-	-	-	-	-	1 121 091	1 121 091	1 299 355
Cash Payments by Type																
Employee related costs		-	-	-	-	-	-	-	-	-	-	-	-	276 923	276 923	305 307
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory		-	-	-	-	-	-	-	-	-	-	-	-	38 375	38 375	42 293
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	122 386	122 386	139 809
Transfers and grants - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-	-	-	-	132 762	132 762	139 921
Cash Payments by Type		-	-	-	-	-	-	-	-	-	-	-	-	570 446	570 446	627 330
Other Cash Flows/Payments by Type																
Capital assets		-	-	-	-	-	-	-	-	-	-	-	-	332 162	332 162	386 015
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		-	-	-	-	-	-	-	-	-	-	-	-	902 608	902 608	1 013 345
NET INCREASE/(DECREASE) IN CASH HELD		-	-	-	-	-	-	-	-	-	-	-	-	218 483	218 483	286 010
Cash/cash equivalents at the month/year begin:		72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	291 154	542 018
Cash/cash equivalents at the month/year end:		72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	72 671	291 154	542 018	828 028

DC26 Zululand - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality: Revenue Obligation By Contract	2													
New Contract Nr 1		-	210	221	232	255	280	308	339	373	410	451	-	3 079
		-												-
Total Operating Revenue Implication		-	210	221	232	255	280	308	339	373	410	451	-	3 079
Expenditure Obligation By Contract	2													
														-
														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
														-
														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
														-
														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
														-
														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
														-
														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

[illegible]

R thousand	Description	Ref 1	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcomes	Audited Outcomes	Audited Outcomes	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Repair and maintenance expenditure by Asset Class/Subclass											
Infrastructure			70 786	74 533	70 951	64 950	72 213	72 213	63 392	66 561	69 889
Roads Infrastructure			—	—	—	—	—	—	—	—	—
Roads			—	—	—	—	—	—	—	—	—
Road Structures			—	—	—	—	—	—	—	—	—
Road Furniture			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Storm water Infrastructure			—	—	—	—	—	—	—	—	—
Drainage Collection			—	—	—	—	—	—	—	—	—
Storm water Conveyance			—	—	—	—	—	—	—	—	—
Attenuation			—	—	—	—	—	—	—	—	—
Electrical Infrastructure			—	—	—	—	—	—	—	—	—
Power Plants			—	—	—	—	—	—	—	—	—
HV Substations			—	—	—	—	—	—	—	—	—
HV Switching Station			—	—	—	—	—	—	—	—	—
HV Transmission Conductors			—	—	—	—	—	—	—	—	—
MV Substations			—	—	—	—	—	—	—	—	—
MV Switching Stations			—	—	—	—	—	—	—	—	—
MV Networks			—	—	—	—	—	—	—	—	—
LV Networks			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Water Supply Infrastructure			69 854	74 533	70 951	64 950	72 213	72 213	63 392	66 561	69 889
Dams and Weirs			—	—	—	—	—	—	—	—	—
Boreholes			—	—	—	—	—	—	—	—	—
Reservoirs			—	—	—	—	—	—	—	—	—
Pump Stations			—	—	—	—	—	—	—	—	—
Water Treatment Works			—	—	—	—	—	—	—	—	—
Bulk Mains			25 368	29 465	21 727	18 500	23 275	23 275	24 361	25 579	26 858
Distribution			44 486	45 068	49 224	46 450	48 937	48 937	39 030	40 982	43 031
Distribution Points			—	—	—	—	—	—	—	—	—
PRV Stations			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Sanitation Infrastructure			932	—	—	—	—	—	—	—	—
Pump Station			—	—	—	—	—	—	—	—	—
Retikulation			—	—	—	—	—	—	—	—	—
Waste Water Treatment Works			932	—	—	—	—	—	—	—	—
Outfall Sewers			—	—	—	—	—	—	—	—	—
Toilet Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure			—	—	—	—	—	—	—	—	—
Landfill Sites			—	—	—	—	—	—	—	—	—
Waste Transfer Stations			—	—	—	—	—	—	—	—	—
Waste Processing Facilities			—	—	—	—	—	—	—	—	—
Waste Drop-off Points			—	—	—	—	—	—	—	—	—
Waste Separation Facilities			—	—	—	—	—	—	—	—	—
Electricity Generation Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Rail Infrastructure			—	—	—	—	—	—	—	—	—
Rail Lines			—	—	—	—	—	—	—	—	—
Rail Structures			—	—	—	—	—	—	—	—	—
Rail Furniture			—	—	—	—	—	—	—	—	—
Drainage Collection			—	—	—	—	—	—	—	—	—
Storm water Conveyance			—	—	—	—	—	—	—	—	—
Attenuation			—	—	—	—	—	—	—	—	—
MV Substations			—	—	—	—	—	—	—	—	—
LV Networks			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Coastal Infrastructure			—	—	—	—	—	—	—	—	—
Sand Pumps			—	—	—	—	—	—	—	—	—
Piers			—	—	—	—	—	—	—	—	—
Revetments			—	—	—	—	—	—	—	—	—
Promenades			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure			—	—	—	—	—	—	—	—	—
Data Centres			—	—	—	—	—	—	—	—	—
Core Layers			—	—	—	—	—	—	—	—	—
Distribution Layers			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Community Assets			—	—	—	—	—	—	—	—	—
Community Facilities			—	—	—	—	—	—	—	—	—
Halls			—	—	—	—	—	—	—	—	—
Centres			—	—	—	—	—	—	—	—	—
Crèches			—	—	—	—	—	—	—	—	—
Clinics/Care Centres			—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations			—	—	—	—	—	—	—	—	—
Testing Stations			—	—	—	—	—	—	—	—	—
Museums			—	—	—	—	—	—	—	—	—
Galleries			—	—	—	—	—	—	—	—	—
Theatres			—	—	—	—	—	—	—	—	—
Libraries			—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria			—	—	—	—	—	—	—	—	—
Police			—	—	—	—	—	—	—	—	—
Parks			—	—	—	—	—	—	—	—	—
Public Open Space			—	—	—	—	—	—	—	—	—
Nature Reserves			—	—	—	—	—	—	—	—	—
Public Abolition Facilities			—	—	—	—	—	—	—	—	—
Markets			—	—	—	—	—	—	—	—	—
Stalls			—	—	—	—	—	—	—	—	—
Abattoirs			—	—	—	—	—	—	—	—	—
Airports			—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities			—	—	—	—	—	—	—	—	—
Indoor Facilities			—	—	—	—	—	—	—	—	—
Outdoor Facilities			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Heritage assets			—	—	—	—	—	—	—	—	—
Monuments			—	—	—	—	—	—	—	—	—
Historic Buildings			—	—	—	—	—	—	—	—	—
Works of Art			—	—	—	—	—	—	—	—	—
Conservation Areas			—	—	—	—	—	—	—	—	—
Other Heritage			—	—	—	—	—	—	—	—	—
Investment properties			—	—	—	—	—	—	—	—	—
Revenue Generating			—	—	—	—	—	—	—	—	—
Improved Property			—	—	—	—	—	—	—	—	—
Unimproved Property			—	—	—	—	—	—	—	—	—
Non-revenue Generating			—	—	—	—	—	—	—	—	—
Improved Property			—	—	—	—	—	—	—	—	—
Unimproved Property			—	—	—	—	—	—	—	—	—
Other assets			3 979	3 880	3 259	2 000	2 007	2 007	6 150	6 458	6 780
Operational Buildings			2 979	3 880	3 259	2 000	2 007	2 007	6 150	6 458	6 780
Municipal Offices			2 979	3 880	3 259	2 000	2 007	2 007	6 150	6 458	6 780
Pay/Enquiry Points			—	—	—	—	—	—	—	—	—
Building Plan Offices			—	—	—	—	—	—	—	—	—
Workshops			—	—	—	—	—	—	—	—	—
Yards			—	—	—	—	—	—	—	—	—
Stores			—	—	—	—	—	—	—	—	—
Laboratories			—	—	—	—	—	—	—	—	—
Training Centres			—	—	—	—	—	—	—	—	—
Manufacturing Plant			—	—	—	—	—	—	—	—	—
Depots			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Housing			—	—	—	—	—	—	—	—	—
Staff Housing			—	—	—	—	—	—	—	—	—
Social Housing			—	—	—	—	—	—	—	—	—
Capital Spares			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets			—	—	—	—	—	—	—	—	—
Intangible Assets			—	—	—	—	—	—	—	—	—
Services			—	—	—	—	—	—	—	—	—
Licences and Rights			—	—	—	—	—	—	—	—	—
Water Rights			—	—	—	—	—	—	—	—	—
Effluent Licences			—	—	—	—	—	—	—	—	—
Solid Waste Licences			—	—	—	—	—	—	—	—	—
Computer Software and Applications			—	—	—	—	—	—	—	—	—
Local Settlement Software Applications			—	—	—	—	—	—	—	—	—
Unspecified			—	—	—	—	—	—	—	—	—
Computer Equipment			5	80	94	100	22	22	420	441	463
Computer Equipment			5	80	94	100	22	22	420	441	463
Furniture and Office Equipment			—	72	—	100	—	—	100	100	100
Furniture and Office Equipment			—	72	—	100	—	—	100	100	100
Machinery and Equipment			124	0	505	—	—	—	34	36	37
Machinery and Equipment			124	0	505	—	—	—	34	36	37
Transport Assets			2 801	1 952	4 960	2 000	3 001	3 001	1 050	1 103	1 158
Transport Assets			2 801	1 952	4 960	2 000	3 001	3 001	1 050	1 103	1 158
Land			—	—	—	—	—	—	—	—	—
Land			—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals			—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals			—	—	—	—	—	—	—	—	—
Total Repair and Maintenance Expenditure	1		76 696	80 516	79 770	69 150	77 243	77 243	71 146	74 698	78 428
R&M as a % of PPE			2.1%	2.0%	1.9%	1.3%	1.7%	1.7%			

[illegible]

DC26 Zululand - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
R thousand								
Capital expenditure	1							
Vote 01 - Council		-	-	-	-	-	-	-
Vote 02 - Corporate Services		3 261	3 424	3 595	-	-	-	-
Vote 03 - Finance		478	502	527	-	-	-	-
Vote 04 - Community Development		26	26	26	-	-	-	-
Vote 05 - Planning & Wsa		327 657	352 293	381 051	-	-	-	-
Vote 06 - Technical Services		-	-	-	-	-	-	-
Vote 07 - Water Purification		348	365	383	-	-	-	-
Vote 08 - Water Distribution		391	411	431	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total Capital Expenditure		332 162	357 021	386 015	-	-	-	-
Future operational costs by vote	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								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue		68 000	71 400	74 970				
Service charges - sanitation revenue		12 500	13 125	13 781	64 130	70 543	-	-
Service charges - refuse revenue					16 940	18 634	-	-
Rental of facilities and equipment		183	183	183	-	-	-	-
<i>List other revenues sources if applicable</i>		6 000	6 000	6 000	255	280	-	-
<i>List entity summary if applicable</i>								
Total future revenue		86 683	90 708	94 935	81 325	89 457	-	-
Net Financial Implications		245 478	266 313	291 080	(81 325)	(89 457)	-	-

DC26 Zululand - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	2022/23 Medium Term Revenue & Expenditure Framework					
													Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
																		Parent municipality
<i>List of capital projects grouped by Function</i>																		
	Administrative And Corporate Support	Infrastructure	PC00000001_2008	NEW	net effective and development-oriented public	Growth		Computer Equipment	Computer Equipment	ADMIN OR HEAD OFFICE	0	0	-	180	2400	2 730	2 670	
	Administrative And Corporate Support	Furniture	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	237	-	-	-	-	
	Administrative And Corporate Support	Furniture	PC00000009_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	-	45	46	46	
	Administrative And Corporate Support	Motorcycle & Migration (Ground Choker)	PC00000010_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Transport Assets	ADMIN OR HEAD OFFICE	0	0	-	500	500	500	570	
	Administrative And Corporate Support	Vehicle	PC00000010_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Transport Assets	ADMIN OR HEAD OFFICE	0	0	2 844	-	-	-	-	
	Air Transport	Equipment	PC00000005_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	-	45	46	46	
	Corporate Wide Strategic Planning Tools	Equipment	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Machine And Equipment	Machine And Equipment	ADMIN OR HEAD OFFICE	0	0	135	-	-	-	-	
	Cultural Matters	Event/Programs Manufacturing Centre	PC00000010102_21	NEW	net effective and development-oriented public	Growth		Community Facilities	Cinema	ADMIN OR HEAD OFFICE	0	0	3 322	9 368	-	-	-	
	Cultural Matters	Software Licences	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Machine And Equipment	ADMIN OR HEAD OFFICE	0	0	320	-	-	-	-	
	Cultural Matters	Software Licences	PC000000002004_20	NEW	net effective and development-oriented public	Growth		License And Rights	Computer Software And Applications	ADMIN OR HEAD OFFICE	0	0	-	20	-	-	-	
	Cultural Matters	Equipment	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Machine And Equipment	Machine And Equipment	ADMIN OR HEAD OFFICE	0	0	527	814	26	26	26	
	Disaster Management	Furniture	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	-	45	46	46	
	Finance	Computers	PC00000004_2008	NEW	net effective and development-oriented public	Growth		Computer Equipment	Computer Equipment	ADMIN OR HEAD OFFICE	0	0	1 402	273	-	-	-	
	Finance	Furniture	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	113	45	46	46	
	Finance	Printing Machine	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Machine And Equipment	Machine And Equipment	ADMIN OR HEAD OFFICE	0	0	-	-	435	407	479	
	Mayor And Council	Table	PC000000002_200	NEW	South Africa and contribute to a better Africa	Growth		Heating Assets	Works Of Art	ADMIN OR HEAD OFFICE	0	0	-	8700	-	-	-	
	Support To Local Municipalities	Road Infrastructure	PC000000001_2008	NEW	improve and regenerate economic infrastructure	Growth		Road Infrastructure	Roads	ADMIN OR HEAD OFFICE	0	0	-	-	3 913	-	-	
	Support To Local Municipalities	Rural Roads Asset Mngt	PC000000001_2008	NEW	improve and regenerate economic infrastructure	Growth		Road Infrastructure	Roads	ADMIN OR HEAD OFFICE	0	0	-	2 101	2 188	2 208	2 288	
	Water Distribution	Civil 10 Branches	PC000000002_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Branches	WHOLE OF THE DISTRICT	0	0	2 248	-	-	-	-	
	Water Distribution	Endeavourgate Water P2.1	PC000000003_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Water Treatment Works	REGION - KZN01 EDUMBE	0	0	34 837	27 643	-	-	-	
	Water Distribution	Isuthi (Dwell)	PC000000003_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Water Treatment Works	REGION - KZN01 KONGOMBA	0	0	49 438	51 937	-	-	-	
	Water Distribution	Malakholi (Dwell)	PC000000003_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Bulk Water	REGION - KZN01 UPONGOLO	0	0	-	10 786	-	-	-	
	Water Distribution	Malakholi (Dwell)	PC000000003_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Bulk Water	REGION - KZN01 KONGOMBA	0	0	50 203	161 508	13 258	26 067	43 478	
	Water Distribution	Endeavourgate Central Water Supply Ph.2	PC000000003_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Bulk Water	REGION - KZN01 UPONGOLO	0	0	11 017	4 759	225 019	228 277	247 337	
	Water Distribution	Endeavourgate Eastflow	PC000000003_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Bulk Water	REGION - KZN01 UPONGOLO	0	0	202	5 907	-	-	-	
	Water Distribution	Water Services Infrastructure Grant	PC000000003_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Bulk Water	WHOLE OF THE DISTRICT	0	0	87 847	92 242	82 600	87 722	87 734	
	Water Distribution	Coronation (Supply)	PC000000007_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Distribution	WHOLE OF THE DISTRICT	0	0	1 377	280	-	-	-	
	Water Distribution	Civil 19 Water Distribution	PC000000007_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Distribution	WHOLE OF THE DISTRICT	0	0	1 158	-	-	-	-	
	Water Distribution	Malakholi Phase Ph.3	PC000000007_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Distribution	REGION - KZN01 KONGOMBA	0	0	3 912	-	-	-	-	
	Water Distribution	Rego/Rego Phase 4	PC000000007_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Distribution	REGION - KZN01 ULUNDI	0	0	31 388	87 138	-	-	-	
	Water Distribution	Putumthuy Water Supply Phase 2	PC000000007_2008	NEW	improve and regenerate economic infrastructure	Growth		Water Supply Infrastructure	Distribution	REGION - KZN01 KONGOMBA	0	0	19 982	-	-	-	-	
	Water Distribution	Seawater Serv - Rural Abaghai	PC000000002_2008	NEW	improve and regenerate economic infrastructure	Growth		Sanitation Infrastructure	Sanitation Infrastructure	REGION - KZN01 MANDELUS	0	0	-	10 867	-	-	-	
	Water Distribution	Seawater Serv - Rural Elatere	PC000000002_2008	NEW	improve and regenerate economic infrastructure	Growth		Sanitation Infrastructure	Pretreatment	REGION - KZN01 EDUMBE	0	0	-	816	-	-	-	
	Water Distribution	Seawater Serv - Rural Nongoma	PC000000002_2008	NEW	improve and regenerate economic infrastructure	Growth		Sanitation Infrastructure	Pretreatment	REGION - KZN01 KONGOMBA	0	0	-	8 487	-	-	-	
	Water Distribution	Seawater Serv - Rural Ulundi	PC000000002_2008	NEW	improve and regenerate economic infrastructure	Growth		Sanitation Infrastructure	Pretreatment	REGION - KZN01 ULUNDI	0	0	-	11 703	-	-	-	
	Water Distribution	Seawater Serv - Rural Upington	PC000000002_2008	NEW	improve and regenerate economic infrastructure	Growth		Sanitation Infrastructure	Pretreatment	REGION - KZN01 UPONGOLO	0	0	-	2 401	-	-	-	
	Water Distribution	Furniture	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	46	-	-	-	
	Water Distribution	Part Vehicles - Tls	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Machine And Equipment	Machine And Equipment	WHOLE OF THE DISTRICT	0	0	-	-	-	-	-	
	Water Distribution	Part Vehicles	PC00000000101_20	NEW	net effective and development-oriented public	Growth		Operational Buildings	Operational Offices	WHOLE OF THE DISTRICT	0	0	-	-	301	471	471	
	Water Transport	Furniture	PC00000008_2008	NEW	net effective and development-oriented public	Growth		Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE	0	0	-	-	-	348	389	389
Parent Capital expenditure													361 600	516 880	332 182	332 001	368 070	
Entity																		
<i>List of capital projects grouped by Entity</i>																		
	Entity A	Water project A																
	Entity B	Electricity project B																
Entity Capital expenditure													361 600	516 880	332 182	332 001	368 070	
Total Capital expenditure													361 600	516 880	332 182	332 001	368 070	

DC26 Zululand - Supporting Table SA37 Projects delayed from previous financial years

R thousand	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous Budget year to complete	Current Year 2023/24	2023/24 Medium Term Revenue & Expenditure Framework			
														Original Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality																		
List of capital projects grouped by Function																		
	Administrative and Corporate Support	Vehicles	PC00000010_20	NEW	Growth			Transport Assets	Transport Assets	ADMIN OR HEAD OFFICE	0	0	2016	2 844	-	-	-	-
List of capital projects grouped by Entity																		
	Entity Name	Project name																

[illegible]

2.17 ANNUAL BUDGETS OF MUNICIPAL ENTITIES ATTACHED TO THE MUNICIPALITIES ANNUAL BUDGET

The Municipality does not have any entities

In the 19/20 financial year the council took a resolution to suspend the entity

2.18 MUNICIPAL MANAGERS QUALITY CERTIFICATION

I, R.N Hlongwa, Municipal Manager of Zululand District Municipality, hereby certify that the approved budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that the budget and supporting documents are consistent with the Integrated Development Plan of the municipality.



R.N Hlongwa
Acting Municipal Manager
Zululand District Municipality (DC 26)

Date: 30 June 2022