



Zululand
District Municipality

**BUDGET AND SUPPORTING DOCUMENTATION
2024-2025**

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GLOSSARY

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

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

AFS – Annual Financial Statements.

Budget – the financial plan of the municipality.

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

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

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

CFO – Chief Financial Officer

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

DWAF – Department of Water Affairs

EPWP – Expanded Public Works Program

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

FMG – Financial Management Grant

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

GRAP – Generally 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

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

Virement – transfer of budget

ZDM – Zululand District Municipality

NFS – National skills fund

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

BY THE MAYOR OF ZULULAND DISTRICT MUNICIPALITY, CLLR T.D BUTHELEZI, IN THE COUNCIL CHAMBERS, 27 March 2024

Honourable Speaker

Deputy Mayor

Members of the Executive Committee

AmaKhosi aseNdlunkulu

Fellow Councillors

Municipal officials under the leadership of the Municipal Manager

Honourable Speaker, it is an honour and privilege to stand in this Chamber and before members of the Council to present the 2024/25 budget on behalf of the municipal leadership. I respect and value the opportunity and responsibility afforded to me to lead the Zululand District with integrity and excellence.

This budget is a result of good governance and compliance with the laws of the country, specifically Section 16 of the Municipal Finance Management Act.

It is unprecedented in our history of budgets, as it reached a total revenue of R1.3 billion. Key considerations of this budget are the alignment with the IDP, the national guidelines through budget circular and the local environment in which we operate in.

Whilst achieving the balanced budget, there are limitations, due to various factors like the national budget increase which is reflected in the Division of Revenue Act. However, our mandate to provide clean water and sanitation to the residents of the District, still stands and remains a priority.

We are also aware of the backlogs of the municipality, as we have collected relevant population data to help us deliver the needed services. We have also seen the need to involve the communities on programmes of social cohesion. Despite what I have just stated, various milestones were achieved as several communities have received water and sanitation, thus reducing the backlog in the five local municipalities.

This R1.3 billion budget has a total of R581 million for capital expenditure. This means we must double the effort to implement our programmes. Financial sustainability remains our priority as we seek to ensure that reduced tariffs paid by poorer households are augmented by normal tariffs paid by other residents.

We have reserved a significant portion for water and sanitation in the entire district, which has 95 wards. We have also set aside R15 million for our community projects that seek to empower the youth, women, the elderly and emerging entrepreneurs. To mention a few, we have invested R3 million for the LED programmes, R1 million for Indonsa.

To mitigate cash and cash equivalent in the financial position, a reconciliation of cash flow, working capital and reserves had to be undertaken considering past experiences and strategies

for future turn around to arrive at a cash position that reflects a positive balance. However, this is only possible if the municipality observes the budget parameters, cost containment, revenue enhancement strategies and laws and regulations that will have an impact on budgeting and service delivery processes.

This budget is a task that requires collaboration from all the municipality's departments, scrutiny of the MTREF and a closer look at IDP to be consolidated to address the needs of the people of Zululand District Municipality. It is a balancing act, and thankfully we have received positive feedback from the public engagements.

I would therefore like to extend my appreciation to the management team who work tirelessly to ensure that this administration remains on track to achieve its goals and deadlines.

Madam Speaker, the presentation of this budget demonstrates our commitment to compliance and enthusiasm to improve the lives of the people of Zululand District Municipality who trust us to deliver, through effective service delivery.

The Budget is detailed in the document circulated with the agenda.

I therefore propose the adoption of the draft Budget for MTREF 2024/2025 with its outer years as per the budget resolution detailed in the agenda.

I Thank You!

1.2 COUNCIL RESOLUTIONS

The council resolves that:

That in terms of section 24 of the Municipal Finance Management Act 56 of 2003, the Annual budget of the municipality for the financial year 2023/24 and indicative allocations for the two projected outer years 2024/25 and 2025/26 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.

Service level standards be adopted.

Comments on draft budget by Provincial Treasury be noted.

Comments from public participation be noted.

The Procurement plan be approved.

The mSCOA road map be noted.

1.3 EXECUTIVE SUMMARY

MAIN BUDGET SUMMARY

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

	FINAL BUDGET YEAR 2023/ 2024	DRAFT BUDGET YEAR 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
OPERATING REVENUE	823 201 089.63	775 979 250.00	813 871 145.00	858 620 255.00
CAPITAL GRANTS AND TRANSFERS	766 401 895.97	576 195 000.00	651 991 000.00	923 733 000.00
TOTAL BUDGET REVENUE	1 589 602 986	1 352 174 250	1 465 862 145	1 782 353 255
OPERATING EXPENDITURE	825 681 369.35	767 857 643.00	797 150 613.00	833 382 357.00
CONTRIBUTION TO CAPITAL	757 843 825.32	505 844 350.00	571 898 514.00	808 423 679.00
TOTAL BUDGET EXPENDITURE EXCLUDING VAT CAPEX	1 583 525 195	1 273 701 993.00	1 369 049 127.00	1 641 806 036.00
CAPITAL EXPENDITURE - GRANTS AND TRANSFERS	667 737 303.32	501 496 521.74	566 948 696.00	803 246 087.00
CAPITAL EXPENDITURE - EXTERNAL LOAN FUNDING	86 956 521.74	-	-	-
CAPITAL EXPENDITURE - INTERNALLY FUNDED ASSETS	3 150 000.00	4 347 827.00	4 547 827.00	4 757 027.00
TOTAL CAPITAL EXPENDITURE	757 843 825.06	505 844 349	571 496 523	808 003 114
TOTAL BUDGET REVENUE	1 589 602 986	1 352 174 250.00	1 465 862 145.00	1 782 353 255.00
TOTAL BUDGET EXPENDITURE	1 583 525 194	1 273 701 991.74	1 368 647 136.00	1 641 385 471.00
SURPLUS/ DEFICIT	6 077 791	78 472 258	97 215 009	140 967 784
EXTERNAL LOAN FUNDING	100 000 000	-	-	-
SURPLUS/ DEFICIT	106 077 791	78 472 258	97 215 009	140 967 784

The Municipality is largely dependent on government grants for its operations and the small portion is generated from service charges. The adjustment budget was tabled with budget funding plan which meant the municipality had to move to a funded position withing the following financial year which is **2024/2025** as per National Treasury guidelines. The municipality budget is highlighted below which show the increase of capital budget and increase on operating budget.

The **2024/2025** draft budget is **R1.353 billion**, which represent an decrease of **R237 million** from the **2023/2024** adjusted budget of **R1.590 billion**. This represents an decrease of **15%**.

The surplus of **R78.6 million** result from **R75.8 million** VAT on capital grants, and **R3.3 million** contribution to internally funded capital expenditure.

It is important to highlight that this surplus is not cash available to be spent rather funds to be appropriated to turn the **2023/2024** unfunded adjusted budget situation around.

The movements in the total budget is highlighted in topics below:

Operating revenue Framework

OPERATING REVENUE	ADJUSTED BUDGET YEAR 2023/ 2024	BUDGET YEAR 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
Service charges - water revenue	53 518 068.09	68 294 245.00	71 435 783.00	74 721 829.00
Service charges - sanitation revenue	15 596 539.13	17 732 004.00	18 547 675.00	19 400 869.00
Rental of facilities and equipment	458 180.00	503 998.00	527 182.00	551 432.00
Interest earned - external investments	7 500 000.00	7 500 000.00	7 845 000.00	8 205 870.00
Interest earned - outstanding debtors	784 452.46	637 290.00	666 606.00	697 269.00
Fines, penalties and forfeits	853 450.06	1 466 870.62	1 534 346.67	1 604 926.62
Licences and permits	103 217.59	176 276.00	184 384.00	192 866.00
Transfers and subsidies	743 190 178.62	678 525 000.00	711 934 000.00	751 994 000.00
Other revenue	1 113 363.07	1 143 565.70	1 196 169.72	1 251 193.53
TOATL OPERATING REVENUE	823 117 449	775 979 249	813 871 146	858 620 255

The revenue budgets

An increase of 10% is proposed to be affected on Tariffs.

Water tariffs have been determined as follows:

Kiloliters	Percentage increase
0- 6kl	No Free basic water
6- 30kl	10%
30-40kl	10%
>40kl	10%

The assumed collection rate based on the current collection level and strategies in place to improve collection is expected to be 60% of billable revenue.

The **2024/2025** draft Operating Revenue budget is **R775.9 million**. This represents a decrease of **R47.2 million** or **6%** from **2023/2024** final budget of **R823.2 million**. This net decrease is largely attributed to changes in operating revenue.

Service charges water has increased by **R14 million** from **2023/2024** adjusted budget, this increase is because the municipality is no longer offering 6lk free to household that are not indigent. The municipality has also revised the tariffs increase to be 10%.

The Equitable share has increased by **R38.5 million** from **R631.6 million** in **2023/2024** adjustment budget to **R670.1 million** in **2023/2024** draft budget.

In the **2023/2024** adjustment budget the municipality received a grant from the KwaZulu-Natal Amafa and Research Institute amounting to **R200 thousand**, a grant from National Skills Fund amounting to **R98.3 million** a grant from Local Government Sector Education and Training Authority amounting to **R1.13 million and** which are not part of the **2024/2025** budget as per provincial gazette.

Service charges revenue for water and sanitation have increased by **R16.9 million** from **69.1 million** in the adjusted budget to **R86 million** in **2024/2025** draft budget. This results from the increase in tariffs and number of household to be metered as the municipality is planning to procure new meters.

Rental of facilities has increased by **R45 thousand** from **2023/2024** adjusted budget, this increase is as per the existing lease agreement.

The municipality has also considered budgeting for the Fines, penalties and forfeits, licenses and permits i.e health fines, increase of illegal connections and reconnections fees.

Operating revenue Framework is explained in detail in section 1.4

Operating Expenditure Framework

	ADJUSTED BUDGET YEAR 2023/2024	DRAFT BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Employee related costs	293 616 137	310 171 827	318 972 302	333 645 017
Remuneration of councillors	9 783 917	9 465 497	9 900 907	10 356 351
Debt impairment	10 000 002	6 000 000	6 276 000	6 564 696
Depreciation & asset impairment	90 000 004	91 314 533	95 515 006	99 908 691
Finance charges	1 000 000	7 013 197	7 335 804	7 673 251
Inventory consumed	44 469 146	40 316 921	42 726 720	44 114 757
Contracted services	235 745 646	155 867 560	162 036 269	169 630 135
Transfers and subsidies	3 387 773	3 600 000	3 765 600	3 938 820
Other expenditure	137 078 745	144 108 108	150 622 005	157 550 639
TOTAL EXPENDITURE	825 081 370.00	767 857 643.00	797 150 613.00	833 382 357.00

The **2024/2025** draft Operating Expenditure budget is **R767.8 million**. This represents a decrease of **R57.3 million** or **7%** from **2023/2024** adjusted budget of **R825.2 million**. These were just movements within the budget, the only addition is on the salary bill. Municipality is in process of reviewing all contract employees.

In the **2023/2024** adjustment budget the municipality allocated **R200 thousand** for The KwaZulu-Natal Amafa and Research Institute grant, **R98.3 million** for National Skills Fund grant and **R 1.13 million** for Local Government Sector Education and Training Authority Grant which are not part of the **2024/2025** draft budget as per provincial gazette, these grants are the major contributors to decreased budgeted expenditure.

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Operating Expenditure Framework is also explained in detail in section 1.5.

Capital Expenditure and Funding

CAPITAL FINANCING				
CAPITAL EXPENDITURE 2023- 2024	ADJUSTED BUDGET YEAR 2023/ 2024	BUDGET YEAR 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
MUNICIPAL INFRASTRUCTURE GRANT	253 512 000.00	259 542 000.00	272 856 000.00	297 634 000.00
REGIONAL BULK INFRASTRUCTURE GRANT	413 905 000.00	214 000 000.00	276 363 000.00	508 200 000.00
WATER SERVICES INFRASTRUCTURE GRANT	95 000 000.00	100 000 000.00	100 000 000.00	115 000 000.00
RURAL ROAD ASSET MANAGEMENT GRANT	2 539 000.00	2 653 000.00	2 772 000.00	2 899 000.00
KWAMAJOMELA ROLL OVER	-	-	-	-
INDONSA GRANT	526 000.00	526 000.00	462 290.00	483 649.34
ACCELERATED WATER INTERVENTION PROGRAM	1 445 895.97	-	-	-
CAPITAL EXPENDITURE - EXTERNAL LOAN FUNDING	100 000 000.00	-	-	-
INTERNALLY FUNDED ASSETS	3 622 500.00	5 000 000.00	5 230 000.00	5 470 580.00
TOTAL CAPITAL EXPENDITURE	870 550 396	581 721 000	657 683 290	929 687 229

In terms of MFMA circular no. 58 capital grants are reported VAT inclusive, total Capital financing amount to **R581.7 million**.

Capital Expenditure

CAPITAL EXPENDITURE 2023- 2024	ADJUSTED BUDGET YEAR 2023/ 2024	BUDGET YEAR 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
MUNICIPAL INFRASTRUCTURE GRANT	220 445 216.96	225 688 695.65	237 266 086.96	258 812 173.91
REGIONAL BULK INFRASTRUCTURE GRANT	359 917 391.30	186 086 956.52	240 315 652.17	441 913 043.48
WATER SERVICES INFRASTRUCTURE GRANT	82 608 695.65	86 956 521.74	86 956 521.74	100 000 000.00
RURAL ROAD ASSET MANAGEMENT GRANT	2 207 826.09	2 306 956.52	2 410 434.78	2 520 869.57
AIRPORT AVIATION GRANT	843 478.26	-	-	-
INDONSA GRANT	457 391.30	457 391.30	401 991.30	420 564.64
ACCELERATED WATER INTERVENTION PROGRAM	1 257 300.84	-	-	-
CAPITAL EXPENDITURE - EXTERNAL LOAN FUNDING	86 956 521.74	-	-	-
INTERNALLY FUNDED ASSETS	3 150 000.00	4 347 826.09	4 547 826.09	4 757 026.09
TOTAL CAPITAL EXPENDITURE	757 843 822	505 844 348	571 898 513	808 423 678

The **2024/2025** draft Capital Expenditure budget is **R505.8 million** VAT exclusive. This represents decrease of **R251.9 million** or **33%** from **2023/2024** adjusted budget of **R757.8 million**.

MFMA mSCOA circular number 13 requires that capital expenditure be budgeted VAT exclusive. VAT on capital grants and proposed loan amount to **R75.8 million**.

Capital Expenditure Framework is also explained in detail in section 1.6.

Financial Position Framework

Summary of Statement of Financial position

	ADJUSTED BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Current Assets	355 948 589.00	493 465 950.00	654 831 267.00	864 320 674.00
Non-Current Assets	5 667 682 201.00	5 324 368 195.00	5 300 288 717.00	5 431 523 831.00
Current Liabilities	499 035 002.00	453 380 878.00	435 498 561.00	439 161 214.00
Non-Current Liabilities	132 310 738.00	112 320 331.00	94 904 606.00	77 991 410.00
Accumulated surplus	5 392 285 050.00	5 252 132 936.00	5 424 716 817.00	5 778 691 881.00
	5 392 285 050.00	5 252 132 936.00	5 424 716 817.00	5 778 691 881.00

Current assets amount to **R493.4 million** representing an increase of **R137.5 million** from **R355.9 million** in the adjusted budget, Non-Current assets amount to **R5.3 billion** representing a decrease of **R343.3 million** from **R5.6 billion** in the adjusted budget, Current Liabilities amount to **R453.3 million** from **R499 million** in the adjusted budget, Non - Current Liabilities amount to **R112.3 million** from **R132.3 million** in the adjusted budget, Accumulated surplus amount to **R5.2 billion** from **R5.3 billion** in the tabled budget.

Current liabilities amount to **R453.4 million**, this amount is significant and a cause for concern, urgent intervention is required. liabilities directly affect the funding position of the municipality.

The Current ratio is 1.08 : 1 [**R493.4 million/453.3 million**]

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

Budgeted Cashflow

The municipality has budgeted to generate total cash of **R1.4 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 **R1.2 billion**, operating expenditure payments is **R675.5million**, and capital asset payments is **R505.8 million** vat exclusive. Repayment of loan and leases **R18 million**. The payment to suppliers and employees is VAT inclusive and Capital acquisition is VAT exclusive due to limitations from the system. The VAT refund expected is **R118 million**.

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.

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. 128 to give guidance on these imperatives.

There are key factors that have been taken into consideration in the compilation of the 2023/24 MTREF:

The general **inflationary outlook** and the impact on Municipality's residents and businesses

Fiscal Year	2023/24 Estimates	2024/25	2025/26 forecast	2026/27 Forecast
CPI Inflation	5.3%	4.9%	4.6%	4.6%

An increase of **10%** is proposed to be affected on Tariffs.

The assumed collection rate based on the current collection level is expected to be **60%** of billable revenue.

1.4 PERATING REVENUE FRAMEWORK

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

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	41 251	38 486	39 170	51 532	53 518	53 518	42 054	68 294	71 436	74 722
Service charges - Waste Water Management	2	11 514	12 513	14 831	16 406	15 597	15 597	10 802	17 732	18 548	19 401
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		394	516	1 426	1 001	755	755	700	578	605	633
Agency services											
Interest											
Interest earned from Receivables		29	288	75	521	784	784	572	637	667	697
Interest earned from Current and Non Current Assets		3 226	3 705	7 433	3 000	7 500	7 500	6 161	7 500	7 845	8 206
Dividends											
Rent on Land											
Rental from Fixed Assets		179	195	181	500	458	458	303	504	527	551
Licence and permits		10	-	88	60	103	103	70	176	184	193
Operational Revenue		268	569	563	369	442	442	331	565	591	618
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 543	209	910	1 000	853	853	314	1 467	1 534	1 605
Licences or permits											
Transfer and subsidies - Operational		577 833	537 979	658 830	643 859	743 190	743 190	581 000	678 525	711 934	751 994
Interest											
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		348	40	2 894	-	-	-	-	-	-	-
Other Gains		19 827	-	4 385	-	-	-	0	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		662 422	594 501	730 785	718 248	823 201	823 201	642 308	775 979	813 871	858 620

The **2023/2024** draft operating revenue budget is **R775.9 million**. This represents a decrease of **R47 million** or **6%** from **2023/2024** adjusted budget of **R823.2 million**. This net increase is largely attributed to changes in operating grants and service charges.

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

Exchange revenue

Service charges – Water revenue

Service charges is the amount billed to consumers for water consumed. The Municipality budgeted an amount of **R68.2 million** under Service charges - water revenue, this represents an increase of **R14.7 million** or **28%** from an amount of **R53.5 million** in the **2023/24** adjusted Budget. This amount excludes **R5 million** from free basic services.

Service charges water revenue increased by **28%** instead of **10%** as per increase in tariffs schedule because the municipality took into consideration **2023/2024** financial year actual billing, and the fact that there are places where there are faulty meters and the billing at fixed rate, the municipality has provided budget for meters to cater for this issue. The municipality is no longer giving 6kl excess to household that are not considered as indigent, only indigent households have excess to 6kl.

The Municipality increased tariffs by **10%** which is above **4.9%** percent guideline as per MFMA circular No. 128, this was done to gradually achieve cost reflective tariffs, whilst maintaining customer affordability.

The Municipality budgeted a provision of **R5 million** for free basic water as a subsidy to all metered households that are registered as indigent. The indigent register is a living document and is continuously being updated.

An amount of **R6 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, most households are not able to pay their debt, 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 customers that are connected to the sewer system and those that utilize septic tank system. Sewer connection system is mostly in urban areas and septic tank system is mostly in developing and rural areas, most areas in the district utilize septic tank system. Sewer charge is fixed, but businesses and government are charged an additional sewer excess if they use more than 40kl of water per month. Sewer dump/removal/vacuum is charged on customers that utilize septic tank system.

The Municipality budgeted an amount of **R17.7 million** under Service charges - sanitation revenue, this represents an increase of **R2.1 million** or **14%** from an amount of **R15.5 million** in the **2023/24** adjusted Budget. This increase does not correlate or sync with the **10%** increase in tariffs or the **4.9%** guideline increase.

The Municipality increased tariffs by **10%** which is above **4.9%** guideline as per MFMA circular No. 128, the reason is that the municipality has considered the trend that most businesses are charged sewer excess because of their consumption. Also sewer dump/removal/vacuum is not fixed but dependent on the number of customers that require the service.

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.

An amount of **R1.5 million** has been set aside as a provision for bad debt (provision for non-collection). The Municipality only charges sewer services to metered consumers.

Sale of Goods and Rendering of Services

Sale of goods and rendering of services is the amount for sale of tender documents and clearance certificate. The Municipality budgeted an amount of **R578 thousand** under sale of goods and rendering of services, this represents a decrease of **R280 thousand** or **33%** from an amount of **R858 thousand** in the **2023/24** adjusted budget. This decrease is attributed to the municipality no longer offering shared services service to local municipalities.

Interest earned - outstanding debtors

Interest earned from receivables 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 **R637 thousand** on interest earned on outstanding debtors for the year **2024/25**, which reflects an increase of **R147 thousand** or **18%** from **R784 thousand** in the **2023/24** adjusted budget. The Municipality has decided to further charge interest on government institutions.

Interest earned from Current and Non-Current Assets

Interest on investment is interest received when the Municipality makes cash investments. Interest earned from current and non-current asset 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 **R7.5 million** under Interest on investment with no changes compared to the **2023/24** Adjusted budget. The municipality has considered and assessed the interest trend for **2023/2024** and other previous years. The municipality is currently withdrawing its investments after a period of 3 months 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.

Rental from Fixed Assets

Rental of facilities is amounts billed for office space leased out. The Municipality budgeted an amount of **R504 thousand** excluding vat under rental of facilities and equipment which reflects an increase of **R46 thousand** or **10%** from **R458 thousand** in the **2023/24** adjusted budget. This increase is above the **4.9%** guideline because of the existing lease agreements.

Licenses and permits

Licences and permits are mainly based on the licences issued by municipal health. The municipality budgeted an amount of **R176 thousand** which reflects an increase of **R73 thousand** or **71%** from **R103 thousand** in the **2023/2024** adjusted budget. This increase is attributed to year to date actual as per 2023-2024 financial year, this mainly depends on the request from businesses.

Operational Revenue

The operating revenue include receipts such as skills levy refund. The budget is prepared based on the expected return and expenditure from skills training. The expected budget is **R565 thousand**.

Non-exchange revenue

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 non-paying disconnected customers.

The Municipality budgeted an amount of **R1.4 million** under Fines, penalties, and forfeits, this represents an increase of **R613 thousand** or **72%** from an amount of **R853 thousand** in the **2023/24** Adjusted Budget. This increase is above **4,9 percent** guideline as per MFMA circular No. 128, the reasons for this is because the municipality has obtained the court order allowing to fine the businesses that are not complying, municipality did not have this permit before and has increased tariff for reconnection and illegal connection fee.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue act (DoRA), 2023; and provincial gazette, Transfers and subsidies is revenue recognized as operating conditional grants in terms of Municipal Budget and Reporting Regulations (MBRR). Transfers and subsidies (Grants) are recognized/recorded as revenue when condition has been met, except for equitable share which is not a conditional grant.

Transfers and subsidies budget is **R678.5 million**, This is as per DORA and Provincial gazette.

Provincial Gazette allocation have been considered, an amount of **R1.9 million** has been gazetted 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).

1.5 OPERATING EXPENDITURE FRAMEWORK

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

DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure											
Employee related costs	2	241 953	263 669	286 176	290 728	293 616	293 616	224 972	310 172	318 972	333 645
Remuneration of councillors		8 489	8 616	9 276	9 486	9 784	9 784	7 379	9 465	9 901	10 356
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	3 332	6 127	51 977	42 130	44 093	44 093	18 879	40 317	42 727	44 115
Debt impairment	3	9 054	19 677	6 428	10 000	10 000	10 000	-	6 000	6 276	6 565
Depreciation and amortisation		84 156	101 119	100 249	90 000	90 000	90 000	74 651	91 315	95 515	99 909
Interest		-	399	553	1 000	1 000	1 000	454	7 013	7 336	7 673
Contracted services		294 507	318 040	364 771	128 719	236 038	236 038	227 946	155 868	162 036	169 630
Transfers and subsidies		12 891	11 295	4 683	6 000	3 590	3 590	2 698	3 600	3 766	3 939
Irrecoverable debts written off		4 635	323	2 192	-	-	-	28	-	-	-
Operational costs		113 097	131 178	163 288	144 039	136 720	136 720	141 330	144 108	150 622	157 551
Losses on disposal of Assets		99	95	679	-	-	-	489	-	-	-
Other Losses		2 318	2 532	309	-	-	-	-	-	-	-
Total Expenditure		774 531	863 071	990 581	722 102	824 841	824 841	698 825	767 858	797 151	833 382

The **2023/2024** final operating expenditure budget is **R767. million**. This represents an decrease of **R57.3 million** or **7%** from **2023/2024** adjusted budget of **R825.2 million**.

Expenditure Classification is important in order to know the types of expenses the municipality incurs. Each line item on the face of financial performance will be explained.

Employee Related Costs

Employee related costs are amounts paid for salaries, allowances, service-related benefits, and contributions. The Municipality budgeted an amount of **R310.1 million** under employee related costs, this represents an increase of **R16.5 million** or **6%** from an amount of **R293.6 million** in the **2023/24** adjusted budget. The municipality has budgeted for a **5.9%** increase on salaries for each employee, the **5.9%** has followed the previous pattern of bargaining agreement which is not yet available for 2024-2025. increase is based on CPI of **4.9%+1%**, and has taken into consideration the financial stability of the municipality.

The primary reason for the increase is an annual increment of **5.9%**, notch increases as per TASK grade implementation, new positions budgeted as well as changes in other staff benefits that are percentage based to salary.

The implementation of Expanded public works programme has also contributed to the high level of expenditure on employee related cost. This amount is included under employee related cost

since the municipality pay this cost directly to EPWP employees. The EPWP grant funding is **R5.2 million** and not sufficient to cover employees under the programme and supplemented by the municipality's own funds.

The municipality did not budget for performances bonuses because it depends on the senior managers performance as reflected on an annual SDBIP which determine whether they should get performance bonuses and an approval from the council. The municipality will adjust performance bonuses accordingly.

Remuneration of Councilors

Remuneration of Councilors are amounts paid for councilors allowances, service related benefits and contributions. The Municipality budgeted an amount of **R9.4 million** which reflect an decrease of **R318 thousand** or **3%** decrease under Remuneration of Councilor's from an amount of **R9.7 million** in the **2023/24** Adjusted Budget. The municipality has over budgeted for allowances in 2023-2024 by providing for medical and pension contributions for councilors.

The municipality has budgeted for a **5.9%** increase for all councilors, this **5.9%** increase is expected to cater for councilors upper limits upcoming notice.

Employee related costs is **41%** of the total operating budget inclusive of councilor's remuneration. This is above the norm of **25-40%** as per MFMA circular no. 71 guideline.

Bulk purchases – electricity

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

Inventory Consumed

Inventory Consumed are expenses incurred in terms of GRAP 12 such as consumable, materials and suppliers and water inventory. The Municipality budgeted an amount of **R40.3 million** under inventory consumed. This represents a decrease of **R4.1 million** or **10%** from an amount of **R44.4 million** in the **2023/2024** Adjusted budget. The municipality budget is based on the current year billing from DWS and other raw water/purified water providers. The municipal budget has also considered the purchase of meters amounting to **R8 million**. The municipality also realistically budgeted for the purchase of raw water from DWS, Abaqulusi, Impala and Sinegal.

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 **R6 million** under Debt impairment, this represents a decrease of **R4 million** or **40%** from an amount of **R10 million** in the 2023/24 Adjusted Budget. The decrease is attributed to the municipality currently running the incentive scheme across the district, the customers are offered the chance to pay their debt and become entitled to up to **50%** discount depending on the amount owed. This is expected to decrease the balance of debtors and the provision for that impairment.

The municipality has decreased the provision based on 2023-2024 budget collection level of **60%**. Assessment and provision for bad debts is done at year end, the municipality does not expect to impair the whole remaining **40%** 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.

National Treasuries recommend that the assessment and calculations be done monthly. The municipality is in the process of aligning its processes to allow calculation of debt impairment monthly.

Depreciation

This is a non-cash item budgeted for as per the stipulation of the general recognized accounting standards. The Municipality budgeted an amount of **R91.3 million** under Depreciation, this represents an increase of **R1.3 million** or less than **1%** from an amount of **R90 million** in the 2023/24 Adjusted Budget.

The depreciation is estimated based on the municipalities accounting policy which amongst others considers existing assets, assets to be acquired, work in progress assets to be completed, assets to be disposed and other factors.

The Municipality is also considering creating an asset replacement reserve to refurbish these assets and ensure continuous services delivery. This will be successful if the municipality can be financial stable.

The depreciation and impairment is in line with the municipality's Asset management polity and will ensure that the AFS is correctly carried forward.

Interest

This amount includes interest on loan. The municipality budgeted an amount of **R7 million**, this represent an increase of **R6 million** from an amount of **R1 million** in the **2023/2024** adjusted budget. The municipality has made the provision of interest on loan and finance lease, this depends on the agreement not on CPI.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. The anticipated contracted services expenditure budgeted amount is **R155.8 million**, which is a decrease of **R80.2 million** or **34%** from the amount of **R236 million** in the **2023/2024** Adjustment Budget.

The municipality had grant expenditure for **NSF** amounting to **98.3 million** in **2022-2023** Adjustment Budget which the municipality is awaiting its allocation to be confirmed in **2024-2025** budget. The municipality has also reduced the budget for privately hired water tankers and entered into lease agreement for fleet, to this end the municipality will review its commitments through existing Service Level Agreements to reduce costs in **2024/2025** financial year, the municipality has also engaged in some payment plan on contracted services since the municipality has limited funding sources.

The municipality has taken a decision to review all cost driving contracts, where possible limit scope of work done whilst maintaining service delivery. This process will help reduce cost so that the municipality spends within the limits of the budget.

Transfers and subsidies

Transfers and subsidies are goods provided as subsidies or aid to the communities for poverty alleviation or community development and/or any other support that may be required by community and provided by the municipality. Transfers and subsidies amount is **R3.6 million**. The municipality has increased the anticipated expenditure under this item by **R10 thousand** or **0.3%** which is below the inflation target of **4.9%** in terms of MFMA Circular No. 128 when compared to an amount of **R3.5 million** reflected in the **2023/24** Adjustments Budget. The municipality has seen the need and the demand from the community and decided to increase the allocation. The increase is based on the municipality budgeting for LED and poverty relief. The budget is provided according to affordability.

Other expenditure

Other expenditure is consisting of operational cost and operating leases, this is all the other expenditure not classified above, other expenditure includes cost of electricity for water/sewer plants, Municipal services, external Audit fees, subsistence and travel, fuel, insurance, software licenses, SALGA bargaining council levy, telephone, Hiring charges, uniforms & protective clothing, operating leases (vehicles), to mention a few.

Some of the expenditure items are once off and incurred in the first half of the financial year and will not be incurred in the second half of the financial year and vice versa e.g. bargaining council levy, annual software licenses, insurance, uniforms & protective clothing, and external audit fees.

The municipality has budgeted **R144.1 million**. The municipality has increased the anticipated expenditure under this item by **R7 million** or **5%** above 4.9% as per MFMA Circular no. 128 when compared to an amount of **R137 million** reflected in the **2023/24** Adjustments Budget.

This increase can be attributed to a new commitment on loan payments, increase in the cost of electricity and fuel consumption due to load shedding, and also some increases that are inflation based. Some expenditure items have remained the same due to municipal financial limitations.

Operating Grants Expenditure Framework

	ADJUSTED BUDGET YEAR 2023/2024	DRAFT BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Employee related costs	293 616 137	310 171 827	318 972 302	333 645 017
Remuneration of councillors	9 783 917	9 465 497	9 900 907	10 356 351
Debt impairment	10 000 002	6 000 000	6 276 000	6 564 696
Depreciation & asset impairment	90 000 004	91 314 533	95 515 006	99 908 691
Finance charges	1 000 000	7 013 197	7 335 804	7 673 251
Inventory consumed	44 469 146	40 316 921	42 726 720	44 114 757
Contracted services	235 745 646	155 867 560	162 036 269	169 630 135
Transfers and subsidies	3 387 773	3 600 000	3 765 600	3 938 820
Other expenditure	137 078 745	144 108 108	150 622 005	157 550 639
TOTAL EXPENDITURE	825 081 370.00	767 857 643.00	797 150 613.00	833 382 357.00

Operating Surplus

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Surplus/(Deficit)		(112 109)	(268 570)	(259 796)	(3 855)	(1 640)	(1 640)	(56 517)	8 122	16 721	25 238
Transfers and subsidies - capital (monetary allocations)											
Transfers and subsidies - capital (in-kind)	6	446 737	611 248	610 502	805 127	766 402	766 402	606 617	576 195	651 991	923 733
	6	-	24 307	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971
Income Tax											
Surplus/(Deficit) after income tax		334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971
Share of Surplus/Deficit attributable to Associate	7										
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year	1	334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971

Table A4 indicates a budget surplus of **R8.1 million** together with capital funding of **R576.1 million** from grants will be contributed to table A5 to fund the acquisition of assets.

1.6 CAPITAL BUDGETING

Capital Projects Summary

	A DJUSTED BUDGET YEAR 2023/ 2024	BUDGET YEAR 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
Grants- Capital	667 737 304.00	501 496 521.74	567 350 686.95	803 666 651.60
Borrowings	86 956 522.00	-	-	-
Internally generated funds	3 190 000.00	4 347 826.09	4 547 826.09	4 757 026.09
Total capital budget	757 883 826.00	505 844 347.83	571 898 513.04	808 423 677.68

Table A5 indicates budgeted capital Expenditure by Municipal Vote and standard classification, the budgeted amount is funded from grants and own funds, the funding is taken from table A4 surplus.

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		4 482	13 258	3 061	2 900	3 150	3 150	1 396	4 348	4 548	4 757
Executive and council		-	6 594	173	-	180	180	167	-	-	-
Finance and administration		4 482	6 664	2 888	2 900	2 970	2 970	1 228	4 348	4 548	4 757
Internal audit											
Community and public safety		547	485	1 152	457	457	457	-	457	402	421
Community and social services		547	485	1 152	457	457	457	-	457	402	421
Sport and recreation											
Public safety											
Housing											
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental		3 322	6 965	1 726	2 208	2 208	2 208	968	2 307	2 410	2 521
Planning and development		3 322	6 965	1 726	2 208	2 208	2 208	968	2 307	2 410	2 521
Road transport											
Environmental protection											
Trading services		333 171	464 144	491 995	784 859	751 225	751 225	529 802	498 732	564 538	800 725
Energy sources											
Water management		333 171	464 144	491 995	784 859	751 225	751 225	529 802	498 732	564 538	800 725
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management											
Other		135	-	9	-	843	843	-	-	-	-
Total Capital Expenditure	3	341 658	484 853	497 942	790 424	757 884	757 884	532 166	505 844	571 899	808 424

Governance and administration

Governance and administration include furniture, ICT infrastructure, Furniture, computers, road restoration, park homes and equipment. Governance and administration There's commitments in the pipeline on this line item.

The municipality has budgeted **R4.3 million**. The municipality has increased the anticipated expenditure under this item by **R354 thousand or 8% when** compared to an amount of **R3.9 million** reflected in the **2023/24** Adjustments Budget. The increase is attributed to the upgrade the existing ICT Infrastructure.

Community and public safety

The municipality has budgeted **R457 thousand** to equip Indonsa Art Centre with the necessary equipment.

Economic and environmental services

Economic and environmental includes capital grant (rural road asset management grant), this line item has increased by **R99 thousand or 4%** from **R2.2 million to R2.3 million**. Rural road grant is the only expenditure expected from this line item and funded by grant.

Trading services

Trading services includes capital grant (MIG, WSIG, and RBIG), backup generators. This line item has decreased by **R165.4 million** from **R664.2 million to R498.7 million**. This line item include infrastructure funded by MIG, RBIG, WSIG and Borrowings.

Projects to be Implemented as per Capital budget.

CAPITAL EXPENDITURE 2023-2024	ADJUSTED BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
MUNICIPAL INFRASTRUCTURE GRANT	220 445 216.96	225 688 695.65	237 266 086.96	258 812 173.91
REGIONAL BULK INFRASTRUCTURE GRANT	359 917 391.30	186 086 956.52	240 315 652.17	441 913 043.48
WATER SERVICES INFRASTRUCTURE GRANT	82 608 695.65	86 956 521.74	86 956 521.74	100 000 000.00
RURAL ROAD ASSET MANAGEMENT GRANT	2 207 826.09	2 306 956.52	2 410 434.78	2 520 869.57
AIRPORT AVIATION GRANT	843 478.26	-	-	
INDONSA GRANT	457 391.30	457 391.30	401 991.30	420 564.64
ACCELERATED WATER INTERVENTION PROGRAM	1 257 300.84	-	-	
CAPITAL EXPENDITURE - EXTERNAL LOAN FUNDING	86 956 521.74	-	-	
INTERNALLY FUNDED ASSETS	3 150 000.00	4 347 826.09	4 547 826.09	4 757 026.09
TOTAL CAPITAL EXPENDITURE	757 843 822	505 844 348	571 898 513	808 423 678

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

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

Capital Grant Expenditure as per MFMA circular no. 58 (Inclusive of Borrowings)

CAPITAL FINANCING				
CAPITAL EXPENDITURE 2023-2024	ADJUSTED BUDGET YEAR 2023/ 2024	BUDGET YEAR 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
MUNICIPAL INFRASTRUCTURE GRANT	253 512 000.00	259 542 000.00	272 856 000.00	297 634 000.00
REGIONAL BULK INFRASTRUCTURE GRANT	413 905 000.00	214 000 000.00	276 363 000.00	508 200 000.00
WATER SERVICES INFRASTRUCTURE GRANT	95 000 000.00	100 000 000.00	100 000 000.00	115 000 000.00
RURAL ROAD ASSET MANAGEMENT GRANT	2 539 000.00	2 653 000.00	2 772 000.00	2 899 000.00
KWAMAJOMELA ROLL OVER	-	-	-	
INDONSA GRANT	526 000.00	526 000.00	462 290.00	483 649.34
ACCELERATED WATER INTERVENTION PROGRAM	1 445 895.97	-	-	
CAPITAL EXPENDITURE - EXTERNAL LOAN FUNDING	100 000 000.00	-	-	
INTERNALLY FUNDED ASSETS	3 622 500.00	5 000 000.00	5 230 000.00	5 470 580.00
TOTAL CAPITAL EXPENDITURE	870 550 396	581 721 000	657 683 290	929 687 229

Breakdown of Internally funded assets

As part of the assets to be purchased in the financially using the internal source of funds includes:

INTERNALLY FUNDED ASSET	ADJUSTED BUDGET YEAR 2023/ 2024	BUDGET YEAR 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
VEHICLES	235 100.00			
FURNITURE	569 900.00	434 782.61	454 782.61	475 702.61
ICT INFRASTRUCTURE	1 875 000.00	3 478 260.87	3 638 260.87	3 805 620.87
PARK HOMES				
COMPUTERS	510 000.00	434 782.61	454 782.61	475 702.61
	3 190 000.00	4 347 826.09	4 547 826.09	4 757 026.09

1.7 ANNUAL BUDGET TABLES

The following part of budget presentation portrayed below focuses on budget tables as required in terms of regulation 9 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's **2024/2025** budget and MTREF as approved by the Council. Below each table there is a provision of clarification pertaining to what is depicted from the provided tables

Table A1 - Budget Summary

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

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional	1									
Governance and administration		597 246	530 987	665 320	637 831	741 310	741 310	680 430	719 481	759 889
Executive and council		—	—	8	—	—	—	—	—	—
Finance and administration		597 246	530 987	665 312	637 831	741 310	741 310	680 430	719 481	759 889
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		1 921	2 011	2 285	2 482	2 750	2 750	3 215	3 275	3 426
Community and social services		1 911	2 011	2 209	1 922	2 147	2 147	1 911	1 911	1 999
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health	10	—	—	76	560	603	603	1 304	1 364	1 427
Economic and environmental services		6 204	9 606	4 171	2 539	2 741	2 741	2 721	2 843	2 973
Planning and development		6 204	9 606	4 171	2 539	2 741	2 741	2 721	2 843	2 973
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		502 599	686 941	668 995	878 523	840 747	840 747	665 751	740 202	1 016 002
Energy sources		—	—	—	—	—	—	—	—	—
Water management		491 074	674 336	654 093	862 087	824 845	824 845	647 698	721 319	996 251
Waste water management		11 525	12 605	14 903	16 436	15 902	15 902	18 053	18 883	19 752
Waste management		—	—	—	—	—	—	—	—	—
Other	4	1 189	511	516	2 000	2 055	2 055	57	60	63
Total Revenue - Functional	2	1 109 159	1 230 055	1 341 287	1 523 375	1 589 603	1 589 603	1 352 174	1 465 862	1 782 353
Expenditure - Functional										
Governance and administration		223 075	255 470	329 433	256 489	349 775	349 775	257 651	269 432	281 966
Executive and council		48 383	61 104	63 257	45 360	46 694	46 694	38 575	40 350	42 206
Finance and administration		174 692	194 366	266 177	176 201	267 892	267 892	179 370	187 551	196 318
Internal audit		—	—	—	34 928	35 188	35 188	39 705	41 532	43 442
Community and public safety		18 419	24 796	27 553	28 878	27 435	27 435	27 797	29 076	30 413
Community and social services		7 084	13 211	14 564	8 257	9 489	9 489	8 867	9 275	9 701
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	5 887	5 887	5 887	6 247	6 534	6 835
Housing		—	—	—	—	—	—	—	—	—
Health	11 336	11 586	12 989	14 734	12 059	12 059	12 059	12 683	13 267	13 877
Economic and environmental services		19 889	24 502	22 711	28 742	27 186	27 186	24 621	24 707	25 844
Planning and development		19 889	24 502	22 711	28 742	27 186	27 186	24 621	24 707	25 844
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		536 133	566 315	601 261	394 049	409 695	409 695	447 137	462 238	483 501
Energy sources		—	—	—	—	—	—	—	—	—
Water management		532 418	558 489	602 876	386 071	401 717	401 717	436 921	451 552	472 323
Waste water management		3 716	7 826	(1 616)	7 978	7 978	7 978	10 216	10 686	11 177
Waste management		—	—	—	—	—	—	—	—	—
Other	4	8 517	7 882	9 624	13 944	11 155	11 155	10 655	11 145	11 658
Total Expenditure - Functional	3	806 034	878 966	990 582	722 102	825 246	825 246	767 861	796 599	833 382
Surplus/(Deficit) for the year		303 125	351 089	350 705	801 272	764 357	764 357	584 314	669 264	948 971

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

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 and the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table 4.

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote	1									
Vote 01 - Council		–	–	8	–	–	–	–	–	–
Vote 02 - Corporate Services		605	448	61 142	2 350	101 927	101 927	457	478	500
Vote 03 - Finance		596 641	530 539	604 660	637 481	641 438	641 438	680 030	719 063	759 451
Vote 04 - Community Development		6 931	10 481	3 953	2 482	2 750	2 750	3 215	3 275	3 426
Vote 05 - Planning & Wsa		452 177	603 289	617 377	812 204	773 286	773 286	581 490	652 062	923 807
Vote 06 - Technical Services		–	9 612	–	–	–	–	–	–	–
Vote 07 - Water Purification		–	–	–	–	–	–	–	–	–
Vote 08 - Water Distribution		41 280	63 082	39 245	52 422	54 300	54 300	68 929	72 100	75 417
Vote 09 - Waste Water		11 525	12 605	14 903	16 436	15 902	15 902	18 053	18 883	19 752
Vote 10 - .		–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	1 109 159	1 230 055	1 341 287	1 523 375	1 589 603	1 589 603	1 352 174	1 465 862	1 782 353
Expenditure by Vote to be appropriated	1									
Vote 01 - Council		48 383	61 104	63 257	53 791	55 486	55 486	48 211	50 428	52 748
Vote 02 - Corporate Services		99 575	124 394	188 332	149 411	237 109	237 109	146 106	152 827	159 857
Vote 03 - Finance		74 015	70 809	71 138	61 343	60 388	60 388	66 844	69 849	73 202
Vote 04 - Community Development		38 011	43 410	55 021	50 380	49 856	49 856	49 067	51 324	53 685
Vote 05 - Planning & Wsa		66 164	62 982	61 591	21 391	23 703	23 703	22 846	22 851	23 902
Vote 06 - Technical Services		7 640	29 532	9 306	10 202	5 733	5 733	5 791	6 057	6 336
Vote 07 - Water Purification		55 905	48 620	52 109	43 820	43 820	43 820	47 485	49 670	51 954
Vote 08 - Water Distribution		412 626	430 289	491 444	323 787	341 173	341 173	371 294	382 906	400 520
Vote 09 - Waste Water		3 716	7 826	(1 616)	7 978	7 978	7 978	10 216	10 686	11 177
Vote 10 - .		–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	806 034	878 966	990 582	722 102	825 246	825 246	767 861	796 599	833 382
Surplus/(Deficit) for the year	2	303 125	351 089	350 705	801 272	764 357	764 357	584 314	669 264	948 971

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

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

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	41 251	38 486	39 170	51 532	53 518	53 518	42 054	68 294	71 436	74 722
Service charges - Waste Water Management	2	11 514	12 513	14 831	16 406	15 597	15 597	10 802	17 732	18 548	19 401
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		394	516	1 426	1 001	755	755	700	578	605	633
Agency services											
Interest											
Interest earned from Receivables		29	288	75	521	784	784	572	637	667	697
Interest earned from Current and Non Current Assets		3 226	3 705	7 433	3 000	7 500	7 500	6 161	7 500	7 845	8 206
Dividends											
Rent on Land											
Rental from Fixed Assets		179	195	181	500	458	458	303	504	527	551
Licence and permits		10	-	88	60	103	103	70	176	184	193
Operational Revenue		268	569	563	369	442	442	331	565	591	618
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 543	209	910	1 000	853	853	314	1 467	1 534	1 605
Licences or permits											
Transfer and subsidies - Operational		577 833	537 979	658 830	643 859	743 190	743 190	581 000	678 525	711 934	751 994
Interest											
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		348	40	2 894	-	-	-	-	-	-	-
Other Gains		19 827	-	4 385	-	-	-	0	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		662 422	594 501	730 785	718 248	823 201	823 201	642 308	775 979	813 871	858 620
Expenditure											
Employee related costs	2	241 953	263 669	286 176	290 728	293 616	293 616	224 972	310 172	318 972	333 645
Remuneration of councillors		8 489	8 616	9 276	9 486	9 784	9 784	7 379	9 465	9 901	10 356
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	3 332	6 127	51 977	42 130	44 093	44 093	18 879	40 317	42 727	44 115
Debt impairment	3	9 054	19 677	6 428	10 000	10 000	10 000	-	6 000	6 276	6 565
Depreciation and amortisation		84 156	101 119	100 249	90 000	90 000	90 000	74 651	91 315	95 515	99 909
Interest		-	399	553	1 000	1 000	1 000	454	7 013	7 336	7 673
Contracted services		294 507	318 040	364 771	128 719	236 038	236 038	227 946	155 868	162 036	169 630
Transfers and subsidies		12 891	11 295	4 683	6 000	3 590	3 590	2 698	3 600	3 766	3 939
Irrecoverable debts written off		4 635	323	2 192	-	-	-	28	-	-	-
Operational costs		113 097	131 178	163 288	144 039	136 720	136 720	141 330	144 108	150 622	157 551
Losses on disposal of Assets		99	95	679	-	-	-	489	-	-	-
Other Losses		2 318	2 532	309	-	-	-	-	-	-	-
Total Expenditure		774 531	863 071	990 581	722 102	824 841	824 841	698 825	767 858	797 151	833 382
Surplus/(Deficit)		(112 109)	(268 570)	(259 796)	(3 855)	(1 640)	(1 640)	(56 517)	8 122	16 721	25 238
Transfers and subsidies - capital (monetary allocations)	6	446 737	611 248	610 502	805 127	766 402	766 402	606 617	576 195	651 991	923 733
Transfers and subsidies - capital (in-kind)	6	-	24 307	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971
Income Tax											
Surplus/(Deficit) after income tax		334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year	1	334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Table A4 indicates the budgeted revenue and expenditure by source, and the calculated surplus which will be used to fund Capital Expenditure on table B5.

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Corporate Services		-	-	-	-	843	843	-	-	-	-
Vote 03 - Finance		1 402	281	-	250	250	250	-	435	455	476
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	1 402	281	-	250	1 093	1 093	-	435	455	476
Single-year expenditure to be appropriated	2										
Vote 01 - Council		-	6 594	173	-	180	180	167	-	-	-
Vote 02 - Corporate Services		3 216	3 746	833	2 250	2 320	2 320	1 228	3 478	3 638	3 806
Vote 03 - Finance		-	2 637	2 064	400	400	400	-	435	455	476
Vote 04 - Community Development		3 869	7 451	2 878	457	457	457	-	457	402	421
Vote 05 - Planning & Wsa		333 171	464 144	491 521	700 110	666 436	666 436	530 770	501 039	566 949	803 246
Vote 06 - Technical Services		-	-	-	-	40	40	-	-	-	-
Vote 07 - Water Purification		-	-	474	-	-	-	-	-	-	-
Vote 08 - Water Distribution		-	-	-	86 957	86 957	86 957	-	-	-	-
Vote 09 - Waste Water		-	-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-	-
Vote 14 - *		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		340 256	484 572	497 942	790 174	756 790	756 790	532 166	505 410	571 444	807 948
Total Capital Expenditure - Vote		341 658	484 853	497 942	790 424	757 884	757 884	532 166	505 844	571 899	808 424
Capital Expenditure - Functional											
Governance and administration		4 482	13 258	3 061	2 900	3 150	3 150	1 396	4 348	4 548	4 757
Executive and council		-	6 594	173	-	180	180	167	-	-	-
Finance and administration		4 482	6 664	2 888	2 900	2 970	2 970	1 228	4 348	4 548	4 757
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		547	485	1 152	457	457	457	-	457	402	421
Community and social services		547	485	1 152	457	457	457	-	457	402	421
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		3 322	6 965	1 726	2 208	2 208	2 208	968	2 307	2 410	2 521
Planning and development		3 322	6 965	1 726	2 208	2 208	2 208	968	2 307	2 410	2 521
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		333 171	464 144	491 995	784 859	751 225	751 225	529 802	498 732	564 538	800 725
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		333 171	464 144	491 995	784 859	751 225	751 225	529 802	498 732	564 538	800 725
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		135	-	9	-	843	843	-	-	-	-
Total Capital Expenditure - Functional	3	341 658	484 853	497 942	790 424	757 884	757 884	532 166	505 844	571 899	808 424
Funded by:											
National Government		333 171	464 144	490 152	700 110	665 179	665 179	530 770	501 039	566 949	803 246
Provincial Government		3 869	7 451	2 797	457	2 558	2 558	-	457	402	421
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-	-
Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	337 040	471 595	492 948	700 568	667 737	667 737	530 770	501 497	567 351	803 667
Borrowing	6	-	-	191	86 957	86 957	86 957	-	-	-	-
Internally generated funds		4 617	13 258	4 803	2 900	3 190	3 190	1 396	4 348	4 548	4 757
Total Capital Funding	7	341 658	484 853	497 942	790 424	757 884	757 884	532 166	505 844	571 899	808 424

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

Table A5 indicates budgeted capital Expenditure by Municipal Vote and standard classification, the budgeted amount is funded from grants and own funds, the funding is taken from table A4.

Kwazulu-Natal: Zululand (DC26) - Table A6 Budgeted Financial Position (All) for 1st Quarter ended 30 September 2023

Description	Ref	2020/21	2021/22	2022/23	Current year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands	1										
ASSETS											
Current assets											
Cash and cash equivalents		20 058	20 468	27 427	345 288	192 785	192 785	179 150	306 184	433 589	606 997
Trade and other receivables from exchange transactions	1	39 109	33 482	29 625	59 575	46 729	46 729	53 785	79 700	114 214	150 296
Receivables from non-exchange transactions	1	3 447	3 385	7 109	-	7 109	7 109	6 978	-	-	-
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	4 140	2 556	2 824	2 556	2 824	2 824	4 325	1 591	1 033	1 033
VAT		24 735	50 650	80 813	50 650	80 813	80 813	40 216	80 813	80 810	80 810
Other current assets		21 060	26 941	25 486	22 422	25 688	25 688	25 305	23 942	23 942	23 942
Total current assets		112 550	137 483	173 285	480 492	355 949	355 949	309 759	492 230	653 589	863 078
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	4 189 066	4 593 488	4 991 970	6 247 523	5 659 814	5 659 814	5 079 162	5 316 520	5 287 079	5 423 718
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	7 807	7 817	-	7 817	7 817	7 817	7 817	13 198	7 817
Intangible assets		32	15	52	1	52	52	48	32	11	(10)
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		4 189 098	4 601 310	4 999 838	6 247 525	5 667 682	5 667 682	5 087 026	5 324 368	5 300 289	5 431 524
TOTAL ASSETS		4 301 647	4 738 792	5 173 124	6 728 017	6 023 631	6 023 631	5 396 785	5 816 598	5 953 877	6 294 602
LIABILITIES											
Current liabilities											
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	902	1 484	-	1 484	1 484	1 484	1 000	-	-
Consumer deposits		3 633	3 621	3 620	3 633	3 620	3 620	3 628	3 538	3 690	3 690
Trade and other payables from exchange transactions	4	232 039	341 425	487 727	338 908	485 727	485 727	218 467	433 928	412 276	411 110
Trade and other payables from non-exchange transactions	5	2 290	2 411	1 560	-	-	-	224 767	3 450	3 609	3 775
Provision		2 774	2 378	2 154	2 378	2 154	2 154	2 154	1 154	1 154	1 154
VAT		20 371	5 099	3 921	8 073	6 050	6 050	8 266	10 311	14 770	19 432
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		261 107	355 836	500 466	352 992	499 035	499 035	458 766	453 381	435 499	439 161
Non current liabilities											
Financial liabilities	6	-	1 092	1 202	90 000	91 202	91 202	1 202	73 589	56 174	39 260
Provision	7	10 753	13 552	13 061	11 579	11 088	11 088	13 061	9 115	9 115	9 115
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		22 289	27 468	30 426	26 761	30 021	30 021	30 426	29 616	29 616	29 616
Total non current liabilities		33 042	42 112	44 689	128 340	132 311	132 311	44 689	112 320	94 905	77 991
TOTAL LIABILITIES		294 149	397 948	545 155	481 332	631 346	631 346	503 454	565 701	530 403	517 153
NET ASSETS	10	4 007 499	4 340 844	4 627 968	6 246 684	5 392 285	5 392 285	4 893 331	5 250 897	5 423 474	5 777 449
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	3 733 949	4 340 844	4 707 986	5 445 412	4 627 968	4 627 968	4 894 507	4 666 583	4 754 211	4 828 478
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	3 733 949	4 340 844	4 707 986	5 445 412	4 627 968	4 627 968	4 894 507	4 666 583	4 754 211	4 828 478

MBRR Table A6 - Budgeted Financial Position

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

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

Table SA3 is providing a detailed analysis of the major components of several items, including:
Call investments deposits.
Cash & Overdraft

Consumer debtors.
 Property, plant, and equipment.
 Trade and other payables.
 Provisions
 Debt impairment

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

CURRENT ASSETS

Cash and cash equivalents

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 **R306.1 million.**

Trade and other receivables from exchange transactions

Trade and other receivables from exchange transactions include debtors from water, sanitation services, other service charges and rental properties.

Water	R 51 753 172
Sanitation	R 26 066 425
Other receivables from exchange	R 1 880 634
Debtors Balance	R 79 700 231

Water and Sanitation services are calculated as follows:

	Water	Sanitation
Opening balance	R 25 206 850.00	R 19 634 702.00
Current year billing	R 78 538 384.00	R 20 391 803.00
Collection	(R 47 123 031)	(R 12 235 082.00)
Impairment	(R 5 175 000}	(R 1 725 000.00)
Interest Charges	R 305 973.00	R0.00
Debtors Balance	R 51 753 176	R 24 757 064

Consumer debtors include debtors from water and sanitation services, the expected balance at the end of the financial year is **R76.5 million.**

Receivables from non-exchange transactions

The municipality does not have debtors classified as receivables from non-exchange transactions.

Current portion of non-current receivables

The Municipality does have current portion of non-current receivables since there are no long term arrangements.

Inventory

The inventory is assumed to be **R2.8 million** by the end of the financial year. Inventories consist of water stock, material and supplies and consumable stores.

Opening balance	R2.8 million
Bulk water purchases	R25 million
Bulk water Billed	(R25 million)
Materials and supplies Acquisition	R14.3 million.
Materials and supplies Issues	(R14.3 million)
Consumable Acquisition	R 1.020 million
Consumable Issue	(R1.020 million)
Closing balance	R2.8 million

VAT

VAT Receivable is the net amount of input VAT raised less output VAT received. VAT Receivable amount to **R80.8 million**

Other current assets

Deposit made	R18.1 million.
Third Party Refunds	R5.7 million
Closing Balance	R23.9 million

This is the amount for security deposits on all accounts the municipality has with mainly Eskom and a small portion to legal firms. As the Municipalities infrastructure program continues, new connections are expected to be made and municipality pays security deposits to Eskom.

NON-CURRENT ASSETS

Long term receivables

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

Property plant and equipment

Property plant and equipment includes capital acquisition from table A5, and the carrying amount of all assets owned by the municipality, Capital acquisition as per table A5 is **R 505.8 million**, which are additions to property plant and equipment.

Total PPE is expected to be **R5.3 billion**.

Heritage Asset

The Heritage Asset amounts to **R7.8 Million**, the municipality is not expecting to Acquire any heritage asset.

Intangible

The Municipality does not own most software licenses, the municipality is planning to acquire new software in 2024-2025 financial year.

CURRENT LIABILITIES

Consumer deposits

Consumer deposits are deposit amounts of customers that have accounts with the municipality, the expected balance at the end of the financial year is **R3.5 million**

Consumer deposits are Classified as follows:

Consumer deposits Water	R3.5 million
Total Consumer debtors	R3.5 million

Trade and other payables from exchange transactions

Trade and other payables are amounts owed by the municipality. Trade and other payables are based on the 22/23 audited Annual financial statements (AFS), Trade and other payables amount to **R433.9 million**. This large volume of creditors has a significant impact on the funding position of the Municipality.

Below is the breakdown of trade and other payables.

Calculation of Trade and other payables are calculated as follows

Creditors Control	R321.3 million
Retention	R56.4 million
Leave Accrual	R20.7 million
DWS	R29.8 million
Unallocated deposits	R517 thousand
Advance payments	R576 thousand
Bonus Accrual	R4.7 million
Closing balance as at 30 June 2025	R433.9 million

The municipality acknowledges that there's a high volume of creditors, and to this this end the Municipality will take the following steps.

- All conditional grants to be ring fenced so that funds are available when needed and not used to fund any project.
- An assessment to be conducted to reveal the causes of increasing creditors, formulate action plan and implement it.
- Municipality to ring fence VAT refunds to eradicate creditors
- Municipality is planning to have fewer year-end payments by paying and complying with 30 days rule.

Current Provisions

Current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. Current Provisions amount to **R1.1 million**. This is the long service award benefit provision.

Finance lease

The current portion of finance lease is **R1 million**.

Other current liabilities

This includes postretirement benefit medical aid of **R405 thousand**

NON CURRENT LIABILITIES

Borrowing

The municipality has acquired loan and the loan repayment is **R16 million** annually for the period of 10 years.

Non - Current Provisions

Non - Current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. The provisions are for Long service awards and post-retirement medical aid benefit. Non - Current Provisions amount to **R38.7 million**.

Non-current Provisions amounts to R 38.7 million, this provision is for employee benefit provision (medical aid) and Employee benefit (long service awards.)

Post Retirement benefit (Medical aid)	R29.6 million
Long Service award	R9.1 million
Total Non-current Provisions	R38.7million

Accumulated surplus is the net worth of the Municipality, sitting at **R5.2 billion**

DC26 Zululand - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges		37 531	46 532	26 949	51 642	52 998	52 998	19 139	60 766	63 561	66 485
Other revenue		1 052 470	1 066 617	1 393 314	162 144	170 175	170 175	1 433 001	121 204	131 770	169 316
Transfers and Subsidies - Operational	1	576 036	536 553	661 838	643 859	743 076	743 076	584 203	678 525	711 934	751 994
Transfers and Subsidies - Capital	1	446 416	636 186	610 306	805 127	764 956	764 956	720 444	576 195	651 991	923 733
Interest		1 610	3 661	6 722	3 000	7 500	7 500	5 161	7 961	8 327	8 711
Dividends									-	-	-
Payments											
Suppliers and employees		(1 386 866)	(1 827 370)	(868 156)	(672 640)	(784 967)	(784 967)	(1 048 710)	(769 117)	(766 079)	(802 231)
Interest									-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		727 198	462 180	1 830 973	993 132	953 739	953 739	1 713 238	675 535	801 505	1 118 008
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		(341 658)	(484 853)	(496 168)	(789 967)	(757 386)	(757 386)	(434 203)	(505 844)	(571 899)	(808 424)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(341 658)	(484 853)	(496 168)	(789 967)	(757 386)	(757 386)	(434 203)	(505 844)	(571 899)	(808 424)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		-	-	-	100 000	100 000	100 000	100 000	-	-	-
Increase (decrease) in consumer deposits		-	-	(1)	-	-	-	9	(82)	-	-
Payments											
Repayment of borrowing		-	-	(1 090)	(10 000)	(10 000)	(10 000)	(173)	(18 096)	(18 416)	(16 913)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	(1 091)	90 000	90 000	90 000	99 836	(18 179)	(18 416)	(16 913)
NET INCREASE/ (DECREASE) IN CASH HELD		385 540	(22 673)	1 333 714	293 165	286 353	286 353	1 378 871	151 512	211 191	292 671
Cash/cash equivalents at the year begin:	2	12 290	20 058	20 468	173 117	27 427	27 427	-	191 963	343 475	554 666
Cash/cash equivalents at the year end:	2	397 830	(2 615)	1 354 182	466 282	313 779	313 779	1 378 871	343 475	554 666	847 337

MBRR Table A7 - Budgeted Cash Flow Statement

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

Cashflow from Operating Activities

Receipts

Service charges

The assumed collection rate is based on the current collection level and is expected to be **60%** of billed revenue, also considering that there are debtors paying for prior years.

The Municipality expects to collect **R60.7** million.

The 60% collection rate is budget based on the following:

- The municipality has taken a decision to stop giving free basic water to every household but only to indigents. This will mean no payment no water.
- 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 **R121.2 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	R670.1 million
Finance Management Grant	R1.2 million
Expanded public works program	R5.2 million
Indonsa grant	R1.9 million
Total Operational grants	R 678.5 million

Transfers and subsidies – Capital

Capital grants are expected to be received as gazetted

Municipal Infrastructure Grant	R 259.5 million
Regional Bulk Infrastructure Grant	R 214 million
Water services Infrastructure grant	R 100 million
Rural Road asset Management grant	R 2.7 million
Total Capital grants	R576.1 million

Interest

This interest includes both interest on investments made and interest on bank balance. The Municipality expects to receive **R7.9 millions** of interests from outstanding debtors, Investments and current account.

Payments to Suppliers and employees

Municipality is expecting to spend 100% of what is budgeted for in 2024-2025 **R 769.1 million** VAT inclusive, this amount excludes non-cash Items such as depreciation and debt impairment.

Cashflow from Investing activities

Payments Capital Assets

The capital budget is expected to be 100% spent by the end of the financial year – **R505,8 million** Vat exclusive Plus **R457 Thousand**. Because of limitations to the financial system VAT input on capital assets payments does not populate, the VAT amount becomes a reconciling item on table A8.

Cashflow from Investing activities

The current year payments is expected to be **R18 million**, this include repayment of loan and lease payments.

Cash and cash equivalents at the end

Cash and cash equivalents are expected to be **R343.4 million** and this is what is available to apply on working capital on table A8.

Cash and cash equivalents as per table A7 amount to **R306.1 million**, this amount has not subtracted VAT input on payments to capital assets as explained above on "Payments Capital Assets"

Cash backed reserves/accumulated surplus reconciliation.

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	397 830	(2 615)	1 354 182	466 282	313 779	313 779	1 378 871	343 475	554 666	847 337
Other current investments > 90 days		(377 772)	23 083	(1 326 756)	(120 994)	(120 994)	(120 994)	(1 326 758)	(37 292)	(121 077)	(240 340)
Non current investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		20 058	20 468	27 427	345 288	192 785	192 785	52 114	306 184	433 589	606 997
Application of cash and investments											
Unspent conditional transfers		2 290	2 411	1 560	–	–	–	118 589	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	107 124	(45 551)	(39 910)	(42 577)	(74 764)	(74 764)	(23 779)	(70 502)	(66 041)	(61 378)
Other working capital requirements	3	(222 788)	(344 621)	(165 417)	174 594	332 203	332 203	(1 397 772)	270 629	172 125	46 395
Other provisions		2 774	2 378	2 154	2 378	2 154	2 154	2 154	1 154	1 154	1 154
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		(110 600)	(385 383)	(201 613)	134 395	259 594	259 594	(1 300 808)	201 281	107 238	(13 829)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		130 658	405 851	229 039	210 892	(66 809)	(66 809)	1 352 921	104 903	326 351	620 827
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		130 658	405 851	229 039	210 892	(66 809)	(66 809)	1 352 921	104 903	326 351	620 827

MBRR Table A8 - 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

Cash and Investments available

Cash Table A6 **R 306.1 million**
Cash and cash equivalents at the end Table A7 **R 343.4 million**
Difference **R 37.3 million**

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 is not expecting to default in any obligation.

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.

Other working capital requirements

Net working capital of **R270.6 million** has been heavily distorted by collection rate on 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 should not be taken into consideration when calculating collection rate.

Analysis of components of working capital.

Trade and other receivables from exchange transactions	R79.7 million
Receivables from non-exchange transactions	R-
Total Debtors	R79.7 million

An estimated collection rate of **60%** is applied, Table A8 indicate a collection rate of **204.9%** which is inaccurate, as explained above. Estimated collection **R60.7 million** based on **60%** collection rate.

Trade and other payables from exchange transactions	R433.9 million
---	-----------------------

Trade and other payables from exchange transactions include amounts that will not be payable within the budget year, to be allocated and/or are funded from grants, listed below:

Creditors Control (payable)	R321.3 million
Retention (grant funded)	R56.4 million
Leave Accrual (accrued not payable)	R20.7 million
DWS (Arrangement in place)	R29.8 million
Unallocated deposits (to be allocated)	R517 thousand
Advance payments (to be allocated)	R576 thousand
Bonus Accrual (accrued not payable)	R4.7 million

Creditors amounting to R321.3 million is the amount that should be applied to working capital.

Recalculation of working capital requirements

Estimated Debtors collection	R60.7 million
Creditors to be paid	(R321.3 million)
Net working capital	(R260.6 million)

Other provisions

Movements in provisions have been taken into consideration on table A7 under payments to suppliers and employees.

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.

Surplus(shortfall)

The surplus on Table A8 is **R104.9 million**, this amount is overstated because of the reasons provided on Other working capital requirements first paragraph.

Reconciled cash available	R306.1 million
Less net working capital	(R260.6 million)
Surplus/shortfall	R45.5 million

The budget appears to be **funded**.

DC26 Zululand - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	341 658	484 853	497 751	790 424	757 884	757 884	505 844	571 899	808 424
Roads Infrastructure		-	-	-	2 208	2 208	2 208	2 307	2 410	2 521
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		333 171	464 144	491 521	693 120	664 229	664 229	498 732	564 538	800 725
Sanitation Infrastructure		-	-	-	4 783	696	696	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		333 171	464 144	491 521	700 110	667 132	667 132	501 039	566 949	803 246
Community Facilities		3 322	6 965	1 726	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		3 322	6 965	1 726	-	-	-	-	-	-
Heritage Assets		-	6 594	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	51	-	-	-	-	-	-
Intangible Assets		-	-	51	-	-	-	-	-	-
Computer Equipment		1 402	6 572	2 158	2 350	2 385	2 385	3 913	4 093	4 281
Furniture and Office Equipment		257	92	1 085	550	718	718	435	455	476
Machinery and Equipment		662	485	1 210	87 414	87 414	87 414	457	402	421
Transport Assets		2 844	-	-	-	235	235	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Capital Expenditure	4	418 865	341 658	484 853	332 162	534 266	534 266	790 424	481 299	532 210
Roads Infrastructure		-	-	-	6 112	6 087	6 087	2 208	2 307	2 410
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		409 264	333 171	464 144	321 545	495 072	495 072	693 120	471 898	520 531
Sanitation Infrastructure		-	-	-	-	25 513	25 513	4 783	6 637	8 810
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		409 264	333 171	464 144	327 657	526 672	526 672	700 110	480 842	531 752
Community Facilities		-	3 322	6 965	-	1 773	1 773	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	3 322	6 965	-	1 773	1 773	-	-	-
Heritage Assets		-	-	6 594	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	391	191	191	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	391	191	191	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		13	-	-	-	30	30	-	-	-
Intangible Assets		13	-	-	-	30	30	-	-	-
Computer Equipment		458	1 402	6 572	2 609	2 609	2 609	2 350	-	-
Furniture and Office Equipment		82	257	92	1 043	1 483	1 483	550	-	-
Machinery and Equipment		688	662	485	461	1 508	1 508	87 414	457	457
Transport Assets		8 360	2 844	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		418 865	341 658	484 853	332 162	534 266	534 266	790 424	481 299	532 210

Total Capital Expenditure	4	341 658	484 853	497 942	790 424	757 884	757 884	505 844	571 899	808 424
Roads Infrastructure		-	-	-	2 208	2 208	2 208	2 307	2 410	2 521
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		333 171	464 144	491 521	693 120	664 229	664 229	498 732	564 538	800 725
Sanitation Infrastructure		-	-	-	4 783	696	696	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		333 171	464 144	491 521	700 110	667 132	667 132	501 039	566 949	803 246
Community Facilities		3 322	6 965	1 726	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		3 322	6 965	1 726	-	-	-	-	-	-
Heritage Assets		-	6 594	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	51	-	-	-	-	-	-
Intangible Assets		-	-	51	-	-	-	-	-	-
Computer Equipment		1 402	6 572	2 158	2 350	2 385	2 385	3 913	4 093	4 281
Furniture and Office Equipment		257	92	1 085	550	718	718	435	455	476
Machinery and Equipment		662	485	1 401	87 414	87 414	87 414	457	402	421
Transport Assets		2 844	-	-	-	235	235	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		341 658	484 853	497 942	790 424	757 884	757 884	505 844	571 899	808 424
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 969 993	3 508 313	3 684 486	5 154 528	4 352 369	4 352 369	4 009 015	3 984 936	4 116 171
Roads Infrastructure		15 394	14 689	14 102	17 749	15 592	15 592	14 974	14 327	13 652
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		950	914	886	845	850	850	813	775	735
Water Supply Infrastructure		2 852 185	3 386 322	3 543 223	4 963 998	4 129 560	4 129 560	3 885 143	3 868 403	4 018 246
Sanitation Infrastructure		44 376	42 003	39 307	42 571	37 772	37 772	34 848	32 514	30 072
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		2 912 905	3 443 928	3 597 518	5 025 163	4 183 773	4 183 773	3 935 778	3 916 019	4 062 706
Community Assets		35 061	4 911	31 877	5 715	31 026	31 026	31 026	30 986	30 945
Heritage Assets		-	7 807	7 817	-	7 817	7 817	7 817	13 198	7 817
Investment properties		-	-	-	-	-	-	-	-	-
Other Assets		(1 243)	25 667	24 384	23 088	23 018	23 018	21 653	20 224	18 730
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		32	15	52	1	52	52	32	11	(10)
Computer Equipment		1 987	7 336	6 545	5 115	7 938	7 938	7 622	5 913	4 125
Furniture and Office Equipment		(1 178)	(1 204)	(697)	(1 703)	(534)	(534)	(1 393)	(1 974)	(2 583)
Machinery and Equipment		4 942	5 420	6 152	92 140	93 199	93 199	5 874	5 435	5 051
Transport Assets		17 487	14 434	10 838	5 007	6 082	6 082	606	(4 876)	(10 611)
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 969 993	3 508 313	3 684 486	5 154 528	4 352 369	4 352 369	4 009 015	3 984 936	4 116 171
EXPENDITURE OTHER ITEMS	7	163 926	238 954	238 246	164 900	165 182	165 182	186 311	194 881	203 846
Depreciation	3	84 156	101 119	100 249	90 000	90 000	90 000	91 315	95 515	99 909
Repairs and Maintenance by Asset Class		79 770	137 835	137 997	74 900	75 182	75 182	94 996	99 366	103 937
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		70 951	125 736	131 760	70 000	69 500	69 500	89 227	93 331	97 625
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		70 951	125 736	131 760	70 000	69 500	69 500	89 227	93 331	97 625
Community Facilities		-	-	-	-	1 030	1 030	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	1 030	1 030	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		3 259	2 006	1 420	3 200	1 291	1 291	2 500	2 615	2 735
Housing		-	-	-	-	-	-	-	-	-
Other Assets		3 259	2 006	1 420	3 200	1 291	1 291	2 500	2 615	2 735
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		94	22	20	-	-	-	-	-	-
Furniture and Office Equipment		-	-	40	200	166	166	200	209	219
Machinery and Equipment		505	-	29	-	50	50	100	105	109
Transport Assets		4 960	10 071	4 728	1 500	3 145	3 145	2 969	3 106	3 249
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		163 926	238 954	238 246	164 900	165 182	165 182	186 311	194 881	203 846

MBRR Table A9 - Asset Management

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, WISG and borrowing, most portions is spent on water provision. The municipal budget for repairs and maintenance is not 8% of PPE, funding is very limited; at the moment there is nothing the municipality can do to fund the budget.

DC26 Zululand - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)	2	10 324	10 324	–	9 756	9 756	9 756	9 200	10 120	–
Using public tap (at least min.service level)		–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	6 921	6 921	–	8 012	8 012	8 012	8 200	9 020	–
<i>Minimum Service Level and Above sub-total</i>		17 245	17 245	–	17 768	17 768	17 768	17 400	19 140	–
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	17 245	17 245	–	17 768	17 768	17 768	17 400	19 140	–
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)		6 921	6 921	–	6 320	6 320	6 320	6 190	6 809	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		6 921	6 921	–	6 320	6 320	6 320	6 190	6 809	–
Total number of households	5	6 921	6 921	–	6 320	6 320	6 320	6 190	6 809	–
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)		12 800	12 800	–	12 800	12 800	12 800	12 800	14 080	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
<i>Informal Settlements</i>		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		2 313	4 901	4 710	5 450	5 450	5 450	5 000	5 230	5 471
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	2 313	4 901	4 710	5 450	5 450	5 450	5 000	5 230	5 471
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		–	–	–	–	–	–	–	–	–

A10 Basic service delivery measurement

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 2024/2025. The Zululand district municipality is operating in the area that is dominated by rural areas, most households seem to be indigent as we are in the process of updating the register, the households that are getting billed are people from small urban areas, so the number of households with access to water will increase but not correlating with the increase in service charges. The municipality's target that was outlined in the tabled budget.

PART 2 – SUPPORTING DOCUMENTS

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.

S24 of the MFMA also states that the Mayor must table to council the budget 30 day before the beginning of the year.

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 2024/2025 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 is through website, newspaper and public engagements, the public engagements will in the form of roadshows, the road shows will be 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management											
Credit Rating		0			0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.2%	1.5%	1.3%	1.3%	0.1%	3.3%	3.2%	3.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.1%	0.2%	1.5%	1.3%	1.3%	0.1%	3.2%	3.2%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure exd. transfers and grants and contributions	0.0%	0.0%	0.0%	3448.3%	3134.8%	3134.8%	7165.8%	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	0.0	0.4	0.3	1.4	0.7	0.7	0.5	1.1	1.5	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.0	0.4	0.3	1.4	0.7	0.7	0.5	1.1	1.5	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.2	0.1	1.1	0.5	0.5	0.2	0.9	1.3	1.7
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	70.6%	90.3%	48.6%	74.9%	75.9%	75.9%	35.7%	70.2%	70.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		70.6%	90.3%	48.6%	74.9%	75.9%	75.9%	35.7%	70.2%	70.2%	70.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	-12.1%	9.1%	11.5%	7.4%	11.0%	11.0%	11.6%	10.8%	10.2%	9.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	13.3%	0.0%	0.0%	19.5%	19.5%	19.5%	0.0%	18.4%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	100.0%	0.0%	0.0%
Creditors to Cash and Investments		58.3%	-13058.1%	36.0%	72.7%	154.8%	154.8%	16.4%	127.3%	75.0%	49.0%
Other Indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase Water treatment works Natural sources										
	Total Volume Losses (kℓ)	12 536	–	–	10 154	10 154	10 154	–	9 139	–	–
	Total Cost of Losses (Rand '000)	299838	0	0	212529	212529	212529	0	191276	0	0
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	36.5%	44.4%	39.2%	40.5%	35.7%	35.7%	35.0%	40.0%	39.2%	38.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	37.8%	45.8%	40.4%	41.8%	36.9%	36.9%	49.8%	41.2%	40.4%	40.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	12.0%	23.2%	18.9%	10.4%	9.1%	9.1%	14.8%	12.2%	12.2%	12.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.7%	17.1%	13.8%	12.7%	11.1%	11.1%	11.7%	12.7%	12.6%	12.5%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	180.8	76.1	56.0	41.0	47.0	154.3	24.6	29.0	31.8	33.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	-150.4%	105.5%	151.2%	77.6%	129.9%	129.9%	139.4%	96.6%	91.7%	87.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.4	(0.0)	21.6	11.1	6.1	6.1	31.5	7.6	11.8	17.2

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
- xiv. Cost containment policy
- xv. Information and Communication Technology (ICT) User Policy
- xvi. Risk Management Policy
- xvii. Fraud Prevention Policy
- xviii. ICT DR plan
- xix. ICT governance charter
- xx. ICT operations policy
- xxi. ICT ROI policy
- xxii. ICT strategy
- xxiii. ICT user management policy
- xxiv. ICT user management policy
- xxv. ZDM ICT security 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 month 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.

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 it 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 sources 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 provide 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 state 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.

POLICY ON FRAUD PREVENTION

This policy is established to facilitate the development of controls which will assist in the prevention and detection of fraud and corruption, as well as provide guidelines as to how to respond should instances of fraud and corruption be identified.

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

KEY BUDGET ASSUMPTIONS

- a) Organogram is confirmed.
- b) To make impact on current assessment of unfunded budget
- c) To identify revenue increase possibilities
- d) To priorities compliance issues and SLA that are existing
- e) To consider budget Circular
- f) To collect 40 % of current billing and 20 % of prior period
- g) To ringfence VAT refund for liabilities
- h) Management to commit on budget stringent measures (KPI)
- i) CPI is 4,9% on salaries.
- j) Tariff Increase proposed is 10%

Expenditure

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 2024/25 financial year, a 5.9% which is (CPI)4.9% + 1 increase is budgeted for qualifying employees. For Councillors allowances upper limits were considered for the 2024/25 financial year, and a 5.9% increase was budgeted.

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.

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.

Depreciation and amortisation

Budget for depreciation and asset impairment is based on 2023/24-year to date actual, the values of assets currently possessed by the municipality, and assets budgeted to be purchased within concerned budget period.

It is also assumed that the capital projects for 2024/2025 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 2024/2025 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.

Interest

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

Contracted services

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

Transfers and subsidies

It is assumed that transfers and subsidies will be paid

Operational costs

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

Income

Collection rate for municipal services

It is assumed that the Municipality will collect **60%** 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.

Sale of water and sanitation fees

There will be a **10%** 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.

Rental of facilities and equipment

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

Interest earned - external investments.

The projection was made considering the 2024/2025 financial budget includes interest from 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.

Interest earned - outstanding debtors

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

Fines, penalties, and forfeits

Fines are charged on illegal connections

Licences and permits

Licences and Permits will be charged

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 2024/2025 financial year.

Other revenue

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

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 several items, including:

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

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.

Call Investment Deposits

For 2024/25 financial year, it is assumed that there will be no investments, since the municipality is in a process to reduce payables.

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.

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.

Current portion of long-term receivables

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

Inventory

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

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

It is assumed that looking at our current funding there will be an addition to PPE in 2024/2025. However, the carrying value will be less since most of our assets are depreciating.

Intangible Asset

The municipality does not own most of its software licences.

Consumer deposit

It is assumed that consumer deposits will remain steady.

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 2024/2025.

current provisions

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

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 60% 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.

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

The funding of the budget is structured as following

OPERATING REVENUE	ADJUSTED BUDGET YEAR 2023/2024	BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026	BUDGET YEAR 2026/2027
Service charges - water revenue	53 518 068.09	68 294 245.00	71 435 783.00	74 721 829.00
Service charges - sanitation revenue	15 596 539.13	17 732 004.00	18 547 675.00	19 400 869.00
Rental of facilities and equipment	458 180.00	503 998.00	527 182.00	551 432.00
Interest earned - external investments	7 500 000.00	7 500 000.00	7 845 000.00	8 205 870.00
Interest earned - outstanding debtors	784 452.46	637 290.00	666 606.00	697 269.00
Fines, penalties and forfeits	853 450.06	1 466 870.62	1 534 346.67	1 604 926.62
Licences and permits	103 217.59	176 276.00	184 384.00	192 866.00
Transfers and subsidies	743 190 178.62	678 525 000.00	711 934 000.00	751 994 000.00
Other revenue	1 113 363.07	1 143 565.70	1 196 169.72	1 251 193.53

CAPITAL FINANCING				
CAPITAL EXPENDITURE 2023-2024	ADJUSTED BUDGET YEAR 2023/ 2024	BUDGET YEAR 2024/ 2025	BUDGET YEAR 2025/ 2026	BUDGET YEAR 2026/ 2027
MUNICIPAL INFRASTRUCTURE GRANT	253 512 000.00	259 542 000.00	272 856 000.00	297 634 000.00
REGIONAL BULK INFRASTRUCTURE GRANT	413 905 000.00	214 000 000.00	276 363 000.00	508 200 000.00
WATER SERVICES INFRASTRUCTURE GRANT	95 000 000.00	100 000 000.00	100 000 000.00	115 000 000.00
RURAL ROAD ASSET MANAGEMENT GRANT	2 539 000.00	2 653 000.00	2 772 000.00	2 899 000.00
KWAMAJOMELA ROLL OVER	-	-	-	
INDONSA GRANT	526 000.00	526 000.00	462 290.00	483 649.34
ACCELERATED WATER INTERVENTION PROGRAM	1 445 895.97	-	-	
CAPITAL EXPENDITURE - EXTERNAL LOAN FUNDING	100 000 000.00	-	-	
INTERNALLY FUNDED ASSETS	3 622 500.00	5 000 000.00	5 230 000.00	5 470 580.00
TOTAL CAPITAL EXPENDITURE	870 550 396	581 721 000	657 683 290	929 687 229

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

Planned savings and efficiencies.

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

Telephone costs

Overtime

Non-priority projects

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.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

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

Budgeted allocations and grants

Please refer to Supporting Table SA19: Expenditure on transfers and grant program.

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		724 094	765 037	825 595	627 267	631 829	631 829	677 834	702 431	734 883
Local Government Equitable Share		655 292	674 775	774 422	618 990	623 947	623 947	671 407	701 131	733 383
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		11 272	24 299	8 532	7 077	6 682	6 682	5 227	–	–
Local Government Financial Management Grant		1 290	1 200	1 200	1 200	1 200	1 200	1 200	1 300	1 500
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		51 660	41 379	33 001	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	1 022	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		2 072	1 433	2 199	–	–	–	–	–	–
Water Services Infrastructure Grant		2 507	20 929	6 240	–	–	–	–	–	–
Provincial Government:		1 615	1 866	2 689	3 385	2 475	2 475	1 385	1 449	1 515
Capacity Building and Other Grants		1 615	1 866	2 689	3 385	2 475	2 475	1 385	1 449	1 515
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		108	–	59 798	–	99 492	99 492	–	–	–
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
Kwazulu/Natal Provincial Planning and Development Commission		108	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		–	–	478	–	1 132	1 132	–	–	–
National Skills Fund		–	–	59 320	–	98 360	98 360	–	–	–
Total operating expenditure of Transfers and Grants:		725 816	766 903	888 081	630 652	733 797	733 797	679 219	703 879	736 398
Capital expenditure of Transfers and Grants										
National Government:		333 171	464 144	490 152	700 110	665 179	665 179	501 039	566 949	803 246
Municipal Infrastructure Grant		142 240	194 381	194 387	236 246	220 445	220 445	225 689	237 266	258 812
Regional Bulk Infrastructure Grant		99 680	194 437	218 770	374 700	359 917	359 917	186 087	240 316	441 913
Rural Road Asset Management Systems Grant		–	–	–	2 208	2 208	2 208	2 307	2 410	2 521
Water Services Infrastructure Grant		91 251	75 326	76 994	86 957	82 609	82 609	86 957	86 957	100 000
Provincial Government:		3 869	7 451	2 797	457	2 558	2 558	457	402	421
Capacity Building and Other Grants		–	–	–	–	843	843	–	–	–
Infrastructure Grant		3 869	7 451	2 797	457	1 715	1 715	457	402	421
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		337 040	471 595	492 948	700 568	667 737	667 737	501 497	567 351	803 667
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 062 856	1 238 498	1 381 030	1 331 220	1 401 534	1 401 534	1 180 716	1 271 230	1 540 065

2.8 ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

Please refer to Supporting Table SA21 Transfers and grants made by the municipality.
The Municipality subsidises households and business through its relief programme

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash Transfers to other municipalities											
Dm Kzn: Zululand - Planning & Dev	1	-	-	-	-	-	-	-	-	-	-
Dm Kzn: Zululand - Planning & Dev		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
Ts_O_M_Da&A_Nda_Lgw&Rs Seta Fire&Rescue	3	-	-	-	-	110	110	110	-	-	-
Ts_O_M_Da&A_Nda_Lgw&Rs Seta Waste Water		-	-	-	-	55	55	55	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	165	165	165	-	-	-
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	-	-	-	-	165	165	165	-	-	-
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											
Ts_O_Ik_Np Ins_Unspecified	4	-	-	-	-	-	-	-	-	-	-
Ts_O_Ik_Np Ins_Unspecified		7 364	8 983	4 518	3 000	2 618	2 618	2 533	3 000	3 138	3 282
Total Non-Cash Grants To Organisations		7 364	8 983	4 518	3 000	2 618	2 618	2 533	3 000	3 138	3 282
Groups of Individuals											
Hh_Ssp Soc Ass: Poverty Relief	5	5 526	2 313	-	3 000	7	7	-	-	-	-
Ts_O_Ik_Hh_Soc Assis_Social Relief		-	-	165	-	800	800	-	600	628	656
Total Non-Cash Grants To Groups Of Individuals:		5 526	2 313	165	3 000	807	807	-	600	628	656
TOTAL NON-CASH TRANSFERS AND GRANTS		12 891	11 295	4 683	6 000	3 425	3 425	2 533	3 600	3 766	3 939
TOTAL TRANSFERS AND GRANTS	6	12 891	11 295	4 683	6 000	3 590	3 590	2 698	3 600	3 766	3 939

2.9 COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Costs to Municipality: Councillors

Number of Councillors **37**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		-	78 912	758 013			836 925
Chief Whip			-	-	791 275			791 275
Executive Mayor				110 430	1 114 671			1 225 101
Deputy Executive Mayor				78 912	758 611			837 523
Executive Committee				115 285	1 868 849			1 984 134
Total for all other councillors			-	220 371	3 570 168			3 790 539
Total Councillors	8	-	-	603 910	8 861 587			9 465 497
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 356 180	13 562	411 781	-		1 781 523
Chief Finance Officer			987 875	9 879	310 924	-		1 308 678
MS			984 624		260 133	82 052		1 326 809
SM					-			-
SM COMM					145			145
SM COO			1 008 259	254 899	278 369	84 022		1 625 549
SM D01			1 254 893	12 549	383 380	-		1 650 822
SM D02			987 875	9 879	310 214	-		1 307 968
SM D03			987 875	9 879	310 124	-		1 307 878
SM D04			987 875	9 879	310 779	-		1 308 533
SM D06				246 600	145			246 745
SM PLAN					145			145
SM TECH					145			145
								-
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	8 555 456	567 126	2 576 284	166 074		11 864 940
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	8 555 456	1 171 036	11 437 871	166 074		21 330 437

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 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity														–	–	–
Service charges - Water		5 691	5 691	5 691	5 691	5 691	5 691	5 691	5 691	5 691	5 691	5 691	5 691	68 294	71 436	74 722
Service charges - Waste Water Management		1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	1 478	17 732	18 548	19 401
Service charges - Waste Management														–	–	–
Sale of Goods and Rendering of Services		48	48	48	48	48	48	48	48	48	48	48	48	578	605	633
Agency services														–	–	–
Interest														–	–	–
Interest earned from Receivables		53	53	53	53	53	53	53	53	53	53	53	53	637	667	697
Interest earned from Current and Non Current Assets		625	625	625	625	625	625	625	625	625	625	625	625	7 500	7 845	8 206
Dividends														–	–	–
Rent on Land														–	–	–
Rental from Fixed Assets		42	42	42	42	42	42	42	42	42	42	42	42	504	527	551
Licence and permits		15	15	15	15	15	15	15	15	15	15	15	15	176	184	193
Operational Revenue		47	47	47	47	47	47	47	47	47	47	47	47	565	591	618
Non-Exchange Revenue																
Property rates														–	–	–
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		122	122	122	122	122	122	122	122	122	122	122	122	1 467	1 534	1 605
Licences or permits														–	–	–
Transfer and subsidies - Operational		56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	678 525	711 934	751 994
Interest														–	–	–
Fuel Levy														–	–	–
Operational Revenue														–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations														–	–	–
Total Revenue (excluding capital transfers and contributions)		64 665	64 665	64 665	64 665	64 665	64 665	64 665	64 665	64 665	64 665	64 665	64 665	775 979	813 871	858 620
Expenditure																
Employee related costs		25 848	25 848	25 848	25 848	25 848	25 848	25 848	25 848	25 848	25 848	25 848	25 848	310 172	318 972	333 645
Remuneration of councillors		789	789	789	789	789	789	789	789	789	789	789	789	9 465	9 901	10 356
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		3 360	3 360	3 360	3 360	3 360	3 360	3 360	3 360	3 360	3 360	3 360	3 357	40 317	42 727	44 115
Debt impairment		500	500	500	500	500	500	500	500	500	500	500	500	6 000	6 276	6 565
Depreciation and amortisation		7 610	7 610	7 610	7 610	7 610	7 610	7 610	7 610	7 610	7 610	7 610	7 609	91 315	95 515	99 809
Interest		584	584	584	584	584	584	584	584	584	584	584	584	7 013	7 336	7 673
Contracted services		12 989	12 989	12 989	12 989	12 989	12 989	12 989	12 989	12 989	12 989	12 989	12 989	155 868	162 036	169 630
Transfers and subsidies		300	300	300	300	300	300	300	300	300	300	300	300	3 600	3 766	3 939
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		12 009	12 009	12 009	12 009	12 009	12 009	12 009	12 009	12 009	12 009	12 009	12 009	144 108	150 622	157 551
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		63 989	63 989	63 989	63 989	63 989	63 989	63 989	63 989	63 989	63 989	63 989	63 982	767 858	797 151	833 382
Surplus/(Deficit)		676	676	676	676	676	676	676	676	676	676	676	683	8 122	16 721	25 238
Transfers and subsidies - capital (monetary allocations)		48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	576 195	651 991	923 733
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 699	584 317	668 712	948 971
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 699	584 317	668 712	948 971
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 699	584 317	668 712	948 971
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 692	48 699	584 317	668 712	948 971

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 2024/25			Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27			
Cash Receipts By Source													1					
Property rates													-					
Service charges - electricity revenue													-					
Service charges - water revenue	3 935	3 935	3 935	3 935	3 935	3 935	3 935	3 935	3 935	3 935	3 935	3 935	47 222	49 394	51 666			
Service charges - sanitation revenue	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	1 129	13 544	14 167	14 819			
Service charges - refuse revenue													-					
Rental of facilities and equipment	91	91	91	91	91	91	91	91	91	91	91	91	1 094	1 138	1 186			
Interest earned - external investments	625	625	625	625	625	625	625	625	625	625	625	625	7 500	7 845	8 206			
Interest earned - outstanding debtors	38	38	38	38	38	38	38	38	38	38	38	38	461	482	505			
Dividends received													-					
Fines, penalties and forfeits	122	122	122	122	122	122	122	122	122	122	122	122	1 467	1 534	1 605			
Licences and permits	15	15	15	15	15	15	15	15	15	15	15	15	176	184	193			
Agency services													-					
Transfers and Subsidies - Operational	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	56 544	678 525	711 934	751 994			
Other revenue	9 872	9 872	9 872	9 872	9 872	9 872	9 872	9 872	9 872	9 872	9 872	9 872	118 468	128 912	166 333			
Cash Receipts by Source	72 371	72 371	72 371	72 371	72 371	72 371	72 371	72 371	72 371	72 371	72 371	72 371	868 457	915 593	996 506			
Other Cash Flows by Source																		
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	48 016	576 195	651 991	923 733			
Transfers and subsidies - capital (monetary allocations) (Nat / Prov													-	-	-			
Departm Agencies, Households, Non-profit Institutions, Private Enterprises,													-	-	-			
Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Proceeds on Disposal of Fixed and Intangible Assets													-	-	-			
Short term loans													-	-	-			
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Increase (decrease) in consumer deposits	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(82)	-	-			
VAT Control (receipts)													-	-	-			
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Decrease (increase) in non-current investments													-	-	-			
Total Cash Receipts by Source	120 381	120 381	120 381	120 381	120 381	120 381	120 381	120 381	120 381	120 381	120 381	120 381	1 444 570	1 567 584	1 920 239			
Cash Payments by Type																		
Employee related costs	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 862	26 860	322 345	337 062	352 456			
Remuneration of councillors	789	789	789	789	789	789	789	789	789	789	789	789	9 465	9 901	10 356			
Interest													-	-	-			
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Acquisitions - water & other inventory	3 864	3 864	3 864	3 864	3 864	3 864	3 864	3 864	3 864	3 864	3 864	3 864	46 368	48 501	50 732			
Contracted services	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	14 985	179 822	186 342	195 075			
Transfers and subsidies - other municipalities													-	-	-			
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other expenditure	17 426	17 426	17 426	17 426	17 426	17 426	17 426	17 426	17 426	17 426	17 426	17 426	209 116	181 273	189 611			
Cash Payments by Type	63 927	63 927	63 927	63 927	63 927	63 927	63 927	63 927	63 927	63 927	63 927	63 924	767 117	763 079	798 231			
Other Cash Flows/Payments by Type																		
Capital assets	42 154	42 154	42 154	42 154	42 154	42 154	42 154	42 154	42 154	42 154	42 154	42 154	505 844	571 899	808 424			
Repayment of borrowing	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	18 096	18 416	16 913			
Other Cash Flows/Payments	167	167	167	167	167	167	167	167	167	167	167	167	2 000	3 000	4 000			
Total Cash Payments by Type	107 755	107 755	107 755	107 755	107 755	107 755	107 755	107 755	107 755	107 755	107 755	107 752	1 293 057	1 356 393	1 627 568			
NET INCREASE/(DECREASE) IN CASH HELD	12 626	12 626	12 626	12 626	12 626	12 626	12 626	12 626	12 626	12 626	12 626	12 629	151 512	211 191	292 671			
Cash/cash equivalents at the month/year begin:	191 963	204 589	217 215	229 840	242 466	255 092	267 718	280 343	292 969	305 595	318 221	330 846	191 963	343 475	554 666			
Cash/cash equivalents at the month/year end:	204 589	217 215	229 840	242 466	255 092	267 718	280 343	292 969	305 595	318 221	330 846	343 475	343 475	554 666	847 337			

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

DC26 Zululand - Supporting Table SA33 Contracts having future budgetary implications

DC26 Zululand - Supporting Table SA36 Detailed capital budgetPage | 66

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 approved at the end of March 2024, within nine months after the end of a financial year as required by Section 128 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue											
Total Property Rates	6										
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)											
Net Property Rates											
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity											
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											
Service charges - Water	6										
Total Service charges - Water		43 564	43 387	43 880	56 982	58 968	58 968	41 842	73 294	76 666	80 192
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)		2 313	4 901	4 710	5 450	5 450	5 450	(211)	5 000	5 230	5 471
Net Service charges - Water		41 251	38 486	39 170	51 532	53 518	53 518	42 054	68 294	71 436	74 722
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		11 514	12 513	14 831	16 406	15 597	15 597	10 802	17 732	18 548	19 401
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)											
Net Service charges - Waste Water Management		11 514	12 513	14 831	16 406	15 597	15 597	10 802	17 732	18 548	19 401
Service charges - Waste Management	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 - Waste Management											
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	156 055	176 943	191 209	212 254	214 004	214 004	155 943	230 479	235 687	246 538
Pension and UIF Contributions		19 601	23 008	24 877	26 053	28 436	28 436	20 260	24 452	25 523	26 697
Medical Aid Contributions		12 686	13 671	14 919	15 499	15 623	15 623	12 522	17 152	17 941	18 767
Overtime		7 002	7 099	6 703	5 448	5 448	5 448	5 546	5 780	6 046	6 324
Performance Bonus		10 711	11 678	13 346	13 983	14 081	14 081	10 212	14 900	15 585	16 302
Motor Vehicle Allowance		8 551	9 914	11 997	12 224	12 709	12 709	9 919	13 998	14 642	15 315
Cellphone Allowance		678	854	997	1 066	1 121	1 121	819	1 138	1 190	1 245
Housing Allowances		1 219	1 379	1 682	1 724	1 724	1 724	1 771	1 771	1 853	1 938
Other benefits and allowances		10 625	8 708	4 374	477	471	471	3 816	503	507	530
Payments in lieu of leave		4 953	3 578	5 898				2 817			
Long service awards		2 246	2 506	3 491				1 551			
Post retirement benefit obligations		6 182	3 775	5 393							
Entertainment											
Scarcity											
Aiding and post related allowance		1 244	555	1 288				388			
In kind benefits											
sub-total	5	241 953	263 669	286 176	290 728	293 616	293 616	224 972	310 172	318 972	333 645
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	241 953	263 669	286 176	290 728	293 616	293 616	224 972	310 172	318 972	333 645
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		83 479	94 325	100 231	90 000	90 000	90 000	74 633	91 295	95 494	99 887
Lease amortisation		21	17	18				18	20	21	22
Capital asset impairment		656	6 777								
Total Depreciation and amortisation	1	84 156	101 119	100 249	90 000	90 000	90 000	74 651	91 315	95 515	99 909
Bulk purchases - electricity											
Electricity bulk purchases											
Total bulk purchases	1										
Transfers and grants											
Cash transfers and grants						165	165	165			
Non-cash transfers and grants		12 891	11 295	4 683	6 000	3 425	3 425	2 533	3 600	3 766	3 939
Total transfers and grants	1	12 891	11 295	4 683	6 000	3 590	3 590	2 698	3 600	3 766	3 939
Contracted Services											
Outsourced Services		151 784	126 518	191 044	42 067	153 208	153 208	166 618	62 060	64 915	67 901
Consultants and Professional Services		20 120	25 822	22 260	8 852	7 846	7 846	7 233	4 010	3 193	3 480
Contractors		122 603	165 700	151 468	77 760	74 983	74 983	54 095	89 798	93 929	98 250
Total contracted services		294 507	318 040	364 771	128 719	236 038	236 038	227 946	155 868	162 036	169 630
Operational Costs											
Collection costs											
Contributions to 'other' provisions											
Audit fees		4 467	3 861	4 115	3 000	3 000	3 000	4 554	4 000	4 184	4 376
Other Operational Costs		108 630	127 316	159 174	141 039	133 720	133 720	136 775	140 108	146 438	153 174
Total Operational Costs	1	113 097	131 178	163 288	144 039	136 720	136 720	141 330	144 108	150 622	157 551
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)											
Contracted Services		75 459	131 909	126 775	74 700	68 469	68 469	46 984	84 863	88 767	92 850
Operational Costs		3 968	5 881	5 602	200	3 234	3 234	2 198	5 333	5 579	5 835
Total Repairs and Maintenance Expenditure	9	79 427	137 790	132 376	74 900	71 703	71 703	49 183	90 196	94 345	98 685
Inventory Consumed											
Inventory Consumed - Water				42 672	30 000	30 000	30 000	14 216	25 000	26 602	27 353
Inventory Consumed - Other		3 332	6 127	9 305	12 130	14 093	14 093	4 663	15 317	16 125	16 762
Total Inventory Consumed & Other Material		3 332	6 127	51 977	42 130	44 093	44 093	18 879	40 317	42 727	44 115

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																	
Exchange Revenue																	
Service charges - Electricity																	-
Service charges - Water									68 294	-							68 294
Service charges - Waste Water Management									17 732								17 732
Service charges - Waste Management																	-
Sale of Goods and Rendering of Services				576	-	-											576
Agency services																	-
Interest																	-
Interest earned from Receivables				2					635	-							637
Interest earned from Current and Non Current Assets				7 500													7 500
Dividends																	-
Rent on Land																	-
Rental from Fixed Assets				504													504
Licence and permits					108	68											176
Operational Revenue			457	8	100												565
Non-Exchange Revenue																	
Property rates																	-
Surcharges and Taxes				-													-
Fines, penalties and forfeits				50	1 096				-	321							1 467
Licences or permits																	-
Transfer and subsidies - Operational			-	671 387	1 911	5 227	-		-								678 525
Interest																	-
Fuel Levy																	-
Operational Revenue																	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-							-
Other Gains																	-
Discontinued Operations																	-
Total Revenue (excluding capital transfers and contribut		-	457	680 030	3 215	5 295	-	-	68 929	18 053	-	-	-	-	-	-	775 979
Expenditure																	
Employee related costs		21 632	49 637	32 274	42 600	20 795	1 309	47 439	85 770	8 716							310 172
Remuneration of councillors		9 465															9 465
Bulk purchases- electricity				15 317					25 000								-
Inventory consumed									4 500	1 500							40 317
Debt impairment									81 157								6 000
Depreciation and amortisation		216	3 284	1 994	272	26	4 318	46	81 157								91 315
Interest				7 013													7 013
Contracted services		7 675	44 339	3 660	1 100	1 000	-	-	98 094								155 868
Transfers and subsidies		-	600		3 000												3 600
Irrecoverable debts written off																	-
Operational costs		9 097	47 236	13 722	1 075	960	134	-	71 883								144 108
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-							-
Other Losses																	-
Total Expenditure		48 086	145 066	73 081	48 847	22 781	5 761	47 485	368 484	18 216	-	-	-	-	-	-	767 858
Surplus/(Deficit)		(48 086)	(144 639)	606 048	(44 632)	(17 486)	(5 761)	(47 485)	(297 475)	7 837	-	-	-	-	-	-	8 122
Transfers and subsidies - capital (monetary allocations)						576 195											576 195
Transfers and subsidies - capital (in-kind)																	-
Surplus/(Deficit) after capital transfers & contributions		(48 086)	(144 639)	606 048	(44 632)	558 709	(5 761)	(47 485)	(297 475)	7 837	-	-	-	-	-	-	584 317

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
ASSETS											
Trade and other receivables from exchange transactions											
Electricity											
Water		120 007	133 202	152 780	171 105	175 104	175 104	177 549	206 825	240 005	274 712
Waste											
Waste Water		33 072	38 206	42 794	51 165	49 072	49 072	46 076	57 229	65 761	74 885
Other trade receivables from exchange transactions		1 951	689	2 990	6 224	2 992	2 992	3 051	1 919	1 914	1 914
Gross: Trade and other receivables from exchange transactions		155 030	172 096	198 565	230 495	227 168	227 168	226 676	265 973	307 680	351 311
Less: Impairment for debt		(115 922)	(138 614)	(168 939)	(170 919)	(180 439)	(180 439)	(168 939)	(186 273)	(193 466)	(201 016)
Impairment for Electricity											
Impairment for Water		(87 480)	(105 893)	(141 272)	(124 868)	(149 897)	(149 897)	(141 272)	(155 072)	(160 485)	(166 147)
Impairment for Waste											
Impairment for Waste Water		(28 109)	(32 710)	(26 662)	(41 338)	(29 437)	(29 437)	(26 562)	(31 162)	(32 967)	(34 854)
Impairment for other trade receivables from exchange transactions		(333)	(12)	(1 105)	(4 717)	(1 105)	(1 105)	(1 105)	(39)	(15)	(15)
Total net Trade and other receivables from Exchange Transactions		39 109	33 482	29 625	59 575	46 729	46 729	57 737	79 700	114 214	150 296
Receivables from non-exchange transactions											
Property rates											
Less: Impairment of Property rates											
Net Property rates		-	-	-	-	-	-	-	-	-	-
Other receivables from non-exchange transactions		2 653	1 144	168	-	7 109	7 109	6 941	-	-	-
Impairment for other receivables from non-exchange transactions											
Net other receivables from non-exchange transactions		2 653	1 144	168	-	7 109	7 109	6 941	-	-	-
Total net Receivables from non-exchange transactions		2 653	1 144	168	-	7 109	7 109	6 941	-	-	-
Inventory											
Water											
Opening Balance		-	-	(1 140)	(536)	(536)	(536)	(536)	(536)	(536)	(988)
System Input Volume		-	(1 140)	43 277	30 000	30 000	30 000	14 216	25 000	26 150	27 353
Water Treatment Works											
Bulk Purchases			(1 140)	43 277	30 000	30 000	30 000	14 216	25 000	26 150	27 353
Natural Sources											
Authorised Consumption	6	-	-	(42 672)	(30 000)	(30 000)	(30 000)	(14 216)	(25 000)	(26 602)	(27 353)
Billed Authorised Consumption		-	-	(42 672)	(30 000)	(30 000)	(30 000)	(14 216)	(25 000)	(26 602)	(27 353)
Billed Metered Consumption		-	-	(42 672)	(30 000)	(30 000)	(30 000)	(14 216)	(25 000)	(26 602)	(27 353)
Free Basic Water		-	-								
Subsidised Water		-	-								
Revenue Water		-	-	(42 672)	(30 000)	(30 000)	(30 000)	(14 216)	(25 000)	(26 602)	(27 353)
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		-	(1 140)	(536)	(536)	(536)	(536)	(536)	(536)	(988)	(988)
Agricultural											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
Consumables											
Standard Rated		-	-	-	-	-	-	-	-	-	-
Opening Balance		6 168	4 140	3 696	3 360	3 360	3 360	3 360	3 360	3 363	3 263
Acquisitions		2 828	5 683	9 277	-	1 008	1 008	6 685	1 020	1 067	1 116
Issues	7	(3 332)	(6 127)	(9 305)	-	(1 008)	(1 008)	(4 663)	(1 017)	(1 167)	(1 116)
Adjustments	8	423									
Write-offs	9	(1 346)		(309)							
Closing balance - Consumables Standard Rated		4 140	3 696	3 360	3 360	3 360	3 360	5 387	3 363	3 263	3 263
Zero Rated		-	-	-	-	-	-	-	-	-	-
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		-	-	-	-	-	-	-	-	-	-
Finished Goods											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	-	-	-	-
Materials and Supplies											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	12 130	13 085	13 085	-	14 300	14 958	15 646
Issues	7	-	-	-	(12 130)	(13 085)	(13 085)	-	(14 300)	(14 958)	(15 646)
Adjustments	8	-	-	-				-			
Write-offs	9	-	-	-				-			
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		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables		4 140	2 856	2 824	2 824	2 824	2 824	4 851	2 827	2 275	2 275
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		4 846 713	5 338 519	5 611 305	7 164 495	6 569 189	6 569 189	6 342 648	6 317 149	6 383 203	6 619 720
Leases recognised as PPE		-	2 425	4 199	4 199	4 199	4 199	4 199	4 199	4 199	4 199
Less: Accumulated depreciation		667 648	747 455	823 534	916 971	915 834	915 834	897 834	1 004 829	1 100 329	1 200 219
Total Property, plant and equipment (PPE)	2	4 180 065	4 593 489	4 991 970	6 247 723	5 657 554	5 657 554	5 449 013	5 316 520	5 287 073	5 423 718
LIABILITIES											
Current liabilities - Financial liabilities											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-	-
Total Current liabilities - Financial liabilities		-	902	1 484	-	1 484	1 484	367	1 000	-	-
Trade and other payables from exchange transactions		-	902	1 484		1 484		367	1 000		
Trade and other payables from exchange transactions		232 039	341 425	487 727	338 908	485 727	485 727	225 795	437 378	415 884	414 884
Other trade payables from exchange transactions		2 290	2 411	1 560	-	-	-	118 589	(3 450)	(3 600)	(3 775)
Trade payables from Non-exchange transactions: Unspent conditional Grants								3 450	3 600	3 775	
Trade payables from Non-exchange transactions: Other											
VAT		20 371	5 099	3 924	8 673	6 090	6 090	9 772	10 311	14 720	10 432
Total Trade and other payables from exchange transactions	2	254 700	348 935	493 208	348 908	491 777	491 777	354 156	447 689	430 654	434 317
Non-current liabilities - Financial liabilities		-	-	-	-	-	-	-	-	-	-
Borrowing		-	1 092	1 202	90 000	91 202	91 202	101 202	73 589	56 174	39 260
Other financial liabilities	4	-									
Total Non-current liabilities - Financial liabilities		-	1 092	1 202	90 000	91 202	91 202	101 202	73 589	56 174	39 260
Non-current liabilities - Long Term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Electricity Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Payables and Accruals - General		-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Municipal Debt Relief		-	-	-	-	-	-	-	-	-	-
Provisions											
Retirement benefits		22 289	27 468	30 426	26 761	30 021	30 021	30 426	29 616	29 616	29 616
Refuse landfill site rehabilitation											
Other		10 793	13 562	13 061	11 579	11 098	11 098	13 061	9 116	9 116	9 116
Total Provisions		33 082	41 030	43 487	38 340	41 119	41 119	38 731	38 731	38 731	38 731
CHANGES IN NET ASSETS											
Accumulated surplus/(deficit) - opening balance		3 715 436	4 007 499	4 340 844	5 445 412	4 627 968	4 627 968	4 627 968	4 667 819	4 754 211	4 828 478
GRAP adjustments											
Transfered to/from Reserves		3 715 436	4 007 499	4 340 844	5 445 412	4 627 968	4 627 968	4 627 968	4 667 819	4 754 211	4 828 478
Surplus/(Deficit)		334 628	366 985	356 706	764 762	764 762</					

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

2020/21 Medium Term Revenue & Expenditure Framework - 1.1 Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	Basic Service Delivery & Infrastructure	A	2	–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE				605	448	61 149	2 350	101 927	101 927	457	478	500
FINANCIAL VIABILITY AND MANAGEMENT				596 641	530 539	604 660	637 481	641 438	641 438	680 030	719 063	759 451
LOCAL ECONOMIC AND SOCIAL DEVELOPMENT				3 100	2 522	2 235	1 922	2 147	2 147	1 911	1 911	1 999
BASIC SERVICE DELIVERY AND INFRASTRUCTURE				62 076	60 991	62 741	76 495	77 689	77 689	93 581	92 419	96 670
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)			1	662 422	594 501	730 785	718 248	823 201	823 201	775 979	813 871	858 620

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

2020/21 - Supporting Table 04a Reconciliation of NDP Strategic Objectives and Budget (Operating Expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
				–	–	–	–	–	–	–	–	–	
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT				440	6 752	6 056	2 105	2 060	2 060	1 615	1 689	1 767	
DEMOCRACY AND GOOD GOVERNANCE				203 110	227 116	292 796	258 007	347 592	347 592	252 650	264 156	276 308	
FINANCIAL VIABILITY AND MANAGEMENT				74 015	70 809	71 138	36 987	35 884	35 884	42 354	44 347	46 528	
LOCAL ECONOMIC AND SOCIAL DEVELOPMENT				26 675	31 825	42 032	41 534	43 685	43 685	42 631	44 592	46 643	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Basic Service Delivery & Infrastructure	A		501 794	542 466	578 559	383 470	396 026	396 026	428 611	441 813	462 137	
Allocations to other priorities													
Total Expenditure				1	806 034	878 966	990 582	722 102	825 246	825 246	767 861	796 599	833 382

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

2020/21 Medium Term Revenue & Expenditure Framework - Strategic Objectives and Budget (Capital Expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand													
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT	Basic Service Delivery & Infrastructure	A	3	–	–	–	–	–	–	–	–	–	
DEMOCRACY AND GOOD GOVERNANCE				3 216	10 340	1 479	2 250	3 343	3 343	3 478	3 638	3 806	
FINANCIAL VIABILITY AND MANAGEMENT				1 402	2 918	2 064	650	650	650	870	910	951	
LOCAL ECONOMIC AND SOCIAL DEVELOPMENT				3 869	7 451	2 878	457	457	457	457	402	421	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE				333 171	464 144	491 521	787 067	753 433	753 433	501 039	566 949	803 246	
Allocations to other priorities				1									
Total Capital Expenditure				1	341 658	484 853	497 942	790 424	757 884	757 884	505 844	571 899	808 424

DC26 Zululand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
05 - Planning & Wsa										
Water Management										
Water Distribution										
Formal Settlement Households Receiving Water	Households	12 800	12 800		12 800	12 800	12 800	12 800	14 080	
Informal Settlements (R000)	Rand Value									
Agreement (R000)	Rand Value									
Other Households Receiving Water	Households									
Other Water Supply (< Min.Service Level)	Households									
Level)	Households	6 921	6 921		8 012	8 012	8 012	8 200	9 020	
Piped Water Inside Dwelling	Households									
Dwelling)	Households	10 324	10 324		9 756	9 756	9 756	9 200	10 120	
09 - Waste Water										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households									
Other Toilet Provisions (< Min.Service Level)	Households	6 921	6 921		6 320	6 320	6 320	6 190	6 809	
Other Toilet Provisions (> Min.Service Level)	Households									

DC26 Zululand - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management											
Credit Rating		0			0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.2%	1.5%	1.3%	1.3%	0.1%	3.3%	3.2%	3.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.1%	0.2%	1.5%	1.3%	1.3%	0.1%	3.2%	3.2%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure exclud. transfers and grants and contributions	0.0%	0.0%	0.0%	3448.3%	3134.8%	3134.8%	7165.8%	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	0.0	0.4	0.3	1.4	0.7	0.7	0.5	1.1	1.5	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.0	0.4	0.3	1.4	0.7	0.7	0.5	1.1	1.5	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.2	0.1	1.1	0.5	0.5	0.2	0.9	1.3	1.7
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	70.6%	90.3%	48.6%	74.9%	75.9%	75.9%	35.7%	70.2%	70.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		70.6%	90.3%	48.6%	74.9%	75.9%	75.9%	35.7%	70.2%	70.2%	70.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	-12.1%	9.1%	11.5%	7.4%	11.0%	11.0%	11.6%	10.8%	10.2%	9.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	13.3%	0.0%	0.0%	19.5%	19.5%	19.5%	0.0%	18.4%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	100.0%	0.0%	0.0%
Creditors to Cash and Investments		58.3%	-13058.1%	36.0%	72.7%	154.8%	154.8%	16.4%	127.3%	75.0%	49.0%
Other Indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes -System input											
	Bulk Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)	12 536	-	-	10 154	10 154	10 154	-	9 139	-	-
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	299838	0	0	212529	212529	212529	0	191276	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	36.5%	44.4%	39.2%	40.5%	35.7%	35.7%	35.0%	40.0%	39.2%	38.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	37.8%	45.8%	40.4%	41.8%	36.9%	36.9%	49.8%	41.2%	40.4%	40.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	12.0%	23.2%	18.9%	10.4%	9.1%	9.1%	14.8%	12.2%	12.2%	12.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12.7%	17.1%	13.8%	12.7%	11.1%	11.1%	11.7%	12.7%	12.6%	12.5%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	180.8	76.1	56.0	41.0	47.0	154.3	24.6	29.0	31.8	33.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	-150.4%	105.5%	151.2%	77.6%	129.9%	129.9%	139.4%	96.6%	91.7%	87.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.4	(0.0)	21.6	11.1	6.1	6.1	31.5	7.6	11.8	17.2

DC26 Zululand - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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									
Property rates by usage									
Business and commercial properties									
Industrial properties									
Mining properties									
Residential properties									
Agricultural properties									
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land									
Sport Clubs and Fields (Bitou only)									
Sectional Title Garages (Drakenstein only)									
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)		Basic Charge	221	230	265	297	308	324	339
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/k)		-	-	-	-	50	50	50	50
Water usage - life line tariff		0-6 kl	-	-	-	-	12	12	13
Water usage - Block 1 (c/k)		6.1-30/kl	8	9	10	11	12	12	13
Water usage - Block 2 (c/k)		31-40/kl	12	14	16	17	18	19	20
Water usage - Block 3 (c/k)		>40kl	18	21	23	24	27	28	29
Water usage - Block 4 (c/k)		(fill in thresholds)							
Water usage - Block 5 (c/k)		New Connection	-	-	-	-	9 688	10 162	10 640
Water usage - Block 6 (c/k)			-	-	-	-	-	-	-
Other	2								
Waste water tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/k)		Flat rate tariff (c/k)	119	130	-	143	167	175	183
Volumetric charge - Block 1 (c/k)		(fill in structure)							
Volumetric charge - Block 2 (c/k)		(fill in structure)							
Volumetric charge - Block 3 (c/k)		(fill in structure)							
Volumetric charge - Block 4 (c/k)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
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 SA10 Funding measurement

Description	MFMA section	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	397 830	(2 615)	1 354 182	466 282	313 779	313 779	1 378 871	343 475	554 666	847 337
Cash + investments at the yr end less applications - R'000	18(1)b	2	130 658	405 851	229 039	210 892	(66 809)	(66 809)	1 352 921	104 903	326 351	620 827
Cash year end/monthly employee/supplier payments	18(1)b	3	7.4	(0.0)	21.6	11.1	6.1	6.1	31.5	7.6	11.8	17.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	334 628	366 985	350 706	801 272	764 762	764 762	550 100	584 317	668 712	948 971
Service charge rev % change - macro CPI/X target exclusive	18(1)a,(2)	5	N.A.	(9.3%)	(0.1%)	19.8%	(4.3%)	(6.0%)	(29.5%)	18.5%	(1.4%)	(1.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	1089.1%	1981.3%	2192.2%	275.8%	285.2%	285.2%	2510.2%	204.9%	210.3%	242.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	17.2%	38.6%	11.9%	14.7%	14.5%	14.5%	0.0%	7.0%	7.0%	7.0%
Capital payments % of capital expenditure	18(1)c,(19)	8	100.0%	100.0%	99.6%	99.9%	99.9%	99.9%	81.6%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	111.3%	110.9%	110.9%	7165.8%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr/(decr)	18(1)a	11	N.A.	(17.1%)	(14.0%)	100.0%	(9.6%)	0.0%	20.1%	23.2%	43.3%	31.6%
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	2.7%	3.9%	3.8%	1.5%	1.7%	1.7%	2.4%	2.5%	2.5%	0.0%
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		0.0%	(3.3%)	5.9%	25.8%	1.7%	0.0%	(23.5%)	24.5%	4.6%	4.6%
% incr Property Tax	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Electricity	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Water	18(1)a		0.0%	(6.7%)	1.8%	31.6%	3.9%	0.0%	(21.4%)	27.6%	4.6%	4.6%
% incr Service charges - Waste Water Management	18(1)a		0.0%	8.7%	18.5%	10.6%	(4.5%)	0.0%	(30.7%)	13.7%	4.6%	4.6%
% incr Service charges - Waste Management	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		52 765	50 999	54 001	67 938	69 115	69 115	52 855	86 026	89 983	94 123
Service charges			52 765	50 999	54 001	67 938	69 115	69 115	52 855	86 026	89 983	94 123
Property rates			-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			41 251	38 486	39 170	51 532	53 518	53 518	42 054	68 294	71 436	74 722
Service charges - sanitation revenue			11 514	12 513	14 831	16 406	15 597	15 597	10 802	17 732	18 548	19 401
Service charges - refuse removal			-	-	-	-	-	-	-	-	-	-
Agency services			-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding	18(1)a		4 617	13 258	4 993	89 857	90 147	90 147	1 396	4 348	4 548	4 757
Cash receipts from ratepayers	18(1)a		1 090 001	1 113 149	1 420 263	213 786	223 174	223 174	1 452 140	181 970	195 331	235 802
Ratepayer & Other revenue	18(1)a		100 082	56 183	64 786	77 513	78 263	78 263	57 849	88 813	92 898	97 172
Change in consumer debtors (current and non-current)		N/A	-	(7 135)	(4 833)	29 782	(5 738)	-	10 841	15 022	34 514	36 081
Operating and Capital Grant Revenue	18(1)a		1 024 570	1 149 227	1 269 332	1 448 986	1 509 592	1 509 592	1 187 618	1 254 720	1 363 925	1 675 727
Capital expenditure - total	20(1)(vi)		341 658	484 853	497 942	790 424	757 884	757 884	532 166	505 844	571 899	808 424
Capital expenditure - renewal	20(1)(vi)		-	-	191	-	-	-	-	-	-	-
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										-	-	-
DoRA capital grants total MFY										-	-	-
Provincial operating grants										-	-	-
Provincial capital grants										-	-	-
District Municipality grants										-	-	-
Total gazetted/advised national, provincial and district grants										-	-	-
Average annual collection rate (arrears inclusive)										-	-	-
DoRA operating												

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 MANAGER'S QUALITY CERTIFICATION

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



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

Date: 27/03/2024