



Zululand
District Municipality

**BUDGET AND SUPPORTING DOCUMENTATION
2025-2026**

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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

BUDGET FOREWORD BY ZULULAND DISTRICT MAYOR, CLLR MB BUTHELEZI

We present this budget of Zululand District Municipality under very difficult and challenging conditions.

In this fiscal year some of the grants we receive were drastically reduced, forcing us to bend over backwards to fulfil the needs of the communities. Providing clean, usable water and sanitation continues to be the priority in our District. Through various challenges, we continue to ensure that there are proper allocations for service delivery.

Directing the Municipality to maintain funded position in the next financial year, 2025/2026, as guided by the National Treasury. There is a increase in the capital budget and a decrease in operating budget of the Municipality.

The 2025/2026 draft budget is R1.7 billion, there is a increase of R299 million compared to the 2024/2025 budget which was R1.4 billion. This represents a decrease of 21%.

We continue to collect outstanding debt and to increase our collection rate, for revenue growth.

I would like to thank the Municipal Manager, the CFO, and the Finance Team for their support in drafting this budget.

I present this budget to the Council for approval.

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:

| | ADJUSTED BUDGET 2024/ 2025 | BUDGET YEAR 2025/ 2026 | BUDGET YEAR 2026/ 2027 | BUDGET YEAR 2027/ 2028 |
|---|-------------------------------|---------------------------|---------------------------|---------------------------|
| OPERATING REVENUE | 858 421 022.08 | 815 238 442.79 | 857 162 763.25 | 899 904 228.93 |
| CAPITAL GRANTS AND TRANSFERS | 573 592 000.00 | 916 338 460.00 | 782 769 404.77 | 838 877 000.00 |
| TOTAL BUDGET REVENUE | 1 432 013 022.08 | 1 731 576 902.79 | 1 639 932 168.02 | 1 738 781 228.93 |
| OPERATING EXPENDITURE | 1 024 629 881.00 | 767 877 497.63 | 796 521 994.66 | 831 936 208.32 |
| CONTRIBUTION TO CAPITAL | 533 953 305.74 | 789 946 948.28 | 674 801 211.00 | 723 169 827.59 |
| TOTAL BUDGET EXPENDITURE EXCLUDING VAT CAPEX | 1 560 551 191.26 | 1 557 824 445.91 | 1 471 323 205.66 | 1 555 106 035.91 |
| CAPITAL EXPENDITURE - GRANTS AND TRANSFERS | 497 431 566.00 | 789 946 948.28 | 674 801 211.00 | 723 169 827.59 |
| CAPITAL EXPENDITURE - EXTERNAL LOAN FUNDING | - | | | |
| CAPITAL EXPENDITURE - INTERNALLY FUNDED ASSETS | 36 521 740.04 | | | |
| TOTAL CAPITAL EXPENDITURE | 533 953 305.00 | 789 946 948.28 | 674 801 211.00 | 723 169 827.59 |
| TOTAL BUDGET REVENUE | 1 432 013 022.08 | 1 731 576 902.79 | 1 639 932 168.02 | 1 738 781 228.93 |
| TOTAL BUDGET EXPENDITURE | 1 559 033 192.17 | 1 557 824 445.91 | 1 471 323 205.66 | 1 555 106 035.91 |
| SURPLUS/ DEFICIT | - 127 020 170.09 | 173 752 456.88 | 168 608 962.36 | 183 675 193.02 |
| EXTERNAL LOAN FUNDING | | | - | |
| SURPLUS/ DEFICIT | - 127 020 170.09 | 173 752 456.88 | 168 608 962.36 | 183 675 193.02 |

| OPERATING SURPLUS(DEFICIT) | | | |
|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
| OPERATING REVENUE | 815 238 442.79 | 857 162 763.25 | 899 904 228.93 |
| OPERATING EXPENDITURE | 767 877 497.63 | 796 521 994.66 | 831 936 208.32 |
| OPERATING SURPLUS | 47 360 945.16 | 60 640 768.59 | 67 968 020.61 |

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 in the following financial year which is **2025/2026** as per National Treasury circular 129. The municipality budget is highlighted below which shows the increase of capital budget and decrease in operating budget.

The **2025/2026** draft budget is **R1.7 billion**, which represents an increase of **R299 million** from the **2024/2025** budget of **R1.4 billion**. This represents an increase of **21%**.

The budget shows a surplus of **R 173.5 million**, this is the surplus resulting from VAT of **R126.3 million** because the budget is VAT exclusive, and the operating surplus is **R47.3 million**.

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

Operating revenue Framework

The revenue budgets

An increase of 4.3% is proposed to be affected on Tariffs.

Water tariffs have been determined as follows:

| Kilolitres | Percentage increase |
|------------|---------------------|
| 0- 6kl | 4.3% |
| 6- 30kl | 4.3% |
| 30-40kl | 4.3% |
| >40kl | 4.3% |

The municipality is providing free 6kl to households that are registered as indigent.

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 **2025/2026** draft Operating Revenue budget is **R815.2 million**. This represents a decrease of **R43 million** or **5%** from **2024/2025** budget of **R858.4 million**. This net decrease is largely attributed to changes in operating revenue.

The Equitable share has increased by **R40.2 million** from **R670.1 million** in **2024/2025** adjustment budget to **R710.4 million** in **2025/2026** draft budget.

In the **2024/2025** adjustment budget the municipality received a grant from the KwaZulu-Natal Amafa and Research Institute amounting to **R180 thousand**, a grant from National Skills Fund amounting to **R88.2 million** a grant from Local Government Sector Education and Training Authority amounting to **R1.2 million** which are not part of the **2025/2026** budget as per provincial gazette. These grants are yet to be confirmed by the funders.

Service charges revenue for water and sanitation have increased by **R3.3 million** from **R79 million** in the adjusted budget to **R82.4 million** in **2024/2025** draft budget. This results from the increase in tariffs. The tariffs increased by **4.3%** considering the CPI and the municipality have also considered the trend from the 2024/25 pattern.

The municipality increased all other revenue streams for 2025/26 budget. This includes interest in investment and outstanding debtors, licenses and permits, fines, penalties and forfeits

Operating Expenditure Framework

| | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|---------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| Employee related costs | 327 345 766.00 | 365 723 175.21 | 375 890 783.32 | 392 429 977.78 |
| Remuneration of councillors | 10 754 907.00 | 11 640 131.35 | 11 267 391.61 | 11 763 156.84 |
| Debt impairment | 6 000 000.00 | 4 000 000.00 | 4 184 000.00 | 4 368 096.00 |
| Depreciation & asset impairment | 91 314 524.00 | 95 000 000.00 | 99 370 000.00 | 103 742 280.00 |
| Finance charges | 11 976 009.00 | 7 575 356.28 | 7 923 747.31 | 8 270 896.00 |
| Inventory consumed | 24 824 400.00 | 15 750 000.00 | 16 458 100.00 | 17 160 899.90 |
| Contracted services | 354 915 712.00 | 157 757 342.10 | 166 006 215.24 | 173 781 061.04 |
| Transfers and subsidies | 2 365 000.00 | 4 115 355.77 | 4 304 662.13 | 4 494 067.26 |
| Other expenditure | 195 133 563.00 | 106 316 136.93 | 111 117 095.05 | 115 925 773.50 |
| TOTAL EXPENDITURE | 1 024 629 881.00 | 767 877 497.63 | 796 521 994.66 | 831 936 208.32 |

The **2025/2026** Operating Expenditure budget is **R767.8million**. This represents a decrease of **R256.7 million** or **25%** from **2024/2025** budget of **1 billion**.

The municipality has adopted the funding plan. The municipality is trying to minimize costs by reviewing all SLAs. The municipality has decided to use internal employees where capacity is available to reduce contracted services.

The salaries have increased due to bargaining council agreement, contracted employees and EPWP employees funded by municipality. The salaries are 50% of the operating budget, which is beyond the norm of 25%-40% set by the National Treasury.

Most of the expenditure line items have decreased as the approved funding plan will be monitored monthly and progress rereported to Exco monthly.

In the **2024/2025** adjustment budget the municipality allocated **R180 thousand** for The KwaZulu-Natal Amafa and Research Institute grant, **R88 million** for National Skills Fund grant and **R 1.2 million** for Local Government Sector Education and Training Authority Grant which are not part of the **2026/2026** draft budget as per provincial gazette, these grants are the major contributors to decreased budgeted expenditure.

Capital Expenditure and Funding

| CAPITAL EXPENDITURE 2025-2026 | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|-------------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| MUNICIPAL INFRASTRUCTURE GRANT | 223 425 217.74 | 231 705 431.61 | 252 919 827.59 | 265 127 586.21 |
| REGIONAL BULK INFRASTRUCTURE GRANT | 184 586 957.00 | 469 377 586.20 | 320 158 107.56 | 351 896 551.72 |
| WATER SERVICES INFRASTRUCTURE GRANT | 86 956 521.00 | 86 388 068.40 | 99 137 931.03 | 103 448 275.86 |
| RURAL ROAD ASSET MANAGEMENT GRANT | 2 288 957.00 | 2 389 655.17 | 2 499 137.93 | 2 611 206.90 |
| INDONSA GRANT | 173 913.00 | 86 206.90 | 86 206.90 | 86 206.90 |
| BACKUP GENERATORS | 32 173 913.00 | | | |
| OWN FUNDING | 4 347 827.00 | | | |
| TOTAL CAPITAL EXPENDITURE | 533 953 305.74 | 789 946 948.28 | 674 801 211.00 | 723 169 827.59 |

The **2025/2026** draft Capital Expenditure budget is **R789.9 million** VAT exclusive. This represents an increase of **R255.9 million** or **48%** from **2024/2025** budget of **R533.9 million**.

Circular no. 58 capital grants are reported VAT exclusive, total Capital financing amount to **be R789.9 million**.

Capital Expenditure

| CAPITAL EXPENDITURE 2025-2026 | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|--|------------------------------|--------------------------|--------------------------|--------------------------|
| MUNICIPAL INFRASTRUCTURE GRANT | 256 939 000.40 | 268 778 300.66 | 293 387 000.00 | 307 548 000.00 |
| REGIONAL BULK INFRASTRUCTURE GRANT | 212 275 000.55 | 544 478 000.00 | 371 383 404.77 | 408 200 000.00 |
| WATER SERVICES INFRASTRUCTURE GRANT | 99 999 999.15 | 100 210 159.34 | 115 000 000.00 | 120 000 000.00 |
| RURAL ROAD ASSET MANAGEMENT GRANT | 2 632 300.55 | 2 772 000.00 | 2 899 000.00 | 3 029 000.00 |
| INDONSA GRANT | 199 999.95 | 100 000.00 | 100 000.00 | 100 000.00 |
| BACKUP GENERATORS | 36 999 999.95 | - | - | - |
| OWN FUNDING | 5 000 001.05 | - | - | - |
| TOTAL CAPITAL EXPENDITURE VAT INCLUSIVE | 614 046 301.60 | 916 338 460.00 | 782 769 404.77 | 838 877 000.00 |

MFMA mSCOA circular number 13 requires that capital expenditure be budgeted exclusively. VAT on capital grants amount to **R126.3 million**.

FINANCIAL POSITION

| | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|----------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| Current Assets | 153 121 909.29 | 416 272 055.13 | 679 096 767.63 | 942 286 075.24 |
| Non-Current Assets | 5 334 873 657.24 | 5 239 873 657.24 | 5 140 523 083.31 | 5 037 178 207.76 |
| Current Liabilities | 619 678 785.01 | 367 939 746.64 | 531 982 654.08 | 523 637 142.75 |
| Non-Current Liabilities | 46 420 574.45 | 292 659 983.00 | 119 885 522.24 | 119 885 522.24 |
| Accumulated surplus | 4 821 896 207.08 | 4 995 545 982.73 | 5 167 751 674.63 | 5 335 941 618.03 |

The municipality has a higher number of debtors, but the collection level is an average of 55% from the previous financial year. In 2025/26 the collection rate is expected to be between 55-60% of the current billing.

The municipality also has a large number of creditors that result from the cost drivers that are key to service delivery and the municipality cannot do without them.

The liabilities are expected to be **R239.4 million** by the end of June 2025. Since the municipality has established and tabled the funding plan, it was highlighted that the municipality will not be able to pay all the creditors at once. Therefore, for 2025/26 budget, the municipality has already started negotiations with some of the creditors to make affordable payments arrangements that will go beyond the 2025/26 financial year.

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. 129 to give guidance on these imperatives.

There are key factors that have been taken into consideration in the compilation of the 2025/26 MTREF:

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

| Fiscal Year | 2024/25 Estimates | 2025/26 | 2026/27 forecast | 2027/28 Forecast |
|---------------|----------------------|---------|---------------------|---------------------|
| CPI Inflation | 4.4% | 4.3% | 4.6% | 4.4% |

An increase of 4.3% 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.

Cost containment measures

Cost containment measures continue as our resolution. Hence the budget is largely informed by this. We continue to make it our practice, a call by the cost containment regulation to eliminate expenditures on the following:

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

Based on the funding plan, the municipality has started to access and review existing SLA's to identify those services that the municipality can do internally.

Budget related policies

The municipality in implementing this budget will rely mostly on its policies as being reviewed for the financial year.

1.4 OPERATING REVENUE FRAMEWORK

The following Table is a high-level summary of the 2025/2026 Tabled budget, indicated is the budgeted revenue by source.

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

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Water | 2 | 38 486 | 39 170 | 58 877 | 68 294 | 61 317 | 61 317 | 44 042 | 63 954 | 66 896 | 69 839 |
| Service charges - Waste Water Management | 2 | 12 513 | 14 831 | 16 024 | 17 732 | 17 732 | 17 732 | 14 145 | 18 494 | 19 345 | 20 196 |
| Service charges - Waste Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Sale of Goods and Rendering of Services | | 516 | 1 426 | 760 | 578 | 230 | 230 | 530 | 800 | 836 | 857 |
| Agency services | | | | | | | | | | | |
| Interest | | | | | | | | | | | |
| Interest earned from Receivables | | 288 | 75 | 691 | 823 | 823 | 823 | 578 | 858 | 898 | 937 |
| Interest earned from Current and Non Current Assets | | 3 705 | 7 433 | 15 458 | 7 500 | 7 500 | 7 500 | 4 806 | 8 000 | 8 368 | 8 736 |
| Dividends | | | | | | | | | | | |
| Rent on Land | | | | | | | | | | | |
| Rental from Fixed Assets | | 195 | 181 | 559 | 504 | 504 | 504 | 355 | 504 | 504 | 504 |
| Licence and permits | | - | 88 | 107 | 176 | 283 | 283 | 202 | 295 | 308 | 322 |
| Special rating levies | | | | | | | | | | | |
| Operational Revenue | | 569 | 563 | 594 | 565 | 1 288 | 1 288 | 1 038 | 1 344 | 1 405 | 1 467 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | - | - | - | - | - | - | - | - | - | - |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 209 | 910 | 875 | 1 467 | 580 | 580 | 348 | 605 | 633 | 661 |
| Licences or permits | | | | | | | | | | | |
| Transfer and subsidies - Operational | | 537 979 | 658 830 | 746 444 | 768 030 | 768 164 | 768 164 | 704 241 | 720 384 | 757 969 | 796 384 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Fuel Levy | | | | | | | | | | | |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | 40 | 2 894 | 680 | - | - | - | - | - | - | - |
| Other Gains | | - | 4 385 | 5 704 | - | - | - | 3 | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 594 501 | 730 785 | 846 773 | 865 670 | 858 421 | 858 421 | 770 289 | 815 238 | 857 163 | 899 904 |

The **2025/2026** draft operating revenue budget is **R815.2 million**. This represents a decrease of **R43.1 million** or **5%** from **2024/2025** adjusted budget of **R858.4 million**. This net decrease is largely attributed to changes in operating revenue.

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 **R63.9 million** under Service charges - water revenue, this represents an increase of **R2.6 million** or **4.3%** from an amount of **R61.3 million** in the **2024/25** adjusted Budget.

The service charges water revenue increased by **4.3%** as per increase in tariffs schedule because the municipality took into consideration **2024/2025** 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 to households that are not considered as indigent, only indigent households have access to 6kl.

The Municipality increased tariffs by **4.3%** which is equal to **4.3%** percent guideline as per MFMA circular No. 130, this was done to gradually achieve cost reflective tariffs, whilst maintaining customer affordability.

An amount of **R3 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 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 the septic tank system.

The Municipality budgeted an amount of **R18.4 million** under Service charges - sanitation revenue, this represents an increase of **R762.4 thousand** or **4.3%** from an amount of **R17.7 million** in the **2024/25** adjusted Budget.

The Municipality increased tariffs by **4.3%**, which is equal to **4.3%** guideline as per MFMA circular No. 130. 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 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 **R800 thousand** under sale of goods and rendering of services, this represents an increase of **R569 thousand** or **247%** from an amount of **R230 thousand** in the **2024/25** adjusted budget. This increase is attributed to the municipality increasing the capital projects which will result in selling more tender documents.

Interest earned - outstanding debtors

Interest earned from receivables is an interest charged solely on businesses as per the municipality's Credit Control Policy. The Municipality budgeted an amount of **R858 thousand** on interest earned on outstanding debtors for the year **2025/26**, which reflects an increase of **R35.3 thousand** or **4.3%** from **R822.7 thousand** in the **2024/25** 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 assets 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 **R8 million** under Interest on investment which reflects an increase of **R500 thousand** or **7%** from **R7.5 million** in the **2024/25** adjusted budget. This increase is due to the increment of capital grants allocation so the municipality will make short-term investments.

Rental of Fixed Assets

Rental of facilities is billed for office space leased out. The Municipality budgeted an amount of **R503.9 thousand** excluding vat under rental of facilities and equipment. Rental of facilities has remained the same from the **2024/25** adjusted budget.

Licenses and permits

Licences and permits are mainly based on the licences issued by municipal health. The municipality budgeted an amount of **R294.8 thousand** which reflects an increase of **R12 thousand** or **4.3%** from **R282.6 thousand** in the **2024/2025** adjusted budget. This increase is attributed to the 4.3% guideline as per the MFMA circular No. 130.

Operational Revenue

The operating revenue includes receipts such as skills levy refund. The budget is prepared based on the expected return and expenditure from skills training. The expected budget is **R1.3 million**.

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 **R650 thousand** under Fines, penalties, and forfeits, this represents an increase of **R24.9 thousand** or **4.3%** from an amount of **R580 thousand** in the **2024/25** Adjusted Budget. This increase is equal to the **4.3 percent** guideline as per MFMA circular No. 130.

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 conditions have been met, except for equitable share which is not a conditional grant.

Transfers and subsidies budget is **R720.3 million**, this is as per DORA and Provincial gazette.

Provincial Gazette allocation has been considered, an amount of **R1.7 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 2025/2026 tabled budget, indicated is the budgeted expenditure by source.

| DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | | | | | | | |
|---|-----|-----------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 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 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 263 669 | 286 293 | 315 068 | 310 172 | 327 346 | 327 346 | 249 627 | 365 723 | 375 891 | 392 430 |
| Remuneration of councillors | | 8 616 | 9 276 | 10 362 | 9 465 | 10 755 | 10 755 | 8 010 | 11 640 | 11 267 | 11 763 |
| Bulk purchases - electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed | 8 | 6 127 | 51 977 | 50 171 | 25 676 | 25 274 | 25 274 | 12 892 | 15 750 | 16 458 | 17 148 |
| Debt impairment | 3 | 19 677 | 26 735 | 30 812 | 6 000 | 6 000 | 6 000 | - | 4 000 | 4 184 | 4 368 |
| Depreciation and amortisation | | 101 119 | 100 254 | 114 219 | 91 315 | 91 315 | 91 315 | 87 483 | 95 000 | 99 370 | 103 742 |
| Interest | | 399 | 553 | 7 149 | 7 013 | 11 976 | 11 976 | 7 914 | 7 575 | 7 924 | 8 271 |
| Contracted services | | 318 040 | 363 587 | 371 917 | 203 358 | 354 916 | 354 916 | 153 340 | 157 757 | 166 006 | 173 781 |
| Transfers and subsidies | | 11 295 | 4 683 | 3 534 | 2 100 | 2 365 | 2 365 | 1 508 | 4 115 | 4 305 | 4 494 |
| Irrecoverable debts written off | | 323 | 2 192 | 8 134 | - | - | - | - | - | - | - |
| Operational costs | | 131 178 | 175 045 | 238 630 | 112 988 | 195 134 | 195 134 | 146 651 | 106 316 | 111 117 | 115 926 |
| Losses on disposal of Assets | | 95 | 679 | 506 | - | - | - | - | - | - | - |
| Other Losses | | 2 532 | 309 | - | - | - | - | - | - | - | - |
| Total Expenditure | | 863 071 | 1 021 582 | 1 150 503 | 768 086 | 1 025 080 | 1 025 080 | 667 425 | 767 877 | 796 522 | 831 924 |

The **2025/2026** final operating expenditure budget is **R767. million**. This represents an decrease of **R257.2 million** or **25%** from **2025/2026** adjusted budget of **R1 billion**.

Expenditure Classification is important 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 **R365.7 million** under employee related costs, this represents an increase of **R38.3 million** or **12%** from an amount of **R327.3 million** in the **2024/25** adjusted budget. The salaries have increased due to bargaining council agreement, contracted employees and EPWP employees funded by municipality. The salaries are 50% of the operating budget, which is beyond the norm of 25%-40% set by the National Treasury. The municipality has reviewed the organogram.

Remuneration of Councilors

Remuneration of Councilors is paid for councilors' allowances, service-related benefits and contributions. The Municipality budgeted an amount of **R11.6 million** which reflect an increase of **R855 thousand** or **8%** increase under Remuneration of Councilor's from an amount of **R10.7 million** in the **2024/25** Adjusted Budget. This increase is because the municipality considered the gazette of upper limits and the increment of **4.3%** as per MFMA circular no. 130 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 **R15.7 million** under inventory consumed. This represents a decrease of **R9 million** or **37%** from an amount of **R24.8 million** in the **2024/2025** Adjusted budget. The municipality decreased the budget because the municipality is still in discussion with Abaqulusi regarding section 78. Once the discussion has been finalized, the municipality will no longer purchase raw water from Abaqulusi.

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 **R4 million** under Debt impairment, this represents a decrease of **R2 million** or **33%** from an amount of **R6 million** in the 2024/25 Adjusted Budget. According to municipality's recovery plan, it was mentioned that there will be consistent cut-offs and disconnections, therefore when implementing that, the debtors will decrease as well as the movement of impairment.

The municipality has decreased the provision based on 2024-2025 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 **R95 million** under Depreciation, this represents an increase of **R3.6 million** or **4%** from an amount of **R91.3 million** in the 2024/25 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 delivery of services. This will be successful if the municipality can be financial stable.

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

Interest

This amount includes interest in loans. The municipality budgeted an amount of **R7.5 million**, this represents a decrease of **R4.4 million** from an amount of **R11.9 million** in the **2024/2025** 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 **R157.7 million**, which is a decrease of **R197.1 million** or **56%** from the amount of **R354.9 million** in the **2024/2025** Adjustment Budget.

The municipality has budgeted according to affordability. According to the funding plan, the municipality decreased the outsourced services. 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 costs 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 the community and provided by the municipality. Transfers and subsidies amount is **R4.1 million**.

The municipality has increased the anticipated expenditure under this item by **R1.7 million** or **74%** which is below the inflation target of **4.3%** in terms of MFMA Circular No. 130 when compared to an amount of **R2.3 million** reflected in the **2024/25** 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 consists 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 **R106.3 million**. The municipality has decreased the anticipated expenditure under this item by **R88.8 million** or **46%** when compared to an amount of **R195.1 million** reflected in the **2024/25** Adjustments Budget.

The municipality has considered the funding plan priorities when determining the operating cost. The municipality has operating costs that cannot be avoided such as Eskom, municipality rates, fleet lease, wet fuel, external audit, SALGA, insurance, workmen's compensation which are very expensive but crucial for service delivery. Some expenditure items have remained the same due to municipal financial limitations.

Operating Grants Expenditure Framework

| | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|---------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| Employee related costs | 327 345 765 | 363 394 804 | 380 110 965 | 396 835 847.93 |
| Remuneration of councillors | 10 754 906 | 11 298 029 | 11 817 738 | 12 337 718.52 |
| Debt impairment | 6 000 000 | 4 000 000 | 4 184 000 | 4 368 096.00 |
| Depreciation & asset impairment | 91 314 533 | 95 000 000 | 99 370 000 | 103 742 280.00 |
| Finance charges | 11 976 009 | 7 575 356 | 7 923 747 | 8 270 896.00 |
| Inventory consumed/ materials | 25 274 400 | 17 426 000 | 18 226 670 | 19 010 257.75 |
| Contracted services | 354 915 712 | 133 965 336 | 140 204 742 | 146 550 070.22 |
| Transfers and subsidies | 2 365 000 | 3 615 356 | 3 780 662 | 3 927 156.26 |
| Other expenditure | 195 133 563 | 105 759 295 | 110 592 604 | 115 424 874.63 |
| TOTAL EXPENDITURE | 1 025 079 887.70 | 742 034 176.84 | 776 211 129.21 | 810 467 197.31 |

Operating Surplus

| DC26 Zululand - Table A4 Budgeted Financial Performance (revenue and expenditure) | | | | | | | | | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 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 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Surplus/(Deficit) | | (268 570) | (290 797) | (303 730) | 97 583 | (166 659) | (166 659) | 102 864 | 47 361 | 60 641 | 67 980 |
| Transfers and subsidies - capital (monetary allocations) | 6 | 611 248 | 610 502 | 768 386 | 576 195 | 573 592 | 573 592 | 417 498 | 916 219 | 781 371 | 838 777 |
| Transfers and subsidies - capital (in-kind) | 6 | 24 307 | – | 9 | – | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 520 362 | 963 580 | 842 012 | 906 757 |
| Income Tax | | | | | | | | | | | |
| Surplus/(Deficit) after income tax | | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 520 362 | 963 580 | 842 012 | 906 757 |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | | |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 520 362 | 963 580 | 842 012 | 906 757 |
| Share of Surplus/Deficit attributable to Associate | 7 | | | | | | | | | | |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | | |
| Surplus/(Deficit) for the year | 1 | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 520 362 | 963 580 | 842 012 | 906 757 |

Table A4 indicates a budget surplus of **R47.3 million** together with capital funding of **R916.2 million** from grants will be contributed to table A5 to fund the acquisition of assets.

1.6 CAPITAL BUDGETING

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 | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 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 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 13 258 | 3 061 | 1 943 | 4 348 | 4 348 | 4 348 | 28 | – | – | – |
| Executive and council | | 6 594 | 173 | 167 | – | – | – | – | – | – | – |
| Finance and administration | | 6 664 | 2 888 | 1 621 | 4 348 | 4 348 | 4 348 | 28 | – | – | – |
| Internal audit | | – | – | 155 | – | – | – | – | – | – | – |
| Community and public safety | | 485 | 1 551 | 286 | 174 | 174 | 174 | – | 86 | 86 | 86 |
| Community and social services | | 485 | 1 551 | 286 | 174 | 174 | 174 | – | 86 | 86 | 86 |
| Sport and recreation | | | | | | | | | | | |
| Public safety | | | | | | | | | | | |
| Housing | | | | | | | | | | | |
| Health | | – | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | | 6 965 | 1 726 | 75 | 2 307 | 2 289 | 2 289 | 61 | 2 390 | 2 499 | 2 611 |
| Planning and development | | 6 965 | 1 726 | 75 | 2 307 | 2 289 | 2 289 | 61 | 2 390 | 2 499 | 2 611 |
| Road transport | | | | | | | | | | | |
| Environmental protection | | | | | | | | | | | |
| Trading services | | 464 144 | 491 995 | 660 239 | 493 766 | 527 143 | 527 143 | 461 941 | 787 471 | 672 216 | 720 472 |
| Energy sources | | | | | | | | | | | |
| Water management | | 464 144 | 491 995 | 660 239 | 493 766 | 527 143 | 527 143 | 461 941 | 787 471 | 672 216 | 720 472 |
| Waste water management | | – | – | – | – | – | – | – | – | – | – |
| Waste management | | | | | | | | | | | |
| Other | | – | 9 | – | – | – | – | – | – | – | – |
| Total Capital Expenditure - Functional | 3 | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 462 030 | 789 947 | 674 801 | 723 170 |

Governance and administration

Governance and administration include furniture, ICT infrastructure, Furniture, computers, road restoration, park homes and equipment. The municipality did not budget for this line item.

Community and public safety

The municipality has budgeted **R86 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 **R2.3 million** 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 include capital grants (MIG, WSIG, and RBIG), backup generators. This line item has increased by **R292.5 million** from **R494.9 million** to **R787.4 million**. This line item includes infrastructure funded by MIG, RBIG, WSIG and Borrowings.

Projects to be Implemented as per Capital budget.

| CAPITAL EXPENDITURE 2025-2026 | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|-------------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| MUNICIPAL INFRASTRUCTURE GRANT | 223 425 218 | 232 621 838 | 252 919 828 | 230 545 727 |
| REGIONAL BULK INFRASTRUCTURE GRANT | 184 586 957 | 470 899 892 | 319 038 793 | 305 997 001 |
| WATER SERVICES INFRASTRUCTURE GRANT | 86 956 521 | 86 486 486 | 99 137 931 | 89 955 022 |
| RURAL ROAD ASSET MANAGEMENT GRANT | 2 288 957 | 2 397 405 | 2 499 138 | 2 270 615 |
| INDONSA GRANT | 173 913 | | | |
| TOTAL CAPITAL EXPENDITURE | 497 431 565.74 | 792 405 621.62 | 673 595 689.66 | 628 768 365.82 |

Capital budget is funded **100%** by grants as per DORA. Capital budget funding is as follows: Municipal Infrastructure Grant (MIG), Water Services Infrastructure Grant (WSIG), Regional Bulk Infrastructure Grant (RBIG).

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 EXPENDITURE 2025-2026 | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|---|------------------------------|--------------------------|--------------------------|--------------------------|
| MUNICIPAL INFRASTRUCTURE GRANT | 256 939 000 | 268 969 000 | 293 387 000 | 267 433 043 |
| REGIONAL BULK INFRASTRUCTURE GRANT | 212 275 001 | 544 478 000 | 370 085 000 | 354 956 522 |
| WATER SERVICES INFRASTRUCTURE GRANT | 99 999 999 | 100 000 000 | 115 000 000 | 104 347 826 |
| RURAL ROAD ASSET MANAGEMENT GRANT | 2 632 301 | 2 772 000 | 2 899 000 | 2 633 913 |
| INDONSA GRANT | 200 000 | - | - | - |
| TOTAL CAPITAL EXPENDITURE VAT INCLUSIVE | 572 046 300.60 | 916 219 000.00 | 781 371 000.00 | 729 371 304.35 |

1.7 ANNUAL BUDGET TABLES

The following part of the budget presentation portrayed below focuses on budget tables as required in terms of regulation 9 of the Municipal Budget and Reporting Regulations. These tables clearly outline the municipality's **2025/2026** 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 | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|----------|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Revenue - Functional | 1 | | | | | | | | | |
| Governance and administration | | 530 987 | 665 320 | 759 290 | 769 935 | 770 614 | 770 614 | 722 663 | 767 032 | 801 710 |
| Executive and council | | — | 8 | — | — | — | — | — | — | — |
| Finance and administration | | 530 987 | 665 312 | 759 290 | 769 935 | 770 614 | 770 614 | 722 663 | 767 032 | 801 710 |
| Internal audit | | — | — | — | — | — | — | — | — | — |
| Community and public safety | | 2 011 | 2 285 | 2 285 | 3 215 | 2 474 | 2 474 | 2 118 | 2 136 | 2 155 |
| Community and social services | | 2 011 | 2 209 | 2 179 | 1 911 | 2 091 | 2 091 | 1 719 | 1 719 | 1 719 |
| Sport and recreation | | — | — | — | — | — | — | — | — | — |
| Public safety | | — | — | — | — | — | — | — | — | — |
| Housing | | — | — | — | — | — | — | — | — | — |
| Health | | — | 76 | 107 | 1 304 | 383 | 383 | 399 | 417 | 436 |
| Economic and environmental services | | 9 606 | 4 171 | 3 112 | 2 721 | 2 653 | 2 653 | 2 772 | 2 899 | 7 029 |
| Planning and development | | 9 606 | 4 171 | 3 112 | 2 721 | 2 653 | 2 653 | 2 772 | 2 899 | 7 029 |
| Road transport | | — | — | — | — | — | — | — | — | — |
| Environmental protection | | — | — | — | — | — | — | — | — | — |
| Trading services | | 686 941 | 668 995 | 848 437 | 665 936 | 656 215 | 656 215 | 1 003 344 | 865 804 | 926 922 |
| Energy sources | | — | — | — | — | — | — | — | — | — |
| Water management | | 674 336 | 654 093 | 832 056 | 647 830 | 638 250 | 638 250 | 984 607 | 846 204 | 906 460 |
| Waste water management | | 12 605 | 14 903 | 16 380 | 18 106 | 17 965 | 17 965 | 18 738 | 19 599 | 20 462 |
| Waste management | | — | — | — | — | — | — | — | — | — |
| Other | 4 | 511 | 516 | 2 045 | 57 | 57 | 57 | 560 | 663 | 865 |
| Total Revenue - Functional | 2 | 1 230 055 | 1 341 287 | 1 615 168 | 1 441 865 | 1 432 013 | 1 432 013 | 1 731 457 | 1 638 534 | 1 738 681 |
| Expenditure - Functional | | | | | | | | | | |
| Governance and administration | | 255 470 | 329 923 | 430 174 | 312 391 | 397 557 | 397 557 | 253 841 | 264 747 | 276 385 |
| Executive and council | | 61 104 | 63 257 | 70 543 | 35 144 | 41 092 | 41 092 | 59 108 | 60 917 | 63 568 |
| Finance and administration | | 194 366 | 266 667 | 306 776 | 248 883 | 293 050 | 293 050 | 166 662 | 174 468 | 182 163 |
| Internal audit | | — | — | 52 855 | 28 364 | 63 415 | 63 415 | 28 071 | 29 362 | 30 654 |
| Community and public safety | | 24 796 | 27 553 | 27 210 | 28 084 | 29 541 | 29 541 | 31 478 | 32 852 | 34 226 |
| Community and social services | | 13 211 | 14 564 | 9 284 | 9 176 | 9 901 | 9 901 | 10 898 | 11 325 | 11 752 |
| Sport and recreation | | — | — | — | — | — | — | — | — | — |
| Public safety | | — | — | 7 301 | 6 234 | 7 405 | 7 405 | 7 666 | 8 019 | 8 372 |
| Housing | | — | — | — | — | — | — | — | — | — |
| Health | | 11 586 | 12 989 | 10 625 | 12 674 | 12 235 | 12 235 | 12 914 | 13 508 | 14 102 |
| Economic and environmental services | | 24 502 | 22 711 | 29 375 | 22 960 | 23 260 | 23 260 | 23 679 | 24 768 | 29 858 |
| Planning and development | | 24 502 | 22 711 | 29 375 | 22 960 | 23 260 | 23 260 | 23 679 | 24 768 | 29 858 |
| Road transport | | — | — | — | — | — | — | — | — | — |
| Environmental protection | | — | — | — | — | — | — | — | — | — |
| Trading services | | 566 315 | 632 167 | 646 155 | 393 586 | 563 331 | 563 331 | 448 292 | 463 004 | 479 653 |
| Energy sources | | — | — | — | — | — | — | — | — | — |
| Water management | | 558 489 | 620 495 | 633 539 | 378 362 | 552 249 | 552 249 | 431 937 | 445 896 | 461 793 |
| Waste water management | | 7 826 | 11 672 | 12 616 | 15 224 | 11 082 | 11 082 | 16 355 | 17 107 | 17 860 |
| Waste management | | — | — | — | — | — | — | — | — | — |
| Other | 4 | 7 882 | 9 229 | 12 748 | 10 615 | 10 940 | 10 940 | 10 588 | 11 151 | 11 815 |
| Total Expenditure - Functional | 3 | 878 966 | 1 021 583 | 1 145 661 | 767 636 | 1 024 630 | 1 024 630 | 767 877 | 796 522 | 831 936 |
| Surplus/(Deficit) for the year | | 351 089 | 319 704 | 469 507 | 674 228 | 407 383 | 407 383 | 963 580 | 842 012 | 906 745 |

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)

| Table 10: Budgeted, Audited Outcome (Revenue and Expenditure by Municipal Vote) | | | | | | | | | | |
|---|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| Vote Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Revenue by Vote | | | | | | | | | | |
| Vote 01 - Council | 1 | – | 8 | – | – | – | – | – | – | – |
| Vote 02 - Corporate Services | | 448 | 61 142 | 105 559 | 89 962 | 89 916 | 89 916 | 977 | 1 099 | 1 321 |
| Vote 03 - Finance | | 530 539 | 604 660 | 655 776 | 680 030 | 680 755 | 680 755 | 722 246 | 766 596 | 801 254 |
| Vote 04 - Community Development | | 10 481 | 3 953 | 2 285 | 3 215 | 2 474 | 2 474 | 2 118 | 2 136 | 2 155 |
| Vote 05 - Planning & Wsa | | 603 289 | 617 377 | 775 606 | 581 490 | 578 819 | 578 819 | 922 625 | 781 371 | 842 777 |
| Vote 06 - Technical Services | | 9 612 | – | – | – | – | – | – | – | – |
| Vote 07 - Water Purification | | – | – | – | – | – | – | – | – | – |
| Vote 08 - Water Distribution | | 63 082 | 39 245 | 59 562 | 69 061 | 62 084 | 62 084 | 64 754 | 67 732 | 70 712 |
| Vote 09 - Waste Water | | 12 605 | 14 903 | 16 380 | 18 106 | 17 965 | 17 965 | 18 738 | 19 599 | 20 462 |
| Vote 10 - . | | – | – | – | – | – | – | – | – | – |
| Vote 11 - . | | – | – | – | – | – | – | – | – | – |
| Vote 12 - , | | – | – | – | – | – | – | – | – | – |
| Vote 13 - , | | – | – | – | – | – | – | – | – | – |
| Vote 14 - * | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – | – |
| Total Revenue by Vote | 2 | 1 230 055 | 1 341 287 | 1 615 168 | 1 441 865 | 1 432 013 | 1 432 013 | 1 731 457 | 1 638 534 | 1 738 681 |
| Expenditure by Vote to be appropriated | | | | | | | | | | |
| Vote 01 - Council | 1 | 61 104 | 63 257 | 80 090 | 45 311 | 53 018 | 53 018 | 67 460 | 69 653 | 72 688 |
| Vote 02 - Corporate Services | | 124 394 | 187 183 | 273 176 | 211 286 | 286 880 | 286 880 | 124 885 | 130 706 | 136 621 |
| Vote 03 - Finance | | 70 809 | 72 389 | 76 214 | 59 309 | 60 588 | 60 588 | 62 394 | 65 404 | 68 309 |
| Vote 04 - Community Development | | 43 410 | 55 014 | 58 981 | 47 801 | 51 280 | 51 280 | 54 996 | 57 451 | 59 908 |
| Vote 05 - Planning & Wsa | | 62 982 | 61 591 | 31 915 | 27 462 | 23 789 | 23 789 | 46 649 | 49 585 | 52 048 |
| Vote 06 - Technical Services | | 29 532 | 9 306 | 5 354 | 5 758 | 5 639 | 5 639 | 6 455 | 6 752 | 7 045 |
| Vote 07 - Water Purification | | 48 620 | 52 109 | 50 293 | 47 565 | 50 610 | 50 610 | 51 596 | 53 969 | 56 344 |
| Vote 08 - Water Distribution | | 430 289 | 509 062 | 557 023 | 307 920 | 481 744 | 481 744 | 337 089 | 345 894 | 361 114 |
| Vote 09 - Waste Water | | 7 826 | 11 672 | 12 616 | 15 224 | 11 082 | 11 082 | 16 355 | 17 107 | 17 860 |
| Vote 10 - . | | – | – | – | – | – | – | – | – | – |
| Vote 11 - . | | – | – | – | – | – | – | – | – | – |
| Vote 12 - , | | – | – | – | – | – | – | – | – | – |
| Vote 13 - , | | – | – | – | – | – | – | – | – | – |
| Vote 14 - * | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – | – |
| Total Expenditure by Vote | 2 | 878 966 | 1 021 583 | 1 145 661 | 767 636 | 1 024 630 | 1 024 630 | 767 877 | 796 522 | 831 936 |
| Surplus/(Deficit) for the year | 2 | 351 089 | 319 704 | 469 507 | 674 228 | 407 383 | 407 383 | 963 580 | 842 012 | 906 745 |

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 | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | 1 | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | |
| Service charges - Electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - Water | 2 | 38 486 | 39 170 | 58 877 | 68 294 | 61 317 | 61 317 | 44 042 | 63 954 | 66 896 | 69 839 |
| Service charges - Waste Water Management | 2 | 12 513 | 14 831 | 16 024 | 17 732 | 17 732 | 17 732 | 14 133 | 18 494 | 19 345 | 20 196 |
| Service charges - Waste Management | 2 | - | - | - | - | - | - | - | - | - | - |
| Sale of Goods and Rendering of Services | | 516 | 1 426 | 760 | 578 | 230 | 230 | 530 | 800 | 836 | 857 |
| Agency services | | | | | | | | | | | |
| Interest | | | | | | | | | | | |
| Interest earned from Receivables | | 288 | 75 | 691 | 823 | 823 | 823 | 578 | 858 | 898 | 937 |
| Interest earned from Current and Non Current Assets | | 3 705 | 7 433 | 15 458 | 7 500 | 7 500 | 7 500 | 4 806 | 8 000 | 8 368 | 8 736 |
| Dividends | | | | | | | | | | | |
| Rent on Land | | | | | | | | | | | |
| Rental from Fixed Assets | | 195 | 181 | 559 | 504 | 504 | 504 | 355 | 504 | 504 | 504 |
| Licence and permits | | - | 88 | 107 | 176 | 283 | 283 | 192 | 295 | 308 | 322 |
| Special rating levies | | | | | | | | | | | |
| Operational Revenue | | 569 | 563 | 594 | 565 | 1 288 | 1 288 | 1 037 | 1 344 | 1 405 | 1 467 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | 2 | - | - | - | - | - | - | - | - | - | - |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 209 | 910 | 875 | 1 467 | 580 | 580 | 348 | 605 | 633 | 661 |
| Licences or permits | | | | | | | | | | | |
| Transfer and subsidies - Operational | | 537 979 | 658 830 | 746 444 | 768 030 | 768 164 | 768 164 | 536 694 | 720 384 | 757 969 | 796 384 |
| Interest | | - | - | - | - | - | - | - | - | - | - |
| Fuel Levy | | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | 40 | 2 894 | 680 | - | - | - | - | - | - | - |
| Other Gains | | - | 4 385 | 5 704 | - | - | - | 3 | - | - | - |
| Discontinued Operations | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 594 501 | 730 785 | 846 773 | 865 670 | 858 421 | 858 421 | 602 718 | 815 238 | 857 163 | 899 904 |
| Expenditure | | | | | | | | | | | |
| Employee related costs | 2 | 263 669 | 286 293 | 315 068 | 310 172 | 327 346 | 327 346 | 249 611 | 365 723 | 375 891 | 392 430 |
| Remuneration of councillors | | 8 616 | 9 276 | 10 362 | 9 465 | 10 755 | 10 755 | 8 010 | 11 640 | 11 267 | 11 763 |
| Bulk purchases - electricity | 2 | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed | 8 | 6 127 | 51 977 | 50 171 | 25 676 | 25 274 | 25 274 | 12 892 | 15 750 | 16 458 | 17 148 |
| Debt impairment | 3 | 19 677 | 26 735 | 30 812 | 6 000 | 6 000 | 6 000 | - | 4 000 | 4 184 | 4 368 |
| Depreciation and amortisation | | 101 119 | 100 254 | 114 219 | 91 315 | 91 315 | 91 315 | 87 483 | 95 000 | 99 370 | 103 742 |
| Interest | | 399 | 553 | 7 149 | 7 013 | 11 976 | 11 976 | 7 911 | 7 575 | 7 924 | 8 271 |
| Contracted services | | 318 040 | 363 587 | 371 917 | 203 358 | 354 916 | 354 916 | 153 320 | 157 757 | 166 006 | 173 781 |
| Transfers and subsidies | | 11 295 | 4 683 | 3 534 | 2 100 | 2 365 | 2 365 | 1 508 | 4 115 | 4 305 | 4 494 |
| Irrecoverable debts written off | | 323 | 2 192 | 8 134 | - | - | - | - | - | - | - |
| Operational costs | | 131 178 | 175 045 | 238 630 | 112 988 | 195 134 | 195 134 | 146 361 | 106 316 | 111 117 | 115 926 |
| Losses on disposal of Assets | | 95 | 679 | 506 | - | - | - | - | - | - | - |
| Other Losses | | 2 532 | 309 | - | - | - | - | - | - | - | - |
| Total Expenditure | | 863 071 | 1 021 582 | 1 150 503 | 768 086 | 1 025 080 | 1 025 080 | 667 096 | 767 877 | 796 522 | 831 924 |
| Surplus/(Deficit) | | (268 570) | (290 797) | (303 730) | 97 583 | (166 659) | (166 659) | (64 378) | 47 361 | 60 641 | 67 980 |
| Transfers and subsidies - capital (monetary allocations) | 6 | 611 248 | 610 502 | 768 386 | 576 195 | 573 592 | 573 592 | 417 498 | 916 219 | 781 371 | 838 777 |
| Transfers and subsidies - capital (in-kind) | 6 | 24 307 | - | 9 | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 353 120 | 963 580 | 842 012 | 906 757 |
| Income Tax | | | | | | | | | | | |
| Surplus/(Deficit) after income tax | | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 353 120 | 963 580 | 842 012 | 906 757 |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | | |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 353 120 | 963 580 | 842 012 | 906 757 |
| Share of Surplus/Deficit attributable to Associate | 7 | | | | | | | | | | |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | | |
| Surplus/(Deficit) for the year | 1 | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 353 120 | 963 580 | 842 012 | 906 757 |

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 | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | 1 | | | | | | | | | | |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 01 - Council | | - | - | - | - | - | - | - | - | - | - |
| Vote 02 - Corporate Services | | - | - | 155 | - | - | - | - | - | - | - |
| Vote 03 - Finance | | - | - | - | - | - | - | - | - | - | - |
| Vote 04 - Community Development | | - | - | - | - | - | - | - | - | - | - |
| Vote 05 - Planning & Wsa | | - | - | - | - | - | - | - | - | - | - |
| Vote 06 - Technical Services | | - | - | - | - | - | - | - | - | - | - |
| Vote 07 - Water Purification | | - | - | - | - | - | - | - | - | - | - |
| Vote 08 - Water Distribution | | - | - | - | - | - | - | - | - | - | - |
| Vote 09 - Waste Water | | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - . | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - . | | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - . | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - . | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - * | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 7 | - | - | 155 | - | - | - | - | - | - | - |
| Single-year expenditure to be appropriated | 2 | | | | | | | | | | |
| Vote 01 - Council | | 6 594 | 173 | 167 | - | - | - | - | - | - | - |
| Vote 02 - Corporate Services | | 3 746 | 833 | 1 551 | 3 478 | 3 478 | 3 478 | - | - | - | - |
| Vote 03 - Finance | | 2 918 | 2 064 | 70 | 870 | 870 | 870 | 28 | - | - | - |
| Vote 04 - Community Development | | 7 451 | 3 277 | 286 | 174 | 174 | 174 | - | 86 | 86 | 86 |
| Vote 05 - Planning & Wsa | | 464 144 | 491 521 | 660 294 | 489 900 | 497 258 | 497 258 | 448 544 | 789 861 | 674 715 | 723 084 |
| Vote 06 - Technical Services | | - | - | - | 6 173 | - | - | - | - | - | - |
| Vote 07 - Water Purification | | - | 474 | 20 | - | - | - | - | - | - | - |
| Vote 08 - Water Distribution | | - | - | - | - | 32 174 | 32 174 | 13 458 | - | - | - |
| Vote 09 - Waste Water | | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - . | | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - . | | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - . | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - . | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - * | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 484 853 | 498 342 | 662 388 | 500 595 | 533 953 | 533 953 | 462 030 | 789 947 | 674 801 | 723 170 |
| Total Capital Expenditure - Vote | | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 462 030 | 789 947 | 674 801 | 723 170 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| Governance and administration | | 13 258 | 3 061 | 1 943 | 4 348 | 4 348 | 4 348 | 28 | - | - | - |
| Executive and council | | 6 594 | 173 | 167 | - | - | - | - | - | - | - |
| Finance and administration | | 6 664 | 2 888 | 1 621 | 4 348 | 4 348 | 4 348 | 28 | - | - | - |
| Internal audit | | - | - | 155 | - | - | - | - | - | - | - |
| Community and public safety | | 485 | 1 551 | 286 | 174 | 174 | 174 | - | 86 | 86 | 86 |
| Community and social services | | 485 | 1 551 | 286 | 174 | 174 | 174 | - | 86 | 86 | 86 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 6 965 | 1 726 | 75 | 2 307 | 2 289 | 2 289 | 61 | 2 390 | 2 499 | 2 611 |
| Planning and development | | 6 965 | 1 726 | 75 | 2 307 | 2 289 | 2 289 | 61 | 2 390 | 2 499 | 2 611 |
| Road transport | | - | - | - | - | - | - | - | - | - | - |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 464 144 | 491 995 | 660 239 | 493 766 | 527 143 | 527 143 | 461 941 | 787 471 | 672 216 | 720 472 |
| Energy sources | | - | - | - | - | - | - | - | - | - | - |
| Water management | | 464 144 | 491 995 | 660 239 | 493 766 | 527 143 | 527 143 | 461 941 | 787 471 | 672 216 | 720 472 |
| Waste water management | | - | - | - | - | - | - | - | - | - | - |
| Waste management | | - | - | - | - | - | - | - | - | - | - |
| Other | | - | 9 | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 462 030 | 789 947 | 674 801 | 723 170 |
| Funded by: | | | | | | | | | | | |
| National Government | | 464 144 | 490 152 | 660 294 | 496 073 | 497 258 | 497 258 | 448 483 | 789 861 | 674 715 | 723 084 |
| Provincial Government | | 7 451 | 2 797 | 277 | 174 | 174 | 174 | - | 86 | 86 | 86 |
| District Municipality | | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov | | - | - | 9 | - | - | - | - | - | - | - |
| Departm Agencies, Households, Non-profit Institutions, Private | | - | - | - | - | - | - | - | - | - | - |
| Enterprises, Public Corporations, Higher Educ Institutions) | | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 4 | 471 595 | 492 948 | 660 580 | 496 247 | 497 432 | 497 432 | 448 483 | 789 947 | 674 801 | 723 170 |
| Borrowing | 6 | - | 191 | - | - | 32 174 | 32 174 | 13 458 | - | - | - |
| Internally generated funds | | 13 258 | 5 203 | 1 963 | 4 348 | 4 348 | 4 348 | 89 | - | - | - |
| Total Capital Funding | 7 | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 462 030 | 789 947 | 674 801 | 723 170 |

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.

DC26 Zululand - Table A6 Budgeted Financial Position

| Description | | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| ASSETS | | | | | | | | | | | | |
| Current assets | | | | | | | | | | | | |
| Cash and cash equivalents | | | 20 468 | 27 427 | 57 071 | 417 029 | (11 176) | (11 176) | (84 870) | 218 016 | 445 258 | 687 666 |
| Trade and other receivables from exchange transactions | 1 | | 33 482 | 6 442 | 36 516 | 79 729 | 66 307 | 66 307 | 70 248 | 100 265 | 135 849 | 172 997 |
| Receivables from non-exchange transactions | 1 | | 1 144 | 131 | 5 696 | 7 109 | 5 696 | 5 696 | 5 426 | 5 696 | 5 696 | 5 696 |
| Current portion of non-current receivables | | | – | – | – | – | – | – | – | – | – | – |
| Inventory | 2 | | 2 556 | 2 836 | 3 966 | 3 966 | 3 966 | 3 966 | 15 660 | 3 966 | 3 966 | 3 966 |
| VAT | | | 50 650 | 82 604 | 65 326 | 80 813 | 64 744 | 64 744 | 53 258 | 64 744 | 64 744 | 48 376 |
| Other current assets | | | 26 941 | 25 522 | 29 542 | 24 653 | 23 584 | 23 584 | 29 097 | 23 584 | 23 584 | 23 584 |
| Total current assets | | | 135 242 | 144 961 | 198 117 | 613 299 | 153 122 | 153 122 | 88 819 | 416 272 | 679 097 | 942 286 |
| Non current assets | | | | | | | | | | | | |
| Investments | | | | | | | | | | | | |
| Investment property | | | | | | | | | | | | |
| Property, plant and equipment | 3 | | 4 593 488 | 4 992 365 | 5 521 528 | 5 311 270 | 5 860 992 | 5 860 992 | 5 896 092 | 6 024 279 | 5 809 889 | 5 752 528 |
| Biological assets | | | | | | | | | | | | |
| Living and non-living resources | | | | | | | | | | | | |
| Heritage assets | | | 7 807 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 |
| Intangible assets | | | 15 | 52 | 28 | 32 | 8 | 8 | 10 | (5) | (6) | (7) |
| Trade and other receivables from exchange transactions | | | – | – | – | – | – | – | – | – | – | – |
| Non-current receivables from non-exchange transactions | | | – | – | – | – | – | – | – | – | – | – |
| Other non-current assets | | | – | – | 10 | – | 10 | 10 | 10 | 10 | 10 | 10 |
| Total non current assets | | | 4 601 310 | 5 000 233 | 5 529 382 | 5 319 119 | 5 868 827 | 5 868 827 | 5 903 929 | 6 032 101 | 5 817 710 | 5 760 348 |
| TOTAL ASSETS | | | 4 736 552 | 5 145 195 | 5 727 500 | 5 932 418 | 6 021 949 | 6 021 949 | 5 992 748 | 6 448 373 | 6 496 806 | 6 702 634 |
| LIABILITIES | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | |
| Bank overdraft | | | | | | | | | | | | |
| Financial liabilities | | | 902 | 1 484 | 18 789 | 1 556 | 18 318 | 18 318 | 8 653 | 18 318 | 18 318 | 18 318 |
| Consumer deposits | 4 | | 3 621 | 3 620 | 3 381 | 3 702 | 3 463 | 3 463 | 3 371 | 3 463 | 3 463 | 3 463 |
| Trade and other payables from exchange transactions | 5 | | 341 425 | 472 664 | 491 425 | 450 406 | 485 717 | 485 717 | 239 478 | 239 478 | 416 847 | 412 252 |
| Trade and other payables from non-exchange transactions | | | 2 411 | 1 560 | 1 446 | – | 1 446 | 1 446 | 1 446 | 1 446 | 1 446 | 1 446 |
| Provision | | | 2 378 | 29 677 | 34 940 | 2 154 | 34 940 | 34 940 | 34 940 | 34 940 | 34 940 | 34 940 |
| VAT | | | 5 099 | 933 | 1 535 | 10 311 | 5 378 | 5 378 | 7 079 | 14 869 | 16 028 | 12 166 |
| Other current liabilities | | | | | | | | | | | | |
| Total current liabilities | | | 355 836 | 509 937 | 551 515 | 468 129 | 549 262 | 549 262 | 294 966 | 312 513 | 491 042 | 482 585 |
| Non current liabilities | | | | | | | | | | | | |
| Financial liabilities | 6 | | 1 092 | 1 744 | 80 455 | 80 589 | 69 843 | 69 843 | 88 471 | 59 706 | 49 918 | 40 478 |
| Provision | 7 | | 41 020 | 43 487 | 44 070 | 41 109 | 44 070 | 44 070 | 44 070 | 44 070 | 44 070 | 44 070 |
| Long term portion of trade payables | | | – | – | 2 925 | 32 779 | 2 925 | 2 925 | 175 699 | 249 164 | 76 390 | 76 390 |
| Other non-current liabilities | | | | | | | | | | | | |
| Total non current liabilities | | | 42 112 | 45 231 | 127 450 | 154 477 | 116 838 | 116 838 | 308 240 | 352 941 | 170 378 | 160 938 |
| TOTAL LIABILITIES | | | 397 948 | 555 169 | 678 965 | 622 606 | 666 099 | 666 099 | 603 206 | 665 454 | 661 420 | 643 523 |
| NET ASSETS | | | 4 338 603 | 4 590 026 | 5 048 535 | 5 309 811 | 5 355 850 | 5 355 850 | 5 389 542 | 5 782 919 | 5 835 386 | 6 059 111 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | | |
| Accumulated surplus/(deficit) | 8 | | 4 356 740 | 4 596 968 | 5 043 693 | 5 308 220 | 5 355 400 | 5 355 400 | 5 401 654 | 5 785 493 | 5 842 553 | 6 059 124 |
| Reserves and funds | 9 | | – | – | – | – | – | – | – | – | – | – |
| Other | | | | | | | | | | | | |
| TOTAL COMMUNITY WEALTH/EQUITY | | | 4 356 740 | 4 596 968 | 5 043 693 | 5 308 220 | 5 355 400 | 5 355 400 | 5 401 654 | 5 785 493 | 5 842 553 | 6 059 124 |

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

Call investments deposits.

Cash & Overdraft

Consumer debtors.

Property, plant, and equipment.

Trade and other payables.

Provisions
Debt impairment

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

CURRENT ASSETS

Cash 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 a favorable cash balance at the end of the year.

Cash Balance at the end is expected to be **R218 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 54 785 380 |
| Sanitation | R 15 176 013 |
| Other receivables from exchange | R 14 602 |
| Debtors Balance | R 100 265 328 |

Water and Sanitation services are calculated as follows:

| | Water | Sanitation |
|------------------------|---------------------|---------------------|
| Opening balance | R 28 270 932 | R 7 732 161 |
| Current year billing | R 74 186 407 | R 21 453 597 |
| Collection | (R 44 991 672) | (R 12 905 778) |
| Impairment | (R 3 480 000) | (R 1 193 617) |
| Interest Charges | R 799 713 | R22 413 |
| Debtors Balance | R 54 785 380 | R 15 176 013 |

Consumer debtors include debtors from water and sanitation services, the expected balance at the end of the financial year is **R69.9 million**.

Receivables from non-exchange transactions

Receivable from non-exchange transactions includes accrued income, irregular, unauthorized, fruitless expenditure and insurance claims.

Receivables from non-exchange transactions amount to **R5.7 million**.

Current portion of non-current receivables

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

Inventory

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

| | |
|------------------------------------|---------------------|
| Opening balance | R3.9 million |
| Bulk water purchases | R15 million |
| Bulk water Billed | (R15 million) |
| Materials and supplies Acquisition | R250 thousand |
| Materials and supplies Issues | (R250 thousand) |
| Consumable Acquisition | R500 thousand |
| Consumable Issue | (R500 thousand) |
| Closing balance | R3.9 million |

VAT

VAT Receivable is the net amount of input VAT raised less output VAT received. VAT Receivable amount to **R64.7 million**.

Other current assets

| | |
|-------------------------|----------------------|
| Deposit made | R19.4 million. |
| Third Party Refunds | R3.8 million |
| Operating lease | R5.2 thousand |
| Employee salary advance | R36.5 thousand |
| Accrued interest | R295.4 thousand |
| Closing Balance | R23.5 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 **R789.9 million**, which are additions to property plant and equipment.

Total PPE is expected to be **R6 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 **R3.4 million**

Consumer deposits are Classified as follows:

| | |
|-------------------------------|---------------------|
| Consumer deposits Water | R3.4 million |
| Total Consumer debtors | R3.4 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 23/24 audited Annual financial statements (AFS), Trade and other payables amount to **R239.4 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 | R121.1 million |
| Retention | R84.9 million |
| Leave Accrual | R109.5 thousand |
| DWS | R18.4 million |
| Advance payments | R2.1 million |
| Employee related cost | R836.4 thousand |
| Electricity bulk | R11.3 million |
| Closing balance as of 30 June 2026 | R239.4 million |

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

- The municipality has stated in the funding plan that they will negotiate affordable payment arrangements with creditors such as DWS, maintenance contracts and any other big creditors.
- The municipality acknowledges that there's liabilities that will be paid in the outer years and those liabilities are disclosed under non-current liabilities.
- The municipality will review the scope of work of existing SLAs.
- 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-day rule.

Trade and other payables from non-exchange transactions

Trade and other payables from non-exchange include receipts and transfers of all grants. Trade and other payables from non-exchange transactions amount to **R1.4 million**.

VAT

VAT payable amounts to **R14.8 million**.

Current Provisions

The current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. Current Provisions amount to **R34.9 million**. This is the long service award benefit provision.

Finance liabilities

The bank deposits amount to R17.7 million and the current portion of finance lease is **R606 thousand**.

NON-CURRENT LIABILITIES

Financial liabilities

Non-current financial liabilities include long term loan, operating lease and borrowings. The municipality acquired a loan in 2023/24 financial year and the loan repayment is R17 million annually for the period of 10 years. Non-current financial liabilities amount to **R59 million**.

Non- Current Provisions

Non - Current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. The provisions are for long service awards and post-retirement medical aid benefit. Non - Current Provisions amount to **R44 million**.

Non-current Provisions amount to **R44 million**, this provision is for employee benefit provision (medical aid) and Employee benefit (long service awards).

| | |
|---------------------------------------|----------------------|
| Post Retirement benefit (Medical aid) | R30.7 million |
| Long Service award | R13.2 million |
| Total Non-current Provisions | R44 million |

Accumulated surplus is the net worth of the Municipality, sitting at **R5.7 billion**

DC26 Zululand - Table A7 Budgeted Cash Flows

| Description | | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Property rates | | | | | | | | | | – | – | – |
| Service charges | | | 46 532 | 26 949 | 32 466 | 60 766 | 56 066 | 56 066 | 27 522 | 58 972 | 61 684 | 64 399 |
| Other revenue | | | 1 066 617 | 1 393 313 | 2 051 105 | 121 898 | 162 405 | 162 405 | 835 120 | 178 676 | 149 198 | 163 511 |
| Transfers and Subsidies - Operational | 1 | | 536 553 | 661 838 | 746 330 | 768 030 | 767 804 | 767 804 | 537 635 | 707 572 | 757 969 | 792 384 |
| Transfers and Subsidies - Capital | 1 | | 636 186 | 610 306 | 768 386 | 576 195 | 573 592 | 573 592 | 463 563 | 916 219 | 781 371 | 838 777 |
| Interest | | | 3 661 | 6 722 | 18 397 | 7 995 | 7 995 | 7 995 | 4 751 | 8 516 | 8 908 | 9 300 |
| Dividends | | | | | | | | | | – | – | – |
| Payments | | | | | | | | | | | | |
| Suppliers and employees | | | (1 827 370) | (868 897) | (679 012) | (789 533) | (1 081 298) | (1 081 298) | (890 505) | (828 331) | (834 382) | (879 867) |
| Interest | | | | | | | | | | – | – | – |
| Transfers and Subsidies | 1 | | – | – | – | (2 415) | (2 720) | (2 720) | – | (4 774) | (4 993) | (5 213) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | | 462 180 | 1 830 231 | 2 937 672 | 742 935 | 483 843 | 483 843 | 978 086 | 1 036 850 | 919 754 | 983 290 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | – | – | 680 | – | – | – | – | – | – | – |
| Decrease (increase) in non-current receivables | | | – | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | | | | | | | | | | – | – | – |
| Payments | | | | | | | | | | | | |
| Capital assets | | | (484 853) | (496 567) | (662 543) | (500 595) | (533 953) | (533 953) | (429 152) | (908 439) | (776 021) | (831 645) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | | (484 853) | (496 567) | (661 863) | (500 595) | (533 953) | (533 953) | (429 152) | (908 439) | (776 021) | (831 645) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Short term loans | | | | | | | | | | – | – | – |
| Borrowing long term/refinancing | | | – | – | 100 000 | – | – | – | – | – | – | – |
| Increase (decrease) in consumer deposits | | | – | 0 | (9) | 3 | 3 | 3 | (9) | – | – | – |
| Payments | | | | | | | | | | | | |
| Repayment of borrowing | | | – | (1 533) | (10 516) | (18 096) | (18 096) | (18 096) | (9 674) | (17 712) | (17 712) | (17 712) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | | – | (1 533) | 89 475 | (18 093) | (18 093) | (18 093) | (9 683) | (17 712) | (17 712) | (17 712) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | (22 673) | 1 332 130 | 2 365 284 | 224 247 | (68 203) | (68 203) | 539 252 | 110 700 | 126 021 | 133 933 |
| Cash/cash equivalents at the year begin: | 2 | | 20 058 | 20 468 | 27 427 | 192 785 | 57 071 | 57 071 | – | 194 | 110 894 | 236 916 |
| Cash/cash equivalents at the year end: | 2 | | (2 615) | 1 352 598 | 2 392 711 | 417 032 | (11 132) | (11 132) | 539 252 | 110 894 | 236 916 | 370 849 |

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 **R49.4** 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's confidence that the collection will increase more than expected.

Other Revenue

Other revenue is expected to be **R178.6 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 | R710.4 million |
| Finance Management Grant | R1.3 million |
| Expanded public works program | R6.4 million |
| Indonsa grant | R2.2 million |
| Total Operational grants | R720.3 million |

Transfers and subsidies – Capital

Capital grants are expected to be received as gazetted

| | |
|-------------------------------------|-----------------------|
| Municipal Infrastructure Grant | R268.9 million |
| Regional Bulk Infrastructure Grant | R544.4 million |
| Water services Infrastructure grant | R 100 million |
| Rural Road asset Management grant | R 2.7 million |
| Total Capital grants | R916.2 million |

Interest

This interest includes both interest on investments made and interest on bank balance. The Municipality expects to receive **R8.5 million** of interest from outstanding debtors, Investments and current account.

Payments to Suppliers and employees

Municipality is expecting to spend 100% of what is budgeted for in 2025-2026 **R828.3 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 – **R916.2 million**. The capital budget is expected to be spent as it is conditional grants.

Cashflow from financing activities

The current year payments are expected to be **R17.7 million**, this includes repayment of loan and lease payments.

Cash and cash equivalents at the end

Cash and cash equivalents are expected to be **R218 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 **R110.8 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 | 2021/22 Audited Outcome | 2022/23 Audited Outcome | 2023/24 Audited Outcome | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
| R thousand | | | | | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 |
| Cash and investments available | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | (2 615) | 1 352 598 | 2 392 711 | 417 032 | (11 132) | (11 132) | 539 252 | 110 894 | 236 916 |
| Other current investments > 90 days | | 23 083 | (1 325 172) | (2 335 640) | (3) | (44) | (44) | (201 278) | 107 122 | 208 342 |
| Non current Investments | 1 | – | – | – | – | – | – | – | – | – |
| Cash and investments available: | | 20 468 | 27 427 | 57 071 | 417 029 | (11 176) | (11 176) | 337 974 | 218 016 | 445 258 |
| Application of cash and investments | | | | | | | | | | |
| Unspent conditional transfers | | 2 411 | 1 560 | 1 446 | – | 1 446 | 1 446 | 366 289 | 1 446 | 1 446 |
| Unspent borrowing | | | | | | | | | | |
| Statutory requirements | 2 | (45 551) | (47 769) | (27 602) | (70 502) | (59 366) | (59 366) | (42 884) | (49 875) | (48 716) |
| Other working capital requirements | 3 | – | – | – | – | – | – | – | – | – |
| Other provisions | | 2 378 | 29 677 | 34 940 | 2 154 | 34 940 | 34 940 | 34 940 | 34 940 | 34 940 |
| Long term investments committed | 4 | – | – | – | – | – | – | – | – | – |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | |
| Total Application of cash and investments: | | (40 762) | (16 533) | 8 784 | (68 348) | (22 980) | (22 980) | 358 345 | (13 489) | (12 331) |
| Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits | | 61 230 | 43 959 | 48 287 | 485 377 | 11 804 | 11 804 | (20 371) | 231 505 | 457 588 |
| Creditors transferred to Debt Relief - Non-Current portion | | – | – | – | – | – | – | – | – | – |

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 218 million |
| Cash and cash equivalents at the end Table A7 | R 110.8 million |
| Difference | R 107.1 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 **R55 million** has been heavily distorted by collection rates on debtors. Template formular for estimated collection rate reflected above includes 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 the collection rate.

Analysis of components of working capital.

| | |
|--|-----------------------|
| Trade and other receivables from exchange transactions | R100.2 million |
| Receivables from non-exchange transactions | R5.6 million |
| Total Debtors | R105.8 million |

An estimated collection rate of **60%** is applied, Table A8 indicate a collection rate of **278%** which is inaccurate, as explained above. Estimated collection **R49.4 million** based on **60%** collection rate.

| | |
|---|-----------------------|
| Trade and other payables from exchange transactions | R239.7 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 | R239.7 million |
| Retention | R84.9 million |
| Leave Accrual | R109.5 thousand |
| DWS | R73.5 million |
| Advance payments | R2.1 million |
| Employee related cost | R836.4 thousand |
| Other payables and accruals | R173.3 million |

Creditors amounting to R239.7 million is the amount that should be applied to working capital.

Recalculation of working capital requirements

| | |
|------------------------------|------------------|
| Estimated Debtors collection | R49.9 million |
| Creditors to be paid | (R239.7million) |
| Net working capital | (R189.8 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 **R285.5 million**, this amount is overstated because of the reasons provided on Other working capital requirements first paragraph.

| | |
|---------------------------|-------------------------|
| Reconciled cash available | R218 million |
| Less net working capital | (R189.8 million) |
| Surplus/shortfall | R28.2 million |

The budget appears to be **funded**.

[illegible]

DC26 Zululand - Table A9 Asset Management

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | | | | | | | | | |
| Total Upgrading of Existing Assets | 6 | - | - | - | - | - | - | - | - | - |
| Roads Infrastructure | | - | - | - | - | - | - | - | - | - |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | - | - | - | - | - | - | - | - | - |
| Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - |
| Sanitation Infrastructure | | - | - | - | - | - | - | - | - | - |
| Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | - | - | - | - | - | - | - | - | - |
| Community Facilities | | - | - | - | - | - | - | - | - | - |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - |
| Community Assets | | - | - | - | - | - | - | - | - | - |
| Heritage Assets | | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Other Assets | | - | - | - | - | - | - | - | - | - |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| Servitudes | | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment | | - | - | - | - | - | - | - | - | - |
| Transport Assets | | - | - | - | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Mature | | - | - | - | - | - | - | - | - | - |
| Immature | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | 4 | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 789 947 | 674 801 | 723 170 |
| Roads Infrastructure | | - | - | - | 2 307 | 2 289 | 2 289 | 2 390 | 2 499 | 2 611 |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | - | - | - | - | - | - | - | - | - |
| Water Supply Infrastructure | | 464 144 | 491 521 | 660 219 | 489 059 | 494 969 | 494 969 | 772 295 | 655 264 | 704 935 |
| Sanitation Infrastructure | | - | - | - | 4 707 | - | - | 15 176 | 16 952 | 15 537 |
| Solid Waste Infrastructure | | - | - | - | - | - | - | - | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| Infrastructure | | 464 144 | 491 521 | 660 219 | 496 073 | 497 258 | 497 258 | 789 861 | 674 715 | 723 084 |
| Community Facilities | | 6 965 | 1 726 | - | - | - | - | - | - | - |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - |
| Community Assets | | 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 | | 6 572 | 2 158 | 624 | 3 913 | 3 913 | 3 913 | - | - | - |
| Furniture and Office Equipment | | 92 | 1 085 | 348 | 435 | 435 | 435 | - | - | - |
| Machinery and Equipment | | 485 | 1 801 | 432 | 174 | 32 348 | 32 348 | 86 | 86 | 86 |
| Transport Assets | | - | - | 920 | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Mature | | - | - | - | - | - | - | - | - | - |
| Immature | | - | - | - | - | - | - | - | - | - |
| Living Resources | | - | - | - | - | - | - | - | - | - |
| TOTAL CAPITAL EXPENDITURE - Asset class | | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 789 947 | 674 801 | 723 170 |

DC26 Zululand - Table A9 Asset Management

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 medium term Revenue & Expenditure Framework | | |
|---|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | | | | | | | | | |
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 3 508 313 | 3 684 881 | 4 174 446 | 4 003 766 | 4 513 891 | 4 513 891 | 4 677 165 | 4 462 773 | 4 405 412 |
| <i>Roads Infrastructure</i> | | 14 689 | — | — | 14 974 | 1 571 | 1 571 | 910 | 222 | (498) |
| <i>Storm water Infrastructure</i> | | | | | | | | | | |
| <i>Electrical Infrastructure</i> | | 914 | — | — | 813 | (36) | (36) | (75) | (116) | (158) |
| <i>Water Supply Infrastructure</i> | | 3 386 322 | 3 560 049 | 4 057 159 | 3 875 470 | 4 370 017 | 4 370 017 | 4 567 782 | 4 365 249 | 4 323 161 |
| <i>Sanitation Infrastructure</i> | | 42 003 | 40 665 | 38 955 | 39 555 | 36 724 | 36 724 | 49 530 | 48 826 | 45 177 |
| <i>Solid Waste Infrastructure</i> | | | | | | | | | | |
| <i>Rail Infrastructure</i> | | | | | | | | | | |
| <i>Coastal Infrastructure</i> | | | | | | | | | | |
| <i>Information and Communication Infrastructure</i> | | | | | | | | | | |
| Infrastructure | | 3 443 928 | 3 600 714 | 4 096 114 | 3 930 812 | 4 408 276 | 4 408 276 | 4 618 146 | 4 414 181 | 4 367 681 |
| | | | | | | | | | | |
| Community Assets | | 4 911 | 28 125 | 30 181 | 31 026 | 29 330 | 29 330 | 29 276 | 29 235 | 29 193 |
| Heritage Assets | | 7 807 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 | 7 817 |
| | | | | | | | | | | |
| Investment properties | | | | | | | | | | |
| | | | | | | | | | | |
| Other Assets | | 25 667 | 24 470 | 23 186 | 21 653 | 21 821 | 21 821 | 20 370 | 18 853 | 17 269 |
| Biological or Cultivated Assets | | | | | | | | | | |
| | | | | | | | | | | |
| Intangible Assets | | 15 | 52 | 28 | 32 | 8 | 8 | 3 | 1 | (1) |
| Computer Equipment | | 7 336 | 4 084 | 2 594 | 7 622 | 5 515 | 5 515 | (295) | (2 295) | (4 385) |
| Furniture and Office Equipment | | (1 204) | 771 | 1 751 | (1 393) | 1 611 | 1 611 | 567 | (69) | (734) |
| Machinery and Equipment | | 5 420 | 8 266 | 6 382 | 5 591 | 38 362 | 38 362 | 5 712 | 5 307 | 4 883 |
| Transport Assets | | 14 434 | 10 112 | 5 922 | 606 | 681 | 681 | (4 902) | (10 725) | (16 781) |
| Land | | — | 470 | 470 | — | 470 | 470 | 470 | 470 | 470 |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| | | | | | | | | | | |
| Living Resources | | | | | | | | | | |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 3 508 313 | 3 684 881 | 4 174 446 | 4 003 766 | 4 513 891 | 4 513 891 | 4 677 165 | 4 462 773 | 4 405 412 |
| EXPENDITURE OTHER ITEMS | | 238 954 | 248 178 | 281 289 | 162 308 | 229 673 | 229 673 | 184 663 | 193 939 | 198 745 |
| Depreciation | 7 | 101 119 | 100 254 | 114 219 | 91 315 | 91 315 | 91 315 | 95 000 | 99 370 | 103 742 |
| Repairs and Maintenance by Asset Class | 3 | 137 835 | 147 925 | 167 070 | 70 993 | 138 358 | 138 358 | 89 663 | 94 569 | 95 003 |
| <i>Roads Infrastructure</i> | | — | — | — | — | — | — | — | — | — |
| <i>Storm water Infrastructure</i> | | — | — | — | — | — | — | — | — | — |
| <i>Electrical Infrastructure</i> | | — | — | — | — | — | — | — | — | — |
| <i>Water Supply Infrastructure</i> | | 125 736 | 142 087 | 159 095 | 67 193 | 126 776 | 126 776 | 87 263 | 92 068 | 92 400 |
| <i>Sanitation Infrastructure</i> | | — | — | — | — | — | — | — | — | — |
| <i>Solid Waste Infrastructure</i> | | — | — | — | — | — | — | — | — | — |
| <i>Rail Infrastructure</i> | | — | — | — | — | — | — | — | — | — |
| <i>Coastal Infrastructure</i> | | — | — | — | — | — | — | — | — | — |
| <i>Information and Communication Infrastructure</i> | | — | — | — | — | — | — | — | — | — |
| Infrastructure | | 125 736 | 142 087 | 159 095 | 67 193 | 126 776 | 126 776 | 87 263 | 92 068 | 92 400 |
| <i>Community Facilities</i> | | — | — | 1 739 | — | — | — | — | — | — |
| <i>Sport and Recreation Facilities</i> | | — | — | — | — | — | — | — | — | — |
| Community Assets | | — | — | 1 739 | — | — | — | — | — | — |
| Heritage Assets | | — | — | — | — | — | — | — | — | — |
| <i>Revenue Generating</i> | | — | — | — | — | — | — | — | — | — |
| <i>Non-revenue Generating</i> | | — | — | — | — | — | — | — | — | — |
| Investment properties | | — | — | — | — | — | — | — | — | — |
| <i>Operational Buildings</i> | | 2 006 | 1 020 | 974 | 2 000 | 1 950 | 1 950 | 200 | 209 | 218 |
| <i>Housing</i> | | — | — | — | — | — | — | — | — | — |
| Other Assets | | 2 006 | 1 020 | 974 | 2 000 | 1 950 | 1 950 | 200 | 209 | 218 |
| Biological or Cultivated Assets | | — | — | — | — | — | — | — | — | — |
| <i>Servitudes</i> | | — | — | — | — | — | — | — | — | — |
| <i>Licences and Rights</i> | | — | — | — | — | — | — | — | — | — |
| Intangible Assets | | — | — | — | — | — | — | — | — | — |
| Computer Equipment | | 22 | 20 | — | — | — | — | — | — | — |
| Furniture and Office Equipment | | — | 40 | — | 300 | 300 | 300 | 200 | 200 | 200 |
| Machinery and Equipment | | — | 29 | — | 100 | 165 | 165 | — | — | — |
| Transport Assets | | 10 071 | 4 728 | 5 261 | 1 400 | 9 167 | 9 167 | 2 000 | 2 092 | 2 184 |
| Land | | — | — | — | — | — | — | — | — | — |
| Zoo's, Marine and Non-biological Animals | | — | — | — | — | — | — | — | — | — |
| <i>Mature</i> | | — | — | — | — | — | — | — | — | — |
| <i>Immature</i> | | — | — | — | — | — | — | — | — | — |
| Living Resources | | — | — | — | — | — | — | — | — | — |
| TOTAL EXPENDITURE OTHER ITEMS | | 238 954 | 248 178 | 281 289 | 162 308 | 229 673 | 229 673 | 184 663 | 193 939 | 198 745 |

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, WSIG 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.

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | - | - | - | - | - | - | - | - | |
| Piped water inside yard (but not in dwelling) | | 10 324 | 10 840 | 9 756 | 9 200 | 9 200 | 9 200 | 10 120 | 10 616 | |
| Using public tap (at least min.service level) | 2 | - | - | - | - | - | - | - | - | |
| Other water supply (at least min.service level) | 4 | 6 921 | 7 630 | 8 012 | 8 200 | 8 200 | 8 200 | 9 020 | 9 462 | |
| <i>Minimum Service Level and Above sub-total</i> | | 17 245 | 18 470 | 17 768 | 17 400 | 17 400 | 17 400 | 19 140 | 20 078 | |
| 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 | 18 470 | 17 768 | 17 400 | 17 400 | 17 400 | 19 140 | 20 078 | |
| 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 | 6 320 | 6 320 | 6 190 | 6 190 | 6 190 | 6 809 | 6 396 | |
| No toilet provisions | | - | - | - | - | - | - | - | - | |
| <i>Below Minimum Service Level sub-total</i> | | 6 921 | 6 320 | 6 320 | 6 190 | 6 190 | 6 190 | 6 809 | 6 396 | |
| Total number of households | 5 | 6 921 | 6 320 | 6 320 | 6 190 | 6 190 | 6 190 | 6 809 | 6 396 | |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | - | - | - | - | - | - | - | - | |
| Electricity - prepaid (min.service level) | | - | - | - | - | - | - | - | - | |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | - | - | |
| Electricity (< min.service level) | | - | - | - | - | - | - | - | - | |
| Electricity - prepaid (< min. service level) | | - | - | - | - | - | - | - | - | |
| Other energy sources | | - | - | - | - | - | - | - | - | |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | |
| Total number of households | 5 | - | - | - | - | - | - | - | - | |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | - | - | - | - | - | - | - | - | |
| <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 | 12 800 | 12 800 | 12 800 | 12 800 | 12 800 | 12 800 | 14 080 | 14 728 | |
| Water (6 kilolitres per household per month) | | - | - | - | - | - | - | - | - | |
| Sanitation (free minimum level service) | | - | - | - | - | - | - | - | - | |
| Electricity/other energy (50kwh per household per month) | | - | - | - | - | - | - | - | - | |
| Refuse (removed at least once a week) | | - | - | - | - | - | - | - | - | |
| Informal Settlements | | - | - | - | - | - | - | - | - | |
| Cost of Free Basic Services provided - Formal Settlements (R'000) | | 4 901 | 4 710 | (348) | 5 000 | (62) | (62) | (64) | (67) | |
| Water (6 kilolitres per indigent household per month) | | - | - | - | - | - | - | - | - | |
| 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 | 4 901 | 4 710 | (348) | 5 | | | | | |

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 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 2025/2026 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 | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| <u>Borrowing Management</u> | | | | | | | | | | | |
| Credit Rating | | | | | 0 | 0 | 0 | 0 | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.0% | 0.2% | 1.5% | 3.3% | 2.9% | 2.9% | 2.6% | 3.3% | 3.2% | 3.1% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 0.1% | 0.3% | 2.1% | 2.9% | 3.5% | 3.5% | 2.3% | 3.1% | 3.0% | 2.9% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0% | 0.0% | 5093.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Safety of Capital</u> | | | | | | | | | | | |
| 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% |
| <u>Liquidity</u> | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 0.4 | 0.3 | 0.4 | 1.3 | 0.3 | 0.3 | 1.7 | 1.3 | 1.4 | 2.0 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 0.4 | 0.3 | 0.4 | 1.3 | 0.3 | 0.3 | 1.7 | 1.3 | 1.4 | 2.0 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.2 | 0.1 | 0.2 | 1.1 | 0.1 | 0.1 | 1.4 | 1.0 | 1.2 | 1.8 |
| <u>Revenue Management</u> | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | 0.0% | 90.3% | 48.6% | 42.9% | 70.2% | 70.7% | 70.7% | 46.9% | 70.8% | 70.8% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 90.3% | 48.6% | 42.9% | 70.2% | 70.7% | 70.7% | 46.9% | 70.8% | 70.8% | 70.9% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 9.1% | 11.7% | 8.9% | 10.6% | 8.7% | 8.7% | 9.1% | 9.1% | 8.7% | 6.4% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | 0.0% | 0.0% | 0.0% | 18.4% | 18.4% | 18.4% | 0.0% | 0.0% | 0.0% | 0.0% |
| <u>Creditors Management</u> | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA's 65(e)) | 0.0% | 0.0% | 0.0% | 100.0% | 100.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Creditors to Cash and Investments | | -13058.1% | 34.9% | 20.5% | 108.0% | -4363.2% | -4363.2% | 53.2% | 216.0% | 175.9% | 111.2% |
| <u>Other Indicators</u> | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) technical | | | | | | | | | | |
| | Total Volume Losses (kW) non technical | | | | | | | | | | |
| | 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) | | | | | | | | | | |
| Water Distribution Losses (2) | Total Cost of Losses (Rand '000) | - | - | - | 9 139 | 9 139 | 9 139 | - | - | - | - |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | 0 | 0 | 0 | 191276 | 191276 | 191276 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 44.4% | 39.2% | 37.2% | 35.8% | 38.1% | 38.1% | 32.4% | 44.9% | 43.9% | 43.6% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 45.8% | 40.4% | 38.4% | 36.9% | 39.4% | 39.4% | 49.0% | 46.3% | 45.2% | 44.9% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 23.2% | 20.2% | 19.7% | 8.2% | 16.1% | 16.1% | 11.6% | 11.0% | 11.0% | 10.6% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 17.1% | 13.8% | 14.3% | 11.4% | 12.0% | 12.0% | 12.4% | 12.6% | 12.5% | 12.4% |
| <u>IDP regulation financial viability indicators</u> | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year | 72.0 | 25.2 | 32.4 | 33.2 | 32.9 | 59.5 | 29.4 | 30.6 | 31.7 | 33.3 |
| ii.O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 105.5% | 154.4% | 99.1% | 106.1% | 93.9% | 93.9% | 119.6% | 89.4% | 85.4% | 63.9% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | (0.0) | 28.3 | 36.8 | 6.4 | (0.3) | (0.2) | 10.8 | 2.1 | - | - |

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 its surpluses.

SUPPLY CHAIN MANAGEMENT POLICY

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

This policy is in line 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 4,3% on salaries.
- j) Tariff Increase proposed is 4.3%

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 2025/26 financial year, a 12% which is (CPI)4.3% + 0.7%. For Councillors allowances upper limits were considered for the 2025/26 financial year, and a 8% 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 2024/25-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 2025/2026 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 2025/2026 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 **4.3%** 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 2025/2026 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 2025/2026 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 2025/26 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 2025/2026. 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 2025/2026.

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 follows:

| OPERATING REVENUE | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|--|------------------------------|--------------------------|--------------------------|--------------------------|
| Service charges - water revenue | 61 317 158.62 | 63 953 798.92 | 66 895 673.67 | 69 839 083.32 |
| Service charges - sanitation revenue | 17 732 004.00 | 18 494 480.17 | 19 345 226.26 | 20 196 416.22 |
| Rental of facilities and equipment | 503 998.00 | 503 998.00 | 503 998.00 | 503 998.00 |
| Interest earned - external investments | 7 500 000.00 | 8 000 000.00 | 8 368 000.00 | 8 736 192.00 |
| Interest earned - outstanding debtors | 822 778.01 | 858 157.45 | 897 632.70 | 937 128.54 |
| Fines, penalties and forfeits | 580 221.26 | 605 170.50 | 633 008.35 | 660 860.71 |
| Licences and permits | 282 677.96 | 294 834.20 | 308 396.57 | 321 966.02 |
| Transfers and subsidies | 768 163 519.00 | 720 384 000.00 | 757 969 000.00 | 796 384 000.00 |
| Other revenue | 1 518 664.27 | 2 144 003.54 | 2 241 827.70 | 2 324 584.12 |
| TOATL OPERATING REVENUE | 858 421 021 | 815 238 443 | 857 162 763 | 899 904 229 |

| CAPITAL EXPENDITURE 2025-2026 | ADJUSTED BUDGET 2024/2025 | BUDGET YEAR 2025/2026 | BUDGET YEAR 2026/2027 | BUDGET YEAR 2027/2028 |
|-------------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| MUNICIPAL INFRASTRUCTURE GRANT | 223 425 218 | 232 621 838 | 252 919 828 | 230 545 727 |
| REGIONAL BULK INFRASTRUCTURE GRANT | 184 586 957 | 470 899 892 | 319 038 793 | 305 997 001 |
| WATER SERVICES INFRASTRUCTURE GRANT | 86 956 521 | 86 486 486 | 99 137 931 | 89 955 022 |
| RURAL ROAD ASSET MANAGEMENT GRANT | 2 288 957 | 2 397 405 | 2 499 138 | 2 270 615 |
| INDONSA GRANT | 173 913 | | | |
| TOTAL CAPITAL EXPENDITURE | 497 431 565.74 | 792 405 621.62 | 673 595 689.66 | 628 768 365.82 |

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 | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| EXPENDITURE: | 1 | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 765 037 | 836 701 | 896 495 | 587 778 | 844 639 | 844 639 | 675 959 | 700 373 | 731 454 |
| Local Government Equitable Share | | 674 775 | 785 529 | 875 619 | 576 385 | 836 693 | 836 693 | 644 990 | 673 749 | 703 343 |
| Energy Efficiency and Demand Side Management Grant | | – | – | – | – | – | – | – | – | 4 000 |
| Expanded Public Works Programme Integrated Grant | | 24 299 | 8 532 | 7 077 | 5 227 | 5 227 | 5 227 | 6 406 | – | – |
| Local Government Financial Management Grant | | 1 200 | 1 200 | 1 200 | 1 201 | 1 201 | 1 201 | 1 300 | 1 500 | 1 600 |
| Municipal Disaster Relief Grant | | – | – | – | – | – | – | – | – | – |
| Municipal Infrastructure Grant | | 41 379 | 33 001 | 10 017 | 4 966 | – | – | 23 263 | 25 124 | 22 511 |
| Municipal Systems Improvement Grant | | 1 022 | – | – | – | – | – | – | – | – |
| Regional Bulk Infrastructure Grant | | – | – | – | – | 1 500 | 1 500 | – | – | – |
| Rural Road Asset Management Systems Grant | | 1 433 | 2 199 | 2 582 | – | 18 | 18 | – | – | – |
| Water Services Infrastructure Grant | | 20 929 | 6 240 | – | – | – | – | – | – | – |
| Provincial Government: | | 1 866 | 2 289 | 3 630 | 1 711 | 1 891 | 1 891 | 2 119 | 2 219 | 2 419 |
| Capacity Building and Other Grants | | 1 866 | 2 289 | 3 630 | 1 711 | 1 891 | 1 891 | 2 119 | 2 219 | 2 419 |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| Other grant providers: | | – | 59 798 | 102 328 | 89 505 | 89 459 | 89 459 | – | – | – |
| Electricity Distribution Industry Holdings | | – | – | – | – | – | – | – | – | – |
| Kwazulu/Natal Provincial Planning and Development Com | | – | – | – | – | – | – | – | – | – |
| Local Government Water and Related Service SETA | | – | 478 | 1 694 | 1 259 | 1 212 | 1 212 | – | – | – |
| National Skills Fund | | – | 59 320 | 100 634 | 88 246 | 88 246 | 88 246 | – | – | – |
| Total operating expenditure of Transfers and Grants: | | 766 903 | 898 788 | 1 002 453 | 678 995 | 935 988 | 935 988 | 678 078 | 702 592 | 733 873 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 464 144 | 490 152 | 660 294 | 496 073 | 497 258 | 497 258 | 789 861 | 674 715 | 723 084 |
| Municipal Infrastructure Grant | | 194 381 | 194 387 | 214 555 | 220 723 | 223 425 | 223 425 | 231 705 | 252 920 | 265 128 |
| Regional Bulk Infrastructure Grant | | 194 437 | 218 770 | 362 622 | 186 087 | 184 587 | 184 587 | 469 378 | 320 158 | 351 897 |
| Rural Road Asset Management Systems Grant | | – | – | – | 2 307 | 2 289 | 2 289 | 2 390 | 2 499 | 2 611 |
| Water Services Infrastructure Grant | | 75 326 | 76 994 | 83 116 | 86 957 | 86 957 | 86 957 | 86 388 | 99 138 | 103 448 |
| Provincial Government: | | 7 451 | 2 797 | 277 | 174 | 174 | 174 | 86 | 86 | 86 |
| Capacity Building and Other Grants | | – | – | – | – | – | – | – | – | – |
| Infrastructure Grant | | 7 451 | 2 797 | 277 | 174 | 174 | 174 | 86 | 86 | 86 |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| Other grant providers: | | – | – | 9 | – | – | – | – | – | – |
| Unspecified | | – | – | 9 | – | – | – | – | – | – |
| Total capital expenditure of Transfers and Grants | | 471 595 | 492 948 | 660 580 | 496 247 | 497 432 | 497 432 | 789 947 | 674 801 | 723 170 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 1 238 498 | 1 391 736 | 1 663 033 | 1 175 242 | 1 433 420 | 1 433 420 | 1 468 025 | 1 377 393 | 1 457 043 |

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 businesses through its relief program

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

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | | | | | | | | | | |
| Cash Transfers to other municipalities | | | | | | | | | | | |
| <i>Dm Kzn: Zululand - Planning & Dev</i> | 1 | - | - | - | - | - | - | - | - | - | - |
| <i>Dm Kzn: Zululand - Planning & Dev</i> | | - | - | - | - | - | - | - | - | - | - |
| 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 | | | | | | | | | | | |
| <i>Ts_O_M_Da&A_Nda_Lgw&Rs Seta Fire&Rescue</i> | 3 | - | - | - | - | - | - | - | - | - | - |
| <i>Ts_O_M_Da&A_Nda_Lgw&Rs Seta Waste Water</i> | | - | - | - | - | - | - | - | - | - | - |
| Total Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Organisations | | | | | | | | | | | |
| | | | | | | | | | | | |
| Total Cash Transfers To Organisations | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Groups of Individuals | | | | | | | | | | | |
| | | | | | | | | | | | |
| Total Cash Transfers To Groups Of Individuals: | | - | - | - | - | - | - | - | - | - | - |
| TOTAL CASH TRANSFERS AND GRANTS | 6 | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to other municipalities | | | | | | | | | | | |
| | 1 | | | | | | | | | | |
| Total Non-Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to Entities/Other External Mechanisms | | | | | | | | | | | |
| | 2 | | | | | | | | | | |
| Total Non-Cash Transfers To Entities/Ems' | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to other Organs of State | | | | | | | | | | | |
| | 3 | | | | | | | | | | |
| Total Non-Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Grants to Organisations | | | | | | | | | | | |
| <i>Ts_O_Ik_Np Ins_Unspecified</i> | 4 | - | - | - | - | - | - | - | - | - | - |
| <i>Ts_O_Ik_Np Ins_Unspecified</i> | | 8 983 | 4 518 | 3 282 | 1 500 | 1 765 | 1 765 | 1 508 | 4 115 | 4 305 | 4 494 |
| Total Non-Cash Grants To Organisations | | 8 983 | 4 518 | 3 282 | 1 500 | 1 765 | 1 765 | 1 508 | 4 115 | 4 305 | 4 494 |
| Groups of Individuals | | | | | | | | | | | |
| <i>Hh_Ssp Soc Ass: Poverty Relief</i> | 5 | 2 313 | - | - | - | - | - | - | - | - | - |
| <i>Ts_O_Ik_Hh_Soc Assis_Social Relief</i> | | - | 165 | 252 | 600 | 600 | 600 | - | - | - | - |
| Total Non-Cash Grants To Groups Of Individuals: | | 2 313 | 165 | 252 | 600 | 600 | 600 | - | - | - | - |
| TOTAL NON-CASH TRANSFERS AND GRANTS | | 11 295 | 4 683 | 3 534 | 2 100 | 2 365 | 2 365 | 1 508 | 4 115 | 4 305 | 4 494 |
| TOTAL TRANSFERS AND GRANTS | 6 | 11 295 | 4 683 | 3 534 | 2 100 | 2 365 | 2 365 | 1 508 | 4 115 | 4 305 | 4 494 |

[illegible]

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 2025/26 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--|-----|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | | | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | | | | | | | |
| Service charges - Electricity | | | | | | | | | | | | | | - | - | - |
| Service charges - Water | | 5 329 | 5 329 | 5 329 | 5 329 | 5 329 | 5 329 | 5 329 | 5 329 | 5 329 | 5 329 | 5 329 | 5 330 | 63 954 | 66 896 | 69 839 |
| Service charges - Waste Water Management | | 1 541 | 1 541 | 1 541 | 1 541 | 1 541 | 1 541 | 1 541 | 1 541 | 1 541 | 1 541 | 1 541 | 1 541 | 18 494 | 19 345 | 20 196 |
| Service charges - Waste Management | | | | | | | | | | | | | | - | - | - |
| Sale of Goods and Rendering of Services | | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 800 | 836 | 857 |
| Agency services | | | | | | | | | | | | | | - | - | - |
| Interest | | | | | | | | | | | | | | - | - | - |
| Interest earned from Receivables | | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 858 | 898 | 937 |
| Interest earned from Current and Non Current Assets | | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 8 000 | 8 368 | 8 736 |
| Dividends | | | | | | | | | | | | | | - | - | - |
| Rent on Land | | | | | | | | | | | | | | - | - | - |
| Rental from Fixed Assets | | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 504 | 504 | 504 |
| Licence and permits | | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 295 | 308 | 322 |
| Special rating levies | | | | | | | | | | | | | | | | |
| Operational Revenue | | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 1 344 | 1 405 | 1 467 |
| Non-Exchange Revenue | | | | | | | | | | | | | | | | |
| Property rates | | | | | | | | | | | | | | - | - | - |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 605 | 633 | 661 |
| Licences or permits | | | | | | | | | | | | | | - | - | - |
| Transfer and subsidies - Operational | | 60 032 | 60 032 | 60 032 | 60 032 | 60 032 | 60 032 | 60 032 | 60 032 | 60 032 | 60 032 | 60 032 | 60 032 | 720 384 | 757 969 | 796 384 |
| Interest | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fuel Levy | | | | | | | | | | | | | | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Gains | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | | | | | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 67 937 | 67 937 | 67 937 | 67 937 | 67 937 | 67 937 | 67 937 | 67 937 | 67 937 | 67 937 | 67 937 | 67 937 | 815 238 | 857 163 | 899 904 |
| Expenditure | | | | | | | | | | | | | | | | |
| Employee related costs | | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 475 | 365 723 | 375 891 | 392 430 |
| Remuneration of councillors | | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 11 640 | 11 267 | 11 763 |
| Bulk purchases - electricity | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory consumed | | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 | 1 313 | 1 312 | 15 750 | 16 458 | 17 148 |
| Debt impairment | | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 4 000 | 4 184 | 4 368 |
| Depreciation and amortisation | | 7 917 | 7 917 | 7 917 | 7 917 | 7 917 | 7 917 | 7 917 | 7 917 | 7 917 | 7 917 | 7 917 | 7 916 | 95 000 | 99 370 | 103 742 |
| Interest | | 631 | 631 | 631 | 631 | 631 | 631 | 631 | 631 | 631 | 631 | 631 | 631 | 7 575 | 7 924 | 8 271 |
| Contracted services | | 13 146 | 13 146 | 13 146 | 13 146 | 13 146 | 13 146 | 13 146 | 13 146 | 13 146 | 13 146 | 13 146 | 13 146 | 157 757 | 166 006 | 173 781 |
| Transfers and subsidies | | 343 | 343 | 343 | 343 | 343 | 343 | 343 | 343 | 343 | 343 | 343 | 343 | 4 115 | 4 305 | 4 494 |
| Irrecoverable debts written off | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operational costs | | 8 860 | 8 860 | 8 860 | 8 860 | 8 860 | 8 860 | 8 860 | 8 860 | 8 860 | 8 860 | 8 860 | 8 859 | 106 316 | 111 117 | 115 926 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 63 990 | 63 990 | 63 990 | 63 990 | 63 990 | 63 990 | 63 990 | 63 990 | 63 990 | 63 990 | 63 990 | 63 987 | 767 877 | 796 522 | 831 924 |
| Surplus/(Deficit) | | 3 946 | 3 946 | 3 946 | 3 946 | 3 946 | 3 946 | 3 946 | 3 946 | 3 946 | 3 946 | 3 946 | 3 950 | 47 361 | 60 641 | 67 980 |
| Transfers and subsidies - capital (monetary allocations) | | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 916 219 | 781 371 | 838 777 |
| Transfers and subsidies - capital (n-kind) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 302 | 963 580 | 842 012 | 906 757 |
| Income Tax | | | | | | | | | | | | | | - | - | - |
| Surplus/(Deficit) after income tax | | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 302 | 963 580 | 842 012 | 906 757 |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | | | | | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | | | | | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 302 | 963 580 | 842 012 | 906 757 |
| Share of Surplus/Deficit attributable to Associate | | | | | | | | | | | | | | - | - | - |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | | | | | - | - | - |
| Surplus/(Deficit) for the year | 1 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 298 | 80 302 | 963 580 | 842 012 | 906 757 |

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 2025/26 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|------------------------|------------------------|
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Cash Receipts By Source | | | | | | | | | | | | | 1 | | |
| Property rates | | | | | | | | | | | | | - | | |
| Service charges - electricity revenue | | | | | | | | | | | | | - | | |
| Service charges - water revenue | 3 728 | 3 728 | 3 728 | 3 728 | 3 728 | 3 728 | 3 728 | 3 728 | 3 728 | 3 728 | 3 728 | 3 728 | 44 734 | 46 792 | 48 851 |
| Service charges - sanitation revenue | 1 186 | 1 186 | 1 186 | 1 186 | 1 186 | 1 186 | 1 186 | 1 186 | 1 186 | 1 186 | 1 186 | 1 187 | 14 238 | 14 893 | 15 548 |
| Service charges - refuse revenue | | | | | | | | | | | | | - | | |
| Rental of facilities and equipment | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 1 089 | 1 089 | 1 089 |
| Interest earned - external investments | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 667 | 8 000 | 8 368 | 8 736 |
| Interest earned - outstanding debtors | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 516 | 540 | 563 |
| Dividends received | | | | | | | | | | | | | - | | |
| Fines, penalties and forfeits | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 605 | 633 | 661 |
| Licences and permits | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 295 | 308 | 322 |
| Agency services | | | | | | | | | | | | | - | | |
| Transfers and Subsidies - Operational | 58 964 | 58 964 | 58 964 | 58 964 | 58 964 | 58 964 | 58 964 | 58 964 | 58 964 | 58 964 | 58 964 | 58 964 | 707 572 | 757 969 | 792 384 |
| Other revenue | 14 724 | 14 724 | 14 724 | 14 724 | 14 724 | 14 724 | 14 724 | 14 724 | 14 724 | 14 724 | 14 724 | 14 724 | 176 688 | 147 168 | 161 439 |
| Cash Receipts by Source | 79 478 | 79 478 | 79 478 | 79 478 | 79 478 | 79 478 | 79 478 | 79 478 | 79 478 | 79 478 | 79 478 | 79 478 | 953 736 | 977 759 | 1 029 593 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 76 352 | 916 219 | 781 371 | 838 777 |
| Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deparm 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 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VAT Control (receipts) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Receipts by Source | 155 830 | 155 830 | 155 830 | 155 830 | 155 830 | 155 830 | 155 830 | 155 830 | 155 830 | 155 830 | 155 830 | 155 830 | 1 869 955 | 1 759 130 | 1 868 370 |
| Cash Payments by Type | | | | | | | | | | | | | | | |
| Employee related costs | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | 30 477 | (30 475) | 365 723 | 374 983 |
| Remuneration of councillors | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | 970 | (970) | 11 640 | 12 176 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Bulk purchases - electricity | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Acquisitions - water & other inventory | 1 523 | 1 523 | 1 523 | 1 523 | 1 523 | 1 523 | 1 523 | 1 523 | 1 523 | 1 523 | 1 523 | 1 523 | (1 522) | 18 270 | 19 091 |
| Contracted services | 25 781 | 25 781 | 25 781 | 25 781 | 25 781 | 25 781 | 25 781 | 25 781 | 25 781 | 25 781 | 25 781 | 25 781 | (25 781) | 309 371 | 299 237 |
| Transfers and subsidies - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - other | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | (398) | 4 774 | 4 993 |
| Other expenditure | 10 277 | 10 277 | 10 277 | 10 277 | 10 277 | 10 277 | 10 277 | 10 277 | 10 277 | 10 277 | 10 277 | 10 277 | (10 277) | 123 327 | 128 896 |
| Cash Payments by Type | 69 426 | 69 426 | 69 426 | 69 426 | 69 426 | 69 426 | 69 426 | 69 426 | 69 426 | 69 426 | 69 426 | 69 426 | (69 423) | 833 164 | 839 376 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | |
| Capital assets | 65 829 | 65 829 | 65 829 | 65 829 | 65 829 | 65 829 | 65 829 | 65 829 | 65 829 | 65 829 | 65 829 | 65 829 | 184 321 | 908 439 | 776 021 |
| Repayment of borrowing | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 1 476 | 17 712 | 17 712 |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | 136 730 | 136 730 | 136 730 | 136 730 | 136 730 | 136 730 | 136 730 | 136 730 | 136 730 | 136 730 | 136 730 | 136 730 | 116 374 | 1 759 255 | 1 833 109 |
| NET INCREASE/(DECREASE) IN CASH HELD | 19 099 | 19 099 | 19 099 | 19 099 | 19 099 | 19 099 | 19 099 | 19 099 | 19 099 | 19 099 | 19 099 | 19 099 | 39 456 | 110 700 | 126 021 |
| Cash/cash equivalents at the month/year begin: | 194 | 19 293 | 38 392 | 57 492 | 76 591 | 95 690 | 114 789 | 133 888 | 152 987 | 172 086 | 191 185 | 210 284 | 194 | 110 894 | 236 916 |
| Cash/cash equivalents at the month/year end: | 19 293 | 38 392 | 57 492 | 76 591 | 95 690 | 114 789 | 133 888 | 152 987 | 172 086 | 191 185 | 210 284 | 249 740 | 110 894 | 236 916 | 370 849 |

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

Attached as Annexure

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

The Municipality does not have an entity

2.13 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

DC26 Zululand - Supporting Table SA33 Contracts having future budgetary implications

| Description | Ref | Preceding Years | Current Year 2024/25 | 2025/26 Medium Term Revenue & Expenditure Framework | | | Forecast 2028/29 | Forecast 2029/30 | Forecast 2030/31 | Forecast 2031/32 | Forecast 2032/33 | Forecast 2033/34 | Forecast 2034/35 | Total Contract Value |
|---|-----|-----------------|----------------------|---|------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| R thousand | | Total | Original Budget | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate |
| Parent Municipality: <u>Revenue Obligation By Contract</u> | 2 | | | | | | | | | | | | | |
| <u>New Contract Nr 1</u> | | - | 255 | 280 | 308 | 339 | 373 | 410 | 451 | - | - | - | - | 2 416 |
| | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| Total Operating Revenue Implication | | - | 255 | 280 | 308 | 339 | 373 | 410 | 451 | - | - | - | - | 2 416 |
| <u>Expenditure Obligation By Contract</u> | 2 | | | | | | | | | | | | | |

2.14 CAPITAL EXPENDITURE DETAILS

Information/detail regarding capital projects by vote is provided in Supporting Table SA36:

Detailed
Capital budget.

DC26 Zululand - Supporting Table SA36 Detailed capital budget

| R thousand | Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Latitude | 2025/26 Medium Term Revenue & Expenditure Framework | | | | | |
|--|---------------------------------------|-------------------------------------|-------------------|------|--|--------|-------------------------------|--------------------------------|--------------------------------|---------------------------|---------------|--------------|---|---|---------------------|------------------------|------------------------|---------|
| | | | | | | | | | | | | | Audited Outcome 2023/24 | Current Year 2024/25 Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 | |
| | | | | | | | | | | | | | | | | | | |
| Parent municipality: <i>List of capital projects proposed by Function</i> | | | | | | | | | | | | | | | | | | |
| | Administrative And Corporate Support | Isit Infrastructure | PC002003004.00002 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Computer Equipment | Computer Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 438 | - | - | - | - | |
| | Administrative And Corporate Support | Furniture | PC002003005.00001 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Furniture And Office Equipment | Furniture And Office Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 235 | - | - | - | - | |
| | Administrative And Corporate Support | Vehicles | PC002003010.00001 | NEW | | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Transport Assets | Transport Assets | ADMIN OR HEAD OFFICE | 0 | 0 | 505 | - | - | - | - | |
| | Cultural Matters | Furniture | PC002003005.00002 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Furniture And Office Equipment | Furniture And Office Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 9 | - | - | - | - | |
| | Cultural Matters | Equipment | PC002003009.00002 | NEW | | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Machinery And Equipment | Machinery And Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 277 | 174 | 88 | 88 | 88 | |
| | Finance | Computers | PC002003004.00003 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Computer Equipment | Computer Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 58 | 435 | - | - | - | |
| | Finance | Furniture | PC002003005.00002 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Furniture And Office Equipment | Furniture And Office Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 12 | 435 | - | - | - | |
| | Governance Function | Equipment | PC002003009.00002 | NEW | | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Machinery And Equipment | Machinery And Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 155 | - | - | - | - | |
| | Information Technology | Isit Infrastructure | PC002003004.00002 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Computer Equipment | Computer Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | - | 3 478 | - | - | - | |
| | Municipal Manager, Town Secretary And | Computers | PC002003004.00001 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Computer Equipment | Computer Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 165 | - | - | - | - | |
| | Municipal Manager, Town Secretary And | Furniture | PC002003005.00002 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Furniture And Office Equipment | Furniture And Office Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 7 | - | - | - | - | |
| | Support To Local Municipalities | Rural Roads Asset Mgmt | 2001002000001.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Roads Infrastructure | Roads | ADMIN OR HEAD OFFICE | 0 | 0 | - | 2 289 | 2 390 | 2 469 | 2 611 | |
| | Support To Local Municipalities | Furniture | PC002003005.00002 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Furniture And Office Equipment | Furniture And Office Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | 75 | - | - | - | - | |
| | Water Distribution | Mthandeni/Edenburg Res | 2001002004002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Benkeses | REGION - KZN021 NONGOMA | 0 | 0 | 7 | 7 901 | 11 960 | 13 053 | 13 522 | |
| | Water Distribution | Rudimentary Water Supply | 2001002004002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Benkeses | REGION - KZN021 UPHONGOLO | 0 | 0 | - | 5 957 | 11 266 | 12 291 | 12 700 | |
| | Water Distribution | Rudimentary Water Supply | 2001002004002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Benkeses | REGION - KZN021 ABQULUSI | 0 | 0 | - | 2 900 | 11 266 | 12 291 | 12 700 | |
| | Water Distribution | Rudimentary Water Supply | 2001002004002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Benkeses | REGION - KZN021 NONGOMA | 0 | 0 | 4 088 | - | - | - | - | |
| | Water Distribution | Rudimentary Water Supply | 2001002004002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Benkeses | REGION - KZN021 UPHONGOLO | 0 | 0 | 31 642 | 15 913 | 12 184 | 13 302 | 13 789 | |
| | Water Distribution | Sindagangshu Central Water Supply | 2001002004003.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Reveries | REGION - KZN021 UPHONGOLO | 0 | 0 | 9 197 | 4 960 | 365 | 488 | 520 | |
| | Water Distribution | Sindagangshu West P&L | 2001002004005.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Water Treatment Works | REGION - KZN021 EDENBURG | 0 | 0 | 84 520 | 110 887 | 75 523 | 81 862 | 87 819 | |
| | Water Distribution | Upgrades Of Umlazi Ww | 2001002004005.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Water Treatment Works | REGION - KZN021 UPHONGOLO | 0 | 0 | 38 693 | 22 099 | 35 863 | 38 940 | 41 421 | |
| | Water Distribution | Khumbi | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | REGION - KZN021 UPHONGOLO | 0 | 0 | 4 984 | 13 138 | 3 770 | 4 265 | 4 618 | |
| | Water Distribution | Mandlaka (Dwell) | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | REGION - KZN021 NONGOMA | 0 | 0 | 132 005 | 55 854 | 81 841 | 58 545 | 65 355 | |
| | Water Distribution | Mandlaka (Dwell) | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | REGION - KZN021 UPHONGOLO | 0 | 0 | 200 919 | 128 733 | 387 537 | 261 612 | 286 942 | |
| | Water Distribution | Sindagangshu East Res | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | REGION - KZN021 UPHONGOLO | 0 | 0 | 428 | 527 | 6 900 | 7 487 | 7 591 | |
| | Water Distribution | Water Services Infrastructure Grant | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | REGION - KZN021 ABQULUSI | 0 | 0 | 13 748 | 11 216 | 1 470 | 1 688 | 1 806 | |
| | Water Distribution | Water Services Infrastructure Grant | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | REGION - KZN021 EDENBURG | 0 | 0 | 4 385 | 9 422 | 3 558 | 4 130 | 3 919 | |
| | Water Distribution | Water Services Infrastructure Grant | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | REGION - KZN021 UPHONGOLO | 0 | 0 | 6 252 | 31 546 | 45 638 | 52 473 | 55 917 | |
| | Water Distribution | Water Services Infrastructure Grant | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | REGION - KZN021 UPHONGOLO | 0 | 0 | 56 491 | 34 073 | 5 075 | 5 827 | 5 750 | |
| | Water Distribution | Water Services Infrastructure Grant | 2001002004006.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Bukh Mank | WHOLE OF THE DISTRICT | 0 | 0 | - | - | 39 406 | 35 019 | 36 971 | |
| | Water Distribution | Mandlaka Res Ph 3 | 2001002004007.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Distribution | REGION - KZN021 NONGOMA | 0 | 0 | 22 999 | 32 313 | 33 034 | 35 870 | 38 389 | |
| | Water Distribution | Mandlaka Res Phase 4 | 2001002004007.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Distribution | REGION - KZN021 UPHONGOLO | 0 | 0 | 888 | - | - | - | - | |
| | Water Distribution | Sindagangshu East Res | 2001002004007.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Distribution | REGION - KZN021 UPHONGOLO | 0 | 0 | 1 989 | - | - | - | - | |
| | Water Distribution | Umlazi Res Phase 5 | 2001002004007.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Distribution | REGION - KZN021 NONGOMA | 0 | 0 | 6 888 | - | - | - | - | |
| | Water Distribution | Zululand Small Ww | 2001002004007.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Distribution | REGION - KZN021 ABQULUSI | 0 | 0 | 9 852 | 1 526 | 1 520 | 1 708 | 2 088 | |
| | Water Distribution | Rudimentary Water Supply | 2001002004008.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Water Supply Infrastructure | Distribution/Pipes | REGION - KZN021 UPHONGOLO | 0 | 0 | - | - | - | - | - | |
| | Water Distribution | Sewer Serv - Rural Abaqulusi | 2001002005002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Sanitation Infrastructure | Retolobon | REGION - KZN021 ABQULUSI | 0 | 0 | - | - | 3 025 | 3 350 | 3 107 | |
| | Water Distribution | Sewer Serv - Rural Edenburg | 2001002005002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Sanitation Infrastructure | Retolobon | REGION - KZN021 UPHONGOLO | 0 | 0 | - | - | 3 025 | 3 350 | 3 107 | |
| | Water Distribution | Sewer Serv - Rural Nongoma | 2001002005002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Sanitation Infrastructure | Retolobon | REGION - KZN021 NONGOMA | 0 | 0 | - | - | 3 025 | 3 350 | 3 107 | |
| | Water Distribution | Sewer Serv - Rural Umlazi | 2001002005002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Sanitation Infrastructure | Retolobon | REGION - KZN021 UPHONGOLO | 0 | 0 | - | - | 3 025 | 3 350 | 3 107 | |
| | Water Distribution | Sewer Serv - Rural Uphongolo | 2001002005002.000 | NEW | responsive and responsive economic infrastru | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Sanitation Infrastructure | Retolobon | REGION - KZN021 UPHONGOLO | 0 | 0 | - | - | 3 025 | 3 350 | 3 107 | |
| | Water Distribution | Backup Generators | PC002003009.00004 | NEW | | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Machinery And Equipment | Machinery And Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | - | 32 174 | - | - | - | |
| | Water Treatment | Furniture | PC002003005.00002 | NEW | ext. effective and development-oriented public | Growth | MUNICIPAL STRATEGIC OBJECTIVE | Furniture And Office Equipment | Furniture And Office Equipment | ADMIN OR HEAD OFFICE | 0 | 0 | - | - | - | - | - | |
| | Parent Capital expenditure | | | | | | | | | | | | | 862 543 | 539 951 | 789 947 | 674 801 | 729 170 |
| | Entity A | | | | | | | | | | | | | - | - | - | - | - |
| | Entity B | | | | | | | | | | | | | - | - | - | - | - |
| | Entity Capital expenditure | | | | | | | | | | | | | - | - | - | - | - |
| | Total Capital expenditure | | | | | | | | | | | | | 862 543 | 539 951 | 789 947 | 674 801 | 729 170 |

2.15 LEGISLATION COMPLIANCE STATUS

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

- **MSCOA Regulations**

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

- **In year reporting**

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

- **Internship programme**

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

- **Budget and Treasury Office**

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

- **Audit Committee**

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

- **Annual Report**

The Final annual report was approved at the end of March 2025, 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 | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 medium term revenue & expenditure framework | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | | | | | | | | | | |
| REVENUE ITEMS: | | | | | | | | | | | |
| Non-exchange revenue by source | | | | | | | | | | | |
| Exchange Revenue | 6 | | | | | | | | | | |
| Total Property Rates | | | | | | | | | | | |
| 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 | | 43 387 | 43 880 | 58 529 | 73 294 | 61 255 | 61 255 | 44 006 | 63 889 | 66 828 | 69 769 |
| 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) | | 4 901 | 4 710 | (348) | 5 000 | (62) | (62) | (36) | (64) | (67) | (70) |
| Net Service charges - Water | | 38 486 | 39 170 | 58 877 | 68 294 | 61 317 | 61 317 | 44 042 | 63 954 | 66 896 | 69 839 |
| Service charges - Waste Water Management | | | | | | | | | | | |
| Total Service charges - Waste Water Management | | 12 513 | 14 831 | 16 024 | 17 732 | 17 732 | 17 732 | 14 145 | 18 494 | 19 345 | 20 196 |
| 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 | | 12 513 | 14 831 | 16 024 | 17 732 | 17 732 | 17 732 | 14 145 | 18 494 | 19 345 | 20 196 |
| 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 | 176 943 | 191 171 | 209 315 | 230 479 | 224 780 | 224 780 | 166 933 | 258 081 | 263 387 | 274 976 |
| Pension and UIF Contributions | | 23 008 | 25 033 | 27 370 | 24 452 | 31 065 | 31 065 | 22 461 | 34 654 | 36 182 | 37 774 |
| Medical Aid Contributions | | 13 671 | 14 919 | 17 015 | 17 152 | 18 432 | 18 432 | 14 045 | 20 380 | 21 317 | 22 255 |
| Overtime | | 7 099 | 6 703 | 8 782 | 5 780 | 5 780 | 5 780 | 7 281 | 5 330 | 5 576 | 5 821 |
| Performance Bonus | | 11 678 | 13 346 | 14 575 | 14 900 | 15 433 | 15 433 | 10 970 | 16 672 | 17 439 | 18 206 |
| Motor Vehicle Allowance | | 9 914 | 11 997 | 13 487 | 13 998 | 25 522 | 25 522 | 19 180 | 26 931 | 28 170 | 29 410 |
| Cellphone Allowance | | 854 | 997 | 1 098 | 1 138 | 1 138 | 1 138 | 843 | 1 251 | 1 309 | 1 366 |
| Housing Allowances | | 1 379 | 1 682 | 1 712 | 1 771 | 1 771 | 1 771 | 1 323 | 1 899 | 1 986 | 2 074 |
| Other benefits and allowances | | 8 708 | 4 374 | 5 907 | 503 | 3 425 | 3 425 | 2 491 | 526 | 526 | 549 |
| Payments in lieu of leave | | 3 578 | 5 898 | 6 562 | — | — | — | 1 480 | — | — | — |
| Long service awards | | 2 506 | 3 491 | 3 289 | — | — | — | 1 807 | — | — | — |
| Post-retirement benefit obligations | | 3 775 | 5 393 | 5 352 | — | — | — | — | — | — | — |
| Entertainment | | — | — | — | — | — | — | — | — | — | — |
| Scarcity | | — | — | — | — | — | — | — | — | — | — |
| Aging and post related allowance | | 555 | 1 288 | 603 | — | — | — | 812 | — | — | — |
| In kind benefits | | — | — | — | — | — | — | — | — | — | — |
| sub-total | 5 | 263 669 | 286 293 | 315 068 | 310 172 | 327 346 | 327 346 | 249 627 | 365 723 | 375 891 | 392 430 |
| Less: Employees costs capitalised to PPE | | | | | | | | | | | |
| Total Employee related costs | 1 | 263 669 | 286 293 | 315 068 | 310 172 | 327 346 | 327 346 | 249 627 | 365 723 | 375 891 | 392 430 |
| Depreciation and amortisation | | | | | | | | | | | |
| Depreciation of Property, Plant & Equipment | | 94 325 | 100 236 | 114 195 | 91 295 | 91 295 | 91 295 | 87 466 | 94 979 | 99 348 | 103 719 |
| Lease amortisation | | 17 | 18 | 24 | 20 | 20 | 20 | 18 | 21 | 22 | 23 |
| Capital asset impairment | | 6 777 | — | — | — | — | — | — | — | — | — |
| Total Depreciation and amortisation | 1 | 101 119 | 100 254 | 114 219 | 91 315 | 91 315 | 91 315 | 87 483 | 95 000 | 99 370 | 103 742 |
| Bulk purchases - electricity | | | | | | | | | | | |
| Electricity bulk purchases | | — | — | — | — | — | — | — | — | — | — |
| Total bulk purchases | 1 | — | — | — | — | — | — | — | — | — | — |
| Transfers and grants | | | | | | | | | | | |
| Cash transfers and grants | | — | — | — | — | — | — | — | — | — | — |
| Non-cash transfers and grants | | 11 295 | 4 683 | 3 534 | 2 100 | 2 365 | 2 365 | 1 508 | 4 115 | 4 305 | 4 494 |
| Total transfers and grants | 1 | 11 295 | 4 683 | 3 534 | 2 100 | 2 365 | 2 365 | 1 508 | 4 115 | 4 305 | 4 494 |
| Contracted Services | | | | | | | | | | | |
| Outsourced Services | | 126 518 | 192 518 | 212 519 | 128 916 | 208 380 | 208 380 | 86 692 | 53 518 | 56 116 | 58 614 |
| Consultants and Professional Services | | 25 822 | 22 260 | 24 693 | 5 442 | 6 821 | 6 821 | 3 965 | 6 237 | 6 601 | 11 062 |
| Contractors | | 165 700 | 148 809 | 134 705 | 69 000 | 139 715 | 139 715 | 62 683 | 98 002 | 103 289 | 104 105 |
| Total contracted services | | 318 040 | 363 587 | 371 917 | 203 358 | 354 916 | 354 916 | 153 340 | 157 757 | 166 006 | 173 781 |
| Operational Costs | | | | | | | | | | | |
| Collection costs | | | | | | | | | | | |
| Contributions to 'other' provisions | | | | | | | | | | | |
| Audit fees | | 3 861 | 4 115 | 4 554 | 4 000 | 4 000 | 4 000 | 3 886 | 4 000 | 4 184 | 4 368 |
| Other Operational Costs | | 127 316 | 170 930 | 234 076 | 108 988 | 191 134 | 191 134 | 142 765 | 102 316 | 106 933 | 111 558 |
| Total Operational Costs | 1 | 131 178 | 175 045 | 238 630 | 112 988 | 195 134 | 195 134 | 146 651 | 106 316 | 111 117 | 115 926 |
| Repairs and Maintenance by Expenditure Item | 8 | | | | | | | | | | |
| Employee related costs | | | | | | | | | | | |
| Inventory Consumed (Project Maintenance) | | 46 | 5 621 | 4 509 | 3 000 | 3 140 | 3 140 | 2 775 | — | — | — |
| Contracted Services | | 131 909 | 124 119 | 125 010 | 64 660 | 131 235 | 131 235 | 58 311 | 89 663 | 94 569 | 95 003 |
| Operational Costs | | 5 881 | 18 185 | 37 551 | 3 333 | 3 983 | 3 983 | 6 451 | — | — | — |
| Total Repairs and Maintenance Expenditure | 9 | 137 836 | 147 925 | 167 070 | 70 993 | 138 358 | 138 358 | 67 537 | 89 663 | 94 569 | 95 003 |
| Inventory Consumed | | | | | | | | | | | |
| Inventory Consumed - Water | | — | 42 672 | 39 065 | 18 500 | 18 500 | 18 500 | 8 624 | 15 000 | 15 690 | 16 380 |
| Inventory Consumed - Other | | 6 127 | 9 305 | 11 106 | 7 176 | 6 774 | 6 774 | 4 269 | 750 | 768 | 768 |
| Total Inventory Consumed & Other Material | | 6 127 | 51 977 | 50 171 | 25 676 | 25 274 | 25 274 | 12 892 | 15 750 | 16 458 | 17 148 |

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 | | | | | | | | | 63 954 | - | | | | | | | 63 954 |
| Service charges - Waste Water Management | | | | | | | | | | 18 494 | | | | | | | 18 494 |
| Service charges - Waste Management | | | | | | | | | | | | | | | | | - |
| Sale of Goods and Rendering of Services | | | | 800 | - | - | | | | | | | | | | | 800 |
| Agency services | | | | | | | | | | | | | | | | | - |
| Interest | | | | | | | | | | | | | | | | | - |
| Interest earned from Receivables | | | | 2 | | | | | 800 | 56 | | | | | | | 858 |
| Interest earned from Current and Non Current Assets | | | | 8 000 | | | | | | | | | | | | | 8 000 |
| Dividends | | | | | | | | | | | | | | | | | - |
| Rent on Land | | | | | | | | | | | | | | | | | - |
| Rental from Fixed Assets | | | | 504 | | | | | | | | | | | | | 504 |
| Licence and permits | | | | | 295 | - | | | | | | | | | | | 295 |
| Special rating fees | | | | | | | | | | | | | | | | | - |
| Operational Revenue | | | 477 | 762 | 104 | | | | | | | | | | | | 1 344 |
| Non-Exchange Revenue | | | | | | | | | | | | | | | | | |
| Property rates | | | | | | | | | | | | | | | | | - |
| Surcharges and Taxes | | | | - | | | | | | | | | | | | | - |
| Fines, penalties and forfeits | | | | 418 | - | | | | - | 187 | | | | | | | 605 |
| Licences or permits | | | | | | | | | | | | | | | | | - |
| Transfer and subsidies - Operational | | | 500 | 711 759 | 1 719 | 6 406 | - | | - | - | | | | | | | 720 384 |
| Interest | | | | | | | | | - | - | | | | | | | - |
| Fuel Levy | | | | | | | | | - | - | | | | | | | - |
| Operational Revenue | | | | | | | | | - | - | | | | | | | - |
| Gains on disposal of Assets | | - | - | - | - | - | - | - | - | - | | | | | | | - |
| Other Gains | | | | - | | | | | - | - | | | | | | | - |
| Discontinued Operations | | | | | | | | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contribut | | - | 977 | 722 246 | 2 118 | 6 406 | - | - | 64 754 | 18 738 | - | - | - | - | - | - | 815 238 |
| Expenditure | | | | | | | | | | | | | | | | | |
| Employee related costs | | 36 157 | 61 025 | 38 144 | 45 035 | 23 035 | 1 626 | 51 546 | 98 800 | 10 355 | | | | | | | 365 723 |
| Remuneration of councillors | | 11 640 | | | | | | | | | | | | | | | 11 640 |
| Bulk purchases - electricity | | | | 750 | | | | | 15 000 | | | | | | | | - |
| Inventory consumed | | | | | | | | | 3 000 | | | | | | | | 15 750 |
| Debt impairment | | | | | | | | | | 1 000 | | | | | | | 4 000 |
| Depreciation and amortisation | | 230 | 3 489 | 2 119 | 276 | 28 | 4 587 | 49 | 84 223 | - | | | | | | | 95 000 |
| Interest | | | | 7 575 | | | | | - | - | | | | | | | 7 575 |
| Contracted services | | 8 993 | 31 344 | 3 220 | 2 937 | 23 263 | - | - | 88 000 | | | | | | | | 157 757 |
| Transfers and subsidies | | 2 615 | | | 1 500 | | | | - | - | | | | | | | 4 115 |
| Irrecoverable debts written off | | | | | | | | | - | - | | | | | | | - |
| Operational costs | | 7 824 | 28 927 | 11 235 | 4 898 | 323 | 42 | - | 48 066 | 5 000 | | | | | | | 106 316 |
| Losses on disposal of Assets | | - | - | - | - | - | - | - | - | - | | | | | | | - |
| Other Losses | | | | - | | | | | - | - | | | | | | | - |
| Total Expenditure | | 67 460 | 124 785 | 63 044 | 54 646 | 46 649 | 6 255 | 51 596 | 337 089 | 16 355 | - | - | - | - | - | - | 767 877 |
| Surplus/(Deficit) | | (67 460) | (123 808) | 659 202 | (52 528) | (40 243) | (6 255) | (51 596) | (272 335) | 2 383 | - | - | - | - | - | - | 47 361 |
| Transfers and subsidies - capital (monetary allocations) | | | | | | 916 219 | - | | | | | | | | | | 916 219 |
| Transfers and subsidies - capital (in-kind) | | | | | | | | | | | | | | | | | - |
| Surplus/(Deficit) after capital transfers & contributions | | (67 460) | (123 808) | 659 202 | (52 528) | 875 976 | (6 255) | (51 596) | (272 335) | 2 383 | - | - | - | - | - | - | 963 580 |

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

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | | | | | | | | | | |
| | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Trade and other receivables from exchange transactions | | | | | | | | | | | |
| Electricity | | | | | | | | | | | |
| Water | | 133 202 | 152 780 | 185 795 | 206 825 | 214 307 | 214 307 | 211 425 | 244 301 | 275 738 | 308 559 |
| Waste | | | | | | | | | | | |
| Waste Water | | 38 206 | 42 794 | 47 491 | 57 250 | 55 669 | 55 669 | 54 745 | 64 273 | 73 272 | 82 668 |
| Other trade receivables from exchange transactions | | 689 | 3 065 | 30 899 | 2 993 | 30 900 | 30 900 | 31 748 | 30 900 | 30 900 | 30 900 |
| Gross: Trade and other receivables from exchange transactions | | 172 096 | 198 640 | 264 185 | 267 068 | 300 876 | 300 876 | 297 917 | 339 474 | 379 911 | 422 127 |
| Less: Impairment for debt | | (138 614) | (192 198) | (227 669) | (187 339) | (234 569) | (234 569) | (227 669) | (239 209) | (244 062) | (249 129) |
| Impairment for Electricity | | - | - | - | - | - | - | - | - | - | - |
| Impairment for Water | | (105 893) | (149 306) | (180 861) | (155 072) | (186 036) | (186 036) | (180 861) | (189 516) | (193 156) | (196 956) |
| Impairment for Waste | | | | | | | | | | | |
| Impairment for Waste Water | | (32 710) | (41 772) | (46 212) | (31 162) | (47 937) | (47 937) | (46 212) | (49 097) | (50 310) | (51 577) |
| Impairment for other trade receivables from exchange transactions | | (12) | (1 120) | (596) | (1 105) | (596) | (596) | (596) | (596) | (596) | (596) |
| Total net Trade and other receivables from Exchange Transactions | | 33 482 | 6 442 | 36 516 | 79 729 | 66 307 | 66 307 | 70 248 | 100 265 | 135 849 | 172 997 |
| Receivables from non-exchange transactions | | | | | | | | | | | |
| Property rates | | | | | | | | | | | |
| Less: Impairment of Property rates | | | | | | | | | | | |
| Net Property rates | | - | - | - | - | - | - | - | - | - | - |
| Other receivables from non-exchange transactions | | 1 144 | 131 | 5 696 | 7 109 | 5 696 | 5 696 | 5 426 | 5 696 | 5 696 | 5 696 |
| Impairment for other receivables from non-exchange transactions | | - | - | - | - | - | - | - | - | - | - |
| Net other receivables from non-exchange transactions | | 1 144 | 131 | 5 696 | 7 109 | 5 696 | 5 696 | 5 426 | 5 696 | 5 696 | 5 696 |
| Total net Receivables from non-exchange transactions | | 1 144 | 131 | 5 696 | 7 109 | 5 696 | 5 696 | 5 426 | 5 696 | 5 696 | 5 696 |
| Inventory | | | | | | | | | | | |
| Water | | | | | | | | | | | |
| Opening Balance | | 2 167 | 1 027 | 1 631 | 1 396 | 1 396 | 1 396 | 1 396 | 1 396 | 1 396 | 1 396 |
| System Input Volume | | (1 140) | 43 277 | 38 830 | 18 500 | 18 500 | 18 500 | 20 550 | 15 000 | 15 690 | 16 380 |
| Water Treatment Works | | | | | - | - | - | - | - | - | - |
| Bulk Purchases | | (1 140) | 43 277 | 38 830 | 18 500 | 18 500 | 18 500 | 20 550 | 15 000 | 15 690 | 16 380 |
| Natural Sources | | | | | | | | | | | |
| Authorised Consumption | 6 | - | (42 672) | (39 065) | (18 500) | (18 500) | (18 500) | (8 624) | (15 000) | (15 690) | (16 380) |
| Billed Authorised Consumption | | - | (42 672) | (39 065) | (18 500) | (18 500) | (18 500) | (8 624) | (15 000) | (15 690) | (16 380) |
| Billed Metered Consumption | | - | (42 672) | (39 065) | (18 500) | (18 500) | (18 500) | (8 624) | (15 000) | (15 690) | (16 380) |
| Free Basic Water | | | | | - | - | - | - | - | - | - |
| Subsidised Water | | | | | - | - | - | - | - | - | - |
| Revenue Water | | | (42 672) | (39 065) | (18 500) | (18 500) | (18 500) | (8 624) | (15 000) | (15 690) | (16 380) |
| 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 | | | | | - | - | - | - | - | - | - |
| Unavoidable Annual Real Losses | | | | | - | - | - | - | - | - | - |
| Non-revenue Water | | - | - | - | - | - | - | - | - | - | - |
| Correction of Prior period errors | | | | | - | - | - | - | - | - | - |
| Closing Balance Water | | 1 027 | 1 631 | 1 396 | 1 396 | 1 396 | 1 396 | 13 322 | 1 396 | 1 396 | 1 396 |
| Agricultural | | | | | | | | | | | |
| Opening Balance | | | | | | | | | | | |
| Acquisitions | 7 | | | | | | | | | | |
| Issues | 8 | | | | | | | | | | |
| Adjustments | 8 | | | | | | | | | | |
| Write-offs | 9 | | | | | | | | | | |
| Correction of Prior period errors | | | | | | | | | | | |
| Closing balance - Agricultural | | - | - | - | - | - | - | - | - | - | - |
| Consumables | | | | | | | | | | | |
| Standard Rated | | | | | | | | | | | |
| Opening Balance | | 1 973 | 1 529 | 1 205 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 | 2 570 |
| Acquisitions | 7 | 5 683 | 9 289 | 12 471 | 1 062 | 1 380 | 1 380 | 304 | 500 | 518 | 518 |
| Issues | 7 | (6 127) | (9 305) | (11 106) | (1 062) | (1 380) | (1 380) | (1 224) | (500) | (518) | (518) |
| Adjustments | 8 | | | | - | - | - | - | - | - | - |
| Write-offs | 9 | | (309) | | - | - | - | - | - | - | - |
| Correction of Prior period errors | | | | | - | - | - | - | - | - | - |
| Closing balance - Consumables Standard Rated | | 1 529 | 1 205 | 2 570 | 2 570 | 2 570 | 2 570 | 1 650 | 2 570 | 2 570 | 2 570 |
| Zero Rated | | | | | | | | | | | |
| Opening Balance | | | - | - | - | - | - | - | - | - | - |
| Acquisitions | 7 | | | | | | | | | | |
| Issues | 7 | | | | | | | | | | |
| Adjustments | 8 | | | | | | | | | | |
| Write-offs | 9 | | | | | | | | | | |
| Correction of Prior period errors | | | | | | | | | | | |
| Closing balance - Consumables Zero Rated | | - | - | - | - | - | - | - | - | - | - |

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

| Description | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | | |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Materials and Supplies | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Acquisitions | | | | | 6 114 | 5 394 | 5 394 | 3 733 | 250 | 250 | 250 |
| Issues | 7 | | | | (6 114) | (5 394) | (5 394) | (3 044) | (250) | (250) | (250) |
| Adjustments | 8 | | | | – | – | – | – | – | – | – |
| Write-offs | 9 | | | | – | – | – | – | – | – | – |
| Correction of Prior period errors | | | | | – | – | – | – | – | – | – |
| Closing balance - Materials and Supplies | | – | – | – | – | – | – | 688 | – | – | – |
| Work-in-progress | | | | | | | | | | | |
| Opening Balance | | | | – | – | – | – | – | – | – | – |
| Materials | | | | | | | | | | | |
| Transfers | | | | | | | | | | | |
| Closing balance - Work-in-progress | | – | – | – | – | – | – | – | – | – | – |
| Housing Stock | | | | | | | | | | | |
| Opening Balance | | | – | – | – | – | – | – | – | – | – |
| Acquisitions | | | | | | | | | | | |
| Transfers | | | | | | | | | | | |
| Sales | | | | | | | | | | | |
| Correction of Prior period errors | | | | | | | | | | | |
| Closing Balance - Housing Stock | | – | – | – | – | – | – | – | – | – | – |
| Land | | | | | | | | | | | |
| Opening Balance | | | – | – | – | – | – | – | – | – | – |
| Acquisitions | | | | | | | | | | | |
| Sales | | | | | | | | | | | |
| Adjustments | | | | | | | | | | | |
| Correction of Prior period errors | | | | | | | | | | | |
| Transfers | | | | | | | | | | | |
| Closing Balance - Land | | – | – | – | – | – | – | – | – | – | – |
| Closing Balance - Inventory & Consumables | | 2 556 | 2 836 | 3 966 | 3 966 | 3 966 | 3 966 | 15 660 | 3 966 | 3 966 | 3 966 |
| Property, plant and equipment (PPE) | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | 5 338 519 | 5 811 705 | 6 473 373 | 6 311 900 | 7 007 326 | 7 007 326 | 6 935 403 | 7 263 320 | 7 148 174 | 7 196 543 |
| Leases recognised as PPE | 3 | 2 425 | 4 199 | 4 199 | 4 199 | 4 199 | 4 199 | 4 199 | 4 199 | 4 199 | 4 199 |
| Less: Accumulated depreciation | | 747 455 | 823 539 | 956 044 | 1 004 829 | 1 150 533 | 1 150 533 | 1 043 510 | 1 243 248 | 1 342 492 | 1 448 220 |
| Total Property, plant and equipment (PPE) | 2 | 4 593 488 | 4 992 365 | 5 521 528 | 5 311 270 | 5 860 992 | 5 860 992 | 5 896 092 | 6 024 271 | 5 809 881 | 5 752 522 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities - Borrowing | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | | | | | | | | | | |
| Current portion of long-term liabilities | | 902 | 1 484 | 18 789 | 1 556 | 18 318 | 18 318 | 8 653 | 18 318 | 18 318 | 18 318 |
| Total Current liabilities - Borrowing | | 902 | 1 484 | 18 789 | 1 556 | 18 318 | 18 318 | 8 653 | 18 318 | 18 318 | 18 318 |
| Trade and other payables | | | | | | | | | | | |
| Trade and other payables from exchange transactions | 5 | 341 425 | 472 664 | 491 425 | 450 406 | 485 717 | 485 717 | 287 045 | 239 478 | 416 847 | 412 252 |
| Other trade payables from exchange transactions | | – | – | – | – | – | – | – | – | – | – |
| Trade payables from Non-exchange transactions: Unspent conditional Grants | | 2 411 | 1 560 | 1 446 | – | 1 446 | 1 446 | 366 289 | 1 446 | 1 446 | 1 446 |
| Trade payables from Non-exchange transactions: Other | | – | – | – | – | – | – | – | – | – | – |
| VAT | | 5 099 | 933 | 1 535 | 10 311 | 5 378 | 5 378 | 6 285 | 14 869 | 16 028 | 12 166 |
| Total Trade and other payables | 2 | 348 935 | 475 156 | 494 406 | 460 717 | 492 541 | 492 541 | 659 620 | 255 793 | 434 321 | 425 864 |
| Non current liabilities - Financial liabilities | | | | | | | | | | | |
| Borrowing | 4 | 1 092 | 1 202 | 79 672 | 80 589 | 69 060 | 69 060 | 87 572 | 58 924 | 49 136 | 39 695 |
| Other financial liabilities | | – | 543 | 783 | – | 783 | 783 | 914 | 783 | 783 | 783 |
| Total Non current liabilities - Financial liabilities | | 1 092 | 1 744 | 80 455 | 80 589 | 69 843 | 69 843 | 88 486 | 59 706 | 49 918 | 40 478 |
| Non current liabilities - Long Term portion of trade payables | | | | | | | | | | | |
| Electricity Bulk Purchases | | – | – | – | – | – | – | – | – | – | – |
| Payables and Accruals - General | | – | – | – | – | – | – | – | 172 774 | – | – |
| Water Bulk Purchases | | – | – | 2 925 | 32 779 | 2 925 | 2 925 | 2 925 | 76 390 | 76 390 | 76 390 |
| Municipal Debt Relief | | – | – | – | – | – | – | – | – | – | – |
| Total Non current liabilities - Long Term portion of trade payables | | – | – | 2 925 | 32 779 | 2 925 | 2 925 | 2 925 | 249 164 | 76 390 | 76 390 |
| Provisions - non-current | | | | | | | | | | | |
| Retirement benefits | | 27 468 | 30 426 | 30 750 | 30 021 | 30 750 | 30 750 | 30 750 | 30 750 | 30 750 | 30 750 |
| Refuse landfill site rehabilitation | | – | – | – | – | – | – | – | – | – | – |
| Other | | 13 552 | 13 061 | 13 320 | 11 088 | 13 320 | 13 320 | 13 320 | 13 320 | 13 320 | 13 320 |
| Total Provisions non-current | | 41 020 | 43 487 | 44 070 | 41 109 | 44 070 | 44 070 | 44 070 | 44 070 | 44 070 | 44 070 |
| CHANGES IN NET ASSETS | | | | | | | | | | | |
| Accumulated surplus/(deficit) | | | | | | | | | | | |
| Accumulated surplus/(deficit) - opening balance | | 4 007 499 | 4 340 844 | 4 596 967 | 4 634 441 | 4 948 466 | 4 948 466 | 5 048 535 | 4 821 913 | 5 000 541 | 5 152 366 |
| GRAP adjustments | | – | – | – | – | – | – | – | – | – | – |
| Revised balance | | 4 007 499 | 4 340 844 | 4 596 967 | 4 634 441 | 4 948 466 | 4 948 466 | 5 048 535 | 4 821 913 | 5 000 541 | 5 152 366 |
| Surplus/(Deficit) | | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 520 362 | 963 580 | 842 012 | 906 757 |
| Transfers b/from Reserves | | – | – | – | – | – | – | – | – | – | – |
| Depreciation offsets | | – | – | – | – | – | – | – | – | – | – |
| Other adjustments | | (17 743) | (63 581) | (17 939) | – | – | – | – | – | – | – |
| Accumulated Surplus/(Deficit) | 1 | 4 356 740 | 4 596 968 | 5 043 693 | 5 308 220 | 5 355 400 | 5 355 400 | 5 568 896 | 5 785 493 | 5 842 553 | 6 059 124 |
| Reserves | | | | | | | | | | | |
| Housing Development Fund | | | | | | | | | | | |
| Capital replacement | | | | | | | | | | | |
| Self-insurance | | | | | | | | | | | |
| Other reserves | | – | – | – | – | – | – | – | – | – | – |
| Revaluation | | – | – | – | – | – | – | – | – | – | – |
| Total Reserves | 2 | – | – | – | – | – | – | – | – | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 4 356 740 | 4 596 968 | 5 043 693 | 5 308 220 | 5 355 400 | 5 355 400 | 5 568 896 | 5 785 493 | 5 842 553 | 6 059 124 |

| Strategic Objective | Goal | Goal Code | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | | | | | | | | | | | |
| SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT | Basic Service Delivery & Infrastructure | A | 2 | - | - | - | - | - | - | - | - | |
| DEMOCRACY AND GOOD GOVERNANCE | | | | 448 | 61 149 | 105 594 | 89 962 | 90 639 | 90 639 | 1 731 | 1 888 | 2 144 |
| FINANCIAL VIABILITY AND MANAGEMENT | | | | 530 539 | 604 660 | 655 741 | 680 030 | 680 032 | 680 032 | 721 492 | 765 807 | 800 431 |
| LOCAL ECONOMIC AND SOCIAL DEVELOPMENT | | | | 2 522 | 2 235 | 2 169 | 1 911 | 2 091 | 2 091 | 1 719 | 1 719 | 1 719 |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE | | | | 60 991 | 62 741 | 83 269 | 93 767 | 85 659 | 85 659 | 90 296 | 87 749 | 95 610 |
| Allocations to other priorities | | | 1 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | | 594 501 | 730 785 | 846 773 | 865 670 | 858 421 | 858 421 | 815 238 | 857 163 | 899 904 |

| Strategic Objective | Goal | Goal Code | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | | | | | | | | | | | |
| | | | | – | – | – | – | – | – | – | – | |
| SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT | | | | 6 752 | 6 056 | 546 | 1 615 | 1 615 | 1 615 | 5 | 5 | 6 |
| DEMOCRACY AND GOOD GOVERNANCE | | | | 227 116 | 291 647 | 410 670 | 316 234 | 400 643 | 400 643 | 258 419 | 269 473 | 281 464 |
| FINANCIAL VIABILITY AND MANAGEMENT | | | | 70 809 | 72 389 | 55 396 | 33 600 | 35 380 | 35 380 | 33 773 | 35 466 | 37 054 |
| LOCAL ECONOMIC AND SOCIAL DEVELOPMENT | | | | 31 825 | 42 025 | 55 657 | 41 361 | 46 451 | 46 451 | 49 748 | 51 962 | 54 177 |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE | Basic Service Delivery & Infrastructure | A | | 542 466 | 609 465 | 623 393 | 374 828 | 540 542 | 540 542 | 425 932 | 439 615 | 459 235 |
| Allocations to other priorities | | | | | | | | | | | | |
| Total Expenditure | | | | 878 966 | 1 021 583 | 1 145 661 | 767 636 | 1 024 630 | 1 024 630 | 767 877 | 796 522 | 831 936 |

| Strategic Objective | Goal | Goal Code | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | | |
|---|---|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|---------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 | |
| R thousand | | | | | | | | | | | | | |
| SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT | Basic Service Delivery & Infrastructure | A | | – | – | – | – | – | – | – | – | – | |
| DEMOCRACY AND GOOD GOVERNANCE | | | | 10 340 | 1 479 | 1 893 | 3 478 | 3 478 | 3 478 | – | – | – | |
| FINANCIAL VIABILITY AND MANAGEMENT | | | | 2 918 | 2 064 | 70 | 870 | 870 | 870 | – | – | – | |
| LOCAL ECONOMIC AND SOCIAL DEVELOPMENT | | | | 7 451 | 3 277 | 286 | 174 | 174 | 174 | 86 | 86 | 86 | |
| BASIC SERVICE DELIVERY AND INFRASTRUCTURE | | | | 464 144 | 491 521 | 660 294 | 496 073 | 529 432 | 529 432 | 789 861 | 674 715 | 723 084 | |
| Allocations to other priorities | | | | 3 | | | | | | | | | |
| Total Capital Expenditure | | | | 1 | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 789 947 | 674 801 | 723 170 |

DC26 Zululand - Supporting Table SA7 Measureable performance objectives

| Description | Unit of measurement | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|---------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| 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 | 14 728 | 16 200 |
| 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 | 7 630 | 8 012 | 8 200 | 8 200 | 8 200 | 9 020 | 9 462 | 10 408 |
| Piped Water Inside Dwelling | Households | | | | | | | | | |
| Dwelling) | Households | 10 324 | 10 840 | 9 756 | 9 200 | 9 200 | 9 200 | 10 120 | 10 616 | 11 678 |
| 09 - Waste Water | | | | | | | | | | |
| Waste Water Management | | | | | | | | | | |
| Sewerage | | | | | | | | | | |
| Flush Toilet (Connected To Sewerage) | Households | | | | | | | | | |
| Other Toilet Provisions (< Min.Service Level) | Households | 6 921 | 6 320 | 6 320 | 6 190 | 6 190 | 6 190 | 6 809 | 6 396 | 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 | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Borrowing Management | | | | | | | | | | | |
| Credit Rating | | | | | 0 | 0 | 0 | 0 | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.0% | 0.2% | 1.5% | 3.3% | 2.9% | 2.9% | 2.6% | 3.3% | 3.2% | 3.1% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 0.1% | 0.3% | 2.1% | 2.9% | 3.5% | 3.5% | 2.3% | 3.1% | 3.0% | 2.9% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0.0% | 0.0% | 5093.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Safety of Capital | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Liquidity | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 0.4 | 0.3 | 0.4 | 1.3 | 0.3 | 0.3 | 1.7 | 1.3 | 1.4 | 2.0 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 0.4 | 0.3 | 0.4 | 1.3 | 0.3 | 0.3 | 1.7 | 1.3 | 1.4 | 2.0 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.2 | 0.1 | 0.2 | 1.1 | 0.1 | 0.1 | 1.4 | 1.0 | 1.2 | 1.8 |
| Revenue Management | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | 0.0% | 90.3% | 48.6% | 42.9% | 70.2% | 70.7% | 70.7% | 46.9% | 70.8% | 70.8% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 90.3% | 48.6% | 42.9% | 70.2% | 70.7% | 70.7% | 46.9% | 70.8% | 70.8% | 70.9% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 9.1% | 11.7% | 8.9% | 10.6% | 8.7% | 8.7% | 9.1% | 9.1% | 8.7% | 6.4% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | 0.0% | 0.0% | 0.0% | 18.4% | 18.4% | 18.4% | 0.0% | 0.0% | 0.0% | 0.0% |
| Creditors Management | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA's 65(e)) | 0.0% | 0.0% | 0.0% | 100.0% | 100.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Creditors to Cash and Investments | | -13058.1% | 34.9% | 20.5% | 108.0% | -4363.2% | -4363.2% | 53.2% | 216.0% | 175.9% | 111.2% |
| 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 (kF) | | | | | | | | | | |
| | Total Cost of Losses (Rand '000) | - | - | - | 9 139 | 9 139 | 9 139 | - | - | - | - |
| Water Distribution Losses (2) | % Volume (units purchased and generated less units sold)/units purchased and generated | 0 | 0 | 0 | 191276 | 191276 | 191276 | 0 | 0 | 0 | 0 |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 44.4% | 39.2% | 37.2% | 35.8% | 38.1% | 38.1% | 32.4% | 44.9% | 43.9% | 43.6% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 45.8% | 40.4% | 38.4% | 36.9% | 39.4% | 39.4% | 49.0% | 46.3% | 45.2% | 44.9% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 23.2% | 20.2% | 19.7% | 8.2% | 16.1% | 16.1% | 11.6% | 11.0% | 11.0% | 10.6% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 17.1% | 13.8% | 14.3% | 11.4% | 12.0% | 12.0% | 12.4% | 12.6% | 12.5% | 12.4% |
| IDP regulation financial viability indicators | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 72.0 | 25.2 | 32.4 | 33.2 | 32.9 | 59.5 | 29.4 | 30.6 | 31.7 | 33.3 |
| ii.OS Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 105.5% | 154.4% | 99.1% | 106.1% | 93.9% | 93.9% | 119.6% | 89.4% | 85.4% | 63.9% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | (0.0) | 28.3 | 36.8 | 6.4 | (0.3) | (0.2) | 10.8 | 2.1 | - | - |

DC26 Zululand - Supporting Table SA13a Service Tariffs by category

| Description | Ref | Provide description of tariff structure where appropriate | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|-----|---|---------|---------|---------|----------------------|---|------------------------|------------------------|
| | | | | | | | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| 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 | |
| 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/fixd fee (Rands/month) | | Basic Charge | 265 | 280 | - | 308 | 353 | 397 | |
| Service point - vacant land (Rands/month) | | | | | | | | | |
| Water usage - flat rate tariff (c/k) | | - | 50 | 50 | - | 50 | 50 | 50 | |
| Water usage - life line tariff | | | - | - | - | 12 | 14 | 14 | |
| Water usage - Block 1 (c/k) | | | 10 | 10 | - | 12 | 14 | 14 | |
| Water usage - Block 2 (c/k) | | | 16 | 16 | - | 18 | 20 | 21 | |
| Water usage - Block 3 (c/k) | | | 23 | 24 | - | 27 | 31 | 32 | |
| Water usage - Block 4 (c/k) | | (fill in thresholds) | | | | | | | |
| Water usage - Block 5 (c/k) | | New Connection | 4 554 | 630 | - | 5 311 | 6 083 | 6 363 | |
| Water usage - Block 6 (c/k) | | | - | - | - | - | - | - | |
| Other | 2 | | | | | | | | |
| Waste water tariffs | | | | | | | | | |
| Domestic | | | | | | | | | |
| Basic charge/fixd fee (Rands/month) | | Basic Charge | 143 | 152 | - | 167 | 192 | 201 | |
| Service point - vacant land (Rands/month) | | | | | | | | | |
| Waste water - flat rate tariff (c/k) | | Flat rate tariff (c/k) | 143 | 143 | - | 143 | 152 | 159 | |
| 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/fixd 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/fixd fee | | | | | | | | | |
| 80l bin - once a week | | | | | | | | | |
| 250l bin - once a week | | | | | | | | | |

DC26 Zululand Supporting Table SA10 Funding measurement

| Description | MFMA section | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|---|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| Funding measures | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | (2 615) | 1 352 598 | 2 392 711 | 417 032 | (11 132) | (11 132) | 539 252 | 110 894 | 236 916 | 370 849 |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | 405 851 | (284 609) | 590 212 | 193 823 | (303 272) | (303 272) | 649 133 | 286 576 | 374 536 | 711 543 |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | (0.0) | 28.3 | 36.8 | 6.4 | (0.3) | (0.2) | 10.8 | 2.1 | - | - |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | 366 985 | 319 705 | 464 666 | 673 778 | 406 933 | 406 933 | 520 362 | 963 580 | 842 012 | 906 757 |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | (0.1%) | 32.7% | 8.9% | (14.1%) | (6.0%) | (32.4%) | (1.7%) | (1.4%) | (1.6%) |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 1981.3% | 2192.2% | 2448.0% | 182.9% | 237.0% | 237.0% | 1264.0% | 278.0% | 235.8% | 244.2% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 38.6% | 49.5% | 41.1% | 7.0% | 7.6% | 7.6% | 0.0% | 4.9% | 4.9% | 4.9% |
| Capital payments % of capital expenditure | 18(1)c,(19) | 8 | 100.0% | 99.6% | 100.0% | 100.0% | 100.0% | 100.0% | 92.9% | 115.0% | 115.0% | 115.0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 0.0% | 0.0% | 5093.9% | 0.0% | 0.0% | 0.0% | 0.0% | 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 - inc/(decr) | 18(1)a | 11 | N.A. | (81.0%) | 542.2% | 105.7% | (17.1%) | 0.0% | 5.1% | 40.0% | 33.6% | 26.2% |
| Long term receivables % change - inc/(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 | 3.9% | 4.0% | 4.0% | 1.8% | 3.1% | 3.1% | 1.9% | 2.1% | 2.2% | 0.9% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| References | | | | | | | | | | | | |
| 1. Positive cash balances indicative of minimum compliance - subject to 2 | | | | | | | | | | | | |
| 2. Deduct cash and investment applications (defined) from cash balances | | | | | | | | | | | | |
| 3. Indicative of sufficient liquidity to meet average monthly operating payments | | | | | | | | | | | | |
| 4. Indicative of funded operational requirements | | | | | | | | | | | | |
| 5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications) | | | | | | | | | | | | |
| 6. Realistic average cash collection forecasts as % of annual billed revenue | | | | | | | | | | | | |
| 7. Realistic average increase in debt impairment (doubtful debt) provision | | | | | | | | | | | | |
| 8. Indicative of planned capital expenditure level & cash payment timing | | | | | | | | | | | | |
| 9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing | | | | | | | | | | | | |
| 10. Substantiation of National/Province allocations included in budget | | | | | | | | | | | | |
| 11. Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications) | | | | | | | | | | | | |
| 12. Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications) | | | | | | | | | | | | |
| 13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection | | | | | | | | | | | | |
| 14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection | | | | | | | | | | | | |
| Supporting indicators | | | | | | | | | | | | |
| % inc total service charges (incl prop rates) | 18(1)a | | 0.0% | 5.9% | 38.7% | 14.9% | (8.1%) | 0.0% | (26.4%) | 4.3% | 4.6% | 4.4% |
| % inc 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% |
| % inc 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% |
| % inc Service charges - Water | 18(1)a | | 0.0% | 1.8% | 50.3% | 16.0% | (10.2%) | 0.0% | (28.2%) | 4.3% | 4.6% | 4.4% |
| % inc Service charges - Waste Water Management | 18(1)a | | 0.0% | 18.5% | 8.0% | 10.7% | 0.0% | 0.0% | (20.2%) | 4.3% | 4.6% | 4.4% |
| % inc 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% |
| % inc 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 | | 50 999 | 54 001 | 74 901 | 86 026 | 79 049 | 79 049 | 58 188 | 82 448 | 86 241 | 90 036 |
| Service charges | | | 50 999 | 54 001 | 74 901 | 86 026 | 79 049 | 79 049 | 58 188 | 82 448 | 86 241 | 90 036 |
| Property rates | | | - | - | - | - | - | - | - | - | - | - |
| Service charges - electricity revenue | | | - | - | - | - | - | - | - | - | - | - |
| Service charges - water revenue | | | 38 496 | 39 170 | 58 877 | 68 294 | 61 317 | 61 317 | 44 042 | 63 954 | 66 896 | 69 839 |
| Service charges - sanitation revenue | | | 12 513 | 14 831 | 16 024 | 17 732 | 17 732 | 17 732 | 14 145 | 18 494 | 19 345 | 20 196 |
| Service charges - refuse removal | | | - | - | - | - | - | - | - | - | - | - |
| Agency services | | | - | - | - | - | - | - | - | - | - | - |
| Capital expenditure excluding capital grant funding | | | 13 258 | 5 393 | 1 963 | 4 348 | 36 522 | 36 522 | 13 547 | - | - | - |
| Cash receipts from ratepayers | 18(1)a | | 1 113 149 | 1 420 262 | 2 083 571 | 182 664 | 218 471 | 218 471 | 862 642 | 237 648 | 210 883 | 227 909 |
| Ratepayer & Other revenue | 18(1)a | | 56 183 | 64 786 | 86 114 | 99 855 | 82 186 | 82 186 | 68 246 | 85 492 | 89 424 | 93 343 |
| Change in consumer debtors (current and non-current) | | | N/A | (28 053) | 35 639 | 44 626 | (14 835) | - | 3 672 | 30 287 | 35 583 | 37 149 |
| Operating and Capital Grant Revenue | 18(1)a | | 1 149 227 | 1 269 332 | 1 514 830 | 1 344 225 | 1 341 756 | 1 341 756 | 1 121 738 | 1 636 603 | 1 539 340 | 1 635 161 |
| Capital expenditure - total | 20(1)(vi) | | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 462 030 | 789 947 | 674 801 | 723 170 |
| 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 | | | | | | | | | | | | |
| | | | - | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - | - |
| | | | - | - | - | - | - | - | - | - | - | - |
| Trend | | | | | | | | | | | | |
| Change in consumer debtors (current and non-current) | | | N/A | (28 053) | 35 639 | 44 626 | (14 835) | - | 3 672 | 30 287 | 35 583 | 37 149 |
| Total Operating Revenue | | | | | | | | | | | | |
| Total Operating Expenditure | | | 594 501 | 730 785 | 846 773 | 865 670 | 858 421 | 858 421 | 770 289 | 815 238 | 857 163 | 899 904 |
| Operating Performance Surplus/(Deficit) | | | 863 071 | 1 021 582 | 1 150 503 | 768 086 | 1 025 080 | 1 025 080 | 667 425 | 767 877 | 796 522 | 831 924 |
| Cash and Cash Equivalents (30 June 2012) | | | (268 570) | (290 797) | (303 730) | 97 583 | (166 659) | (166 659) | 102 864 | 47 361 | 60 641 | 67 980 |
| Revenue | | | | | | | | | | | | |
| % Increase in Total Operating Revenue | | | - | 22.9% | 15.9% | 2.2% | (0.8%) | 0.0% | (10.3%) | (5.0%) | 5.1% | 5.0% |
| % Increase in Property Rates Revenue | | | - | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| % Increase in Electricity Revenue | | | - | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| % Increase in Property Rates & Services Charges | | | - | 5.9% | 38.7% | 14.9% | (8.1%) | 0.0% | (26.4%) | 4.3% | 4.6% | 4.4% |
| Expenditure | | | | | | | | | | | | |
| % Increase in Total Operating Expenditure | | | 0.0% | 18.4% | 12.6% | (33.2%) | 33.5% | 0.0% | (34.9%) | (25.1%) | 3.7% | 4.4% |
| % Increase in Employee Costs | | | 0.0% | 8.6% | 10.1% | (1.6%) | 5.5% | 0.0% | (23.7%) | 11.7% | 2.8% | 4.4% |
| % Increase in Electricity Bulk Purchases | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Average Cost Per Budgeted Employee Position (Remuneration) | | | 0 | 106428.5046 | 196059.8565 | 269949.3812 | 539284.6227 | 576312.9683 | 184362.5379 | 270105.7422 | 575636.7243 | 539793.6657 |
| Average Cost Per Councilor (Remuneration) | | | 0 | 0 | 287838.4317 | 262930.4722 | 0 | 298747.4167 | 222506.9181 | 323336.9167 | 0 | 326754.2778 |
| R&M % of PPE | | | 3.9% | 4.0% | 4.0% | 1.8% | 3.1% | 3.1% | 1.9% | 2.1% | 2.2% | |
| Asset Renewal and R&M as a % of PPE | | | 3.9% | 4.0% | 4.0% | 1.8% | 3.1% | 3.1% | 1.9% | 2.1% | 2.2% | |
| Debt Impairment % of Total Billable Revenue | | | 38.6% | 49.5% | 41.1% | 7.0% | 7.6% | 7.6% | 0.0% | 4.9% | 4.9% | 4.9% |
| Capital Revenue | | | | | | | | | | | | |
| Internally Funded & Other (R'000) | | | 13 258 | 5 203 | 1 963 | 4 348 | 4 348 | 4 348 | 89 | - | - | - |
| Borrowing (R'000) | | | - | 191 | - | - | 32 174 | 32 174 | 13 458 | - | - | - |
| Grant Funding and Other (R'000) | | | 471 595 | 492 948 | 660 580 | 496 247 | 497 432 | 497 432 | 448 483 | 789 947 | 674 801 | 723 170 |
| Internally Generated funds % of Non Grant Funding | | | 100.0% | 96.5% | 100.0% | 100.0% | 11.9% | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% |
| Borrowing % of Non Grant Funding | | | 0.0% | 3.5% | 0.0% | 0.0% | 88.1% | 88.1% | 99.3% | 0.0% | 0.0% | 0.0% |
| Grant Funding % of Total Funding | | | 97.3% | 98.9% | 99.7% | 99.1% | 93.2% | 93.2% | 97.1% | 100.0% | 100.0% | 100.0% |
| Capital Expenditure | | | | | | | | | | | | |
| Total Capital Programme (R'000) | | | 484 853 | 498 342 | 662 543 | 500 595 | 533 953 | 533 953 | 462 030 | 789 947 | 674 801 | 723 170 |
| Asset Renewal | | | - | 191 | - | - | - | - | - | - | - | - |
| Asset Renewal % of Total Capital Expenditure | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Cash | | | | | | | | | | | | |
| Cash Receipts % of Rate Payer & Other | | | 1981.3% | 2192.2% | 2448.0% | 182.9% | 237.0% | 237.0% | 1264.0% | 278.0% | 235.8% | 244.2% |
| Cash Coverage Ratio | | | (0) | 0 | 0 | 0 | (0) | (0) | 0 | 0 | - | - |
| Borrowing | | | | | | | | | | | | |
| Most recent Credit Rating | | | - | - | - | - | - | - | - | 0 | | |
| Capital Charges to Operating | | | 0.0% | 0.2% | 1.5% | 3.3% | 2.9% | 2.9% | 2.6% | 3.3% | 3.2% | 3.1% |
| Borrowing Receipts % of Capital Expenditure | | | 0.0% | 0.0% | 5093.9% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Reserves | | | | | | | | | | | | |
| Uncommitted reserves after application of cash and investments | | | 405 851 | (284 609) | 590 212 | 193 823 | (303 272) | (303 272) | 649 133 | 286 576 | 374 536 | 711 543 |
| Free Services | | | | | | | | | | | | |
| Free Basic Services as a % of Equitable Share | | | 0.9% | 0.8% | (0.1%) | 0.7% | (0.0%) | (0.0%) | (0.0%) | (0.0%) | (0.0%) | (0.0%) |
| Free Services as a % of Operating Revenue (excl operational transfers) | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| High Level Outcome of Funding Compliance | | | | | | | | | | | | |
| Total Operating Revenue | | | 594 501 | 730 785 | 846 773 | 865 670 | 858 421 | 858 421 | 770 289 | 815 238 | 857 163 | 899 904 |
| Total Operating Expenditure | | | 863 071 | 1 021 582 | 1 150 503 | 768 086 | 1 025 080 | 1 025 080 | 667 425 | 767 877 | 796 522 | 831 924 |
| Surplus/(Deficit) Budgeted Operating Statement | | | (268 570) | (290 797) | (303 730) | 97 583 | (166 659) | (166 659) | 102 864 | 47 361 | 60 641 | 67 980 |
| Surplus/(Deficit) Considering Reserves and Cash Backing | | | 405 851 | (284 609) | 590 212 | 193 823 | (303 272) | (303 272) | 649 133 | 286 576 | 374 536 | 711 543 |
| MTRF Funded () / Unfunded (0) | | 15 | 1 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 1 | 1 |
| MTRF Funded ✓ / Unfunded ✖ | | 15 | ✓ | ✖ | ✓ | ✓ | ✖ | ✖ | ✓ | ✓ | ✓ | ✓ |

DC26 Zululand - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration | Ref | 2021/22 | 2022/23 | 2023/24 | Current Year 2024/25 | | | 2025/26 Medium Term Revenue & Expenditure Framework | | |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2025/26 | Budget Year +1 2026/27 | Budget Year +2 2027/28 |
| R thousand | | A | B | C | D | E | F | G | H | I |
| Councillors (Political Office Bearers plus Other) | 1 | | | | | | | | | |
| Basic Salaries and Wages | | — | — | — | — | — | — | — | — | — |
| Pension and UIF Contributions | | 514 | 509 | 517 | 563 | 587 | 587 | — | — | — |
| Medical Aid Contributions | | 44 | 54 | 41 | 41 | 51 | 51 | — | — | — |
| Motor Vehicle Allowance | | 1 727 | 1 889 | 2 224 | 2 012 | 2 368 | 2 368 | 2 257 | 2 361 | 2 465 |
| Cellphone Allowance | | 649 | 681 | 859 | 483 | 784 | 784 | 778 | 813 | 849 |
| Housing Allowances | | — | 360 | 180 | 180 | 180 | 180 | — | — | — |
| Other benefits and allowances | | 5 682 | 5 782 | 6 542 | 6 187 | 6 785 | 6 785 | 8 605 | 8 093 | 8 449 |
| Sub Total - Councillors | | 8 616 | 9 276 | 10 362 | 9 465 | 10 755 | 10 755 | 11 640 | 11 267 | 11 763 |
| % increase | | | 7.7% | 11.7% | (8.7%) | 13.6% | | 8.2% | (3.2%) | 4.4% |
| Senior Managers of the Municipality | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 5 002 | 6 237 | 8 273 | 8 555 | 8 185 | 8 185 | 8 978 | 9 390 | 9 804 |
| Pension and UIF Contributions | | 11 | 176 | 356 | 444 | 492 | 492 | 464 | 485 | 506 |
| Medical Aid Contributions | | 48 | 59 | 117 | 123 | 130 | 130 | 131 | 137 | 143 |
| Overtime | | — | — | — | — | — | — | — | — | — |
| Performance Bonus | | — | 650 | 707 | 166 | 166 | 166 | 464 | 485 | 506 |
| Motor Vehicle Allowance | | 1 210 | 1 640 | 2 051 | 1 997 | 2 678 | 2 678 | 2 274 | 2 378 | 2 483 |
| Cellphone Allowance | | 191 | 257 | 296 | 317 | 317 | 317 | 317 | 331 | 346 |
| Housing Allowances | | — | 13 | 13 | 13 | 13 | 13 | 14 | 15 | 15 |
| Other benefits and allowances | | 203 | 309 | 442 | 249 | 249 | 249 | 249 | 261 | 272 |
| Payments in lieu of leave | | 354 | 374 | 255 | — | — | — | — | — | — |
| Long service awards | | — | 132 | — | — | — | — | — | — | — |
| Post-retirement benefit obligations | | — | — | — | — | — | — | — | — | — |
| Entertainment | | — | — | — | — | — | — | — | — | — |
| Scarify | | — | — | — | — | — | — | — | — | — |
| Acting and post related allowance | | 118 | 97 | 41 | — | — | — | — | — | — |
| In kind benefits | | — | — | — | — | — | — | — | — | — |
| Sub Total - Senior Managers of Municipality | | 7 138 | 9 945 | 12 551 | 11 865 | 12 230 | 12 230 | 12 890 | 13 483 | 14 076 |
| % increase | | | 39.3% | 26.2% | (5.5%) | 3.1% | | 5.4% | 4.6% | 4.4% |
| Other Municipal Staff | 3 | | | | | | | | | |
| Basic Salaries and Wages | | 171 941 | 184 934 | 201 042 | 221 924 | 216 595 | 216 595 | 249 103 | 253 996 | 265 172 |
| Pension and UIF Contributions | | 22 997 | 24 857 | 27 014 | 24 008 | 30 573 | 30 573 | 34 190 | 35 697 | 37 268 |
| Medical Aid Contributions | | 13 624 | 14 860 | 16 898 | 17 029 | 18 301 | 18 301 | 20 249 | 21 181 | 22 112 |
| Overtime | | 7 099 | 6 703 | 8 782 | 5 780 | 5 780 | 5 780 | 5 330 | 5 576 | 5 821 |
| Performance Bonus | | 11 678 | 12 696 | 13 868 | 14 733 | 15 267 | 15 267 | 16 208 | 16 954 | 17 700 |
| Motor Vehicle Allowance | | 8 704 | 10 357 | 11 436 | 12 000 | 22 844 | 22 844 | 24 658 | 25 792 | 26 927 |
| Cellphone Allowance | | 663 | 740 | 801 | 821 | 821 | 821 | 934 | 977 | 1 020 |
| Housing Allowances | | 1 379 | 1 669 | 1 699 | 1 758 | 1 758 | 1 758 | 1 885 | 1 971 | 2 058 |
| Other benefits and allowances | | 8 505 | 4 065 | 5 465 | 253 | 3 175 | 3 175 | 277 | 265 | 276 |
| Payments in lieu of leave | | 3 223 | 5 523 | 6 307 | — | — | — | — | — | — |
| Long service awards | | 2 506 | 3 358 | 3 289 | — | — | — | — | — | — |
| Post-retirement benefit obligations | | 3 775 | 5 393 | 5 352 | — | — | — | — | — | — |
| Entertainment | | — | — | — | — | — | — | — | — | — |
| Scarify | | — | — | — | — | — | — | — | — | — |
| Acting and post related allowance | | 437 | 1 191 | 562 | — | — | — | — | — | — |
| In kind benefits | | — | — | — | — | — | — | — | — | — |
| Sub Total - Other Municipal Staff | | 256 532 | 276 347 | 302 517 | 298 307 | 315 116 | 315 116 | 352 834 | 362 408 | 378 354 |
| % increase | | | 7.7% | 9.5% | (1.4%) | 5.6% | | 12.0% | 2.7% | 4.4% |
| Total Parent Municipality | | 272 286 | 295 569 | 325 430 | 319 637 | 338 101 | 338 101 | 377 363 | 387 158 | 404 193 |
| | | | 8.6% | 10.1% | (1.8%) | 5.8% | | 11.6% | 2.6% | 4.4% |
| Board Members of Entities | 3 | | | | | | | | | |
| Basic Salaries and Wages | | — | — | — | — | — | — | — | — | — |
| Pension and UIF Contributions | | — | — | — | — | — | — | — | — | — |
| Medical Aid Contributions | | — | — | — | — | — | — | — | — | — |
| Overtime | | — | — | — | — | — | — | — | — | — |
| Performance Bonus | | — | — | — | — | — | — | — | — | — |
| Motor Vehicle Allowance | | — | — | — | — | — | — | — | — | — |
| Cellphone Allowance | | — | — | — | — | — | — | — | — | — |
| Housing Allowances | | — | — | — | — | — | — | — | — | — |
| Other benefits and allowances | | — | — | — | — | — | — | — | — | — |
| Board Fees | | — | — | — | — | — | — | — | — | — |
| Payments in lieu of leave | | — | — | — | — | — | — | — | — | — |
| Long service awards | | — | — | — | — | — | — | — | — | — |
| Post-retirement benefit obligations | | — | — | — | — | — | — | — | — | — |
| Entertainment | | — | — | — | — | — | — | — | — | — |
| Scarify | | — | — | — | — | — | — | — | — | — |
| Acting and post related allowance | | — | — | — | — | — | — | — | — | — |
| In kind benefits | | — | — | — | — | — | — | — | — | — |
| Sub Total - Board Members of Entities | | — | — | — | — | — | — | — | — | — |
| % increase | | | | | | | | | | |
| Senior Managers of Entities | 4 | | | | | | | | | |
| Basic Salaries and Wages | | — | — | — | — | — | — | — | — | — |
| Pension and UIF Contributions | | — | — | — | — | — | — | — | — | — |
| Medical Aid Contributions | | — | — | — | — | — | — | — | — | — |
| Overtime | | — | — | — | — | — | — | — | — | — |
| Performance Bonus | | — | — | — | — | — | — | — | — | — |
| Motor Vehicle Allowance | | — | — | — | — | — | — | — | — | — |
| Cellphone Allowance | | — | — | — | — | — | — | — | — | — |
| Housing Allowances | | — | — | — | — | — | — | — | — | — |
| Other benefits and allowances | | — | — | — | — | — | — | — | — | — |
| Payments in lieu of leave | | — | — | — | — | — | — | — | — | — |
| Long service awards | | — | — | — | — | — | — | — | — | — |
| Post-retirement benefit obligations | | — | — | — | — | — | — | — | — | — |
| Entertainment | | — | — | — | — | — | — | — | — | — |
| Scarify | | — | — | — | — | — | — | — | — | — |
| Acting and post related allowance | | — | — | — | — | — | — | — | — | — |
| In kind benefits | | — | — | — | — | — | — | — | — | — |
| Sub Total - Senior Managers of Entities | | — | — | — | — | — | — | — | — | — |
| % increase | | | | | | | | | | |
| Other Staff of Entities | 5,7 | | | | | | | | | |
| Basic Salaries and Wages | | — | — | — | — | — | — | — | — | — |
| Pension and UIF Contributions | | — | — | — | — | — | — | — | — | — |
| Medical Aid Contributions | | — | — | — | — | — | — | — | — | — |
| Overtime | | — | — | — | — | — | — | — | — | — |
| Performance Bonus | | — | — | — | — | — | — | — | — | — |
| Motor Vehicle Allowance | | — | — | — | — | — | — | — | — | — |
| Cellphone Allowance | | — | — | — | — | — | — | — | — | — |
| Housing Allowances | | — | — | — | — | — | — | — | — | — |
| Other benefits and allowances | | — | — | — | — | — | — | — | — | — |
| Payments in lieu of leave | | — | — | — | — | — | — | — | — | — |
| Long service awards | | — | — | — | — | — | — | — | — | — |
| Post-retirement benefit obligations | | — | — | — | — | — | — | — | — | — |
| Entertainment | | — | — | — | — | — | — | — | — | — |
| Scarify | | — | — | — | — | — | — | — | — | — |
| Acting and post related allowance | | — | — | — | — | — | — | — | — | — |
| In kind benefits | | — | — | — | — | — | — | — | — | — |
| Sub Total - Other Staff of Entities | | — | — | — | — | — | — | — | — | — |
| % increase | | | | | | | | | | |
| TOTAL MUNICIPAL ENTITIES | | — | — | — | — | — | — | — | — | — |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 272 286 | 295 569 | 325 430 | 319 637 | 338 101 | 338 101 | 377 363 | 387 158 | 404 193 |
| % increase | | | 8.6% | 10.1% | (1.8%) | 5.8% | | 11.6% | 2.6% | 4.4% |
| TOTAL MANAGERS AND STAFF | | 263 669 | 286 293 | 315 068 | 310 172 | 327 346 | 327 346 | 365 723 | 375 891 | 392 430 |

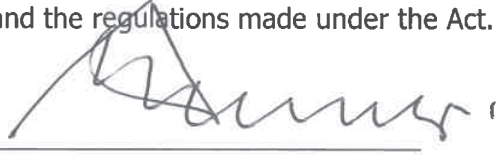
2.17 ANNUAL BUDGETS OF MUNICIPAL ENTITIES ATTACHED TO THE MUNICIPALITIES
ANNUAL BUDGET

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 tabled Budget has been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act.



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

Date: 26-03-2025