Zululand
District Municipality

BUDGET AND SUPPORTING DOCUMENTATION
2026-2027

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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 KHUMALO

it is with a deep sense of responsibility to the people of Zululand District that I present the draft Budget for the 2026/2027 financial year.

The tabling of this draft Budget takes place at a time when our Municipality is confronted with significant financial challenges that require decisive leadership, accountability and collective action. As Council, we are fully aware that a Municipal budget is not merely a financial document but a strategic instrument that must guide service delivery, uphold governance standards and respond meaningfully to the needs of our communities. During the Council sitting in March 2026, emphasis was placed on the importance of adhering to the legislative and regulatory framework that governs municipal finances. It is a mandatory requirement that the Adjustment Budget be fully funded, in line with National Treasury guidelines. Failure to comply with these requirements carries serious implications, including the risk of withholding equitable share allocations, an outcome that our Municipality cannot afford.
Key indicators such as liquidity ratios, cost coverage and increasing creditor obligations reflect the urgent need for financial discipline and implementation of sustainable recovery measures. Challenges relating to revenue collection, indigent management and rising operational costs continue to place strain on our ability to deliver services effectively.

Therefore, Council has resolved to confront them with urgency and unity of purpose. We are committed to strengthening financial management, improving revenue generation, enforcing compliance and ensuring that every expenditure yields value for money

In re-affirming our commitment to stabilising the Municipality, Council and Top Management have taken a deliberate and strategic decision regarding resource allocation. This resolution was taken at our recent Strategic Planning Meeting. The draft Budget will priorities the provision of water and sanitation services, as the Municipality's core-function. Furthermore, to ensure that the Adjustment Budget remains funded and compliant, it has been resolved that certain Mayoral programmes will be funded through alternative means. These programmes will be supported through partnerships, donations and sponsorships sourced from stakeholders and the private sector. This will alleviate pressure on the Municipal fiscus. This approach reflects our commitment to balancing financial prudence with developmental aspirations. It allows us to protect essential services while continuing to pursue community-based initiatives that promote social cohesion, youth

development and economic participation.

As we move forward, I call upon all councilors, officials, stakeholders and the community at large to work together in rebuilding the financial health of our Municipality. Through integrity, accountability and disciplined execution, we can restore stability and accelerate service delivery. This Adjustment Budget is therefore presented not only as a compliance requirement but as a practical step towards financial recovery, institutional resilience and improved service delivery for the people of Zululand.

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Zululand District Municipality Mayor
Cllr MB Khumalo

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 from public participation be noted.
The Draft Procurement plan be approved.
The mSCOA road map be noted.

1.3 EXECUTIVE SUMMARY

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, projects were priorities according to their necessity while maintaining stable and sound financial. The expenditure was also reviewed to minimise cost while maintaining service delivery.

The municipality has given the revenue enhancement attention, this will assist in maximising revenue, collecting from previous outstanding debtors and make sure the billing is correct, the municipality is in the pursued of sourcing money to fund new meter installation where there were no meters before but there is possibility of capitalising on revenue.

The National Treasury's MFMA Circular No. 132 &134 were used to guide the compilation of the 2026/2027 MTREF.

The following macro-economic forecasts must be considered when preparing the 2026/27 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2025 - 2029

Fiscal year	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Forecast		
CPI Inflation	4.4%	3.2%	3.4%	3.3%	3.2%

The municipality is trying to recover from unfunded position, therefore the above guide was not full utilised because some items are on the funding plan need to be monitored and the municipality is in the process of minimizing cost.

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:

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
OPERATING REVENUE	850 188 366	870 563 653	909 663 636	933 371 360
CAPITAL REVENUE	916 219 000	760 484 000	742 784 995	801 116 251
TOTAL BUDGET REVENUE	**1 766 407 366**	**1 631 047 653**	**1 652 448 631**	**1 734 487 611**
OPERATING EXPENDITURE	721 512 908	863 489 017	892 460 978	934 388 487
CONTRIBUTION TO CAPITAL	742 876 517	661 377 391	665 720 870	717 366 087
TOTAL BUDGET EXPENDITURE EXC. VAT	**1 464 389 425**	**1 524 866 408**	**1 558 181 847**	**1 651 754 574**
CAPITAL EXPENDITURE - GRANTS AND TRANSFERS	742 876 517	661 377 391	665 720 870	717 366 087
CAPITAL EXPENDITURE - EXTERNAL LOAN				
CAPITAL EXPENDITURE - INTERNALLT FUNDED				
TOTAL CAPITAL	**742 876 517**	**661 377 391**	**665 720 870**	**717 366 087**
TOTAL REVENUE	**1 766 407 366**	**1 631 047 653**	**1 652 448 631**	**1 734 487 611**
TOTAL EXPENDITURE	**1 464 389 425**	**1 524 866 408**	**1 558 181 847**	**1 651 754 574**

OPERATING SURPLUS(DEFICIT)			
	BUDGET YEAR 2026/2027	**BUDGET YEAR 2027/2028**	**BUDGET YEAR 2028/2029**
OPERATING REVENUE	870 563 653	909 663 635.60	933 371 359.94
OPERATING EXPENDITURE	863 489 017	892 460 977.82	934 388 487.19
OPERATING SURPLUS	**7 074 636.60**	**17 202 657.78**	**- 1 017 127.25**

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 **2026/2027** as per National Treasury circular 129. The municipality budget is highlighted below which shows the decrease of capital budget and increase in operating budget.

The **2026/2027** draft budget is **R1.6 billion**, which represents an increase of **R135 million** from the **2026/2026** budget of **R1.7 billion**. This represents an decrease of **8%**.
The budget shows a surplus of **R 7 million.**

Summary of grants allocation

	BUDGET 2025/2026	**BUDGET 2026/2027**	**BUDGET 2027/2028**	**BUDGET 2028/2029**
FINANCIAL MANAGEMENT GRANT (FMG)	1 300 000	1 500 000	1 600 000	1 800 000
EQUITABLE SHARE	710 459 000	749 176 000	789 763 000	809 375 000
EXPANDED PUBLIC WORKS PROGRAMME (EPWP) GRANT	6 406 000	5 379 000	-	-
INDOSA GRANT	2 675 000	1 719 000	1 719 000	1 719 000
NATIONAL SKILLS FUND	12 199 851	-	-	-
AMAFA	200 000	-	-	-
MUNICIPAL DISASTER RELIEF GRANT	37 706 000	-	-	-
LGSETA GRANTS	327 606	-	-	-
BOREHOLE INTERVENTION PROGRAMME	1 445 896	-	-	-
PRINCE MANGOSUTHU AIRPORT GRANT	500 000	700 000	800 000	1 000 000
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	268 969 000	272 515 000	281 507 995	290 516 251
WATER SERVICES INFRASTRUCTURE GRANT (WSIG)	90 000 000	115 000 000	150 000 000	135 388 000
RURAL ROAD ASSET MANAGEMENT	2 772 000	2 884 000	2 999 000	3 092 000
REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)	594 478 000	370 085 000	308 278 000	372 120 000

Operating revenue Framework

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
Service charges - water revenue	51 216 973	78 508 275	81 099 048	83 694 218
Service charges - sanitation revenue	16 978 793	21 257 884	21 959 394	22 662 095
Rental of facilities	482 382	194 624	201 047	207 480
Interest earned - external investments	5 804 399	8 000 000	8 264 000	8 528 448
Interest earned - outstanding debtors	647 873	1 015 466	1 042 000	1 066 056
Fines, penalties and forfeits	257 910	400 000	413 200	426 422
Licences and permits	184 442	100 404	103 717	107 036
Transfers and subsidies	772 594 972	758 474 000	793 882 000	813 894 000
Other revenue	2 020 622	2 613 000	2 699 229	2 785 604

The revenue budgets
An increase of 10% is proposed to be affected on Tariffs.
Water tariffs have been determined as follows:

Kilolitres	Percentage increase
0- 6kl	10%
6- 30kl	10%
30-40kl	10%
>40kl	10%

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 **2026/2027** draft Operating Revenue budget is **R870 million**. This represents an increase of **R20 million** or **2%** from **2026/2026** budget of **R850 million**. This net increase is largely attributed to changes in operating revenue.

The Equitable share has increased by **R38.7 million** from **R710 million** in **2025/2026** adjustment budget to **R749 million** in **2026/2027** draft budget.

In the **2025/2026** adjustment budget the municipality received a grant from the KwaZulu-Natal Amafa and Research Institute amounting to **R200 thousand**, a grant from National Skills Fund amounting to **R12 million** a grant from Local Government Sector Education and Training Authority amounting to **R327 thousand** which are not part of the **2026/2027** 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 **R31 million** from **R68 million** in the adjusted budget to **R99 million** in **2026/2027** draft budget. This results from the increase in tariffs, installation of new meters and the new meter to be installed in estimated 25000 household. The tariffs increased by **10%** considering the CPI and the municipality is also trying to move closely to cost effective tariffs gradual without putting much strain on consumer.

The municipality increased all other revenue streams for 2026/27 budget except for the rent where there are tenants that have evacuated the building. This includes interest in investment and outstanding debtors, licenses and permits, fines, penalties and forfeits

Operating Expenditure Framework

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
Employees cost	302 098 187	391 426 697	404 343 778	417 282 779
Remuneration of councillors	11 640 131	14 283 492	14 754 848	15 227 003
Debt impairment	4 000 000	5 580 000	5 764 140	5 948 592
Depreciation & asset impairment	95 107 585	91 000 000	93 820 134	96 822 378
Finance charges	7 353 894	8 093 000	9 096 069	9 099 143
Inventory consumed	10 045 389	52 295 035	54 009 222	55 726 318
Contracted services	184 242 455	145 714 278	150 488 623	169 000 793
Transfers and subsidies	2 251 155			
Other expenditure	194 970 727	155 096 515	160 184 164	165 281 481
Total expenditure	**811 709 523**	**863 489 017**	**892 460 978**	**934 388 487**

The **2026/2027** Operating Expenditure budget is **R863 million**. This represents an increase of **R51 million** or **6%** from **2025/2026** budget of **811 million**.

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 47% 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 **2025/2026** adjustment budget the municipality allocated **R200 thousand** for The KwaZulu-Natal Amafa and Research Institute grant, **R12 million** for National Skills Fund grant and **R 327 thousand** for Local Government Sector Education and Training Authority Grant which are not part of the **2026/2027** draft budget as per provincial gazette.

Capital Expenditure and Funding

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
MUNICIPAL INFRASTRUCTURE	179 964 223	236 969 565	264 523 478	273 279 130
REGIONAL BULK INFRASTRATURE	473 459 130	321 813 043	268 067 826	323 582 609
WATER SERVICES INFRASTRUCTURE	86 956 522	100 000 000	130 434 783	117 728 696
RURAL ROAD ASSET MANAGEMENT	2 410 435	2 507 826	2 607 826	2 688 696
INDONSA GRANT	173 914	86 957	86 957	86 957
BOREHOLE INTERVENTION PROGRAMME	1 257 301			
BACK POWER SUPPLY	6 673 013			
TOTAL	**750 894 538**	**661 377 391**	**665 720 870**	**717 366 087**

The **2026/2027** draft Capital Expenditure budget is **R661 million** VAT exclusive. This represents an decrease of **R89 million** or **12%** from **2025/2026** budget of **R750 million**.

Circular no. 58 capital grants are reported VAT exclusive, total Capital financing amount to **be R661 million**.

Capital Expenditure

	BUDGET 2025/2026	**BUDGET 2026/2027**	**BUDGET 2027/2028**	**BUDGET 2028/2029**
MUNICIPAL INFRASTRUCTURE	206 958 856	272 515 000	304 202 000	314 271 000
REGIONAL BULK INFRASTRATURE	544 478 000	370 085 000	308 278 000	372 120 000
WATER SERVICES INFRASTRUCTURE	100 000 000	115 000 000	150 000 000	135 388 000
RURAL ROAD ASSET MANAGEMENT	2 772 000	2 884 000	2 999 000	3 092 000
INDONSA GRANT	200 001	100 000	100 000	100 000
BOREHOLE INTERVENTION PROGRAMME	1 445 896	-	-	-
BACK POWER SUPPLY	7 673 965	-	-	-
TOTAL	**863 528 718.70**	**760 584 000**	**765 579 000**	**824 971 000**

MFMA mSCOA circular number 13 requires that capital expenditure be budgeted exclusively. VAT on capital grants amount to **R760 million**.

FINANCIAL POSITION

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
Current Assets	677 146 297	602 083 559	724 459 204	872 851 004
Non current Asset	6 085 512 881	6 582 723 145	6 500 276 667	6 459 455 568
Current Liabilities	809 562 260	720 949 458	730 321 385	734 727 925
Non current Liabilities	75 703 622	147 413 574	138 797 968	130 185 435
Accumulated surplus	5 369 428 679	6 316 443 672	6 355 616 518	6 467 393 212

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.
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 2026/27 budget, the municipality has already started negotiations with some of the creditors to make affordable payments arrangements that will go beyond the 2026/27 financial year.

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 2026/2027 Tabled budget, indicated is the budgeted revenue by source.

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	39 170	58 877	55 414	63 954	51 217	51 217	38 112	78 508	81 099	83 694
Service charges - Waste Water Management	2	14 831	16 024	18 129	18 494	16 979	16 979	12 722	21 258	21 959	22 662
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	2	1 426	760	627	800	1 502	1 502	895	1 903	1 966	2 029
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	75	691	746	858	648	648	478	1 015	1 042	1 066
Interest earned from Current and Non Current Assets	2	7 433	15 458	8 129	8 000	5 804	5 804	3 813	8 000	8 264	8 528
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	181	559	463	504	482	482	358	195	201	207
Licence and permits	2	88	107	277	295	184	184	130	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	563	594	1 542	1 344	519	519	214	810	837	864
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	910	875	449	605	258	258	193	400	413	426
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	658 830	746 444	680 583	720 384	772 595	772 595	545 895	758 474	793 882	813 894
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	2 894	680	-	-	-	-	-	-	-	-
Other Gains	2	4 385	5 704	1 706	-	-	-	342	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**730 785**	**846 773**	**768 065**	**815 238**	**850 188**	**850 188**	**603 151**	**870 564**	**909 664**	**933 371**

The **2026/2027** Operating Expenditure budget is **R863 million**. This represents an increase of **R51 million** or **6%** from **2025/2026** budget of **811 million**.
The sources of funding are important to ensure that the budget is funded, and cash backed. Each line item on the face of financial performance is explained below:

Exchange revenue

Service charges – Water revenue

Service charges is the amount billed to consumers for water consumed. The Municipality budgeted an amount of **R78 million** under Service charges - water revenue, this represents an increase of **R27 million** or **53%** from an amount of **R51 million** in the **2026/27** adjusted Budget. Water revenue is 9% of total revenue in 20262027.

The service charges water revenue increased by **10%** as per increase in tariffs schedule because the municipality took into consideration **2026/2027** financial year actual billing, the municipality budgeted per each customer list and the fact that there are places where there are faulty meters and being billed at fixed rate, the municipality has already appointed someone to install and replace faulty meters. 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 **10%** which is equal to **3.4%** percent guideline as per MFMA circular No. 134, this was done to gradually achieve cost reflective tariffs, whilst maintaining customer affordability.

An amount of **R5.8 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 **R21 million** under Service charges - sanitation revenue, this represents an increase of **R4 million** or **10%** from an amount of **R16 million** in the **2025/26** adjusted Budget. The Sanitation revenue is **2%** of total revenue.

The Municipality increased tariffs by **10%**, which is not equal to **3.4%** guideline as per MFMA circular No. 134. 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 under sale of goods and rendering of services, this represents an increase of **R401 thousand** or **27%** from an amount of **R1.5 million** in the **2025/26** adjusted budget. This increase is attributed to the municipality increasing the capital projects which will result in selling more tender documents.

The municipality did not increase as per circular 134 guideline of **3.4%**, this results from the fact that sale is determined as per tariffs.

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 **R1 million** on interest earned on outstanding debtors for the year **2026/27**, which reflects an increase of **R368 thousand** or **57%** from **R648 thousand** in the **2026/27** adjusted budget. The Municipality has decided to further charge interest on government institutions.

The municipality did not increase by 3.4% as guided by circular 134 because the municipality interest depends on the balance of grants.

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 **R2 million** or **38%** from **R5.8 million** in

the **2026/27** adjusted budget. This increase has considered audited AFS and 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 **R195 thousand** excluding vat under rental of facilities and equipment. Rental of facilities has decreased by **R288 thousand** since there are tenants that evacuated the building.

Licenses and permits

Licences and permits are mainly based on the licences issued by municipal health. The municipality budgeted an amount of **R200 thousand** which reflects an increase of **R70 thousand** from **R130 thousand** in the **2025/2026** adjusted budget.

Operational Revenue

The operating revenue includes receipts such as skills levy refund, landing fees, clearance certificates and commission fees. The budget is prepared based on the expected return and expenditure from skills training. The expected budget is **R810 thousands**. The increase is not according to 3.4% guideline as per circular 134 because this depends on the occurrence and non-occurrence of future events, the budget was based on the current performance.

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 **R400 thousand** under Fines, penalties, and forfeits, this represents an increase of **R142 thousand** from an amount of **R258** thousand in the **2025/26** Adjusted Budget. This increase is not equal to the **3.4% percent** guideline as per MFMA circular No. 134 because the increase was based on the trend from current year.

Transfers and subsidies

Transfers and subsidies (grants) are amounts gazetted as per Division of Revenue Act (DoRA), 2026; 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 **R758 million,** this is as per DORA and Provincial gazette.

Provincial Gazette allocation has been considered, an amount of **R2.4 million** has been gazetted to be received from the department of arts and culture and Economic development, 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Revenue (excluding capital transfers and contributions)	**730 785**	**846 773**	**768 065**	**815 238**	**850 188**	**850 188**	**603 151**	**870 564**	**909 664**	**933 371**
Expenditure										
Employee related costs	282 934	311 779	341 388	302 013	302 098	302 098	273 453	391 427	404 344	417 283
Remuneration of councillors	9 276	10 362	10 539	11 640	11 640	11 640	7 841	14 283	14 755	15 227
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	51 978	45 332	57 950	10 250	10 045	10 045	(336)	52 295	54 009	55 726
Debt impairment	26 735	30 812	30 773	4 000	4 000	4 000	-	5 580	5 764	5 949
Depreciation, amortisation and impairment	100 254	114 269	120 749	95 000	95 108	95 108	89 332	91 000	93 820	96 822
Interest, Dividends and Rent on Land	553	8 113	18 115	7 575	7 354	7 354	8 100	8 093	9 096	9 099
Contracted services	363 587	374 946	276 554	87 677	178 297	178 297	171 635	145 714	150 489	169 001
Transfers and subsidies	4 683	3 534	9 064	-	2 251	2 251	2 357	-	-	-
Irrecoverable debts written off	-	-	1 355	-	-	-	-	-	-	-
Operational costs	175 045	244 092	335 445	35 611	195 086	195 086	179 064	155 097	160 184	165 281
Disposal of Fixed and Intangible Assets	679	506	6	-	-	-	-	-	-	-
Other Losses	309	-	272	-	-	-	-	-	-	-
Total Expenditure	**1 016 033**	**1 143 745**	**1 202 210**	**553 766**	**805 879**	**805 879**	**731 446**	**863 489**	**892 461**	**934 388**

The **2026/2027** Operating Expenditure budget is **R863 million**. This represents an increase of **R51 million** or **6%** from **2025/2026** budget of **811 million**.

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

The salary increase of 4.75% (average CPIX from March 2025 to February 2026 or clause 6.8 of the agreement plus 0.75%) has been factored into the draft budget for 2026/2027. To be noted that 2026/2027 is the third year of the current five-year salary and wage agreement entered into between the labour as well as the employer body, SALGA

The Municipality budgeted an amount of **R391 million** under employee related costs, this represents an increase of **R89 million** or **%** from an amount of **R302 million** in the **2025/26** adjusted budget. The salaries have increased due to bargaining council agreement, contracted employees and EPWP employees funded by municipality. The salaries are 47% 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

He cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). an increase of 4.75% percent has also been provided for Councilor's remuneration. The municipality did provide for upper limits in the increase in the budget.

Remuneration of Councilors is paid for councilors' allowances, service-related benefits and contributions. The Municipality budgeted an amount of **R14 million** which reflect an increase of **R2.3**.

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 **R52 million** under inventory consumed. This represents a increase of **R42 million** from an amount of **R10 million** in the **2025/2026** Adjusted budget. The municipality realized that it has been under budgeting in previous years.

The increase is not according to 3.4% guided by circular 134 because of the adjustment done to correct the inventory water billing.

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 **R5.8 million** under Debt impairment, this represents a increase of **R1.5 million** from an amount of **R4 million** in the 2025/26 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

Provision for depreciation and asset impairment has been informed by the Municipality's Property, plant and Equipment Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard **total R91 million** for the 2026/2027 financial year.
Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets in to books.

This is a non-cash item budgeted for as per the stipulation of the general recognized accounting standards.

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 polity and will ensure that the AFS is correctly carried forward.

Interest

This amount includes interest in loans. The municipality budgeted an amount of **R8 million**, this represents an increase of **R739 thousand** from an amount of **R7.5 million** in the **2025/2026** adjusted budget. The municipality has made the provision of interest on loan as per loan agreement which is not in accordance with **3.4%** increase.

Contracted services

Contracted services include Outsourced services, Consultants and professional fees, and Contractors. Contracted services consist mainly of the repairs and maintenance of the water and wastewater infrastructure together with fleet. The anticipated contracted services expenditure budgeted amount is **R145 million**, which is an increase of **R32 million** from the amount of **R178 million** in the **2025/2026** Adjustment Budget.

The municipality has budgeted according to affordability. According to the funding plan. 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.There is no allocation in 2026/2027.

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 **R111 million.** The municipality has decreased the anticipated expenditure under this item by **R39 million** or **20%** when compared to an amount of **R195 million** reflected in the **2025/26** 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 Surplus

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

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Expenditure	**1 016 033**	**1 143 745**	**1 202 210**	**553 766**	**805 879**	**805 879**	**731 446**	**863 489**	**892 461**	**934 388**
Surplus/(Deficit)	**(285 248)**	**(296 972)**	**(434 146)**	**261 472**	**44 310**	**44 310**	**(128 295)**	**7 075**	**17 203**	**(1 017)**
Transfers and subsidies - capital (monetary allocations)	610 502	768 386	851 477	916 219	917 665	917 665	526 100	760 484	742 785	801 116
Transfers and subsidies - capital (in-kind)	-	9	8	-	-	-	39	-	-	-
contributions	**325 254**	**471 423**	**417 340**	**1 177 691**	**961 974**	**961 974**	**397 845**	**767 559**	**759 988**	**800 099**
Income Tax	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	**325 254**	**471 423**	**417 340**	**1 177 691**	**961 974**	**961 974**	**397 845**	**767 559**	**759 988**	**800 099**
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	**325 254**	**471 423**	**417 340**	**1 177 691**	**961 974**	**961 974**	**397 845**	**767 559**	**759 988**	**800 099**
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	**325 254**	**471 423**	**417 340**	**1 177 691**	**961 974**	**961 974**	**397 845**	**767 559**	**759 988**	**800 099**

Table A4 indicates a budget surplus of **R7 million.**

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional											
Governance and administration		3 061	1 943	712	–	–	–	2 400	–	–	–
Executive and council		173	167	–	–	–	–	–	–	–	–
Finance and administration		2 888	1 621	712	–	–	–	2 400	–	–	–
Internal audit		–	155	–	–	–	–	–	–	–	–
Community and public safety		1 551	286	–	87	174	174	–	87	87	87
Community and social services		1 551	286	–	87	174	174	–	87	87	87
Sport and recreation											
Public safety											
Housing											
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		1 726	75	61	2 410	2 410	2 410	1 334	2 508	2 608	2 689
Planning and development		1 726	75	61	2 410	2 410	2 410	1 334	2 508	2 608	2 689
Road transport											
Environmental protection											
Trading services		491 995	660 239	780 722	740 380	754 499	754 499	542 348	658 783	663 026	714 590
Energy sources											
Water management		491 995	660 239	780 722	740 380	754 499	754 499	542 348	658 783	663 026	714 590
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management											
Other		9	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	498 342	662 543	781 494	742 877	757 083	757 083	546 081	661 377	665 721	717 366

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 **R87 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 is **R2.5 million** or **4%** from **R2.4 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 decreased by **R81 million** from **R754 million** to **R658 million**. This line item includes infrastructure funded by MIG, RBIG, WSIG and Borrowings.

Projects to be Implemented as per Capital budget.

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
MUNICIPAL INFRASTRUCTURE	179 964 223	236 969 565	264 523 478	273 279 130
REGIONAL BULK INFRASTRATURE	473 459 130	321 813 043	268 067 826	323 582 609
WATER SERVICES INFRASTRUCTURE	86 956 522	100 000 000	130 434 783	117 728 696
RURAL ROAD ASSET MANAGEMENT	2 410 435	2 507 826	2 607 826	2 688 696
INDONSA GRANT	173 914	86 957	86 957	86 957
BOREHOLE INTERVENTION PROGRAMME	1 257 301			
BACK POWER SUPPLY	6 673 013			
TOTAL	**750 894 538**	**661 377 391**	**665 720 870**	**717 366 087**

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.

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 **2026/2027** 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 A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	54 001	74 901	73 543	82 448	68 196	68 196	50 834	99 766	103 058	106 356
Investment revenue	7 433	15 458	8 129	8 000	5 804	5 804	3 813	8 000	8 264	8 528
Transfer and subsidies - Operational	658 830	746 444	680 583	720 384	772 595	772 595	545 895	758 474	793 882	813 894
Other own revenue	10 521	9 969	5 810	4 406	3 593	3 593	2 609	4 323	4 459	4 593
Total Revenue (excluding capital transfers and contributions)	730 785	846 773	768 065	815 238	850 188	850 188	603 151	870 564	909 664	933 371
Employee costs	282 934	311 779	341 388	302 013	302 098	302 098	273 453	391 427	404 344	417 283
Remuneration of councillors	9 276	10 362	10 539	11 640	11 640	11 640	7 841	14 283	14 755	15 227
Depreciation, amortisation and impairment	100 254	114 269	120 749	95 000	95 108	95 108	89 332	91 000	93 820	96 822
Interest, Dividends and Rent on Land	553	8 113	18 115	7 575	7 354	7 354	8 100	8 093	9 096	9 099
Inventory consumed and bulk purchases	51 978	45 332	57 950	10 250	10 045	10 045	(336)	52 295	54 009	55 726
Transfers and subsidies	4 683	3 534	9 064	–	2 251	2 251	2 357	–	–	–
Other expenditure	566 356	650 356	644 405	127 288	377 382	377 382	350 699	306 391	316 437	340 231
Total Expenditure	1 016 033	1 143 745	1 202 210	553 766	805 879	805 879	731 446	863 489	892 461	934 388
Surplus/(Deficit)	(285 248)	(296 972)	(434 146)	261 472	44 310	44 310	(128 295)	7 075	17 203	(1 017)
Transfers and subsidies - capital (monetary	610 502	768 386	851 477	916 219	917 665	917 665	526 100	760 484	742 785	801 116
Transfers and subsidies - capital (in-kind)	–	9	8	–	–	–	39	–	–	–
Surplus/(Deficit) after capital transfers & contributions	325 254	471 423	417 340	1 177 691	961 974	961 974	397 845	767 559	759 988	800 099
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	325 254	471 423	417 340	1 177 691	961 974	961 974	397 845	767 559	759 988	800 099
Capital expenditure & funds sources										
Capital expenditure	498 342	662 543	781 494	742 877	757 083	757 083	546 081	661 377	665 721	717 366
Transfers recognised - capital	492 948	660 580	732 522	742 877	750 410	750 410	543 681	661 377	665 721	717 366
Borrowing	191	–	48 200	–	6 673	6 673	–	–	–	–
Internally generated funds	5 203	1 963	772	–	–	–	2 400	–	–	–
Total sources of capital funds	498 342	662 543	781 494	742 877	757 083	757 083	546 081	661 377	665 721	717 366
Financial position										
Total current assets	144 961	199 465	169 182	677 146	453 458	453 458	(151 009)	602 084	724 459	872 851
Total non current assets	4 975 763	5 506 146	6 085 513	5 982 751	6 769 429	6 769 429	456 749	6 582 723	6 500 277	6 459 456
Total current liabilities	507 783	561 372	809 562	403 410	655 924	655 924	(274 838)	720 949	730 321	734 728
Total non current liabilities	1 744	84 344	75 704	154 096	157 032	157 032	8 126	147 414	138 798	130 185
Community wealth/Equity	4 597 982	5 047 151	5 644 524	4 821 896	5 339 107	5 339 107	536 398	5 499 905	5 546 649	5 618 314
Cash flows										
Net cash from (used) operating	1 879 297	2 983 800	2 839 234	1 250 945	1 025 833	1 025 833	1 347 238	788 653	802 915	844 390
Net cash from (used) investing	(496 567)	(661 863)	(780 983)	(854 309)	(862 515)	(862 515)	(441 584)	(760 584)	(765 579)	(824 971)
Net cash from (used) financing	(1 532)	89 447	(18 304)	(17 712)	(17 712)	(17 712)	(9 208)	(17 712)	(17 712)	(17 712)
Cash/cash equivalents at the year end	1 401 665	2 438 811	2 097 018	367 748	168 710	168 710	896 446	290 699	310 324	312 031
Cash backing/surplus reconciliation										
Cash and investments available	1 401 665	2 438 811	2 097 018	367 748	168 710	168 710	896 446	290 699	310 324	312 031
Application of cash and investments	391 552	(459 480)	471 438	170 331	503 246	503 246	(603 759)	509 226	452 858	342 731
Balance - surplus (shortfall)	1 010 113	2 898 291	1 625 579	197 418	(334 536)	(334 536)	1 500 206	(218 526)	(142 534)	(30 700)
Asset management										
Asset register summary (WDV)	3 684 881	4 174 396	4 636 412	4 627 814	5 298 388	5 298 388		5 111 682	5 029 235	4 988 414
Depreciation	100 254	114 269	120 749	95 000	95 108	95 108		91 000	93 820	96 822
Renewal and Upgrading of Existing Assets	191	–	–	–	–	–		–	–	–
Repairs and Maintenance	147 925	167 322	181 458	45 589	91 704	91 704		75 260	77 814	80 472

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

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

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**665 320**	**759 290**	**685 556**	**722 663**	**733 524**	**733 524**	**761 599**	**802 640**	**822 803**
Executive and council		8	–	–	–	–	–	–	–	–
Finance and administration		665 312	759 290	685 556	722 663	733 524	733 524	761 599	802 640	822 803
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**2 285**	**2 285**	**2 874**	**2 118**	**40 856**	**40 856**	**2 019**	**2 029**	**2 039**
Community and social services		2 209	2 179	2 578	1 719	40 671	40 671	1 719	1 719	1 719
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		76	107	296	399	184	184	300	310	320
Economic and environmental services		**4 171**	**3 112**	**1 857**	**2 772**	**2 772**	**2 772**	**2 884**	**2 999**	**3 092**
Planning and development		4 171	3 112	1 857	2 772	2 772	2 772	2 884	2 999	3 092
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**668 995**	**848 437**	**929 225**	**1 003 344**	**990 117**	**990 117**	**863 745**	**843 877**	**905 447**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		654 093	832 056	910 913	984 607	973 053	973 053	842 356	821 782	882 644
Waste water management		14 903	16 380	18 312	18 738	17 064	17 064	21 390	22 095	22 802
Waste management		–	–	–	–	–	–	–	–	–
Other	4	**516**	**2 045**	**38**	**560**	**584**	**584**	**800**	**903**	**1 107**
Total Revenue - Functional	2	**1 341 287**	**1 615 168**	**1 619 550**	**1 731 457**	**1 767 853**	**1 767 853**	**1 631 048**	**1 652 449**	**1 734 488**
Expenditure - Functional										
Governance and administration		**329 923**	**435 743**	**427 073**	**157 805**	**305 454**	**305 454**	**284 878**	**294 890**	**317 573**
Executive and council		63 257	73 100	136 913	32 580	93 417	93 417	52 576	54 311	56 050
Finance and administration		266 667	309 789	231 687	114 888	176 730	176 730	192 309	199 290	205 528
Internal audit		–	52 855	58 473	10 338	35 307	35 307	39 993	41 289	55 995
Community and public safety		**27 553**	**27 210**	**28 017**	**26 183**	**67 602**	**67 602**	**31 158**	**32 132**	**33 108**
Community and social services		14 564	9 284	9 732	13 973	55 279	55 279	9 792	10 061	10 331
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	7 301	7 663	–	51	51	7 947	8 210	8 472
Housing		–	–	–	–	–	–	–	–	–
Health		12 989	10 625	10 622	12 210	12 272	12 272	13 418	13 861	14 305
Economic and environmental services		**22 711**	**29 375**	**23 672**	**20 747**	**21 292**	**21 292**	**21 848**	**22 569**	**23 291**
Planning and development		22 711	29 375	23 672	20 747	21 292	21 292	21 848	22 569	23 291
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**632 167**	**650 031**	**717 699**	**339 990**	**402 489**	**402 489**	**514 548**	**531 528**	**548 537**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		620 495	637 415	701 701	326 178	391 423	391 423	502 371	518 949	535 556
Waste water management		11 672	12 616	15 997	13 812	11 066	11 066	12 177	12 579	12 981
Waste management		–	–	–	–	–	–	–	–	–
Other	4	**9 229**	**12 810**	**9 079**	**9 041**	**9 042**	**9 042**	**11 057**	**11 342**	**11 879**
Total Expenditure - Functional	3	**1 021 583**	**1 155 168**	**1 205 541**	**553 766**	**805 879**	**805 879**	**863 489**	**892 461**	**934 388**
Surplus/(Deficit) for the year		**319 704**	**460 000**	**414 009**	**1 177 691**	**961 974**	**961 974**	**767 559**	**759 988**	**800 099**

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.

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

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 01 - Council		8	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		61 142	105 559	1 279	977	13 538	13 538	1 200	1 317	1 533
Vote 03 - Finance		604 660	655 776	684 315	722 246	720 570	720 570	761 199	802 226	822 377
Vote 04 - Community Development		3 953	2 285	2 874	2 118	40 856	40 856	2 019	2 029	2 039
Vote 05 - Planning & Wsa		617 377	775 606	856 704	922 625	924 071	924 071	765 863	742 785	801 116
Vote 06 - Technical Services		–	–	–	–	–	–	–	–	–
Vote 07 - Water Purification		–	–	–	–	–	–	–	–	–
Vote 08 - Water Distribution		39 245	59 562	56 066	64 754	51 754	51 754	79 377	81 996	84 620
Vote 09 - Waste Water		14 903	16 380	18 312	18 738	17 064	17 064	21 390	22 095	22 802
Vote 10 - .		–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**1 341 287**	**1 615 168**	**1 619 550**	**1 731 457**	**1 767 853**	**1 767 853**	**1 631 048**	**1 652 449**	**1 734 488**
Expenditure by Vote ***to be appropriated***	1									
Vote 01 - Council		63 257	82 703	149 244	39 008	101 127	101 127	62 761	64 832	80 292
Vote 02 - Corporate Services		187 183	276 025	196 754	70 945	143 577	143 577	155 886	160 780	166 100
Vote 03 - Finance		72 389	76 383	73 332	45 795	58 520	58 520	69 636	72 714	74 902
Vote 04 - Community Development		55 014	58 981	59 143	49 235	90 991	90 991	50 504	52 117	53 733
Vote 05 - Planning & Wsa		61 591	31 915	33 818	75 338	69 781	69 781	24 159	24 956	25 754
Vote 06 - Technical Services		9 306	5 404	4 208	6 413	6 503	6 503	2 943	3 040	3 138
Vote 07 - Water Purification		52 109	50 293	53 728	48 672	49 133	49 133	58 144	60 063	61 985
Vote 08 - Water Distribution		509 062	560 849	619 316	204 548	275 180	275 180	427 280	441 380	455 504
Vote 09 - Waste Water		11 672	12 616	15 997	13 812	11 066	11 066	12 177	12 579	12 981
Vote 10 - .		–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**1 021 583**	**1 155 168**	**1 205 541**	**553 766**	**805 879**	**805 879**	**863 489**	**892 461**	**934 388**
Surplus/(Deficit) for the year	2	**319 704**	**460 000**	**414 009**	**1 177 691**	**961 974**	**961 974**	**767 559**	**759 988**	**800 099**

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.

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.

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	39 170	58 877	55 414	63 954	51 217	51 217	38 112	78 508	81 099	83 694
Service charges - Waste Water Management	2	14 831	16 024	18 129	18 494	16 979	16 979	12 722	21 258	21 959	22 662
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	2	1 426	760	627	800	1 502	1 502	895	1 903	1 966	2 029
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	75	691	746	858	648	648	478	1 015	1 042	1 066
Interest earned from Current and Non Current Assets	2	7 433	15 458	8 129	8 000	5 804	5 804	3 813	8 000	8 264	8 528
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	181	559	463	504	482	482	358	195	201	207
Licence and permits	2	88	107	277	295	184	184	130	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	563	594	1 542	1 344	519	519	214	810	837	864
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	910	875	449	605	258	258	193	400	413	426
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	658 830	746 444	680 583	720 384	772 595	772 595	545 895	758 474	793 882	813 894
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	2 894	680	-	-	-	-	-	-	-	-
Other Gains	2	4 385	5 704	1 706	-	-	-	342	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**730 785**	**846 773**	**768 065**	**815 238**	**850 188**	**850 188**	**603 151**	**870 564**	**909 664**	**933 371**
Expenditure											
Employee related costs	2	282 934	311 779	341 388	302 013	302 098	302 098	273 453	391 427	404 344	417 283
Remuneration of councillors	2	9 276	10 362	10 539	11 640	11 640	11 640	7 841	14 283	14 755	15 227
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	51 978	45 332	57 950	10 250	10 045	10 045	(336)	52 295	54 009	55 726
Debt impairment	2,3	26 735	30 812	30 773	4 000	4 000	4 000	-	5 580	5 764	5 949
Depreciation, amortisation and impairment	2	100 254	114 269	120 749	95 000	95 108	95 108	89 332	91 000	93 820	96 822
Interest, Dividends and Rent on Land	2	553	8 113	18 115	7 575	7 354	7 354	8 100	8 093	9 096	9 099
Contracted services	2	363 587	374 946	276 554	87 677	178 297	178 297	171 635	145 714	150 489	169 001
Transfers and subsidies	2	4 683	3 534	9 064	-	2 251	2 251	2 357	-	-	-
Irrecoverable debts written off	2	-	-	1 355	-	-	-	-	-	-	-
Operational costs	2	175 045	244 092	335 445	35 611	195 086	195 086	179 064	155 097	160 184	165 281
Disposal of Fixed and Intangible Assets	2	679	506	6	-	-	-	-	-	-	-
Other Losses	2	309	-	272	-	-	-	-	-	-	-
Total Expenditure		**1 016 033**	**1 143 745**	**1 202 210**	**553 766**	**805 879**	**805 879**	**731 446**	**863 489**	**892 461**	**934 388**

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 01 - Council		–	–	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		–	155	–	–	–	–	–	–	–	–
Vote 03 - Finance		–	–	511	–	–	–	–	–	–	–
Vote 04 - Community Development		–	–	–	–	–	–	–	–	–	–
Vote 05 - Planning & Wsa		–	–	–	–	15 670	15 670	4 975	–	–	–
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**	**511**	**–**	**15 670**	**15 670**	**4 975**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 01 - Council		173	167	–	–	–	–	–	–	–	–
Vote 02 - Corporate Services		833	1 551	37	–	–	–	2 400	–	–	–
Vote 03 - Finance		2 064	70	164	–	–	–	–	–	–	–
Vote 04 - Community Development		3 277	286	–	87	174	174	–	87	87	87
Vote 05 - Planning & Wsa		491 521	660 294	732 582	742 790	734 566	734 566	538 706	661 290	665 634	717 279
Vote 06 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 07 - Water Purification		474	20	–	–	–	–	–	–	–	–
Vote 08 - Water Distribution		–	–	48 200	–	6 673	6 673	–	–	–	–
Vote 09 - Waste Water		–	–	–	–	–	–	–	–	–	–
Vote 10 - .		–	–	–	–	–	–	–	–	–	–
Vote 11 - .		–	–	–	–	–	–	–	–	–	–
Vote 12 - ,		–	–	–	–	–	–	–	–	–	–
Vote 13 - ,		–	–	–	–	–	–	–	–	–	–
Vote 14 - *		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**498 342**	**662 388**	**780 983**	**742 877**	**741 413**	**741 413**	**541 106**	**661 377**	**665 721**	**717 366**
Total Capital Expenditure - Vote		**498 342**	**662 543**	**781 494**	**742 877**	**757 083**	**757 083**	**546 081**	**661 377**	**665 721**	**717 366**
Capital Expenditure - Functional											
Governance and administration		**3 061**	**1 943**	**712**	**–**	**–**	**–**	**2 400**	**–**	**–**	**–**
Executive and council		173	167	–	–	–	–	–	–	–	–
Finance and administration		2 888	1 621	712	–	–	–	2 400	–	–	–
Internal audit		–	155	–	–	–	–	–	–	–	–
Community and public safety		**1 551**	**286**	**–**	**87**	**174**	**174**	**–**	**87**	**87**	**87**
Community and social services		1 551	286	–	87	174	174	–	87	87	87
Sport and recreation											
Public safety											
Housing											
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**1 726**	**75**	**61**	**2 410**	**2 410**	**2 410**	**1 334**	**2 508**	**2 608**	**2 689**
Planning and development		1 726	75	61	2 410	2 410	2 410	1 334	2 508	2 608	2 689
Road transport											
Environmental protection											
Trading services		**491 995**	**660 239**	**780 722**	**740 380**	**754 499**	**754 499**	**542 348**	**658 783**	**663 026**	**714 590**
Energy sources											
Water management		491 995	660 239	780 722	740 380	754 499	754 499	542 348	658 783	663 026	714 590
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management											
Other		**9**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**498 342**	**662 543**	**781 494**	**742 877**	**757 083**	**757 083**	**546 081**	**661 377**	**665 721**	**717 366**
Funded by:											
National Government		490 152	660 294	732 522	742 790	748 790	748 790	542 385	661 290	665 634	717 279
Provincial Government		2 797	277	–	87	1 620	1 620	1 257	87	87	87
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	9	–	–	–	–	39	–	–	–
Transfers recognised - capital	4	**492 948**	**660 580**	**732 522**	**742 877**	**750 410**	**750 410**	**543 681**	**661 377**	**665 721**	**717 366**
Borrowing	6	191	–	48 200	–	6 673	6 673	–	–	–	–
Internally generated funds		5 203	1 963	772	–	–	–	2 400	–	–	–
Total Capital Funding	7	**498 342**	**662 543**	**781 494**	**742 877**	**757 083**	**757 083**	**546 081**	**661 377**	**665 721**	**717 366**

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.

MBRR Table A6 - Budgeted Financial Position

DC26 Zululand - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	27 427	57 071	23 103	479 180	280 363	280 363	(224 375)	389 926	506 970	613 764
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	6 442	36 516	16 131	99 976	43 150	43 150	18 223	82 212	109 348	150 946
Receivables from non-exchange transactions	3	131	5 696	1 012	5 696	1 012	1 012	(173)	1 012	1 012	1 012
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	2 836	3 966	3 013	3 966	3 013	3 013	33 173	3 013	3 013	3 013
VAT Receivable	6	82 604	66 673	99 253	64 744	99 250	99 250	8 182	99 250	77 446	77 446
Other current assets	7	25 522	29 542	26 669	23 584	26 669	26 669	13 960	26 669	26 669	26 669
Total current assets		**144 961**	**199 465**	**169 182**	**677 146**	**453 458**	**453 458**	**(151 009)**	**602 084**	**724 459**	**872 851**
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	10	4 967 895	5 498 291	6 077 688	5 974 921	6 761 609	6 761 609	456 754	6 574 914	6 492 478	6 451 669
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	7 817	7 817	7 817	7 817	7 817	7 817	–	7 817	7 817	7 817
Intangible assets	14	52	28	8	3	3	3	(5)	(8)	(19)	(30)
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	10	1	10	1	1	–	1	1	1
Total non current assets		**4 975 763**	**5 506 146**	**6 085 513**	**5 982 751**	**6 769 429**	**6 769 429**	**456 749**	**6 582 723**	**6 500 277**	**6 459 456**
TOTAL ASSETS		**5 120 724**	**5 705 611**	**6 254 695**	**6 659 897**	**7 222 887**	**7 222 887**	**305 741**	**7 184 807**	**7 224 736**	**7 332 307**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	1 484	18 789	17 903	18 318	17 508	17 508	(9 244)	17 508	17 508	17 508
Consumer deposits	19	3 620	3 381	3 372	3 463	3 372	3 372	14	3 372	3 372	3 372
Trade and other payables from exchange transactions	20	472 664	504 035	741 413	345 272	600 898	600 898	(472 227)	660 767	660 767	660 767
Trade and other payables from non-exchange transactions	21	1 560	1 446	9 219	1 446	(0)	(0)	203 136	(0)	–	–
Provision	22	27 523	32 186	35 582	25 186	28 582	28 582	–	28 582	28 582	28 582
VAT Payable	23	933	1 535	2 073	9 725	5 565	5 565	3 483	10 721	20 093	24 499
Other current liabilities	24	–	–	–	–	–	–	–	–	–	–
Total current liabilities		**507 783**	**561 372**	**809 562**	**403 410**	**655 924**	**655 924**	**(274 838)**	**720 949**	**730 321**	**734 728**
Non current liabilities											
Financial liabilities	25	1 744	81 419	75 704	59 706	65 567	65 567	8 126	55 949	47 333	38 720
Provision	26	–	–	–	–	–	–	–	–	–	–
Long term portion of trade payables	27	–	2 925	–	94 390	91 465	91 465	–	91 465	91 465	91 465
Other non-current liabilities	28	–	–	–	–	–	–	–	–	–	–
Total non current liabilities		**1 744**	**84 344**	**75 704**	**154 096**	**157 032**	**157 032**	**8 126**	**147 414**	**138 798**	**130 185**
TOTAL LIABILITIES		**509 528**	**645 716**	**885 266**	**557 506**	**812 957**	**812 957**	**(266 712)**	**868 363**	**869 119**	**864 913**
NET ASSETS		**4 611 197**	**5 059 895**	**5 369 429**	**6 102 391**	**6 409 931**	**6 409 931**	**572 453**	**6 316 444**	**6 355 617**	**6 467 393**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	4 597 982	5 047 151	5 644 524	4 821 896	5 339 107	5 339 107	536 398	5 499 905	5 546 649	5 618 314
Reserves and funds	30	–	–	–	–	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**4 597 982**	**5 047 151**	**5 644 524**	**4 821 896**	**5 339 107**	**5 339 107**	**536 398**	**5 499 905**	**5 546 649**	**5 618 314**

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 **R389 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	R52 744 976.61
Sanitation	R 14 083 394
Other receivables from exchange	R 79 582.40
Debtors Balance	**R66 906 772**

Water and Sanitation services are calculated as follows:

	Water	**Sanitation**
Opening balance	R 25 758 018.74	R 7 057 574.87
Current year billing	R 76 726 026.66	R 21 257 884.32
Collection	(R46 035 616.00)	(R 12 754 730.59)
Impairment	(R 4 050 000.00)	(R 1 530 000.00)
Interest Charges	R 866 368.00	R52 665.60
Debtors Balance	**R 52 744 976.61**	**R 14 083 394**

Consumer debtors include debtors from water and sanitation services, the expected balance at the end of the financial year is **R66.9 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 **R1.3 million.**

Current portion of non-current receivables

The Municipality does have the non-current portion of non-current receivables since there are long-term arrangements.

Inventory

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

Opening balance	R3 million
Bulk water purchases	R45 million
Bulk water Billed	(R45 million)
Materials and supplies Acquisition	R3.9 million
Materials and supplies Issues	(3.9 million)
Consumable Acquisition	R500 thousand
Consumable Issue	(R500 thousand)
Closing balance	**R3 million**

VAT

VAT Receivable is the net amount of input VAT raised less output VAT received. VAT Receivable amount to **R99 million.**

Other current assets

Deposit made	R26.2 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.

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 **R3.3 million**

Consumer deposits are Classified as follows:

Consumer deposits Water	R3.3 million
Total Consumer debtors	**R3.3 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 24/25 audited Annual financial statements (AFS), Trade and other payables amount to **R660 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

Trade and Other Payable Exchange Transactions	
Accrued Interest	-
Advance Payments	2 105
Bonus	586
Control, Clearing and Interface Accounts	-
Electricity Bulk Purchase	14 294
Leave Accrual	789
Long Service Award	59 869
Overtime	450
Payables and Accruals	395 420
PAYE Deductions	-
Pension and Retirement Contributions	-
Retentions	119 295
Standby	258
Unallocated Deposits	223
Water Inventory Bulk Purchases	67 478
Total Trade and Other Payable Exchange Transactions	**660 767**

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, maintenance contracts and any other big creditors.
- The municipality is under debt relief program with DWS
- 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.

VAT

VAT payable amounts to **R10million**.

Current Provisions

The current Provisions are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. Current Provisions amount to **R28 million**. This is the leave provision.
This represents accumulated leave that will not be paid out in the near future.
The municipality has paid less than 10% every year.

Finance liabilities

This is the current portion of long loan **R17.7** million, this budgeted as per loan schedule.

NON-CURRENT LIABILITIES

Financial liabilities
Non-current financial liabilities include long term loan. The municipality acquired a loan and the loan repayment is R17 million annually for the period of 10 years. Non-current financial liabilities amount to **R55 million**.

Non- Current Provisions

Non – Current portion of trade payables are amounts provided by municipality to reflect future cash outflows in terms of GRAP requirements. This includes long service awards and post-retirement medical aid benefit, debt relief and other Non - Current Payables amounting to **R91 million**.

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

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

DC26 Zululand - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									–	–	–
Service charges		26 949	32 466	42 771	58 477	50 914	50 914	31 036	69 292	71 579	73 870
Other revenue		1 393 314	2 051 077	1 568 934	126 002	164 795	164 795	1 108 830	153 369	156 156	176 300
Transfers and Subsidies - Operational	1	661 838	746 330	729 726	720 384	764 091	764 091	586 184	753 095	793 882	813 894
Transfers and Subsidies - Capital	1	610 306	768 386	851 477	916 219	916 219	916 219	700 472	756 938	730 246	779 569
Interest		6 722	18 397	5 345	8 516	6 203	6 203	3 932	8 609	8 889	9 168
Dividends									–	–	–
Payments											
Suppliers and employees		(819 832)	(632 856)	(359 018)	(578 653)	(873 799)	(873 799)	(1 083 217)	(952 651)	(957 837)	(1 008 410)
Finance charges									–	–	–
Transfers and Subsidies	1	–	–	–	–	(2 589)	(2 589)	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 879 297**	**2 983 800**	**2 839 234**	**1 250 945**	**1 025 833**	**1 025 833**	**1 347 238**	**788 653**	**802 915**	**844 390**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	680	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments									–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(496 567)	(662 543)	(780 983)	(854 309)	(862 515)	(862 515)	(441 584)	(760 584)	(765 579)	(824 971)
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(496 567)**	**(661 863)**	**(780 983)**	**(854 309)**	**(862 515)**	**(862 515)**	**(441 584)**	**(760 584)**	**(765 579)**	**(824 971)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		–	100 000	511	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		1	(37)	(8)	–	–	–	13	–	–	–
Payments											
Repayment of borrowing		(1 533)	(10 516)	(18 807)	(17 712)	(17 712)	(17 712)	(9 220)	(17 712)	(17 712)	(17 712)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(1 532)**	**89 447**	**(18 304)**	**(17 712)**	**(17 712)**	**(17 712)**	**(9 208)**	**(17 712)**	**(17 712)**	**(17 712)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 381 197**	**2 411 384**	**2 039 947**	**378 924**	**145 607**	**145 607**	**896 446**	**10 357**	**19 624**	**1 708**
Cash/cash equivalents at the year begin:	2	**20 468**	**27 427**	**57 071**	**(11 176)**	**23 103**	**23 103**	**–**	**280 343**	**290 699**	**310 324**
Cash/cash equivalents at the year end:	2	**1 401 665**	**2 438 811**	**2 097 018**	**367 748**	**168 710**	**168 710**	**896 446**	**290 699**	**310 324**	**312 031**

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 **R69** 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 currently rolling out the prepaid meters
- The municipality has identified the new customers from new developments.
- 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 **R153 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	R749 million
Finance Management Grant	R1.5 million
Expanded public works program	R5.3 million
Indonsa grant	R1.7 million
Aviation Grant	R 700 thousand
Total Operational grants	**R758 million**

Transfers and subsidies – Capital

Capital grants are expected to be received as gazetted

Municipal Infrastructure Grant	R272 million
Regional Bulk Infrastructure Grant	R370 million
Water services Infrastructure grant	R115 million
Rural Road asset Management grant	R 2.8 million
Total Capital grants	**R760 million**

Interest

This interest includes both interest on investments made and interest on bank balance. The Municipality expects to receive **R8.6 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 2026-2027 **R952 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 – **R760 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 **R290 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 **R290 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	1 401 665	2 438 811	2 097 018	367 748	168 710	168 710	896 446	290 699	310 324	312 031
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**1 401 665**	**2 438 811**	**2 097 018**	**367 748**	**168 710**	**168 710**	**896 446**	**290 699**	**310 324**	**312 031**
Application of cash and investments											
Unspent conditional transfers		1 560	1 446	9 219	1 446	(0)	(0)	203 136	(0)	–	–
Unspent borrowing											
Statutory requirements	2	33 902	36 189	–	–	–	–	4 164	–	–	–
Other working capital requirements	3	328 568	(529 301)	426 637	143 699	474 664	474 664	(846 642)	480 644	424 276	314 149
Other provisions		27 523	32 186	35 582	25 186	28 582	28 582	35 582	28 582	28 582	28 582
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**391 552**	**(459 480)**	**471 438**	**170 331**	**503 246**	**503 246**	**(603 759)**	**509 226**	**452 858**	**342 731**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**1 010 113**	**2 898 291**	**1 625 579**	**197 418**	**(334 536)**	**(334 536)**	**1 500 206**	**(218 526)**	**(142 534)**	**(30 700)**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**1 010 113**	**2 898 291**	**1 625 579**	**197 418**	**(334 536)**	**(334 536)**	**1 500 206**	**(218 526)**	**(142 534)**	**(30 700)**

References

1. Must reconcile with Budgeted Cash Flows

2. For example: VAT, taxation

3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)

4. For example: sinking fund requirements for borrowing

5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve

Other working capital requirements										
Debtors	144 096	1 033 336	314 776	201 573	126 234	126 234	374 415	180 123	236 491	346 618
Creditors due	472 664	504 035	741 413	345 272	600 898	600 898	(472 227)	660 767	660 767	660 767
Total	(328 568)	529 301	(426 637)	(143 699)	(474 664)	(474 664)	846 642	(480 644)	(424 276)	(314 149)
Debtors collection assumptions										
Balance outstanding - debtors	6 573	42 212	17 144	105 672	44 163	44 163	18 051	83 225	110 361	151 959
Estimate of debtors collection rate	2192.2%	2447.9%	1836.1%	190.8%	285.8%	285.8%	2074.2%	216.4%	214.3%	228.1%

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 389 million**
Cash and cash equivalents at the end Table A7	**R 290 million**
Difference	**R 99 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 **R480 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.

2526 creditors opening balances

		26/27	27/28	28/29 & future years
OPENING LIABILITIES	**- 741 342 369.00**			
BULK WATER : WATER	158 942 515.00			158 942 515.00
BULK WATER : ESKOM	14 294 165.00	14 294 165.00		
RETENTION	119 295 276.00	10 000 000.00	15 000 000.00	94 295 276.00
ADVANCE PAYMENTS	2 105 228.00			2 105 228.00
PAYROLL ACCRUALS	2 082 682.00	2 082 682.00		
UNALLOCATED DEPOSITS	222 795.00			222 795.00
BACKUP GENERATORS	8 432 983.11	8 432 983.11		
BUILDING MAINTENANCE	200 608.03		200 608.03	
BULK ELECTRICITY	930 422.49	930 422.49		
BULK OPERATIONS & MAINTENANCE	74 751 435.32		27 162 274.26	54 324 548.51
BULK WATER	5 601 766.11	5 601 766.11		
CAPITAL ASSETS	164 141.00	164 141.00		
EMPLOYEE ACCRUALS	1 265 790.59	1 265 790.59		
FINANCE LEASE - COMPUTER	1 037 502.32	1 037 502.32		
FLEET HIRE : FLEET HORIZON	27 256 609.78		13 848 518.34	13 848 518.34
GARDENING SERVICES	511 608.13	511 608.13		
CAPITAL EXPENDITURE	131 201 291.08	131 201 291.08		
INTERNAL AUDIT	782 754.00	782 754.00		
LED PROJECTS	157 050.60			
LEGAL COST	1 910 786.39		1 910 786.39	
LEGAL SETTLEMENT	40 250 000.00		22 750 000.00	17 500 000.00
LOAN REPAYMENT	8 746 000.07	8 746 000.07		
MACHINE HIRE	158 113.72	158 113.72		
MAINTENANCE OF INFRASTRUCTURE	13 473 967.57		13 473 967.57	
MUNICIPALITIES SERVICES	2 157 419.46	2 157 419.46		
OTHER CREDITORS	684 194.78	684 194.78		
PLANT HIRE	68 605 604.50		22 868 534.83	45 737 069.67
PROMOTIONAL MATERIAL	404 915.00		404 915.00	
PUBLIC PARTICIPATION	360 238.00		360 238.00	
RENTAL BUILDING	108 242.71		108 242.71	
RETENTION RELEASED	328 322.11	328 322.11		
SECURITY	5 029 890.33		5 029 890.33	
STAFF BUSARIES	154 930.00		154 930.00	
SYSTEM SUPPORT	1 225 402.27		1 225 402.27	
TELEPHONE, NETWORK & DATA LINES	723 036.81	723 036.81		
UIFWE INVESTIGATIONS	195 000.00	195 000.00		
WATER TANKER	46 235 115.38		23 117 557.69	23 117 557.69
WET FUEL	578 343.07	578 343.07		
WORKMANS COMPENSATION	776 224.58	776 224.58		
		190 651 760.42	**147 615 865.42**	**410 093 508.21**

The municipality has outlined the line items as per opening balances as per audited AFS and the disbursement method.

Working capital requirements is calculated considering the fact that the payments arrangements will be implemented as per agreements.

Full calculation is working capital is disclosed in A8.

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 **R218 million**, this amount is overstated because of the reasons provided on Other working capital requirements first paragraph.

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	**498 151**	**662 543**	**781 494**	**742 877**	**757 083**	**757 083**	**661 377**	**665 721**	**717 366**
Roads Infrastructure		–	–	–	2 410	2 410	2 410	2 508	2 608	2 689
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		491 521	660 219	732 522	740 380	747 826	747 826	658 783	663 026	714 590
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***491 521***	***660 219***	***732 522***	***742 790***	***750 236***	***750 236***	***661 290***	***665 634***	***717 279***
Community Facilities		1 726	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***1 726***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
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		**2 158**	**624**	**735**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**1 085**	**348**	**37**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**1 610**	**432**	**48 200**	**87**	**6 847**	**6 847**	**87**	**87**	**87**
Transport Assets		**–**	**920**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**191**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
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		**191**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

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	**498 342**	**662 543**	**781 494**	**742 877**	**757 083**	**757 083**	**661 377**	**665 721**	**717 366**
Roads Infrastructure		–	–	–	2 410	2 410	2 410	2 508	2 608	2 689
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		491 521	660 219	732 522	740 380	747 826	747 826	658 783	663 026	714 590
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***491 521***	***660 219***	***732 522***	***742 790***	***750 236***	***750 236***	***661 290***	***665 634***	***717 279***
Community Facilities		1 726	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***1 726***	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
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		**2 158**	**624**	**735**	–	–	–	–	–	–
Furniture and Office Equipment		**1 085**	**348**	**37**	–	–	–	–	–	–
Machinery and Equipment		**1 801**	**432**	**48 200**	**87**	**6 847**	**6 847**	**87**	**87**	**87**
Transport Assets		–	**920**	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**498 342**	**662 543**	**781 494**	**742 877**	**757 083**	**757 083**	**661 377**	**665 721**	**717 366**

ASSET REGISTER SUMMARY - PPE (WDV)	5	3 684 881	4 174 396	4 636 412	4 627 814	5 298 388	5 298 388	5 111 682	5 029 235	4 988 414
Roads Infrastructure		–	–	–	931	1 648	1 648	1 746	1 846	1 926
Storm water Infrastructure										
Electrical Infrastructure		–	–	–	(75)	(39)	(39)	(79)	(122)	(122)
Water Supply Infrastructure		3 560 049	4 057 109	4 498 845	4 533 586	5 164 829	5 164 829	4 990 870	4 915 530	4 881 808
Sanitation Infrastructure		40 665	38 955	19 385	34 353	17 015	17 015	16 699	15 302	13 894
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		***3 600 714***	***4 096 064***	***4 518 230***	***4 568 795***	***5 183 453***	***5 183 453***	***5 009 236***	***4 932 556***	***4 897 507***
Community Assets		28 125	30 181	28 971	29 276	28 067	28 067	28 971	28 971	28 971
Heritage Assets		**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**
Investment properties										
Other Assets		24 470	23 186	21 940	20 370	20 382	20 382	18 429	16 411	14 328
Biological or Cultivated Assets										
Intangible Assets		52	28	8	3	3	3	(8)	(19)	(30)
Computer Equipment		**4 084**	**2 594**	**1 885**	**(295)**	**839**	**839**	**(1 328)**	**(2 635)**	**(3 979)**
Furniture and Office Equipment		**771**	**1 751**	**1 232**	**567**	**623**	**623**	**243**	**(153)**	**(637)**
Machinery and Equipment		**8 266**	**6 382**	**52 345**	**5 713**	**58 804**	**58 804**	**51 382**	**50 762**	**50 372**
Transport Assets		**10 112**	**5 922**	**3 513**	**(4 902)**	**(2 070)**	**(2 070)**	**(3 530)**	**(4 945)**	**(6 406)**
Land		**470**	**470**	**470**	**470**	**470**	**470**	**470**	**470**	**470**
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**3 684 881**	**4 174 396**	**4 636 412**	**4 627 814**	**5 298 388**	**5 298 388**	**5 111 682**	**5 029 235**	**4 988 414**
EXPENDITURE OTHER ITEMS		**248 178**	**281 591**	**302 207**	**140 589**	**186 811**	**186 811**	**166 260**	**171 634**	**177 294**
Depreciation	7	100 254	114 269	120 749	95 000	95 108	95 108	91 000	93 820	96 822
Repairs and Maintenance by Asset Class	3	**147 925**	**167 322**	**181 458**	**45 589**	**91 704**	**91 704**	**75 260**	**77 814**	**80 472**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		142 087	159 097	169 973	45 389	85 810	85 810	72 500	74 893	77 289
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***142 087***	***159 097***	***169 973***	***45 389***	***85 810***	***85 810***	***72 500***	***74 893***	***77 289***
Community Facilities		–	1 739	435	–	415	415	700	800	1 000
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	***1 739***	***435***	**–**	***415***	***415***	***700***	***800***	***1 000***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		1 020	978	62	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***1 020***	***978***	***62***	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**20**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**40**	**–**	**–**	**200**	**200**	**200**	**200**	**200**	**200**
Machinery and Equipment		**29**	**–**	**–**	**–**	**38**	**38**	**–**	**–**	**–**
Transport Assets		**4 728**	**5 508**	**10 988**	**–**	**5 241**	**5 241**	**1 860**	**1 921**	**1 983**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**248 178**	**281 591**	**302 207**	**140 589**	**186 811**	**186 811**	**166 260**	**171 634**	**177 294**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE & Investment Property		*4.0%*	*4.0%*	*3.9%*	*1.0%*	*1.7%*	*1.7%*	*1.5%*	*1.5%*	*1.6%*
Renewal and upgrading and R&M as a % of PPE and Investment Property		*4.0%*	*4.0%*	*3.9%*	*1.0%*	*1.7%*	*1.7%*	*1.5%*	*1.5%*	*1.6%*

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.

DC26 Zululand - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		10 840	9 756	–	10 120	10 120	10 120	10 616	11 678	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	7 630	8 012	–	9 020	9 020	9 020	9 462	10 408	–
Minimum Service Level and Above sub-total		18 470	17 768	–	19 140	19 140	19 140	20 078	22 086	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**18 470**	**17 768**	**–**	**19 140**	**19 140**	**19 140**	**20 078**	**22 086**	**–**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		6 320	6 320	–	6 809	6 809	6 809	6 396	6 809	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		6 320	6 320	–	6 809	6 809	6 809	6 396	6 809	–
Total number of households	5	**6 320**	**6 320**	**–**	**6 809**	**6 809**	**6 809**	**6 396**	**6 809**	**–**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		12 800	12 800	–	14 080	14 080	14 080	14 728	16 200	–
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)										
Water (6 kilolitres per **indigent** household per month)		(4 710)	348	36	(5 063)	–	–	–	(5 847)	(6 039)
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	**(4 710)**	**348**	**36**	**(5 063)**	**–**	**–**	**–**	**(5 847)**	**(6 039)**

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 [MFMAs 21(1) (b)]

The IDP and Budget time schedule of the 2026/2027 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management											
Credit Rating					0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	1.6%	3.1%	4.6%	3.1%	3.1%	2.4%	3.0%	3.0%	2.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.3%	2.2%	4.8%	3.1%	2.9%	2.9%	2.9%	3.0%	2.9%	2.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	5093.9%	66.2%	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	0.3	0.4	0.2	1.7	0.7	0.7	0.5	0.8	1.0	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.3	0.4	0.2	1.7	0.7	0.7	0.5	0.8	1.0	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.2	0.0	1.4	0.5	0.5	0.8	0.7	0.8	1.0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	48.6%	42.9%	57.7%	70.2%	73.0%	73.0%	60.0%	68.2%	68.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		48.6%	42.9%	57.7%	70.2%	73.0%	73.0%	60.0%	68.2%	68.2%	68.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.7%	9.0%	13.4%	9.1%	12.1%	12.1%	6.8%	11.9%	9.0%	8.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors to Cash and Investments		33.7%	20.7%	35.4%	93.9%	356.2%	356.2%	-52.7%	227.3%	212.9%	211.8%
Other Indicators											
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)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	38.7%	36.8%	44.4%	37.0%	35.5%	35.5%	45.3%	45.0%	44.4%	44.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.0%	38.0%	45.8%	38.5%	36.9%	36.9%	67.3%	46.6%	46.1%	46.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	20.2%	19.8%	23.6%	5.6%	10.8%	10.8%	12.5%	8.6%	8.6%	8.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.8%	14.5%	18.1%	12.6%	12.1%	12.1%	16.2%	11.4%	11.3%	11.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	25.2	35.0	29.3	34.1	35.6	64.6	22.9	32.7	33.8	34.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	154.4%	100.9%	139.2%	89.4%	148.2%	148.2%	79.6%	101.6%	77.6%	75.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	11.2	25.8	18.8	3.3	1.9	1.5	7.4	2.3	–	–

References

1. Consumer debtors > 12 months old are excluded from current assets

2. Only include if services provided by the municipality

Calculation data										
Debtors > 90 days										
Monthly fixed operational expenditure	124 709	94 494	111 694	111 694	89 100	115 735	120 525	125 095	–	–
Fixed operational expenditure % assumption	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex	5 203	1 963	772	–	–	–	2 400	–	–	–
Borrowing	–	100 000	511	–	–	–	–	–	–	–

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, revaluate, 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 3.4% on salaries.
j) Tariff Increase proposed is 10%

Expenditure

Employee related costs and Remuneration of councillors

The assumption is based on the MFMA Budget circular together with the terms of the National Bargaining Council negotiations for salary increases. For the 2026/27 financial year, 4.75% which is (CPI)4% + 0.75%. For Councillors allowances upper limits were considered for the 2026/27 financial year..

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 2026/2027 is projected, there are projects that will be capitalised to assets which are in progress, and this will accelerate the depreciation expense. The depreciation will be funded by our reserves.

Interest

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

Contracted services

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

Transfers and subsidies

It is assumed that transfers and subsidies will be paid

Operational costs

It is assumed that costs for services will increase in line with the CPI. The current oil price is still a concern, and it is expected that the fuel price hikes will have a substantial effect on expenditure

Income

Collection rate for municipal services

It is assumed that the Municipality will collect **60%** of what it has billed. The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring all people lead government.

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

Sale of water and sanitation fees

There will be a **10%** tariff increase for the budget year. The budget is based on the realistic billing figures and the projection was made. These increases are recommended to curb water consumption. The comparison between the tariff increase and the budgeted billing might be a bit off since service charges budget is estimated based on the current actual billing for both water and sanitation.

Rental of facilities and equipment

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

Interest earned - external investments.

The projection was made considering the 2026/2027 financial budget includes interest form invested reserves. The investment rate will be based on the highest financial institution offerings. Interest income will be generated from 32-day investments and call accounts which will occur during budget financial year. As a result, the municipality projects no long-term investments.

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 2026/2027 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 2026/27 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 2026/2027. 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 talking 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:

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
Service charges - water revenue	51 216 973	78 508 275	81 099 048	83 694 218
Service charges - sanitation revenue	16 978 793	21 257 884	21 959 394	22 662 095
Rental of facilities	482 382	194 624	201 047	207 480
Interest earned - external investments	5 804 399	8 000 000	8 264 000	8 528 448
Interest earned - outstanding debtors	647 873	1 015 466	1 042 000	1 066 056
Fines, penalties and forfeits	257 910	400 000	413 200	426 422
Licences and permits	184 442	100 404	103 717	107 036
Transfers and subsidies	772 594 972	758 474 000	793 882 000	813 894 000
Other revenue	2 020 622	2 613 000	2 699 229	2 785 604
Total operating revenue	**850 188 366**	**870 563 653**	**909 663 636**	**933 371 360**

	BUDGET 2025/2026	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029
MUNICIPAL INFRASTRUCTURE	206 958 856	272 515 000	304 202 000	314 271 000
REGIONAL BULK INFRASTRATURE	544 478 000	370 085 000	308 278 000	372 120 000
WATER SERVICES INFRASTRUCTURE	100 000 000	115 000 000	150 000 000	135 388 000
RURAL ROAD ASSET MANAGEMENT	2 772 000	2 884 000	2 999 000	3 092 000
INDONSA GRANT	200 001	100 000	100 000	100 000
BOREHOLE INTERVENTION PROGRAMME	1 445 896	-	-	-
BACK POWER SUPPLY	7 673 965	-	-	-
TOTAL	**863 528 718.70**	**760 584 000**	**765 579 000**	**824 971 000**

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		785 529	885 126	1 038 088	400 220	606 884	606 884	761 332	786 919	825 198
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		8 532	7 077	5 227	6 406	6 468	6 468	5 374	5 551	5 729
Local Government Financial Management Grant		1 200	1 200	1 189	1 300	1 380	1 380	1 500	1 600	1 800
Municipal Disaster Relief Grant		–	–	1 704	–	37 125	37 125	–	–	–
Municipal Infrastructure Grant		33 001	10 017	12 233	53 922	47 922	47 922	–	–	–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	9	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		2 199	2 582	1 618	–	–	–	–	–	–
Water Services Infrastructure Grant		6 240	–	–	–	–	–	–	–	–
Total Monetary Allocations		**836 701**	**906 002**	**1 060 068**	**461 848**	**699 779**	**699 779**	**768 206**	**794 070**	**832 726**
Total National Government		**836 701**	**906 002**	**1 060 068**	**461 848**	**699 779**	**699 779**	**768 206**	**794 070**	**832 726**
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		2 289	3 630	618	2 119	3 846	3 846	2 319	2 419	2 619
Total Monetary Allocations		**2 289**	**3 630**	**618**	**2 119**	**3 846**	**3 846**	**2 319**	**2 419**	**2 619**
Total Provincial Government		**2 289**	**3 630**	**618**	**2 119**	**3 846**	**3 846**	**2 319**	**2 419**	**2 619**
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Electricity Distribution Industry Holdings		–	–	–	–	–	–	–	–	–
KwazuluNatal Provincial Planning and Development Commission		–	–	–	–	–	–	–	–	–
Local Government Water and Related Service SETA		478	1 694	724	–	328	328	–	–	–
National Skills Fund		59 320	100 634	–	–	12 200	12 200	–	–	–
Total Monetary Allocations		**59 798**	**102 328**	**724**	**-**	**12 527**	**12 527**	**-**	**-**	**-**
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers		**59 798**	**102 328**	**724**	**-**	**12 527**	**12 527**	**-**	**-**	**-**
Total operating expenditure of Transfers and Grants		**898 788**	**1 011 960**	**1 061 410**	**463 967**	**716 153**	**716 153**	**770 525**	**796 489**	**835 345**
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant		194 387	214 555	218 473	179 964	185 964	185 964	236 970	264 523	273 279
Regional Bulk Infrastructure Grant		218 770	362 622	377 830	473 459	473 459	473 459	321 813	268 068	323 583
Rural Road Asset Management Systems Grant		–	–	–	2 410	2 410	2 410	2 508	2 608	2 689
Water Services Infrastructure Grant		76 994	83 116	136 219	86 957	86 957	86 957	100 000	130 435	117 729
Total Monetary Allocations		**490 152**	**660 294**	**732 522**	**742 790**	**748 790**	**748 790**	**661 290**	**665 634**	**717 279**
Total National Government		**490 152**	**660 294**	**732 522**	**742 790**	**748 790**	**748 790**	**661 290**	**665 634**	**717 279**
Provincial Government										
Monetary Allocations										
Capacity Building and Other Grants		–	–	–	–	–	–	–	–	–
Infrastructure Grant		2 797	277	–	87	1 620	1 620	87	87	87
Total Monetary Allocations		**2 797**	**277**	**-**	**87**	**1 620**	**1 620**	**87**	**87**	**87**
Total Provincial Government		**2 797**	**277**	**-**	**87**	**1 620**	**1 620**	**87**	**87**	**87**
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Unspecified		–	9	–	–	–	–	–	–	–
Total Monetary Allocations		-	9	-	-	-	-	-	-	-
Allocations In-kind										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	9	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		**492 948**	**660 570**	**732 522**	**742 877**	**750 410**	**750 410**	**661 377**	**665 721**	**717 366**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1 391 736**	**1 672 530**	**1 793 931**	**1 206 844**	**1 466 563**	**1 466 563**	**1 431 902**	**1 462 210**	**1 552 712**

2.8 ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

Please refer to Supporting Table SA21 Transfers and grants made by the municipality.
The Municipality subsidies households and businesses through its relief program

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monetary Transfers to other municipalities											
Specify (Add grant description)	1	–	–	–	–	–	–	–	–	–	–
Total Monetary Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Entities/Other External Mechanisms											
	2										
Total Monetary Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to other Organs of State											
Local Government Water and Related Service SETA	3	–	–	–	–	–	–	–	–	–	–
Total Monetary Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Organisations											
Total Monetary Transfers To Organisations		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Groups of Individuals											
Total Monetary Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL Monetary TRANSFERS AND GRANTS	6	–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to other municipalities											
	1										
Total In-Kind Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to Entities/Other External Mechanisms											
	2										
Total In-Kind Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to other Organs of State											
	3										
Total In-Kind Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
In-Kind Grants to Organisations											
Unspecified	4	4 518	3 282	9 016	–	2	2	108	–	–	–
Total In-Kind Grants To Organisations		**4 518**	**3 282**	**9 016**	**–**	**2**	**2**	**108**	**–**	**–**	**–**
Groups of Individuals											
Poverty Relief	5	–	–	–	–	2 249	2 249	2 249	–	–	–
Social Relief		165	252	48	–	–	–	–	–	–	–
Total In-Kind Grants To Groups Of Individuals:		**165**	**252**	**48**	**–**	**2 249**	**2 249**	**2 249**	**–**	**–**	**–**
TOTAL In-Kind TRANSFERS AND GRANTS		**4 683**	**3 534**	**9 064**	**–**	**2 251**	**2 251**	**2 357**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS	6	**4 683**	**3 534**	**9 064**	**–**	**2 251**	**2 251**	**2 357**	**–**	**–**	**–**

2.9 COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Costs to Municipality: Councillors

Number of Councillors **37**

DC26 Zululand - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		–	83 940	769 613			853 553
Chief Whip			–	77 448	711 892			789 340
Executive Mayor				102 365	864 127			966 492
Deputy Executive Mayor				94 677	823 538			918 215
Executive Committee				159 883	2 343 112			2 502 995
Total for all other councillors			–	157 548	8 095 348			8 252 896
Total Councillors	8	–	–	**675 861**	**13 607 630**			**14 283 491**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 385 799	13 858	411 786	–		1 811 443
Chief Finance Officer			1 009 472	10 095	310 929	–		1 330 496
MS			–		–	–		–
SM					–			–
SM COMM					150			150
SM COO			1 164 801	334 082	394 522	97 067		1 990 472
SM D01			1 299 055	12 991	382 785	108 255		1 803 086
SM D02			1 009 472	10 095	310 779	84 123		1 414 469
SM D03			1 009 472	10 095	310 124	–		1 329 691
SM D04			1 156 391	16 596	359 746	96 366		1 629 099
SM D06				–	–			–
SM D07			–	–	–	–		–
SM DCS			–	–	–	–		–
SM DTS			–	–	–	–		–
SM PLAN					150			150
SM TECH					150			150
								–
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**8 034 462**	**407 812**	**2 481 121**	**385 811**		**11 309 206**
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**8 034 462**	**1 083 673**	**16 088 751**	**385 811**		**25 592 697**

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 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity																
Service charges - Water		6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	6 542	78 508	81 099	83 694
Service charges - Waste Water Management		1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 771	1 772	21 258	21 959	22 662
Service charges - Waste Management																
Sale of Goods and Rendering of Services		159	159	159	159	159	159	159	159	159	159	159	159	1 903	1 966	2 029
Agency services																
Interest																
Interest earned from Receivables		85	85	85	85	85	85	85	85	85	85	85	85	1 015	1 042	1 066
Interest earned from Current and Non Current Assets		667	667	667	667	667	667	667	667	667	667	667	667	8 000	8 264	8 528
Dividends																
Rent on Land																
Rental from Fixed Assets		16	16	16	16	16	16	16	16	16	16	16	16	195	201	207
Licence and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Special rating levies																
Construction Contract Revenue																
Development Charges																
Operational Revenue		68	68	68	68	68	68	68	68	68	68	68	68	810	837	864
Non-Exchange Revenue																
Property rates																
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		33	33	33	33	33	33	33	33	33	33	33	33	400	413	426
Licences or permits																
Transfer and subsidies - Operational		63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	63 206	758 474	793 882	813 894
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fuel Levy																
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations																
Total Revenue (excluding capital transfers and contributions)		**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**72 547**	**870 564**	**909 664**	**933 371**
Expenditure																
Employee related costs		32 619	32 619	32 619	32 619	32 619	32 619	32 619	32 619	32 619	32 619	32 619	32 617	391 427	404 344	417 283
Remuneration of councillors		1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	14 283	14 755	15 227
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		4 358	4 358	4 358	4 358	4 358	4 358	4 358	4 358	4 358	4 358	4 358	4 358	52 295	54 009	55 726
Debt impairment		465	465	465	465	465	465	465	465	465	465	465	465	5 580	5 764	5 949
Depreciation, amortisation and impairment		7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	7 583	91 000	93 820	96 822
Interest, Dividends and Rent on Land		674	674	674	674	674	674	674	674	674	674	674	674	8 093	9 096	9 099
Contracted services		12 143	12 143	12 143	12 143	12 143	12 143	12 143	12 143	12 143	12 143	12 143	12 143	145 714	150 489	169 001
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		12 925	12 925	12 925	12 925	12 925	12 925	12 925	12 925	12 925	12 925	12 925	12 924	155 097	160 184	165 281
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**71 958**	**71 958**	**71 958**	**71 958**	**71 958**	**71 958**	**71 958**	**71 958**	**71 958**	**71 958**	**71 958**	**71 954**	**863 489**	**892 461**	**934 388**
Surplus/(Deficit)		**589**	**589**	**589**	**589**	**589**	**589**	**589**	**589**	**589**	**589**	**589**	**593**	**7 075**	**17 203**	**(1 017)**
Transfers and subsidies - capital (monetary allocations)		63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	63 374	760 484	742 785	801 116
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 966**	**767 559**	**759 988**	**800 099**
Income Tax																
Surplus/(Deficit) after income tax		**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 966**	**767 559**	**759 988**	**800 099**
Share of Surplus/Deficit attributable to Joint Venture																
Share of Surplus/Deficit attributable to Minorities																
Surplus/(Deficit) attributable to municipality		**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 966**	**767 559**	**759 988**	**800 099**
Share of Surplus/Deficit attributable to Associate																
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit) for the year	1	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 963**	**63 966**	**767 559**	**759 988**	**800 099**

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

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates															
Service charges - electricity revenue															
Service charges - water revenue	4 433	4 433	4 433	4 433	4 433	4 433	4 433	4 433	4 433	4 433	4 433		53 196	54 952	56 710
Service charges - sanitation revenue	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341	1 341		16 096	16 628	17 160
Service charges - refuse revenue															
Rental of facilities and equipment	16	16	16	16	16	16	16	16	16	16	16		195	201	207
Interest earned - external investments	667	667	667	667	667	667	667	667	667	667	667		8 000	8 264	8 528
Interest earned - outstanding debtors	51	51	51	51	51	51	51	51	51	51	51		609	625	640
Dividends received															
Fines, penalties and forfeits	33	33	33	33	33	33	33	33	33	33	33		400	413	426
Licences and permits	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Agency services															
Transfers and Subsidies - Operational	62 758	62 758	62 758	62 758	62 758	62 758	62 758	62 758	62 758	62 758	62 758		753 095	793 882	813 894
Other revenue	790	790	790	790	790	790	790	790	790	790	790		9 476	13 108	22 119
Cash Receipts by Source	**70 089**	**70 089**	**70 089**	**70 089**	**70 089**	**70 089**	**70 089**	**70 089**	**70 089**	**70 089**	**70 089**	**–**	**841 067**	**888 073**	**919 684**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	63 078	63 078	63 078	63 078	63 078	63 078	63 078	63 078	63 078	63 078	63 078		756 938	730 246	779 569
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, 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)	11 942	11 942	11 942	11 942	11 942	11 942	11 942	11 942	11 942	11 942	11 942		143 298	142 433	153 547
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Decrease (increase) in non-current investments															
Insurance Refund - Capital															
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments															
Total Cash Receipts by Source	**145 109**	**145 109**	**145 109**	**145 109**	**145 109**	**145 109**	**145 109**	**145 109**	**145 109**	**145 109**	**145 109**	**–**	**1 741 304**	**1 760 752**	**1 852 801**
Cash Payments by Type															
Employee related costs	36 097	36 097	36 097	36 097	36 097	36 097	36 097	36 097	36 097	36 097	36 097		433 164	446 611	460 903
Remuneration of councillors	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190		14 283	14 755	15 227
Finance charges															
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Acquisition inventory - water and other inventory	5 012	5 012	5 012	5 012	5 012	5 012	5 012	5 012	5 012	5 012	5 012		60 139	62 111	64 085
Contracted services	22 232	22 232	22 232	22 232	22 232	22 232	22 232	22 232	22 232	22 232	22 232		266 778	250 226	278 201
Transfers and subsidies - other municipalities															
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Other expenditure	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857		178 287	184 135	189 994
Cash Payments by Type	**79 388**	**79 388**	**79 388**	**79 388**	**79 388**	**79 388**	**79 388**	**79 388**	**79 388**	**79 388**	**79 388**	**–**	**952 651**	**957 837**	**1 008 410**
Other Cash Flows/Payments by Type															
Capital assets	55 115	55 115	55 115	55 115	55 115	55 115	55 115	55 115	55 115	55 115	55 115		760 584	765 579	824 971
Retention (Capital)															
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		17 712	17 712	17 712
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Total Cash Payments by Type	**135 979**	**135 979**	**135 979**	**135 979**	**135 979**	**135 979**	**135 979**	**135 979**	**135 979**	**135 979**	**135 979**	**–**	**1 730 947**	**1 741 128**	**1 851 093**
NET INCREASE/(DECREASE) IN CASH HELD	**9 130**	**9 130**	**9 130**	**9 130**	**9 130**	**9 130**	**9 130**	**9 130**	**9 130**	**9 130**	**9 130**	**–**	**10 357**	**19 624**	**1 708**
Cash/cash equivalents at the month/year begin:	280 343	289 473	298 603	307 733	316 863	325 993	335 123	344 253	353 383	362 513	371 643	380 773	280 343	290 699	310 324
Cash/cash equivalents at the month/year end:	289 473	298 603	307 733	316 863	325 993	335 123	344 253	353 383	362 513	371 643	380 773	380 773	290 699	310 324	312 031

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 active entity

2.13 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

DC26 Zululand - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Forecast 2035/36	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
New Contract Nr 1		–	280	308	339	373	410	451	–	–	–	–	–	2 161
														–
														–
Total Operating Revenue Implication		–	280	308	339	373	410	451	–	–	–	–	–	2 161
Expenditure Obligation By Contract	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													2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTOP Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:																					
List all capital projects grouped by Function																					
Administrative And Corporate Support	Furniture	PCW2603085_00001	NEW	ent, effective and development-oriented public	Growth	MUNICIPAL STRATEGIC OBJECT	Furniture And Office Equipment	Furniture And Office Equipment	ADMIN OR HEAD OFFICE		0	0	37098	2229347.89	0	0	–	–	–	–	–
Asset Management	Computers (Vodacom)	PCW2603084_00002	NEW	ent, effective and development-oriented public	Growth	MUNICIPAL STRATEGIC OBJECT	Computer Equipment	Computer Equipment	ADMIN OR HEAD OFFICE		0	0	5100828.28	0	0	0	–	–	–	–	–
Cultural Matters	Equipment	PCW2603089_00003	NEW		Growth	MUNICIPAL STRATEGIC OBJECT	Machinery And Equipment	Machinery And Equipment	ADMIN OR HEAD OFFICE		0	0	0	276732	0	86987	174	–	87	87	87
Finance	Computers	PCW2603084_00009	NEW	ent, effective and development-oriented public	Growth	MUNICIPAL STRATEGIC OBJECT	Computer Equipment	Computer Equipment	ADMIN OR HEAD OFFICE		0	0	1625941	58007	0	0	–	–	–	–	–
Support To Local Municipalities	Rural Roads Asset Mngt	3W1602090001_00001	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Roads Infrastructure	Roads	ADMIN OR HEAD OFFICE		0	0	0	0	0	2419435	2 410	–	2 508	2 608	2 699
Support To Local Municipalities	Computers	PCW2603084_00007	NEW	ent, effective and development-oriented public	Growth	MUNICIPAL STRATEGIC OBJECT	Computer Equipment	Computer Equipment	ADMIN OR HEAD OFFICE		0	0	609715	0	0	0	–	–	–	–	–
Water Distribution	Borehole Intervention Programme	3W1602094002_00001	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Boreholes	ADMIN OR HEAD OFFICE		0	0	0	0	1368984.82	0	1 446	–	–	–	–
Water Distribution	HlahlindelaEmondlo Rws	3W1602094002_00002	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Boreholes	REGION - KZN281 NONGOMA		0	0	8064450.55	7204	0	7579783	7 999	–	–	–	–
Water Distribution	Rudimentary Water Supply	3W1602094002_00003	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Boreholes	REGION - KZN291 UPHONGOLO		0	0	6698126.28	0	4902035.62	0	21 382	–	–	–	–
Water Distribution	Rudimentary Water Supply	3W1602094002_00004	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Boreholes	REGION - KZN261 ABAQULUSI		0	0	2161931.47	0	7969052.6	0	–	–	–	–	–
Water Distribution	Rudimentary Water Supply	3W1602094002_00005	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Boreholes	REGION - KZN281 EDUMBE		0	0	0	0	0	10218610	–	–	–	–	–
Water Distribution	Rudimentary Water Supply	3W1602094002_00006	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Boreholes	REGION - KZN281 NONGOMA		0	0	0	4067808.75	8776022.79	4922560	1 000	–	–	–	–
Water Distribution	Rudimentary Water Supply	3W1602094002_00007	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Boreholes	REGION - KZN291 ULUNDI		0	0	1480719	3164230.49	5102369.2	5395660	5 599	–	236 970	264 523	273 379
Water Distribution	SimdlangentshaCentral Water Supply	3W1602094002_00008	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Reservoirs	REGION - KZN291 UPHONGOLO		0	0	3378342.6	9197077.23	11061547.9	0	–	–	–	–	–
Water Distribution	Simdlangentsha West Ph2-1	3W1602094005_00001	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Water Treatment Works	REGION - KZN281 EDUMBE		0	0	11565895	8439561479	2294536.89	68661219	60 681	–	–	–	–
Water Distribution	Upgrade Of Ulundi Wtw	3W1602094005_00002	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Water Treatment Works	REGION - KZN291 ULUNDI		0	0	21189187.8	3853569.43	41516937.58	22563050	22 363	–	–	–	–
Water Distribution	Khambi	3W1602094006_00001	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	REGION - KZN291 UPHONGOLO		0	0	11972510.35	4583621.52	0	1963005	2 163	–	–	–	–
Water Distribution	Mandlakazi (Dwaf)	3W1602094006_00002	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	REGION - KZN281 NONGOMA		0	0	4850748.23	12208600.7	21677052.6	62533713	62 353	–	321 813	268 068	323 630
Water Distribution	Mandlakazi (Dwaf)	3W1602094006_00003	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	REGION - KZN291 UPHONGOLO		0	0	32932811.2	23061612.91	0	36899417	411 195	–	–	–	–
Water Distribution	Simdlangentsha East Rwss	3W1602094006_00004	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	REGION - KZN291 UPHONGOLO		0	0	527150.1	456038	15883104.52	6172351	6 173	–	–	–	–
Water Distribution	Water Services Infrastructure Grant	3W1602094006_00005	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	REGION - KZN261 ABAQULUSI		0	0	12129594.92	13744767.37	16088674.97	0	–	–	–	–	–
Water Distribution	Water Services Infrastructure Grant	3W1602094006_00006	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	REGION - KZN281 NONGOMA		0	0	74980709.58	82936453.94	135877792.35	59286155	56 286	–	–	–	–
Water Distribution	Water Services Infrastructure Grant	3W1602094006_00007	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	REGION - KZN291 ULUNDI		0	0	35007242.37	56409498.64	39939974.74	0	15 000	–	–	–	–
Water Distribution	Water Services Infrastructure Grant	3W1602094006_00008	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	REGION - KZN291 UPHONGOLO		0	0	0	0	0	0	15 670	–	–	–	–
Water Distribution	Water Services Infrastructure Grant	3W1602094006_00009	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Bulk Mains	WHOLE OF THE DISTRICT		0	0	0	0	2321425.56	20670267	–	–	100 000	130 425	117 726
Water Distribution	Mandlakazi Rwss Ph 3	3W1602094007_00001	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Distribution	REGION - KZN281 NONGOMA		0	0	21637368.43	22996332.81	0	29998013	56 789	–	–	–	–
Water Distribution	Zululand Small Wss	3W1602094007_00002	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Distribution	REGION - KZN261 ABAQULUSI		0	0	1377170	9810752.11	8222098.92	1537288	1 537	–	–	–	–
Water Distribution	Rudimentary Water Supply	3W1602094008_00001	NEW	ompetitive and responsive economic infrastru	Growth	MUNICIPAL STRATEGIC OBJECT	Water Supply Infrastructure	Distribution Points	REGION - KZN281 NONGOMA		0	0	0	0	0	11091194	–	–	–	–	–
Water Distribution	Backup Generators	PCW2603089_00006	NEW		Growth	MUNICIPAL STRATEGIC OBJECT	Machinery And Equipment	Machinery And Equipment	ADMIN OR HEAD OFFICE		0	0	4620345.6	0	0	0	6 673	–	–	–	–
Parent Capital expenditure																	757 683		669 377	665 721	717 396

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 2026, 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 Supportinging detail to 'Budgeted Financial Performance'											
Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
REVENUE ITEMS:											
Exchange revenue											
Service charges - Electricity	6										
Service charges - Water	6										
Agricultural and Rural Water Service											
Availability Charges		-	-	3	-	5	5	6	-	-	-
Connection/Disconnection		101	126	332	222	662	662	602	255	264	272
Industrial Water											
Meter Reading Fees											
Sale		43 779	58 403	55 043	68 795	50 550	50 550	37 504	84 100	86 875	89 655
Urban Higher Level Service											
Total Service charges - Water		**43 880**	**58 529**	**55 378**	**69 017**	**51 217**	**51 217**	**38 112**	**84 355**	**87 138**	**89 927**
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)		(4 710)	348	36	(5 063)	-	-	-	(5 847)	(6 039)	(6 233)
Net Service charges - Water		**39 170**	**58 877**	**55 414**	**63 954**	**51 217**	**51 217**	**38 112**	**78 508**	**81 099**	**83 694**
Service charges - Waste Water Management	6										
Agricultural and Rural											
Availability Charges		-	-	-	-	-	-	-	-	-	-
Connection/Reconnection		(12)	2	3	3	8	8	6	3	3	4
Higher Level Service											
Industrial Effluent											
Industrial Waste Water											
Pump/Removal of Waste Water		1 049	1 515	1 744	1 362	1 695	1 695	1 420	1 425	1 472	1 519
Sanitation Charges		13 794	14 507	16 382	17 129	15 276	15 276	11 296	19 829	20 484	21 139
Treatment of Effluent											
Total Service charges - Waste Water Management		**14 831**	**16 024**	**18 129**	**18 494**	**16 979**	**16 979**	**12 722**	**21 258**	**21 959**	**22 662**
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Water Management		**14 831**	**16 024**	**18 129**	**18 494**	**16 979**	**16 979**	**12 722**	**21 258**	**21 959**	**22 662**
Sales of Goods and Rendering of Services											
Clearance Certificates		0	0	0	0	1	1	1	3	3	3
Sale of Goods		1 399	617	627	800	1 501	1 501	894	1 900	1 963	2 026
Scrap, Waste & Other Goods											
Shared Services		-	143	-	-	-	-	-	-	-	-
Total Sales of Goods and Rendering of Services		**1 426**	**760**	**627**	**800**	**1 502**	**1 502**	**895**	**1 903**	**1 966**	**2 029**
Interest - Deemed Interest											
Interest earned from Receivables											
Property Rental Debtors		0	6	15	2	25	25	19	15	9	-
SARS											
Service Charges		1	(1)	1	2	13	13	10	2	2	2
Sporting and Other Bodies											
Staff											
Waste Management											
Waste Water Management		17	55	85	56	85	85	64	132	136	140
Water		57	631	644	798	524	524	384	866	895	924
Shared Services											
Total Interest earned from Receivables		**75**	**691**	**746**	**858**	**648**	**648**	**478**	**1 015**	**1 042**	**1 066**
Interest earned from Current and Non Current Asset											
Bank Accounts		1 637	3 031	1 717	3 000	3 225	3 225	1 932	3 000	3 099	3 198
Financial Assets											
Short Term Investments and Call Accounts		5 797	12 427	6 412	5 000	2 580	2 580	1 881	5 000	5 165	5 330
Total Interest earned from Current and Non Current A		**7 433**	**15 458**	**8 129**	**8 000**	**5 804**	**5 804**	**3 813**	**8 000**	**8 264**	**8 528**
Rental from Fixed Assets											
Market Related											
Biological Assets											
Heritage Assets											
Investment Property											
Property Plant and Equipment		181	559	463	504	482	482	358	195	201	207

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
Total Non-market Related		-	-	-	-	-	-	-	-	-	-
Total Rental from Fixed Assets		181	559	463	504	482	482	358	195	201	207
Licences or Permits											
Game											
Health Certificates		76	107	277	295	184	184	130	-	-	-
Total Licences or Permits		88	107	277	295	184	184	130	-	-	-
Special Rating Levies											
Total Special Rating Levies		-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue											
Development Charges											
Operational Revenue											
Administrative Handling Fees		8	-	-	-	-	-	-	-	-	-
Arbor City Awards Competition											
Bad Debts Recovered											
Bontle Ke Botho Cleaning and Greening Award											
Breakages and Losses Recovered		-	-	-	-	3	3	2	-	-	-
Bursary Repayment		-	-	-	-	-	-	-	-	-	-
Collection Charges											
Commission		-	8	7	8	6	6	4	10	10	11
Discounts and Early Settlements		-	-	-	-	-	-	-	-	-	-
Incidental Cash Surpluses											
Inspection Fees		4	-	19	104	-	-	-	300	310	320
Insurance Refund		-	35	969	754	-	-	-	-	-	-
Merchandising, Jobbing and Contracts											
Recovery Maintenance											
Registration Fees		16	45	38	60	84	84	49	100	103	107
Request for Information											
Sale of Property											
Skills Development Levy Refund		535	506	509	417	424	424	156	400	413	426
Staff and Councillors Recoveries		-	-	-	-	3	3	3	-	-	-
Total Operational Revenue		563	594	1 542	1 344	519	519	214	810	837	864
Non-Exchange revenue											
Monetary Allocations											
Departmental Agencies and Accounts		60 091	102 328	724	-	12 527	12 527	99	-	-	-
District Municipalities											
Foreign Government and International Organisations											
Higher Educational Institutions											
Households		-	-	-	-	-	-	-	-	-	-
National Governments		9 717	8 277	8 387	7 706	44 831	44 831	12 349	6 879	1 600	1 800
National Revenue Fund		586 391	631 671	670 187	710 459	710 459	710 459	532 844	749 176	789 763	809 375
Non-Profit Institutions											
Parent Municipality											
Private Enterprises											
Provincial Government		2 631	4 168	1 285	2 219	4 777	4 777	603	2 419	2 519	2 719
Public Corporations											
Total Monetary Allocations		658 830	746 444	680 583	720 384	772 595	772 595	545 895	758 474	793 882	813 894
Total Transfer and subsidies - Operational		658 830	746 444	680 583	720 384	772 595	772 595	545 895	758 474	793 882	813 894
Discontinued Operations											
Total Revenue		730 785	846 773	768 065	815 238	850 188	850 188	603 151	870 564	909 664	933 371
EXPENDITURE ITEMS:											
Employee related costs											
Salaries and Allowances											
Basic Salary	2	191 171	209 315	224 753	201 516	201 600	201 600	182 252	267 331	276 153	284 990
Bonuses		650	707	628	381	381	381	-	386	399	411
Allowance											
Accommodation, Travel and Incidental		-	-	6	-	-	-	35	-	-	-
Cellular and Telephone		997	1 098	1 145	1 105	1 105	1 105	864	1 187	1 226	1 265
Housing Benefits		1 682	1 712	1 763	1 786	1 786	1 786	1 355	1 853	1 914	1 975
Non-pensionable		345	462	1 148	285	285	285	175	255	263	272
Travel or Motor Vehicle		11 997	13 487	25 917	24 586	24 586	24 586	21 214	30 642	31 653	32 666
Voluntary Work		-	-	-	-	-	-	-	-	-	-
Total Allowance		15 022	16 760	29 980	27 761	27 761	27 761	23 644	33 937	35 057	36 179

Service Related Benefits											
Acting		1 288	603	981	-	-	-	828	-	-	-
Bonus		12 696	13 868	14 860	15 389	15 389	15 389	11 932	17 775	18 362	18 950
Danger Allowance											
Entertainment		-	-	-	-	-	-	-	-	-	-
Fire Brigade		12	12	10	-	-	-	7	789	815	841
In-kind Benefits		-	-	-	-	-	-	-	-	-	-
Leave Pay		5 898	6 562	5 645	-	-	-	2 160	-	-	-
Lifeguard/Duty Squads											
Long Service Award		132	-	-	-	-	-	1 571	-	-	-
Overtime		6 703	8 782	10 127	5 314	5 314	5 314	7 460	6 016	6 215	6 414
Scarcity		-	-	-	-	-	-	-	-	-	-
Standby Allowance		3 848	5 234	2 783	-	-	-	2 195	2 586	2 672	2 757
Tools Allowance		-	-	-	-	-	-	-	-	-	-
Uniform-Special-Protective Clothing		-	-	-	-	-	-	-	-	-	-
Leave gratuity											
Long Term Service Award											
Total Service Related Benefits		**30 578**	**35 061**	**34 407**	**20 703**	**20 703**	**20 703**	**26 154**	**27 167**	**28 064**	**28 962**
Total Salaries and Allowances		**237 421**	**261 843**	**289 768**	**250 362**	**250 446**	**250 446**	**232 050**	**328 821**	**339 672**	**350 542**
Social Contributions											
Bargaining Council		168	199	214	119	119	119	175	246	254	262
Group Life Insurance		-	-	-	-	-	-	-	-	-	-
Medical		14 919	17 015	19 081	19 226	19 226	19 226	15 999	23 335	24 105	24 877
Pension		23 488	25 740	28 719	30 233	30 233	30 233	23 899	36 351	37 550	38 752
Unemployment Insurance		1 545	1 630	1 707	2 073	2 074	2 074	1 330	2 673	2 762	2 850
Total Social Contributions		**40 121**	**44 584**	**49 721**	**51 651**	**51 652**	**51 652**	**41 404**	**62 606**	**64 672**	**66 741**
Post-retirement Benefit											
Medical		5 393	5 352	1 899	-	-	-	-	-	-	-
Other Benefits											
Pension		-	-	-	-	-	-	-	-	-	-
Total Post-retirement Benefit	4	**5 393**	**5 352**	**1 899**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-Total		**282 934**	**311 779**	**341 388**	**302 013**	**302 098**	**302 098**	**273 453**	**391 427**	**404 344**	**417 283**
Less: Employees costs capitalised to PPE											
Total Employee Related Cost	1,5	**282 934**	**311 779**	**341 388**	**302 013**	**302 098**	**302 098**	**273 453**	**391 427**	**404 344**	**417 283**
Remuneration of Councillors											
Allowances and Service Related Benefits											
Basic Salary		-	-	-	-	-	-	-	-	-	-
Cell phone Allowance		681	859	781	778	778	778	555	691	714	737
Housing Allowance		360	180	-	-	-	-	-	-	-	-
In-kind Benefits		-	-	-	-	-	-	-	-	-	-
Market Related Non-pensionable Allowance		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 889	2 224	2 322	2 257	2 257	2 257	1 741	2 147	2 218	2 289
Office-bearer Allowance		5 782	6 525	6 789	8 605	8 605	8 605	5 024	10 770	11 125	11 481
Out of pocket Expenses		-	-	-	-	-	-	-	-	-	-
Travelling Allowance		-	17	-	-	-	-	-	-	-	-
Use of Personal Facilities		-	-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits		**8 713**	**9 804**	**9 892**	**11 640**	**11 640**	**11 640**	**7 320**	**13 608**	**14 057**	**14 506**
Social Contributions											
Medial Aid Benefits		54	41	58	-	-	-	79	68	71	73
Pension Fund Contributions		509	517	588	-	-	-	442	607	628	648
Total Social Contributions		**563**	**558**	**646**	**-**	**-**	**-**	**521**	**676**	**698**	**721**
Total Remuneration of Councillors	1,5	**9 276**	**10 362**	**10 539**	**11 640**	**11 640**	**11 640**	**7 841**	**14 283**	**14 755**	**15 227**
Inventory Consumed											
Agricultural											
Consumables		1 337	1 868	1 705	500	500	500	335	2 600	2 683	2 765
Materials and Supplies		7 969	5 752	3 746	2 750	2 545	2 545	-	3 950	4 072	4 194
Water		42 673	37 711	52 499	7 000	7 000	7 000	(671)	45 745	47 255	48 767
Sub-total		**51 978**	**45 332**	**57 950**	**10 250**	**10 045**	**10 045**	**(336)**	**52 295**	**54 009**	**55 726**
Less: Capitalisation of inventory consumed											
Total Inventory Consumed	1	**51 978**	**45 332**	**57 950**	**10 250**	**10 045**	**10 045**	**(336)**	**52 295**	**54 009**	**55 726**
Debt Impairment											
Trade and Other Receivables from Exchange Trans											
Waste Water Management		5 542	3 860	5 646	1 000	1 000	1 000	-	1 530	1 580	1 631
Water		24 823	27 510	21 948	3 000	3 000	3 000	-	4 050	4 184	4 318
Non Specific Accounts		13	505	-	-	-	-	-	-	-	-
Total Trade and Other Receivables from Exchange		**30 378**	**31 875**	**27 594**	**4 000**	**4 000**	**4 000**	**-**	**5 580**	**5 764**	**5 949**

Depreciation, Amortisation and Impairment											
Amortisation											
Intangible Assets		18	24	18	21	25	25	5	11	11	11
Total Amortisation		**18**	**24**	**18**	**21**	**25**	**25**	**5**	**11**	**11**	**11**
Depreciation											
Community Assets		30	1 226	1 210	905	1 210	1 210	907	1 210	1 250	1 290
Computer Equipment		2 770	2 791	1 344	1 046	1 699	1 699	950	1 273	1 314	1 356
Electrical Infrastructure		28	-	-	39	-	-	-	-	-	-
Furniture and Office Equipment		505	573	556	609	548	548	270	375	385	398
Machinery and Equipment		722	1 034	1 785	388	507	507	513	694	630	650
Other Assets		2 904	1 608	1 246	1 451	1 752	1 752	1 240	1 953	2 018	2 082
Sanitation Infrastructure		2 026	2 674	683	2 371	2 815	2 815	997	1 353	1 397	1 442
Transport Assets		4 359	3 903	1 961	5 568	4 487	4 487	1 049	1 460	1 415	1 460
Water Supply Infrastructure		86 306	100 436	110 950	81 842	82 065	82 065	83 401	82 671	85 399	88 132
Zoo, Marine and Non-biological Animals											
Total Depreciation		**100 236**	**114 245**	**119 735**	**94 979**	**95 082**	**95 082**	**89 327**	**90 989**	**93 809**	**96 811**
Total Property, Plant and Equipment		**-**	**-**	**996**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Capital Impairment Losses and Reversals		**-**	**-**	**996**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Depreciation, Amortisation and Impairment	1	**100 254**	**114 269**	**120 749**	**95 000**	**95 108**	**95 108**	**89 332**	**91 000**	**93 820**	**96 822**
Interest, Dividends and Rent on Land											
Dividends Paid											
Interest Paid		553	8 113	18 115	7 575	7 354	7 354	8 100	8 093	9 096	9 099
Rent on Land											
Total Interest, Dividends and Rent on Land	1	**553**	**8 113**	**18 115**	**7 575**	**7 354**	**7 354**	**8 100**	**8 093**	**9 096**	**9 099**
Contracted Services											
Consultants and Professional Services		22 260	24 939	21 012	12 632	14 814	14 814	13 180	4 833	4 853	5 115
Contractors		148 809	135 310	130 949	60 473	110 253	110 253	89 520	71 598	73 953	76 311
Outsourced Services		192 518	214 697	124 594	14 573	53 230	53 230	68 934	69 283	71 683	87 575
Total Contracted Services	1	**363 587**	**374 946**	**276 554**	**87 677**	**178 297**	**178 297**	**171 635**	**145 714**	**150 489**	**169 001**
Operational											
Allocations In-kind		4 683	3 534	9 064	-	2 251	2 251	2 357	-	-	-
Monetary Allocations		-	-	-	-	-	-	-	-	-	-
Total Operational		**4 683**	**3 534**	**9 064**	**-**	**2 251**	**2 251**	**2 357**	**-**	**-**	**-**
Total Transfers and Subsidies	1	**4 683**	**3 534**	**9 064**	**-**	**2 251**	**2 251**	**2 357**	**-**	**-**	**-**
Irrecoverable Debts Written Off											
Operational Cost and Other Cost											
Operational Cost											
Achievements and Awards		57	-	-	-	-	-	-	-	-	-
Advertising, Publicity and Marketing		6 293	3 685	1 254	-	145	145	145	1 000	1 033	1 066
Assets less than the Capitalisation Threshold		180	200	-	-	-	-	-	-	-	-
Atmospheric Emission Licence											
Bank Charges, Facility and Card Fees		382	677	674	-	344	344	399	496	512	529
Bargaining Council		2 673	2 960	3 182	-	3 337	3 337	3 337	2 790	2 882	2 974
Bond Issue Amortisation Costs											
Brokers Fees											
Bursaries (Employees)		86	160	155	-	-	-	(20)	-	-	-
Cash Discount		740	3 468	256	-	1 335	1 335	1 687	-	-	-
Cleaning Services		-	61	26	-	-	-	12	-	-	-
Commission		-	-	-	-	-	-	-	-	-	-
Communication		2 685	3 020	4 017	-	731	731	1 208	1 000	1 033	1 066
Entertainment		139	57	63	28	31	31	31	28	28	28
Entrance Fees		-	-	-	-	-	-	-	-	-	-
Environmental Levy											
Eskom Connection Fees		748	444	33	125	126	126	24 473	-	-	-
External Audit Fees		4 115	4 554	4 098	-	4 490	4 490	4 604	4 650	4 803	4 957
External Computer Service		7 900	8 226	5 352	-	1 982	1 982	1 922	3 720	3 843	3 966
Fines and Penalties		-	-	59 116	-	3 297	3 297	3 297	-	-	-
Hire Charges		26 013	55 323	62 818	1 521	20 819	20 819	1 972	4 821	4 980	5 139
Honoraria (Voluntarily Workers)		130	95	394	-	50	50	11	500	517	533
Indigent Relief											
Insurance Underwriting		2 035	3 211	6 010	-	-	-	2 775	2 800	2 892	2 985
Licences		331	284	282	-	-	-	166	465	480	496
Management Fee		4 726	7 104	12 208	671	39 029	39 029	483	671	671	671
Municipal Services		66 925	84 779	99 850	21 375	78 586	78 586	82 767	78 650	81 245	83 845
Printing, Publications and Books		723	106	28	-	-	-	-	-	-	-
Professional Bodies, Membership and Subscription		33	30	200	100	-	-	-	100	100	100

Registration Fees		110	117	112	-	190	190	94	-	-	-
Skills Development Fund Levy		2 456	2 694	2 978	96	2 405	2 405	2 407	2 300	2 376	2 452
Taking over Contractual Obligations		-	-	700	-	126	126	126	-	-	-
Toll Gate Fees											
Transport Provided as Part of Departmental Activities		2 392	4 557	4 931	-	536	536	536	1 430	1 477	1 524
Travel Agency and Visas											
Travel and Subsistence		17 158	13 204	9 985	724	4 878	4 878	5 545	2 570	2 651	2 733
Uniform and Protective Clothing		2 278	2 236	-	-	-	-	-	-	-	-
Vehicle Tracking		221	170	189	150	-	-	122	-	-	-
Ward Committees											
Warrantees and Guarantees		186	-	-	-	-	-	-	-	-	-
Wet Fuel		14 734	17 153	18 970	820	13 045	13 045	16 848	10 195	10 531	10 868
Witness Fees											
Workmens Compensation Fund		2 141	1 666	776	-	-	-	-	2 500	2 583	2 665
Total Operational Cost		**168 625**	**220 392**	**298 655**	**25 611**	**175 481**	**175 481**	**154 945**	**120 687**	**124 639**	**128 598**
Operating Leases											
Machinery and Equipment		135	706	623	-	324	324	386	930	961	991
Other Assets		1 115	1 116	1 119	-	663	663	803	930	961	991
Transport Assets		5 170	21 879	35 047	10 000	18 618	18 618	22 930	32 550	33 624	34 700
Zoo, Marine and Non-biological Animals											
Total Operational Leases		**6 420**	**23 700**	**36 790**	**10 000**	**19 605**	**19 605**	**24 119**	**34 410**	**35 546**	**36 683**
Discontinued Operations											
Statutory Payments other than Income Taxes											
Total Operational Cost and Other Cost	1	**175 045**	**244 092**	**335 445**	**35 611**	**195 086**	**195 086**	**179 064**	**155 097**	**160 184**	**165 281**
Total Other Losses	1	**309**	**-**	**272**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditure		**1 016 033**	**1 143 745**	**1 202 210**	**553 766**	**805 879**	**805 879**	**731 446**	**863 489**	**892 461**	**934 388**
Surplus/(Deficit)		**(285 248)**	**(296 972)**	**(434 146)**	**261 472**	**44 310**	**44 310**	**(128 295)**	**7 075**	**17 203**	**(1 017)**
Transfers and subsidies - capital (monetary allocatio											
National Government		607 306	768 386	851 477	916 219	916 219	916 219	526 100	760 484	742 785	801 116
Total Transfers and subsidies - capital (monetary allo		**610 502**	**768 386**	**851 477**	**916 219**	**917 665**	**917 665**	**526 100**	**760 484**	**742 785**	**801 116**
Transfers and subsidies - capital (in-kind)											
Total Transfers and subsidies - capital (in-kind)		**-**	**9**	**8**	**-**	**-**	**-**	**39**	**-**	**-**	**-**
Surplus/(Deficit) after capital transfers and contribut		**325 254**	**471 423**	**417 340**	**1 177 691**	**961 974**	**961 974**	**397 845**	**767 559**	**759 988**	**800 099**
Income Tax											
Total Income Tax		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(Deficit) after income tax		**325 254**	**471 423**	**417 340**	**1 177 691**	**961 974**	**961 974**	**397 845**	**767 559**	**759 988**	**800 099**
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		**325 254**	**471 423**	**417 340**	**1 177 691**	**961 974**	**961 974**	**397 845**	**767 559**	**759 988**	**800 099**
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent-subsidiary Transactions											
Surplus/(Deficit) for the year		**325 254**	**471 423**	**417 340**	**1 177 691**	**961 974**	**961 974**	**397 845**	**767 559**	**759 988**	**800 099**
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)		5 621	4 511	3 733	2 500	1 336	1 336	-	3 700	3 822	3 944
Contracted Services		124 119	125 260	121 877	41 589	90 100	90 100	80 478	67 760	70 066	72 477
Operational Costs		18 185	37 551	55 849	1 500	267	267	1 830	3 800	3 925	4 051
Total Repairs and Maintenance Expenditure	9	**147 925**	**167 322**	**181 458**	**45 589**	**91 704**	**91 704**	**82 308**	**75 260**	**77 814**	**80 472**

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									78 508	–							78 508
Service charges - Waste Water Management										21 258							21 258
Service charges - Waste Management																	–
Sale of Goods and Rendering of Services				1 903	–	–											1 903
Agency services																	–
Interest																	–
Interest earned from Receivables				15					868	132							1 015
Interest earned from Current and Non Current Assets				8 000													8 000
Dividends																	–
Rent on Land																	–
Rental from Fixed Assets				195													195
Licence and permits					–	–											–
Special rating levies																	–
Construction Contract Revenue																	–
Development Charges																	–
Operational Revenue			500	10	300												810
Non-Exchange Revenue																	
Property rates																	–
Surcharges and Taxes				–													–
Fines, penalties and forfeits				400	–				–	–							400
Licences or permits																	–
Transfer and subsidies - Operational			700	750 676	1 719	5 379	–		–								758 474
Interest									–	–							–
Fuel Levy																	–
Operational Revenue									–	–							–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–							–
Other Gains				–													–
Discontinued Operations																	–
Total Revenue (excluding capital transfers and contributi		**–**	**1 200**	**761 199**	**2 019**	**5 379**	**–**	**–**	**79 377**	**21 390**	**–**	**–**	**–**	**–**	**–**	**–**	**870 564**
Expenditure																	
Employee related costs		37 771	66 012	40 438	47 326	23 967	1 629	57 697	106 007	10 578							391 427
Remuneration of councillors		14 283															14 283
Bulk purchases - electricity														–			–
Inventory consumed		–	–	2 500	350	–	–		49 445	–							52 295
Debt impairment		–	–	–	–	–			4 050	1 530							5 580
Depreciation, amortisation and impairment		123	1 544	1 596	326	40	1 302	96	85 972	–							91 000
Interest, Dividends and Rent on Land				8 093					–								8 093
Contracted services		5 418	39 508	3 035	344	–	–	–	97 410								145 714
Transfers and subsidies		–	–	–	–				–								–
Irrecoverable debts written off				–					–	–							–
Operational costs		5 166	48 822	13 974	2 158	151	12	351	84 395	68							155 097
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–							–
Other Losses				–					–								–
Total Expenditure		**62 761**	**155 886**	**69 636**	**50 504**	**24 159**	**2 943**	**58 144**	**427 280**	**12 177**	**–**	**–**	**–**	**–**	**–**	**–**	**863 489**
Surplus/(Deficit)		**(62 761)**	**(154 686)**	**691 563**	**(48 485)**	**(18 780)**	**(2 943)**	**(58 144)**	**(347 903)**	**9 213**	**–**	**–**	**–**	**–**	**–**	**–**	**7 075**
Transfers and subsidies - capital (monetary allocations)			–	–	–	760 484	–		–								760 484
Transfers and subsidies - capital (in-kind)			–	–	–	–			–								–
Surplus/(Deficit) after capital transfers & contributions		**(62 761)**	**(154 686)**	**691 563**	**(48 485)**	**741 704**	**(2 943)**	**(58 144)**	**(347 903)**	**9 213**	**–**	**–**	**–**	**–**	**–**	**–**	**767 559**

ASSETS											
Current Assets											
Cash and Cash Equivalents											
Call Deposits and Investments		–	–	–	–	–	–	8 000	–	–	–
Cash at Bank		27 426	57 070	23 102	479 179	280 362	280 362	(232 375)	389 926	506 969	613 763
Cash on Hand		1	1	1	1	1	1	–	1	1	1
Total Cash and Cash Equivalents		**27 427**	**57 071**	**23 103**	**479 180**	**280 363**	**280 363**	**(224 375)**	**389 926**	**506 970**	**613 764**
Short term Investments											
Deposit Taking Institutions											
Trade and other receivables from ex											
Electricity											
Waste Management											
Waste Water Management		42 794	47 491	54 119	64 199	61 964	61 964	4 637	71 795	81 951	92 465
Water		152 780	185 795	215 241	244 045	239 016	239 016	15 683	274 656	294 735	330 716
Other trade receivables from exchange		3 065	30 899	6 732	30 900	6 732	6 732	(2 097)	6 739	6 737	6 733
VAT Receivable Input Tax Accrual											
Gross: Trade and other receivables		**198 640**	**264 185**	**276 092**	**339 144**	**307 711**	**307 711**	**18 223**	**353 190**	**383 422**	**429 914**
Less: Impairment for debt											
Impairment for Electricity											
Impairment for Waste Management											
Impairment for Waste Water Manageme		(41 772)	(46 212)	(52 703)	(49 087)	(53 853)	(53 853)	-	(55 613)	(57 430)	(57 442)
Impairment for Water		(149 306)	(180 861)	(206 027)	(189 486)	(209 477)	(209 477)	-	(214 135)	(215 414)	(220 295)
Impairment for other trade receivalbes		(1 120)	(596)	(1 231)	(596)	(1 231)	(1 231)	-	(1 231)	(1 231)	(1 231)
Total Less: Impairment for debt		**(192 198)**	**(227 669)**	**(259 961)**	**(239 169)**	**(264 561)**	**(264 561)**	**-**	**(270 978)**	**(274 074)**	**(278 968)**
Total net Trade and other receivable		**6 442**	**36 516**	**16 131**	**99 976**	**43 150**	**43 150**	**18 223**	**82 212**	**109 348**	**150 946**
Receivables from non-exchange tra											
Net Property rates		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other receivables from non-exchange		131	5 696	4 965	5 696	14 179	14 179	(173)	2 264	2 264	2 264
Less:Impairment for other receivables t		-	-	(3 953)	-	(13 167)	(13 167)	-	(1 252)	(1 252)	(1 252)
Net other receivables from non-ex		**131**	**5 696**	**1 012**	**5 696**	**1 012**	**1 012**	**(173)**	**1 012**	**1 012**	**1 012**
Total net Receivables from non-excl		**131**	**5 696**	**1 012**	**5 696**	**1 012**	**1 012**	**(173)**	**1 012**	**1 012**	**1 012**
Total Current Portion of Non-curren		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory											
Agricultural											
Consumables		1 205	2 570	1 287	2 570	1 287	1 287	(315)	1 287	1 287	1 287
Finished Goods											
Housing Stock											
Land											
Materials and Supplies		-	-	-	-	-	-	342	-	-	-
Water		1 631	1 396	1 726	1 396	1 726	1 726	33 147	1 726	1 726	1 726
Work-in-progress											
Total Inventory		**2 836**	**3 966**	**3 013**	**3 966**	**3 013**	**3 013**	**33 173**	**3 013**	**3 013**	**3 013**
VAT Receivable											
Input Tax Capital		(4 366)	2 902	(3 510)	2 902	(3 510)	(3 510)	1 342	(3 510)	(3 510)	(3 510)
Input Tax General		59 445	61 207	96 896	59 278	96 893	96 893	7 409	96 893	80 956	80 956
VAT Control (Receivable)		27 525	2 564	5 867	2 564	5 867	5 867	(569)	5 867	-	-
Total VAT Receivable		**82 604**	**66 673**	**99 253**	**64 744**	**99 250**	**99 250**	**8 182**	**99 250**	**77 446**	**77 446**
Other current assets											
Construction Contracts and Receivable		-	-	-	-	-	-	-	-	-	-
Control, Clearing and Interface Accour		7 343	10 130	367	4 172	367	367	(280)	367	367	367
Deposits		18 179	19 407	26 293	19 407	26 293	26 293	14 240	26 293	26 293	26 293
Fair Value Adjustments											
Income Tax Receivable											
Operating Lease - Straight Lining		-	5	9	5	9	9	-	9	9	9
Intercompany/Parent-subsidiary Trans											
Total Other current assets		**25 522**	**29 542**	**26 669**	**23 584**	**26 669**	**26 669**	**13 960**	**26 669**	**26 669**	**26 669**
Total Current Assets		**144 961**	**199 465**	**169 182**	**677 146**	**453 458**	**453 458**	**(151 009)**	**602 084**	**724 459**	**872 851**
Property, Plant and Equipment											
Property, Plant and Equipment at Cost		4 454 899	5 076 994	5 585 121	5 865 317	6 387 650	6 387 650	546 109	6 291 944	6 296 288	6 347 933
Leases recognised as Property, Plant	3	4 199	4 199	4 710	4 199	4 710	4 710	(28)	4 710	4 710	4 710
Less: Accumulated Depreciation		(802 563)	(933 835)	(978 197)	(1 245 528)	(1 096 805)	(1 096 805)	(89 327)	(1 186 574)	(1 272 976)	(1 365 106)
Less: Accumulated Impairment		(3 993)	(3 993)	(4 987)	(3 993)	(4 987)	(4 987)	-	(6 207)	(6 584)	(6 908)
Total Property, Plant and Equipment	2	**3 652 542**	**4 143 365**	**4 606 647**	**4 619 995**	**5 290 568**	**5 290 568**	**456 754**	**5 103 873**	**5 021 438**	**4 980 628**
Construction Work-in-progress											

Acquisitions		493 247	660 219	780 722	-	-	-	-	-	-	-
Opening Balance		1 092 996	1 315 353	1 354 926	1 354 926	1 471 040	1 471 040	-	1 471 040	1 471 040	1 471 040
Prior period corrections		-	(501 320)	-	-	-	-	-	-	-	-
Transfer to Heritage asset		-	-	-	-	-	-	-	-	-	-
Transfer to Intangible Assets		-	-	-	-	-	-	-	-	-	-
Transfer to Investment property		-	-	-	-	-	-	-	-	-	-
Transfer to PPE		(270 890)	(119 326)	(664 608)	-	-	-	-	-	-	-
Less: Accumulated Impairment		-	-	-	-	-	-	-	-	-	-
Total Construction Work-in-progres	2	**1 315 353**	**1 354 926**	**1 471 040**	**1 354 926**	**1 471 040**	**1 471 040**	**-**	**1 471 040**	**1 471 040**	**1 471 040**
Heritage Assets											
Heritage Assets at Cost / Revaluation		7 817	7 817	7 817	7 817	7 817	7 817	-	7 817	7 817	7 817
Less: Accumulated Impairment		-	-	-	-	-	-	-	-	-	-
Total Heritage Assets		**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**7 817**	**-**	**7 817**	**7 817**	**7 817**
Intangible Assets											
Intangible Assets at Cost / Revaluation		238	238	238	238	238	238	-	238	238	238
Less: Accumulated Amortisation		(186)	(210)	(228)	(235)	(233)	(233)	(5)	(244)	(255)	(266)
Less: Accumulated Impairment		-	-	(2)	-	(2)	(2)	-	(2)	(2)	(2)
Total Intangible Assets		**52**	**28**	**8**	**3**	**3**	**3**	**(5)**	**(8)**	**(19)**	**(30)**
Other non-current assets											
Deferred Tax Assets		-	-	-	-	-	-	-	-	-	-
Defined Benefit Asset											
Intercompany/Parent-subsidiary Trans											
Investment in Associate											
Investment in Joint Venture											
Investment in Subsidiary											
Operating Lease Receivable		-	10	1	10	1	1	-	1	1	1
Deposits											
Total Other non-current assets		**-**	**10**	**1**	**10**	**1**	**1**	**-**	**1**	**1**	**1**
Total Non Current Assets		**4 975 763**	**5 506 146**	**6 085 513**	**5 982 751**	**6 769 429**	**6 769 429**	**456 749**	**6 582 723**	**6 500 277**	**6 459 456**
TOTAL ASSETS		**5 120 724**	**5 705 611**	**6 254 695**	**6 659 897**	**7 222 887**	**7 222 887**	**305 741**	**7 184 807**	**7 224 736**	**7 332 307**
Financial Liabilities											
Concessionary Loan											
Short-term Borrowings											
Current portion of Finance Lease Liabi		1 484	1 077	411	606	459	459	(498)	459	459	459
Current portion of Non-current Borrow		-	17 712	17 492	17 712	17 049	17 049	(8 746)	17 049	17 049	17 049
Current portion of Operating Lease Lia		-	-	-	-	-	-	-	-	-	-
Unamortised Premium on Long-term D											
Total Financial Liabilities		**1 484**	**18 789**	**17 903**	**18 318**	**17 508**	**17 508**	**(9 244)**	**17 508**	**17 508**	**17 508**
Consumer Deposits											
Building Plans											
Buying Card											
Electricity											
Hiring of Decorative Items											
Library Books											
Posters											
Refuse											
Rental Properties		5	41	38	120	38	38	-	38	38	38
Sewer											
Street Closure											
Valuation Appeal											
Water		3 615	3 340	3 333	3 343	3 333	3 333	14	3 333	3 333	3 333
Wayleave											
Total Consumer Deposits		**3 620**	**3 381**	**3 372**	**3 463**	**3 372**	**3 372**	**14**	**3 372**	**3 372**	**3 372**
Trade and Other Payable Exchange											
Accrued Interest		-	-	-	-	-	-	-	-	-	-
Advance Payments		3 713	2 115	2 105	2 115	2 105	2 105	(368)	2 105	2 105	2 105
Affiliates, Related Parties and Associate											
Agency Fees Payable											
Auditor-General of South Africa		(92 076)	-	-	-	-	-	-	-	-	-
Bonus		147	4	586	4	586	586	(586)	586	586	586
Compensation Commission (COID)											
Control, Clearing and Interface Accour		0	(156)	0	-	-	-	21 354	-	-	-
Deferred Revenue											
Dividends Declared											
Electricity Bulk Purchase		12 194	11 830	14 294	11 830	14 294	14 294	(14 294)	14 294	14 294	14 294
Fair Value Adjustment											
Intercompany/Parent-subsidiary Trans											
Leave Accrual		923	110	789	110	789	789	(789)	789	789	789
Long Service Award		128	-	-	-	-	-	-	59 869	59 869	59 869

Municipal Debt Relief											
Overtime		258	412	450	412	450	450	(450)	450	450	450
Payables and Accruals		483 378	309 942	444 470	244 644	395 420	395 420	(481 867)	395 420	395 420	395 420
PAYE Deductions		-	285	-	285	-	-	-	-	-	-
Pension and Retirement Contributions		156	156	-	-	-	-	-	-	-	-
Retentions		59 432	86 977	119 295	84 977	119 295	119 295	10 455	119 295	119 295	119 295
Standby		318	420	258	420	258	258	(258)	258	258	258
Tender documentation											
Unallocated Deposits		518	475	223	475	223	223	(223)	223	223	223
Water Inventory Bulk Purchases		3 576	91 465	158 943	-	67 478	67 478	(5 201)	67 478	67 478	67 478
VAT Payables Output Tax Accrual											
VAT Payables Output Tax Provision fo											
Total Trade and Other Payable Excha	**2, 5**	**472 664**	**504 035**	**741 413**	**345 272**	**600 898**	**600 898**	**(472 227)**	**660 767**	**660 767**	**660 767**
Trade and Other Payable Non-excha											
Transfers and Subsidies Payable											
Capital											
Operational		-	-	-	-	-	-	-	-	-	-
Total Transfers and Subsidies Pay		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers and Subsidies Unspent											
Capital		1 446	1 446	1 446	1 446	-	-	174 372	-	-	-
Operational		114	(0)	7 773	(0)	(0)	(0)	28 765	(0)	-	-
Total Transfers and Subsidies Uns		**1 560**	**1 446**	**9 219**	**1 446**	**(0)**	**(0)**	**203 136**	**(0)**	**-**	**-**
VAT Payables Output Tax Accrual		-	-	-	-	-	-	-	-	-	-
VAT Payables Output Tax Provision fo		-	-	-	-	-	-	-	-	-	-
Total Trade and Other Payable Non-e	**2**	**1 560**	**1 446**	**9 219**	**1 446**	**(0)**	**(0)**	**203 136**	**(0)**	**-**	**-**
Provision											
Alien Vegetation											
Bonus		5 745	6 335	6 729	6 335	6 729	6 729	-	6 729	6 729	6 729
Decommissioning, Restoration and Sim											
Ex-gratia Pension											
Insurance Claims											
Leave		21 778	25 851	28 853	18 851	21 853	21 853	-	21 853	21 853	21 853
Litigation											
Pension Fund Investment Return Shor											
Staff Parity											
Impairment											
Total Provision		**27 523**	**32 186**	**35 582**	**25 186**	**28 582**	**28 582**	**-**	**28 582**	**28 582**	**28 582**
VAT Payable											
VAT Payable: Output Tax		933	1 535	2 073	9 725	5 565	5 565	3 483	10 721	20 093	24 499
VAT Payable: VAT Control		-	-	-	-	-	-	-	-	-	-
Total VAT Payable		**933**	**1 535**	**2 073**	**9 725**	**5 565**	**5 565**	**3 483**	**10 721**	**20 093**	**24 499**
Other current liabilities											
Employee Benefits											
Post-employment Benefits											
Other Long-Term Benefits											
Termination Benefits											
Total Employee Benefits		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deferred Tax Liabilities											
Income Tax Payable											
Intercompany/Parent-subsidiary Trans											
Total Other current liabilities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Current Liabilities		**507 783**	**561 372**	**809 562**	**403 410**	**655 924**	**655 924**	**(274 838)**	**720 949**	**730 321**	**734 728**
Non-current Liabilities											
Financial Liabilities											
Borrowings											
Annuity and Bullet Loans		-	80 511	74 627	59 498	64 490	64 490	8 028	54 872	46 256	37 644
Bankers Acceptance Certificate											
Concessionary Loan											
Derivative Financial Liability											
Finance Lease Liability		1 202	125	127	(574)	127	127	30	127	127	127
Government Loans											
Intercompany/Parent-subsidiary Tra											
Local Registered Stock											
Marketable Bonds											
Non-annuity Loans											
Non-marketable Bonds											
PPP Liabilities											
Securities											
Interest Rate Swaps											

Operating Lease Liability		543	783	950	783	950	950	68	950	950	950
Total Financial Liabilities		**1 744**	**81 419**	**75 704**	**59 706**	**65 567**	**65 567**	**8 126**	**55 949**	**47 333**	**38 720**
Total Provisions		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Long term Trade and other Payables											
Bulk Water		-	2 925	-	94 390	91 465	91 465	-	91 465	91 465	91 465
Electricity Bulk Purchase		-	-	-	-	-	-	-	-	-	-
Municipal Debt Relief											
Payables and Accruals											
Total Long term Trade and other Pay		**-**	**2 925**	**-**	**94 390**	**91 465**	**91 465**	**-**	**91 465**	**91 465**	**91 465**
Other non-current liabilities											
Employee Benefits											
Post-employment Benefits											
Other Long-Term Benefits											
Termination Benefits											
Total Employee Benefits		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deferred Tax Liabilities											
Intercompany/Parent-subsidiary Trans											
Total Other non-current liabilities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total non current liabilities		**1 744**	**84 344**	**75 704**	**154 096**	**157 032**	**157 032**	**8 126**	**147 414**	**138 798**	**130 185**
TOTAL LIABILITIES		**509 528**	**645 716**	**885 266**	**557 506**	**812 957**	**812 957**	**(266 712)**	**868 363**	**869 119**	**864 913**
CHANGES IN NET ASSETS		**4 611 197**	**5 059 895**	**5 369 429**	**6 102 391**	**6 409 931**	**6 409 931**	**572 453**	**6 316 444**	**6 355 617**	**6 467 393**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)											
Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-
Correction of Prior Period Error		(63 581)	(20 709)	(111 767)	-	-	-	-	-	-	-
Depreciation Offsets		-	-	-	-	-	-	-	-	-	-
Opening Balance		4 340 844	4 596 967	5 036 258	4 821 896	5 338 520	5 338 520	-	5 543 999	5 539 531	5 539 444
Transfers to/from operating revenue a		320 719	470 893	720 033	-	587	587	536 398	(44 093)	7 119	78 870
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Total Accumulated Surplus/(Deficit)	1	**4 597 982**	**5 047 151**	**5 644 524**	**4 821 896**	**5 339 107**	**5 339 107**	**536 398**	**5 499 905**	**5 546 649**	**5 618 314**
TOTAL COMMUNITY WEALTH/EQUI	2	**4 597 982**	**5 047 151**	**5 644 524**	**4 821 896**	**5 339 107**	**5 339 107**	**536 398**	**5 499 905**	**5 546 649**	**5 618 314**

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

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT				–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE				61 149	105 594	2 240	1 731	13 538	13 538	1 200	1 317	1 533
FINANCIAL VIABILITY AND MANAGEMENT				604 660	655 741	683 346	721 492	720 570	720 570	761 199	802 226	822 377
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT				2 235	2 169	2 578	1 719	40 671	40 671	1 719	1 719	1 719
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Basic Service Delivery & Infrastructure	A		62 741	83 269	79 901	90 296	75 409	75 409	106 446	104 402	107 743
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**730 785**	**846 773**	**768 065**	**815 238**	**850 188**	**850 188**	**870 564**	**909 664**	**933 371**

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

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
*				–	–	–	–	–	–	–	–	–
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT				6 008	546	69	5	2 274	2 274	501	517	533
DEMOCRACY AND GOOD GOVERNANCE				290 789	415 340	407 864	178 608	312 087	312 087	294 878	304 360	327 660
FINANCIAL VIABILITY AND MANAGEMENT				68 725	45 775	50 755	20 377	32 460	32 460	35 915	37 881	38 954
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT				41 733	55 473	55 853	37 025	78 770	78 770	45 033	46 466	47 901
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Basic Service Delivery & Infrastructure	A		608 778	626 612	689 038	317 752	380 288	380 288	487 161	503 237	519 341
Allocations to other priorities												
Total Expenditure			1	**1 016 033**	**1 143 745**	**1 203 580**	**553 766**	**805 879**	**805 879**	**863 489**	**892 461**	**934 388**

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

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
SPACIAL PLANNING AND ENVIRONMENTAL MANAGEMENT				–	–	–	–	–	–	–	–	–
DEMOCRACY AND GOOD GOVERNANCE				1 479	1 893	548	–	–	–	–	–	–
FINANCIAL VIABILITY AND MANAGEMENT				2 064	70	164	–	–	–	–	–	–
LOCAL ECONMOMIC AND SOCIAL DEVELOPMENT				3 277	286	–	87	174	174	87	87	87
BASIC SERVICE DELIVERY AND INFRASTRUCTURE	Basic Service Delivery & Infrastructure	A		491 521	660 294	780 783	742 790	756 909	756 909	661 290	665 634	717 279
Allocations to other priorities			3									
Total Capital Expenditure			1	**498 342**	**662 543**	**781 494**	**742 877**	**757 083**	**757 083**	**661 377**	**665 721**	**717 366**

DC26 Zululand - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
05 - Planning & Wsa										
Water Management										
Water Distribution										
Formal Settlement Households Receiving Water	Households	12 800	12 800		14 080	14 080	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	7 630	8 012		9 020	9 020	9 020	9 462	10 408	
Piped Water Inside Dwelling	Households									
Dwelling)	Households	10 840	9 756		10 120	10 120	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	6 320	6 320		6 809	6 809	6 809	6 396	6 809	
Other Toilet Provisions (> Min.Service Level)	Households									

DC26 Zululand Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 401 665	2 438 811	2 097 018	367 748	168 710	168 710	896 446	290 699	310 324	312 031
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 010 113	2 898 291	1 625 579	197 418	(334 536)	(334 536)	1 500 206	(218 526)	(142 534)	(30 700)
Cash year end/monthly employee/supplier payments	18(1)b	3	11.2	25.8	18.8	3.3	1.9	1.5	7.4	2.3	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	325 254	471 423	417 340	1 177 691	961 974	961 974	397 845	767 559	759 988	800 099
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	32.7%	(7.8%)	6.1%	(23.3%)	(6.0%)	(31.5%)	40.3%	(2.7%)	(2.8%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	2192.2%	2447.9%	1836.1%	190.8%	285.8%	285.8%	2074.2%	216.4%	214.3%	228.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	49.5%	41.1%	41.8%	4.9%	5.9%	5.9%	0.0%	5.6%	5.6%	5.6%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	5093.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								98.7%	94.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	542.2%	(59.4%)	516.4%	(58.2%)	0.0%	(59.1%)	361.1%	32.6%	37.7%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	4.0%	4.0%	3.9%	1.0%	1.7%	1.7%	1.5%	1.5%	1.6%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

References

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

Supporting indicators												
% incr *total service charges (incl prop rates)*	18(1)a		0.0%	38.7%	(1.8%)	12.1%	(17.3%)	0.0%	(25.5%)	46.3%	3.3%	3.2%
% incr Property Tax	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Electricity	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Water	18(1)a		0.0%	50.3%	(5.9%)	15.4%	(19.9%)	0.0%	(25.6%)	53.3%	3.3%	3.2%
% incr Service charges - Waste Water Management	18(1)a		0.0%	8.0%	13.1%	2.0%	(8.2%)	0.0%	(25.1%)	25.2%	3.3%	3.2%
% incr Service charges - Waste Management	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		54 001	74 901	73 543	82 448	68 196	68 196	50 834	99 766	103 058	106 356
Service charges			54 001	74 901	73 543	82 448	68 196	68 196	50 834	99 766	103 058	106 356
Property rates			–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue			–	–	–	–	–	–	–	–	–	–
Service charges - water revenue			39 170	58 877	55 414	63 954	51 217	51 217	38 112	78 508	81 099	83 694
Service charges - sanitation revenue			14 831	16 024	18 129	18 494	16 979	16 979	12 722	21 258	21 959	22 662
Service charges - refuse removal			–	–	–	–	–	–	–	–	–	–
Agency services			–	–	–	–	–	–	–	–	–	–
Capital expenditure excluding capital grant funding			5 393	1 963	48 973	–	6 673	6 673	2 400	–	–	–
Cash receipts from ratepayers	18(1)a		1 420 263	2 083 543	1 611 705	184 479	215 708	215 708	1 139 866	222 661	227 735	250 170
Ratepayer & Other revenue	18(1)a		64 786	85 114	87 779	96 711	75 466	75 466	54 954	102 880	106 275	109 675
Change in consumer debtors (current and non-current)			N/A	35 639	(25 069)	88 528	(61 509)	–	(26 112)	65 174	27 136	41 598
Operating and Capital Grant Revenue	18(1)a		1 269 332	1 514 830	1 532 060	1 636 603	1 690 260	1 690 260	1 071 996	1 518 958	1 536 667	1 615 010
Capital expenditure - total	20(1)(vi)		498 342	662 543	781 494	742 877	757 083	757 083	546 081	661 377	665 721	717 366
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										755 650	793 865	–
DoRA capital grants total MFY										781 371	838 777	–
Provincial operating grants										2 319	2 519	–
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										1 539 340	1 635 161	–
Average annual collection rate (arrears inclusive)												
DoRA operating												
										–	–	–
										–	–	–

DC26 Zululand - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		–	–	–	–	–	–	–	–	–
Cell phone Allowance		681	859	781	778	778	778	691	714	737
Housing Allowance		360	180	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		1 889	2 224	2 322	2 257	2 257	2 257	2 147	2 218	2 289
Office-bearer Allowance		5 782	6 525	6 789	8 605	8 605	8 605	10 770	11 125	11 481
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		–	17	–	–	–	–	–	–	–
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		**8 713**	**9 804**	**9 892**	**11 640**	**11 640**	**11 640**	**13 608**	**14 057**	**14 506**
Social Contributions										
Medial Aid Benefits		54	41	58	–	–	–	68	71	73
Pension Fund Contributions		509	517	588	–	–	–	607	628	648
Total Social Contributions		**563**	**558**	**646**	**-**	**-**	**-**	**676**	**698**	**721**
Total Councillors		**9 276**	**10 362**	**10 539**	**11 640**	**11 640**	**11 640**	**14 283**	**14 755**	**15 227**
% increase	4		**11.7%**	**1.7%**	**10.4%**	**–**	**–**	**22.7%**	**3.3%**	**3.2%**
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		6 237	8 273	7 612	7 986	7 986	7 986	8 034	8 300	8 565
Bonuses		650	707	628	381	381	381	386	399	411
Allowance										
Accommodation, Travel and Incidental		–	–	6	–	–	–	–	–	–
Cellular and Telephone	3	257	296	284	277	277	277	277	286	295
Housing Benefits	3	13	13	13	14	14	14	15	15	16
Non-pensionable		308	441	256	248	248	248	255	263	272
Travel or Motor Vehicle	3	1 640	2 051	1 981	1 934	1 934	1 934	1 934	1 998	2 062
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**2 219**	**2 801**	**2 540**	**2 473**	**2 473**	**2 473**	**2 480**	**2 562**	**2 644**
Service Related Benefits										
Acting	3	97	41	20	–	–	–	–	–	–
Bonus	3									
Danger Allowance	3									
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade										
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	374	255	–	–	–	–	–	–	–
Lifeguard/Duty Squads										
Long Service Award		132	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		**603**	**296**	**20**	**-**	**-**	**-**	**-**	**-**	**-**
Total Salaries and Allowances		**9 709**	**12 078**	**10 799**	**10 840**	**10 840**	**10 840**	**10 900**	**11 260**	**11 620**
Social Contributions										
Bargaining Council		1	1	1	1	1	1	1	1	1
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		59	117	97	71	71	71	71	74	76
Pension		162	339	260	196	196	196	256	265	273
Unemployment Insurance		14	16	15	80	80	80	80	83	86
Total Social Contributions		**236**	**473**	**373**	**348**	**348**	**348**	**409**	**422**	**436**
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE										
Sub Total - Senior Managers of Municipality		**9 945**	**12 551**	**11 173**	**11 188**	**11 188**	**11 188**	**11 309**	**11 682**	**12 056**
% increase	4		**26.2%**	**(11.0%)**	**0.1%**	**–**	**–**	**1.1%**	**3.3%**	**3.2%**
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		184 934	201 042	217 141	193 530	193 614	193 614	259 297	267 853	276 425
Bonuses		–	–	–	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	740	801	861	827	827	827	910	940	970
Housing Benefits	3	1 669	1 699	1 750	1 772	1 772	1 772	1 838	1 899	1 960
Non-pensionable		37	21	892	37	37	37	–	–	–
Travel or Motor Vehicle	3	10 357	11 436	23 937	22 652	22 652	22 652	28 709	29 656	30 605
Voluntary Work										
Total Allowance		**12 803**	**13 958**	**27 440**	**25 288**	**25 288**	**25 288**	**31 457**	**32 495**	**33 535**
Service Related Benefits										
Acting	3	1 191	562	961	–	–	–	–	–	–
Bonus	3	12 696	13 868	14 860	15 389	15 389	15 389	17 775	18 362	18 950
Danger Allowance	3									
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		12	12	10	–	–	–	789	815	841
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	5 523	6 307	5 645	–	–	–	–	–	–
Lifeguard/Duty Squads										
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		6 703	8 782	10 127	5 314	5 314	5 314	6 016	6 215	6 414
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	3 848	5 234	2 783	–	–	–	2 586	2 672	2 757
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		**29 974**	**34 765**	**34 387**	**20 703**	**20 703**	**20 703**	**27 167**	**28 064**	**28 962**
Total Salaries and Allowances		**227 711**	**249 765**	**278 968**	**239 521**	**239 606**	**239 606**	**317 921**	**328 412**	**338 921**
Social Contributions										
Bargaining Council		167	198	213	118	118	118	245	253	261
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		14 860	16 898	18 984	19 155	19 155	19 155	23 264	24 032	24 801
Pension		23 326	25 401	28 459	30 038	30 038	30 038	36 095	37 286	38 479
Unemployment Insurance		1 531	1 614	1 692	1 993	1 994	1 994	2 593	2 679	2 764
Total Social Contributions		**39 885**	**44 111**	**49 348**	**51 304**	**51 305**	**51 305**	**62 197**	**64 249**	**66 305**
Post-retirement Benefit	6									
Medical		5 393	5 352	1 899	–	–	–	–	–	–
Other Benefits										
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**5 393**	**5 352**	**1 899**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE										
Sub Total - Other Municipal Staff		**272 989**	**299 228**	**330 215**	**290 825**	**290 910**	**290 910**	**380 117**	**392 661**	**405 227**
% increase	4		**9.6%**	**10.4%**	**(11.9%)**	**0.0%**	**–**	**30.7%**	**3.3%**	**3.2%**
Total Parent Municipality		**292 210**	**322 141**	**351 927**	**313 653**	**313 738**	**313 738**	**405 710**	**419 099**	**432 510**

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

The Municipality is in the process of resuscitating the entity

2.18 MUNICIPAL MANAGER'S QUALITY CERTIFICATION