

**ANNUAL BUDGET OF**  
**MKHAMBATHINI**  
**MUNICIPALITY**



**2023/24 TO 2025/26**  
**MEDIUM TERM REVENUE AND**  
**EXPENDITURE FORECASTS**

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## Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	M	Mayor
BPC	Budget Planning Committee	MBRR	Municipal Budget & Reporting Regulations
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CM	Municipality Manager	MFMA	Municipal Financial Management Act
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DWA	Department of Water Affairs	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National Electricity Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental Organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross Domestic Product	OP	Operational Plan
GDS	Gauteng Growth and Development Strategy	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Plan	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget Implementation Plan
kWh	kilowatt hour	SMME	Small Micro and Medium Enterprises
ℓ	litre		
LED	Local Economic Development		

## **Part 1 – Annual Budget**

### **1.1 Mayor’s Report**

#### **SPEECH BY THE MAYOR OF MKHAMBATHINI MUNICIPALITY**

**CLLR. NW NTOMBELA PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE  
TABLING OF THE 2023/2024 ,2024/2025 AND 2025/2026 DRAFT BUDGET IN THE COUNCIL  
CHAMBERS, CAMPERDOWN,**

**ON WEDNESDAY, 31 MAY 2023**

Speaker of the Council,

Deputy Mayor,

Executive Committee Members,

Councillors,

Traditional leaders,

Acting Municipal Manager,

All Senior Managers,

Chief Financial Officer,

All Staff members present,

Members of the media if any are present and Public,

Distinguish guest, Ladies and Gentlemen.

It is a great honour to present to you the multi-year budget for Mkhambathini Municipality in respect of the 2023/24 ,2024/25 and 2025/26 financial years.

Speaker and members of Council, this multi-year budget is tabled in terms of the Municipal Finance Management Act (MFMA), No 56 of 2003 and in terms of the Municipal Budget & Reporting Regulations. The MFMA requires that the budget be tabled ninety (90) days before the start of the financial year and we are fully complying with this requirement. It is the intention to have this budget finally approved on 31 May 2023 which will be in compliance of the requirements of the MFMA.

Inflation is forecast to remain within the target range of 5 to 5.3 percent as per MFMA circular 122 and 123 issued by National Treasury. This was taken into account when the budget was compiled.

Cognisance should be taken that the SALGA is currently engaging with the trade unions for the new collective agreement on the staff salaries increment which has not yet been finalised however the projected increment of 5% was used when doing the draft budget.

Speaker, Council's reviewed IDP tabled today in this meeting informs the 2023/24 financial year's Budget. I am pleased to announce that this budget is aligned to the final revised IDP. Due to the current financial situation of Mkhambathini Municipality, the municipality will be able to fund the capital projects through the Municipal Infrastructure Grant which amounts to R 18.3 million and own generated revenue of R4.5 million. Few projects are funded from the Municipality's own reserves as per the detailed capital budget.

### **Governance**

The Internal Audit Activity stills operate as an outsourced Internal Audit Services which is an indication of a commitment in promoting good governance. Internal Audit Activity has formed a working relationship with the Provincial Internal Audit Unit and National Treasury Risk and Internal Audit Support Unit for skills and resources sharing and to strengthen the Internal Audit Activities operations. A risk based audit plan has been developed and systems of internal control were tested to effectively monitor the vulnerability of operations within the municipality. Internal Audit also meets on a regular basis as well MPAC.

### **Housing**

Speaker, we have housing projects within the Mkhambathini Municipality. To date, low-income houses have been constructed. The amount of R13.million has been allocated for Mkhambathini Municipality

### **Property Rates**

- The current General Valuation Roll validity period is coming to an end on 30 June 2024. The municipality appointed a service provider to prepare the New General Valuation Roll to be implemented as from 01 July 2024 with a validity period being 5 years. The process of inspection of the roll is currently under way.
- The currently year's Supplementary valuation roll has been received and is going to be advertised for comment in November 2021 for comment before being implemented. The Rates Policy has been amended to make provision for the changes in the amendments to the Property rates act and regulations.
- There will be rates exemption up to R300 000 of the valuation for residential properties in as granted in the previous years.

- There will be rates exemption up 50% for agriculture and the council took a resolution to not impose penalties for rate, this was made for COVID 19 relief.

I must mention Speaker, that after this meeting, the municipality will have public participation process to showcase the IDP and Budget and to share with our people different views on what I am about to table to this Council.

### **Back to basics**

Speaker, we all aware of the concept of Back to basics and the importance of implementing a back to basic plan. We are fortunate that through the COGTA assessment, Mkhambathini Municipality was found to be functional, but we must still make every effort to improve on upholding the 5 pillars of the Back-to-Basics concept and improve the lives of our citizens. We continue to align ourselves to the programmes rolled out by National and Provincial Government. We have provided an amount in our budget to deal with some priorities of Back to basics.

### **MSCOA**

Speaker, Local Government has seen many reforms since the Implementation of the Municipal Management Finance Act over the years. Recently National Treasury has commenced with the roll out of programmes to implement the Municipal standard chart of accounts – mSCOA. A lot more needs to be done to implement this new reform as we go live on 1 July 2017. Funding for implementation mSCOA is from the Financial Management Grant and Municipal System Improvement Grant and own funding. Reports have been coming to Council during the last 3 years on the implementation and readiness towards mSCOA.

### **Current Economic Conditions and Funding**

Speaker, as you are aware, the Country is experiencing harsh economic times and is experiencing a severe drought. As a result of this, food prices and other essential commodities are rising rapidly. This prompted National and Provincial Government to introduce cost cutting and saving measures in order to deliver services and sacrifice effectively. As the result of this funding to Local Government has been being reduced. Grant funding has been reduced and affects, Equitable Share and MIG. The effect of Governments austerity measures has placed the Municipal budget under pressure and the Municipality has also embarked on cost saving measures and introduced them in this budget. Prudent Financial Management and constant monitoring of the budget must take place during the year through in year monitoring.

I THANK YOU



## **1.2 Council Resolutions**

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of Mkhambathini Municipality for the financial year 2023/2024 and indicative allocations for the two projected outer years 2024/2025 and 2025/26, and the multi-year and single year capital appropriations are approved as set out in the following tables:
  - 1.1 Budgeted Financial Performance (revenue & expenditure by standard classification)
  - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)
  - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type)
  - 1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source
2. That the draft annual budget and Medium-Term Revenue and Expenditure Framework (MTEF) for the three-year period commencing in 2023/2024 financial year be adopted.
3. To take note of the operational and Capital budget for the outer years 2024/25 and 2025/2026.
4. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables
  - 4.1 Budgeted Financial Position
  - 4.2 Budgeted Cash Flows
  - 4.3 Cash backed reserves and accumulated surplus reconciliation
  - 4.4 Asset Management
  - 4.5 Basic service delivery measurement
5. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the Medium-Term Revenue and Expenditure Framework be adopted
6. To take note that provision was made for a general increase of 5.3% on Employee Related Costs and 5.3% provision for the Upper limits for Remuneration and allowances for Councillors, implementation being subject to the confirmation by the SALGBC for employees and approval by MEC for Co-operative Governance and Traditional Affairs for Councillors.

7. To take note that the Municipal Budget related polices, mSCOA Regulations, Integrated Development Plan, MFMA Budget Circular (122 &123) was observed and taken into account in the compilation of the budget.
8. Those copies of the budget are submitted to National Treasury, COGTA, and Provincial Treasury as per the requirements of the MFMA.
9. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as amended be adopted
10. That in terms of section 24(2) (c) (v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies as amended be adopted.
11. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in other Supporting Documents be adopted.
12. That the tabled budget for the year 2023/24 & indicative figures for the 2 projected outer years be adopted by Council as set out in the following schedules:
  - Table A1 Budget Summary
  - Table A2 Budgeted Financial Performance (By Standard Classification)
  - Table A3 Budgeted Financial Performance (By Municipal Vote)
  - Table A4 Budgeted Financial Performance (Revenue & Expenditure)
  - Table A5 Budgeted Capital Expenditure
  - Table A6 Budgeted Financial Position
  - Table A7 Budgeted Cash Flows
  - Table A8 Cash Backed Reserves
  - Table A9 Asset Management
  - Table A10 Basic Service Delivery Measurement
  
  - Supporting documents from SA1 – SA37

That once this budget is tabled the information be uploaded to the LG Portal with the necessary MSCOA information

### **1.3 Executive Summary**

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a revenue collection strategies to optimize the collection of debt owed by ratepayers. In addition to supplementing the declining revenue base, and reduction in grant funding the Municipality has introduced a refuse tariff to areas within the Municipality which refuse is being collected. The tariff which is being introduced will be reviewed during the course of the year to ensure that it is cost reflective and sustainable, however this is still a challenge as the service is only be carried out in the urban area of Camperdown.

National Treasury's MFMA No. 123 was used to guide the compilation of the 2023/24 MTREF.

The main challenges experienced during the compilation of the 2023/24 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy
- Aging and poorly maintained roads infrastructure
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and limited cash position of the municipality
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies
- Affordability of capital projects – allocations had to be reduced to grant funded projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2023/24 MTREF process; and
- The implementation of a sustainable refuse tariff

The following budget principles and guidelines directly informed the compilation of the 2023/24 MTREF:

- The 2022/23 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2023/24 annual budget
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the NT.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/2024 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2023/24 MTREF**

<b>Revenue</b>			
<b>Budget</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25 Yr 1</b>	<b>Budget 2025/26 Yr 2</b>
Equitable Share	83,212,000.00	89,327,000.00	88,224,000.00
Finance Management Grant	3,000,000.00	3,000,000.00	3,128,000.00
<b>MIG</b>	<b>18,392,000.00</b>	<b>19,041,000.00</b>	<b>19,718,000.00</b>
Arts and Culture	2,004,000.00	2,092,000.00	2,186,000.00
EPWP Grant	1,456,000.00	-	-
Rates	24,849,861.09	26,067,504.28	27,292,676.99
Refuse Removal	653,440.57	685,459.16	717,675.74
Operational Income	11,816,882.59	15,371,768.58	15,986,639.33
<b>TOTAL</b>	<b>145,384,184.25</b>	<b>155,584,732.03</b>	<b>157,252,992.05</b>
<b>INEP</b>	<b>22,855,000.00</b>	<b>10,449,000.00</b>	<b>10,917,000.00</b>
<b>TOTAL REVENUE</b>	<b>168,239,184.25</b>	<b>166,033,732.03</b>	<b>168,169,992.05</b>
<b>Expenditure</b>			
Salaries & Wages	49,690,450.94	52,125,288.00	54,575,173.00
Councillors Allowances	7,329,217.63	7,688,349.00	8,049,701.00
General Expenses	71,012,326.05	74,207,880.72	77,547,235.35
Repairs & Maintenance	12,918,800.00	13,500,146.00	14,107,652.57
<b>CAPITAL EXPENDITURE</b>	<b>22,922,000.00</b>	<b>20,541,000.00</b>	<b>20,918,000.00</b>
<b>TOTAL</b>	<b>163,872,794.62</b>	<b>168,062,663.72</b>	<b>175,197,761.92</b>
<b>INEP</b>	<b>22,855,000.00</b>	<b>10,449,000.00</b>	<b>10,917,000.00</b>
	<b>186,727,794.62</b>	<b>178,511,663.72</b>	<b>186,114,761.92</b>
<b>Supl/Dif</b>	<b>- 18,488,610.37</b>	<b>- 12,477,931.69</b>	<b>- 17,944,769.87</b>
<b>Non cash item</b>	<b>23,642,742.00</b>	<b>24,863,822.20</b>	<b>26,032,421.85</b>
<b>Dif</b>	<b>5,154,131.63</b>	<b>12,385,890.51</b>	<b>8,087,651.98</b>

Total operating revenue has decreased by R15 million for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operational revenue will increase in 2024/25 financial year by R 10 Million and increase in 2025/26 financial year by R 2 million.

The below table shows the revenue budget for the municipality.

Revenue

Departments	Equitable Share	Finance Management Grant	MIG	Arts and Culture	Loan	Small Town Development	EPWP Grant	Rates	Refuse Removal	Operational Income	Totals
Executive Department	6,656,960.00										6,656,960
Office of the Municipal M	9,153,320										9,153,320
Finance Services	12,481,800	3,000,000.00						24,849,861.09		3,278,142.52	43,609,804
Corporate Services	9,985,440									8,022,728.08	18,008,168
Library Services				2,004,000.00						23,035.44	2,027,035
Community & Social Se	19,970,880						1,456,000.00		653,440.57	8,593.66	22,088,914
Licensing department										-	-
Technical Services	24,963,600		18,392,000.00							484,382.90	43,839,983
	<b>83,212,000</b>	<b>3,000,000</b>	<b>18,392,000</b>	<b>2,004,000</b>	<b>-</b>	<b>-</b>	<b>1,456,000</b>	<b>24,849,861</b>	<b>653,441</b>	<b>11,816,883</b>	<b>145,384,184</b>

The below table shows the revenue budget for the municipality.

Expenditure

Departments	Salaries & Wages	Councillors Allowances	General Expenses	Repairs & Maintenance	CAPITAL EXPENDITURE	Total
Executive Department	-	7,329,218	1,276,692		-	8,605,910
Office of the Municipal Man	6,338,733		6,625,418	-	-	12,964,151
Finance Services	9,203,093		36,151,410		4,530,000	49,884,502
Corporate Services	9,672,322		7,705,660			17,377,982
Library Services	2,983,756		146,250			3,130,007
Community & Social Servid	13,789,914		17,761,000			31,550,914
Licensing department			675,944		-	675,944
Technical Services	7,702,633		669,952	12,918,800	18,392,000	39,683,386
	<b>49,690,451</b>	<b>7,329,218</b>	<b>71,012,326</b>	<b>12,918,800</b>	<b>22,922,000</b>	<b>163,872,795</b>

Total operating expenditure has decreased by R 17 million for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, expenditure will increase by 5 million in 2024/25 financial year and increase in 2025/26 financial year by R 7 million.

## Capital Expenditure

Details	Adjusted Budget	Budget 2023/24	Budget 2024/25 Yr 1	Budget 2025/26 Yr 2
<b>GRANTS &amp; SUBSIDIES</b>				
<b>National Government</b>				
Municipal Infrastructure Grant	17,781,000.00	18,392,000.00	19,041,000.00	19,718,000.00
Own funding	4,700,000.00	4,530,000.00	1,400,000.00	1,200,000.00
Laon				
	22,481,000.00	22,922,000.00	20,441,000.00	20,918,000.00

## EXPENDITURE

<b>Internal funding</b>				
New Computers and Printers	800,000.00	480,000.00	400,000.00	400,000.00
Municipal Vehicles	1,300,000.00	1,400,000.00	700,000.00	400,000.00
Generator		750,000.00		
Municipal Fencing		1,000,000.00		
Construction of Banqobile Sport field				
Furniture	2,540,552.26	900,000.00	400,000.00	400,000.00
	4,640,552.26	4,530,000.00	1,500,000.00	1,200,000.00
<b>MIG Funding</b>				
Muzingezwi Access Road/ Makholweni a	305,670.87	3,761,868.71		
Makhokhoba Access Road	2,420,915.36			
Banqobile Sport Filed	8,113,847.57			
Mkhize access Road	211,201.86		2,150,468.39	
Maqongdqa Taxi Rank	1,125,065.64	2,468,433.58		
Chibini Access Road	1,670,644.09	1,125,065.64		
Ngilanyoni Community Hall / Thimuni W7		7,612,107.39		
Stingini SportField			12,297,513.04	
Nkanyezini Sportfiel W3		3,424,524.68	4,593,018.57	
Norman Khanyile Community Hall W4				7,949,797.59
Ntweka Community Hall W5				5,224,602.41
Mboyi Community Hall W3				6,543,600.00
		18,392,000.00	19,041,000.00	19,718,000.00
Total Capital Expenditure		22,922,000.00	20,541,000.00	20,918,000.00

The Municipality received R18.3 million from municipal infrastructure grant for 2023/2024 financial year and will fund capital project by R4.5 million using its own revenue which makes the total of R22.9 for capital project. For the two outer years, capital will decrease by 2.4 million in 2024/25 financial year and increase in 2025/26 financial year by R 447 000.

The below table is the list for Electrification projects.

Project Name	Ward Number	Number of Connections	Committed Budget
Njibokazi#4 Electrification	Ward 4	294	R 9 855 000
Maqonqo#2 Electrification	Ward 1	300	R 8 100 000
Makholweni Emakholweni	Ward 6	90	R 2 000 000
Mpangisa#2 Electrification	Ward 6	52	R1 400 000
Dwebu #2 Electrification	Ward 6	58	R 1 500 000
<b>Total</b>		<b>794</b>	<b>R 22 855 000</b>

## 1.4 Operating Revenue Framework

For Mkhambathini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy

- Growth in the Municipality and continued economic development
- Efficient revenue management, which aims to ensure a 85 per cent annual collection rate for property rates and other key service charges over the next two financial years.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

**KZN 226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue management)**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	528	533	556	621	621	621	497	653	685	718
Sale of Goods and Rendering of Services		378	2,722	1,577	1,653	502	502	492	529	555	561
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		19	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		4,286	2,596	2,242	1,975	3,475	3,475	1,365	3,100	3,252	3,405
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,580	2,442	2,962	2,699	2,396	2,396	2,289	74	77	81
Licence and permits		4,704	5,349	5,825	7,554	7,560	7,560	5,930	7,961	8,351	8,743
Operational Revenue		157	522	199	144	144	144	129	81	85	89
<b>Non-Exchange Revenue</b>											
Property rates	2	15,048	16,789	21,130	20,088	21,288	21,288	17,779	24,850	26,068	27,293
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		25	0	1	5	2	2	1	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		69,092	85,494	76,559	84,194	92,894	92,894	92,686	89,672	94,419	93,538
Interest		941	(20)	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and cont</b>		<b>97,757</b>	<b>116,429</b>	<b>111,052</b>	<b>118,932</b>	<b>128,882</b>	<b>128,882</b>	<b>121,168</b>	<b>126,922</b>	<b>133,494</b>	<b>134,449</b>

**Table 3 Percentage growth in revenue by main revenue source**

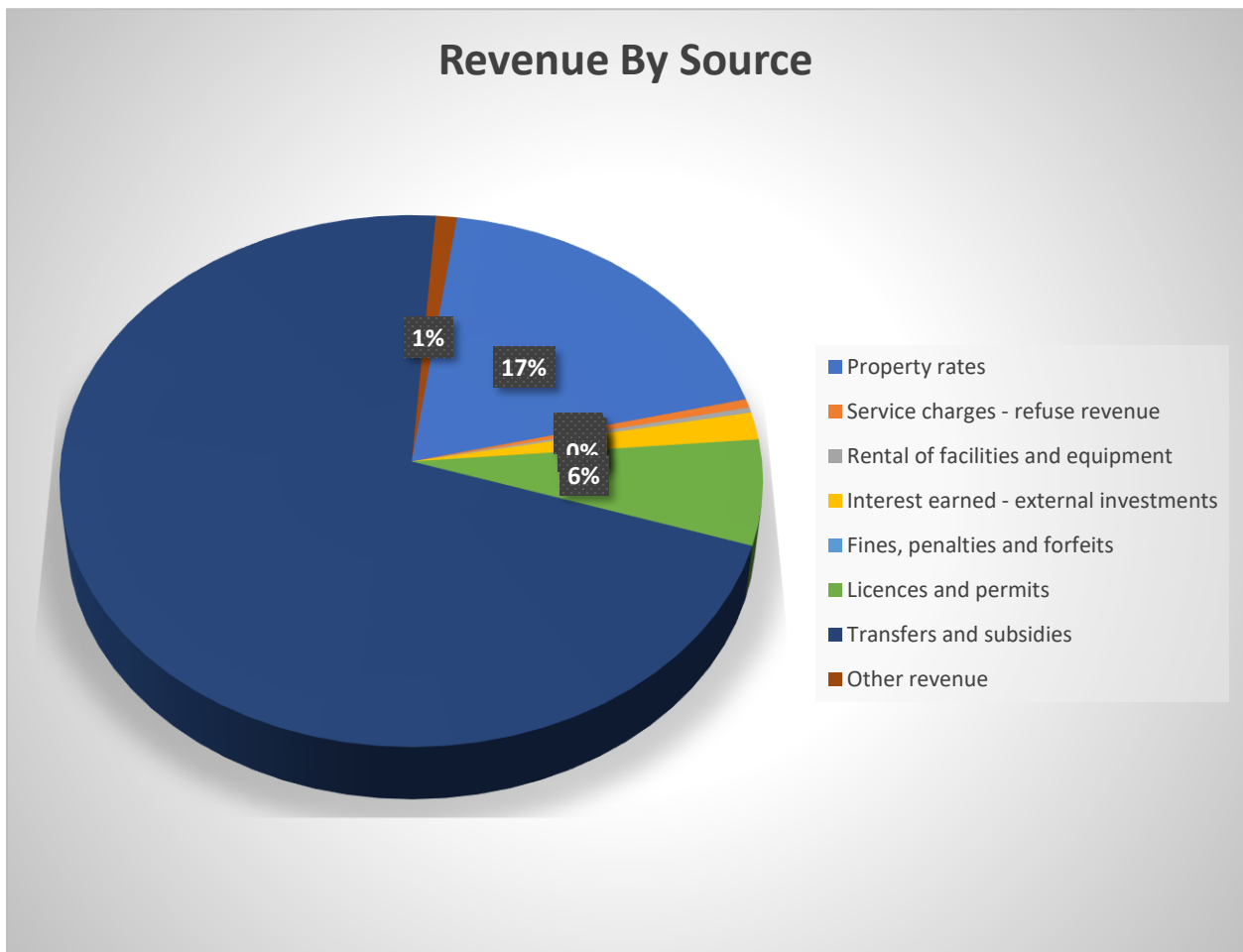
Revenue generated from rates forms a minor part of income generated by the Municipality. The majority of Municipal revenue come from equitable share. Operating Grants & Subsidies are also a source.



The format prescribed by National Treasury has been used to prepare the above schedule and the operating statement has excluded the capital transfers to allow the user to see whether the operating activities of municipality results to the deficit or surplus.

The municipality depends on grants mostly. The total projected income of R126 million will be received from grants (70.65%), Property Rates (19.58%), licences and permits (6%), interest earned from investment (3%), other revenue (0%) and Service charges – refuse (1%).

The revenue as per chart is as follows:



**Table 4 Operating Transfers and Grant Receipts**

KZN226 Mkhambathini - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		66,608	83,678	74,649	81,902	90,390	90,390	87,668	92,327	91,352
EPWP Incentive	--	1,440	1,143	1,329	1,671	1,671	1,671	1,456	--	--
Finance Management	--	2,435	2,800	2,850	2,712	3,000	3,000	3,000	3,000	3,128
Local Government Equitable Share	--	62,733	79,735	70,470	77,519	77,519	77,519	83,212	89,327	88,224
Municipal Disaster Recovery Grant	--	--	--	--	--	8,200	8,200	--	--	--
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		1,714	1,816	1,910	2,004	2,004	2,004	2,004	2,092	2,186
Library Art and Culture		1,714	1,816	1,910	2,004	2,004	2,004	2,004	2,092	2,186
<b>District Municipality:</b> [insert description]		--	--	--	--	--	--	--	--	--
<b>Other grant providers:</b> [insert description]		--	--	--	--	--	--	--	--	--
<b>Total Operating Transfers and Grants</b>	5	68,322	85,494	76,559	83,906	92,394	92,394	89,672	94,419	93,538
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		21,543	30,800	49,866	32,781	32,781	32,781	40,947	29,490	30,635
Municipal Infrastructure Grant (MIG)	--	16,076	25,800	31,755	17,781	17,781	17,781	18,392	19,041	19,718
Integrated City Development Grant	--	--	--	--	--	--	--	--	--	--
Integrated National Electrification Programme Grant	--	5,467	5,000	18,111	15,000	15,000	15,000	22,555	10,448	10,917
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		--	--	14,420	--	14,000	14,000	--	--	--
Small Town Development Grant				14,420		14,000	14,000			
<b>District Municipality:</b> [insert description]		--	--	--	--	--	--	--	--	--
<b>Other grant providers:</b> [insert description]		--	--	--	--	--	--	--	--	--
<b>Total Capital Transfers and Grants</b>	5	21,543	30,800	64,286	32,781	46,781	46,781	40,947	29,490	30,635
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		89,865	116,294	140,845	116,687	139,175	139,175	130,619	123,909	124,173

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Property Rates**

Property rates cover the cost of the provision of general services and repairs and maintenance. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No.58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA). In addition to this rebate, a further R285 000 reduction on the market value of a property will be granted in terms of Mkhambathini Municipality's proposed Property Rates Policy implemented in 2019/2020 to address the value of the properties for indigent household taking into account the RDP House value.

The proposed property rates tariff for 2023/24 financial year has been calculated in compliance with the MPRA regulations which stipulate the ratios of tariffs per category. It must be noted that the previous year's tariffs were not complying with the MPRA regulations when it comes to ratios per category. The revenue forgone has been calculated to R 1 829 390 based on the R285 000 reduction amount on all residential properties and 20% rebate for all properties owned by pensioners.

**Table 5 MBRR Table SA14 – Household bills**

Choose name from list - Supporting Table SA14 Household bills

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>											
Rates and services charges:	1										
Property rates		431.00	560.00	593.00	593.00	593.00	593.00	-	0.80	666.29	704.94
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		431.00	560.00	593.00	593.00	593.00	593.00	(99.9%)	0.80	666.29	704.94
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total large household bill:</b>		<b>431.00</b>	<b>560.00</b>	<b>593.00</b>	<b>593.00</b>	<b>593.00</b>	<b>593.00</b>	<b>(99.9%)</b>	<b>0.80</b>	<b>666.29</b>	<b>704.94</b>
<b>% increase/-decrease</b>			<b>29.9%</b>	<b>5.9%</b>					<b>(99.9%)</b>	<b>83,186.3%</b>	<b>5.8%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>											
Rates and services charges:	2										
Property rates		-	-	-	-	-	-	-	-	477.42	505.11
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	477.42	505.11
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>477.42</b>	<b>505.11</b>
<b>% increase/-decrease</b>											<b>5.8%</b>
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>											
Rates and services charges:	3										
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase/-decrease</b>											

### 1.5 Operating Expenditure Framework

The Municipality’s expenditure framework for the 2023/24 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	528	533	556	621	621	621	497	653	685	718
Sale of Goods and Rendering of Services		378	2,722	1,577	1,653	502	502	492	529	555	581
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		19	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		4,286	2,596	2,242	1,975	3,475	3,475	1,365	3,100	3,252	3,405
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,580	2,442	2,962	2,699	2,396	2,396	2,289	74	77	81
Licence and permits		4,704	5,349	5,825	7,554	7,560	7,560	5,930	7,961	8,351	8,743
Operational Revenue		157	522	199	144	144	144	129	81	85	89
<b>Non-Exchange Revenue</b>											
Property rates	2	15,048	16,789	21,130	20,088	21,288	21,288	17,779	24,850	26,068	27,293
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		25	0	1	5	2	2	1	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		69,092	85,494	76,559	84,194	92,894	92,894	92,686	89,672	94,419	93,538
Interest		941	(20)	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and cont</b>		<b>97,757</b>	<b>116,429</b>	<b>111,052</b>	<b>118,932</b>	<b>128,882</b>	<b>128,882</b>	<b>121,168</b>	<b>126,922</b>	<b>133,494</b>	<b>134,449</b>
<b>Expenditure</b>											
Employee related costs	2	36,529	43,215	51,093	53,084	47,384	47,384	42,843	49,690	52,125	54,575
Remuneration of councillors		6,024	6,022	5,883	6,960	6,960	6,960	5,266	7,329	7,688	8,050
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	2,898	4,445	2,997	3,640	3,288	3,288	2,903	4,627	5,546	5,807
Debt impairment	3	-	-	-	-	-	-	-	11,000	11,539	12,081
Depreciation and amortisation		9,319	10,760	11,763	11,916	12,063	12,063	9,053	12,643	13,045	13,658
Interest		4	0	1	-	-	-	39	-	-	-
Contracted services		27,530	38,107	47,030	26,842	35,854	35,854	33,584	29,033	30,273	31,887
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		4,890	5,167	10,590	5,221	10,590	10,590	-	-	-	-
Operational costs		13,860	23,858	25,909	18,948	26,575	26,575	19,365	26,286	27,302	28,460
Losses on disposal of Assets		261	1,659	367	-	-	-	-	-	-	-
Other Losses		(147)	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>101,166</b>	<b>133,233</b>	<b>155,633</b>	<b>126,611</b>	<b>142,714</b>	<b>142,714</b>	<b>113,053</b>	<b>140,608</b>	<b>147,518</b>	<b>154,518</b>
<b>Surplus/(Deficit)</b>		<b>(3,409)</b>	<b>(16,803)</b>	<b>(44,582)</b>	<b>(7,679)</b>	<b>(13,833)</b>	<b>(13,833)</b>	<b>8,115</b>	<b>(13,687)</b>	<b>(14,024)</b>	<b>(20,068)</b>
Transfers and subsidies - capital (monetary)	6	16,064	25,786	46,152	17,773	31,766	31,766	36,429	18,392	19,041	19,718
Transfers and subsidies - capital (in-kind)	6	120	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>

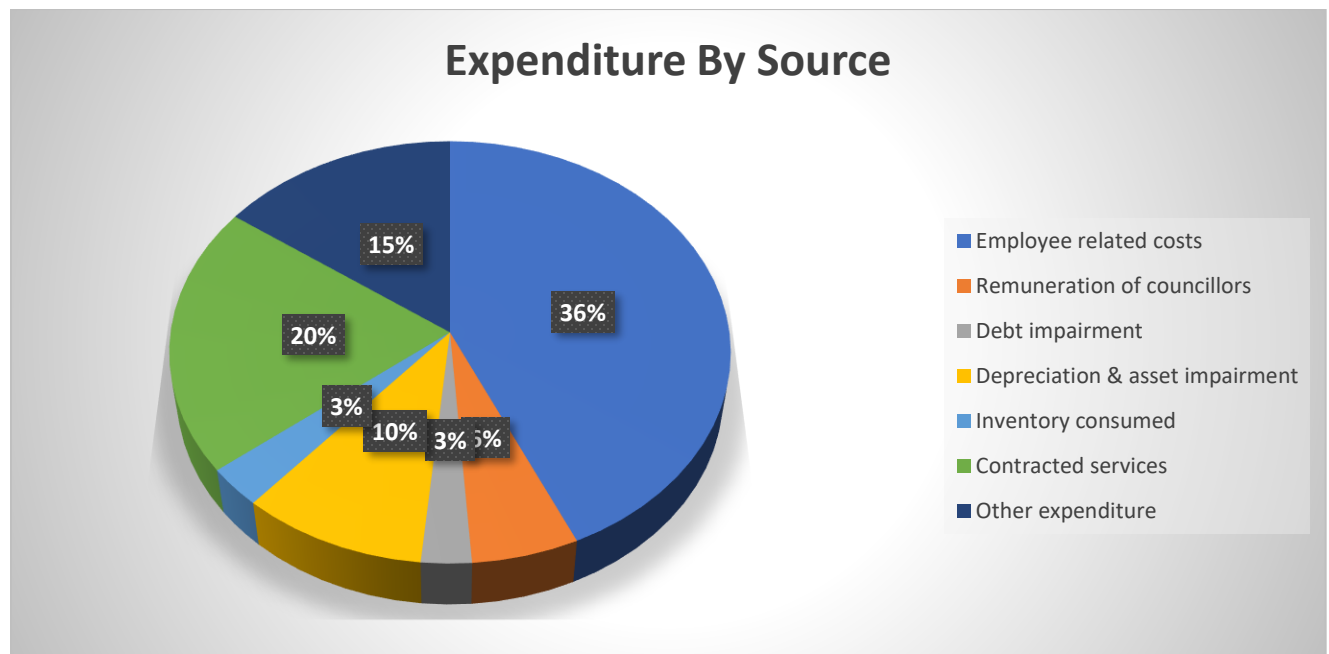
Table 6 Summary of operating expenditure by standard classification item

The budgeted allocation for employee related costs for the 2023/24 financial year totals R49 million, which equals 36 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 5,3 per cent for the 2023/24 financial year. An annual increase on salaries of 5 per cent has been included in the two outer years of the MTREF to be conservative and implement cost cutting measures. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 12 million for the 2023/24 financial and equates to 9.8 per cent of the total operating expenditure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 5 percent for 5 and curbed at 5 per cent for the two outer years, indicating that significant cost savings have been already realised.

**The expenditure as per chart is as follows:**



### **1.5.1 Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2023/24 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance

### **1.5.2 Free Basic Services: Basic Social Services Package**

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. And takes the form of social relief for the family of deceased persons who are destitute without income.

**Table 7 Operational repairs and maintenance**

# MKHAMBATHINI MUNICIPALITY 2023/24 Original Budget and MTREF

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2019/20			2020/21			2021/22			Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26						
<b>R thousand</b>	1															
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>																
<b>Infrastructure</b>		3,998	14,306	16,377	2,100	9,306	9,306	9,000	9,441	9,885						
Roads Infrastructure		3,998	14,306	16,377	2,100	9,306	9,306	9,000	9,441	9,885						
Roads		2,430	13,883	15,789	-	7,130	-	-	-	-						
Road Structures		1,568	423	588	2,100	2,176	2,176	9,000	9,441	9,885						
Road Furniture		-	-	-	-	-	-	-	-	-						
Capital Spares		-	-	-	-	-	-	-	-	-						
Stormwater Infrastructure		-	-	-	-	-	-	-	-	-						
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-						
Data Centres		-	-	-	-	-	-	-	-	-						
Core Layers		-	-	-	-	-	-	-	-	-						
Distribution Layers		-	-	-	-	-	-	-	-	-						
Capital Spares		-	-	-	-	-	-	-	-	-						
<b>Community Assets</b>		5,084	2,960	2,498	3,900	840	840	1,400	1,469	1,538						
Community Facilities		1,951	2,452	2,426	2,100	540	540	700	734	769						
Halls		1,699	2,452	2,426	2,100	540	540	700	734	769						
Centres		-	-	-	-	-	-	-	-	-						
Crèches		252	-	-	-	-	-	-	-	-						
Clinics/Care Centres		-	-	-	-	-	-	-	-	-						
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-						
Testing Stations		-	-	-	-	-	-	-	-	-						
Museums		-	-	-	-	-	-	-	-	-						
Galleries		-	-	-	-	-	-	-	-	-						
Theatres		-	-	-	-	-	-	-	-	-						
Libraries		-	-	-	-	-	-	-	-	-						
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-						
Police		-	-	-	-	-	-	-	-	-						
Parks		-	-	-	-	-	-	-	-	-						
Public Open Space		-	-	-	-	-	-	-	-	-						
Nature Reserves		-	-	-	-	-	-	-	-	-						
Public Ablution Facilities		-	-	-	-	-	-	-	-	-						
Markets		-	-	-	-	-	-	-	-	-						
Stalls		-	-	-	-	-	-	-	-	-						
Abattoirs		-	-	-	-	-	-	-	-	-						
Airports		-	-	-	-	-	-	-	-	-						
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-						
Capital Spares		-	-	-	-	-	-	-	-	-						
Sport and Recreation Facilities		3,133	509	73	1,800	300	300	700	734	769						
Indoor Facilities		-	-	-	-	-	-	-	-	-						
Outdoor Facilities		3,133	509	73	1,800	300	300	700	734	769						
Capital Spares		-	-	-	-	-	-	-	-	-						
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-						
Monuments		-	-	-	-	-	-	-	-	-						
Historic Buildings		-	-	-	-	-	-	-	-	-						
Works of Art		-	-	-	-	-	-	-	-	-						
Conservation Areas		-	-	-	-	-	-	-	-	-						
Other Heritage		-	-	-	-	-	-	-	-	-						
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-						
Revenue Generating		-	-	-	-	-	-	-	-	-						
Improved Property		-	-	-	-	-	-	-	-	-						
Unimproved Property		-	-	-	-	-	-	-	-	-						
Non-revenue Generating		-	-	-	-	-	-	-	-	-						
Improved Property		-	-	-	-	-	-	-	-	-						
Unimproved Property		-	-	-	-	-	-	-	-	-						
<b>Other assets</b>		1,065	9,086	14,117	5,900	11,500	11,500	2,100	2,021	2,306						
Operational Buildings		1,065	9,086	14,117	5,900	11,500	11,500	2,100	2,021	2,306						
Municipal Offices		1,065	8,501	13,937	5,900	11,500	11,500	2,100	2,021	2,306						
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-						
Building Plan Offices		-	585	180	-	-	-	-	-	-						
Workshops		-	-	-	-	-	-	-	-	-						
Yards		-	-	-	-	-	-	-	-	-						
Stores		-	-	-	-	-	-	-	-	-						
Laboratories		-	-	-	-	-	-	-	-	-						
Training Centres		-	-	-	-	-	-	-	-	-						
Unspecified		-	-	-	-	-	-	-	-	-						
<b>Computer Equipment</b>		1	554	8	-	-	-	-	-	-						
Computer Equipment		1	554	8	-	-	-	-	-	-						
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-						
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-						
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-						
Machinery and Equipment		-	-	-	-	-	-	-	-	-						
<b>Transport Assets</b>		600	765	266	400	500	500	419	439	460						
Transport Assets		600	765	266	400	500	500	419	439	460						
<b>Land</b>		-	-	-	-	-	-	-	-	-						
Land		-	-	-	-	-	-	-	-	-						
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-						
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-						
<b>Living resources</b>		-	-	-	-	-	-	-	-	-						
Mature		-	-	-	-	-	-	-	-	-						
Poling and Protection		-	-	-	-	-	-	-	-	-						
Zoological plants and animals		-	-	-	-	-	-	-	-	-						
Immature		-	-	-	-	-	-	-	-	-						
Poling and Protection		-	-	-	-	-	-	-	-	-						
Zoological plants and animals		-	-	-	-	-	-	-	-	-						
<b>Total Repairs and Maintenance Expenditure</b>	1	10,747	27,671	33,266	12,300	22,146	22,146	12,919	13,370	14,189						



## **1.6 Capital expenditure**

The following table provides a breakdown of budgeted capital expenditure by vote:

MKHAMBATHINI MUNICIPALITY 2023/24 Original Budget and MTREF

Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		71,583	92,921	123,152	10,810	15,217	15,217	7,355	2,150	--
Roads Infrastructure		71,583	92,921	123,152	10,810	15,217	15,217	7,355	2,150	--
Roads		71,583	90,804	118,878	4,867	7,426	7,426	4,887	2,150	--
Road Structures		--	--	--	4,974	1,947	1,947	2,468	--	--
Road Furniture		--	2,117	4,274	969	5,844	5,844	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Stormwater Infrastructure		--	--	--	--	--	--	--	--	--
Drainage Collection		--	--	--	--	--	--	--	--	--
Stormwater Conveyance		--	--	--	--	--	--	--	--	--
Attenuation		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
<b>Community Assets</b>		108,999	119,758	132,472	4,651	14,959	14,959	11,037	16,891	19,718
Community Facilities		108,999	119,758	124,725	--	7,713	7,713	7,612	--	19,718
Halls		9,336	9,225	13,942	--	--	--	7,612	--	19,718
Centres		--	--	--	--	--	--	--	--	--
Crèches		99,664	110,533	110,783	--	--	--	--	--	--
Clinics/Care Centres		--	--	--	--	--	--	--	--	--
Fire/Ambulance Stations		--	--	--	--	--	--	--	--	--
Public Ablution Facilities		--	--	--	--	--	--	--	--	--
Markets		--	--	--	--	2,560	2,560	--	--	--
Stalls		--	--	--	--	--	--	--	--	--
Abattoirs		--	--	--	--	--	--	--	--	--
Airports		--	--	--	--	--	--	--	--	--
Taxi Ranks/Bus Terminals		--	--	--	--	5,153	5,153	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		--	--	7,748	4,651	7,246	7,246	3,425	16,891	--
Indoor Facilities		--	--	--	--	--	--	--	--	--
Outdoor Facilities		--	--	7,748	4,651	7,246	7,246	3,425	16,891	--
Capital Spares		--	--	--	--	--	--	--	--	--
<b>Heritage assets</b>		--	--	--	--	--	--	--	--	--
Monuments		--	--	--	--	--	--	--	--	--
Historic Buildings		--	--	--	--	--	--	--	--	--
Works of Art		--	--	--	--	--	--	--	--	--
Conservation Areas		--	--	--	--	--	--	--	--	--
Other Heritage		--	--	--	--	--	--	--	--	--
<b>Investment properties</b>		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Improved Property		--	--	--	--	--	--	--	--	--
Unimproved Property		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Improved Property		--	--	--	--	--	--	--	--	--
Unimproved Property		--	--	--	--	--	--	--	--	--
<b>Other assets</b>		13,182	13,812	14,857	--	--	--	--	--	--
Operational Buildings		13,182	13,812	14,857	--	--	--	--	--	--
Municipal Offices		13,182	13,812	14,857	--	--	--	--	--	--
Pay/Enquiry Points		--	--	--	--	--	--	--	--	--
Building Plan Offices		--	--	--	--	--	--	--	--	--
Depots		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Staff Housing		--	--	--	--	--	--	--	--	--
Social Housing		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
<b>Biological or Cultivated Assets</b>		--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
<b>Intangible Assets</b>		1,383	1,272	1,272	--	--	--	--	--	--
Servitudes		--	--	--	--	--	--	--	--	--
Licences and Rights		1,383	1,272	1,272	--	--	--	--	--	--
Water Rights		--	--	--	--	--	--	--	--	--
Effluent Licenses		--	--	--	--	--	--	--	--	--
Solid Waste Licenses		--	--	--	--	--	--	--	--	--
Computer Software and Applications		1,383	1,272	1,272	--	--	--	--	--	--
Load Settlement Software Applications		--	--	--	--	--	--	--	--	--
Unspecified		--	--	--	--	--	--	--	--	--
<b>Computer Equipment</b>		978	2,219	2,410	800	800	800	480	400	400
Computer Equipment		978	2,219	2,410	800	800	800	480	400	400
<b>Furniture and Office Equipment</b>		5,389	2,941	3,118	400	400	400	900	400	400
Furniture and Office Equipment		5,389	2,941	3,118	400	400	400	900	400	400
<b>Machinery and Equipment</b>		--	--	--	--	--	--	750	--	--
Machinery and Equipment		--	--	--	--	--	--	750	--	--
<b>Transport Assets</b>		4,779	7,405	7,939	--	--	--	--	--	--
Transport Assets		4,779	7,405	7,939	--	--	--	--	--	--
<b>Land</b>		10,405	10,965	10,965	--	--	--	--	--	--
Land		10,405	10,965	10,965	--	--	--	--	--	--
<b>Zoo's, Marine and Non-biological Animals</b>		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
<b>Living resources</b>		--	--	--	--	--	--	--	--	--
Matire		--	--	--	--	--	--	--	--	--
Polcing and Protection		--	--	--	--	--	--	--	--	--
Zoological plants and animals		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Polcing and Protection		--	--	--	--	--	--	--	--	--
Zoological plants and animals		--	--	--	--	--	--	--	--	--
<b>Total Capital Expenditure on new assets</b>	1	216,699	251,292	296,184	16,662	31,376	31,376	20,522	19,841	20,518

**Annual Budget Tables - Parent Municipality**

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2023/24 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 8 MBRR Table A1 - Budget Summary

Choose name from list - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	15,048	16,789	21,130	20,088	21,288	21,288	17,779	24,850	26,068	27,293
Service charges	528	533	556	621	621	621	497	653	685	718
Investment revenue	4,286	2,596	2,242	1,975	3,475	3,475	1,365	3,100	3,252	3,405
Transfer and subsidies - Operational	69,092	85,494	76,559	84,194	92,894	92,894	92,686	89,672	94,419	93,538
Other own revenue	8,803	11,017	10,565	12,054	10,604	10,604	8,841	8,646	9,070	9,496
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>97,757</b>	<b>116,429</b>	<b>111,052</b>	<b>118,932</b>	<b>128,882</b>	<b>128,882</b>	<b>121,168</b>	<b>126,922</b>	<b>133,494</b>	<b>134,449</b>
Employee costs	36,529	43,215	51,093	53,084	47,384	47,384	42,843	49,690	52,125	54,575
Remuneration of councillors	6,024	6,022	5,883	6,960	6,960	6,960	5,266	7,329	7,688	8,050
Depreciation and amortisation	9,319	10,760	11,763	11,916	12,063	12,063	9,053	12,643	13,045	13,658
Interest	4	0	1	-	-	-	39	-	-	-
Inventory consumed and bulk purchases	2,898	4,445	2,997	3,640	3,288	3,288	2,903	4,627	5,546	5,807
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	46,393	68,790	83,897	51,012	73,019	73,019	52,949	66,319	69,114	72,428
<b>Total Expenditure</b>	<b>101,166</b>	<b>133,233</b>	<b>155,633</b>	<b>126,611</b>	<b>142,714</b>	<b>142,714</b>	<b>113,053</b>	<b>140,608</b>	<b>147,518</b>	<b>154,518</b>
<b>Surplus/(Deficit)</b>	<b>(3,409)</b>	<b>(16,803)</b>	<b>(44,582)</b>	<b>(7,679)</b>	<b>(13,833)</b>	<b>(13,833)</b>	<b>8,115</b>	<b>(13,687)</b>	<b>(14,024)</b>	<b>(20,068)</b>
Transfers and subsidies - capital (monetary allocations)	16,064	25,786	46,152	17,773	31,766	31,766	36,429	18,392	19,041	19,718
Transfers and subsidies - capital (in-kind)	120	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>22,059</b>	<b>34,597</b>	<b>44,892</b>	<b>17,962</b>	<b>32,676</b>	<b>32,676</b>	<b>332,932</b>	<b>22,922</b>	<b>20,541</b>	<b>20,918</b>
Transfers recognised - capital	11,772	6,582	32,709	15,462	27,636	27,636	199,482	18,392	19,041	19,718
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	10,287	28,015	12,182	2,500	5,041	5,041	133,450	4,530	1,500	1,200
<b>Total sources of capital funds</b>	<b>22,059</b>	<b>34,597</b>	<b>44,892</b>	<b>17,962</b>	<b>32,676</b>	<b>32,676</b>	<b>332,932</b>	<b>22,922</b>	<b>20,541</b>	<b>20,918</b>
<b>Financial position</b>										
Total current assets	85,893	72,295	59,522	82,996	70,169	70,169	54,186	74,061	(3,100)	(8,260)
Total non current assets	161,801	189,308	223,285	231,369	244,042	244,042	251,142	210,346	7,496	7,260
Total current liabilities	13,211	16,279	35,061	56,592	(24,662)	(24,662)	13,038	10,395	212	222
Total non current liabilities	(2,271)	(693)	1,009	3,269	7,019	7,019	1,009	7,019	-	-
Community wealth/Equity	232,109	242,162	243,732	250,123	329,347	329,347	285,768	265,180	5,017	(350)
<b>Cash flows</b>										
Net cash from (used) operating	-	-	-	78,551	25,044	25,044	30,000	7,806	10,366	8,569
Net cash from (used) investing	-	-	-	20,281	36,481	36,481	-	(26,360)	(23,622)	(24,056)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,832</b>	<b>61,525</b>	<b>61,525</b>	<b>30,000</b>	<b>34,687</b>	<b>21,431</b>	<b>5,944</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	66,166	51,234	54,250	42,302	81,466	81,466	44,794	45,594	(4,209)	(6,015)
Application of cash and investments	7,852	9,614	12,304	32,348	(31,263)	(31,263)	5,406	2,940	1,571	2,452
<b>Balance - surplus (shortfall)</b>	<b>58,314</b>	<b>41,620</b>	<b>41,946</b>	<b>9,955</b>	<b>112,729</b>	<b>112,729</b>	<b>39,388</b>	<b>42,654</b>	<b>(5,780)</b>	<b>(8,467)</b>
<b>Asset management</b>										
Asset register summary (WDV)	161,801	189,308	223,285	170,842	195,930	195,930	162,234	162,234	7,496	7,260
Depreciation	9,319	10,760	11,763	11,916	12,063	12,063	12,643	12,643	13,045	13,658
Renewal and Upgrading of Existing Assets	0	4	4	1,300	1,300	1,300	2,400	2,400	700	400
Repairs and Maintenance	10,747	27,671	33,266	12,300	22,146	22,146	12,919	12,919	13,370	14,189
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	2,229	4,699	4,913	1,621	3,421	3,421	3,618	3,795	3,974	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	25	25	26	27	27	27	28	28	28	-

### **Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

**Table 9 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		106,050	132,080	132,945	124,961	127,361	127,361	134,272	140,963	142,056
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		106,050	132,080	132,945	124,961	127,361	127,361	134,272	140,963	142,056
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2,502	1,833	1,936	2,028	10,726	10,726	2,027	2,116	2,211
Community and social services		2,477	1,833	1,936	2,028	10,726	10,726	2,027	2,116	2,211
Sport and recreation		25	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		156	2,419	15,941	1,541	14,380	14,380	400	420	439
Planning and development		133	2,419	1,521	1,541	380	380	400	420	439
Road transport		23	-	14,420	-	14,000	14,000	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		528	533	556	621	621	621	653	685	718
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		528	533	556	621	621	621	653	685	718
<i>Other</i>	4	4,704	5,349	5,825	7,554	7,560	7,560	7,961	8,351	8,743
<b>Total Revenue - Functional</b>	2	113,941	142,216	157,203	136,705	160,648	160,648	145,314	152,535	154,167
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		58,263	74,907	94,549	78,861	92,092	92,092	89,810	93,367	97,673
Executive and council		12,620	17,490	19,515	19,133	19,189	19,189	18,851	19,774	20,704
Finance and administration		45,643	57,417	75,034	59,728	72,903	72,903	70,959	73,593	76,969
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		18,243	22,131	28,573	30,514	38,959	38,959	32,975	35,560	37,380
Community and social services		14,040	20,931	27,845	26,898	30,396	30,396	30,086	32,529	34,206
Sport and recreation		4,086	1,091	676	3,262	2,733	2,733	2,564	2,690	2,816
Public safety		2	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		115	110	52	354	5,831	5,831	325	341	357
<i>Economic and environmental services</i>		11,984	23,087	22,887	10,045	10,134	10,134	17,288	18,135	18,988
Planning and development		1,695	2,433	316	620	634	634	569	596	624
Road transport		10,289	20,654	22,571	9,424	9,500	9,500	16,720	17,539	18,363
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		8,849	12,138	9,170	6,550	888	888	557	584	612
Energy sources		6,224	10,433	5,567	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2,626	1,705	3,603	6,550	888	888	557	584	612
<i>Other</i>	4	3,827	969	454	642	642	642	672	704	737
<b>Total Expenditure - Functional</b>	3	101,166	133,233	155,633	126,611	142,714	142,714	141,302	148,350	155,389
<b>Surplus/(Deficit) for the year</b>		12,775	8,983	1,570	10,094	17,934	17,934	4,011	4,185	(1,221)

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. 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 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

**Table 10 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>	1									
Vote 1 - Finance and Administration		106,050	132,080	132,945	124,961	127,361	127,361	134,272	140,963	142,056
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2,477	1,833	1,929	2,028	10,226	10,226	2,027	2,116	2,211
Vote 5 - Community and Social Services2		-	-	8	-	500	500	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		23	-	14,420	-	14,000	14,000	-	-	-
Vote 8 - Planning and Development		133	2,419	1,521	1,541	380	380	400	420	439
Vote 9 - Sport and Recreation		25	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 11 - Other		4,704	5,349	5,825	7,554	7,560	7,560	7,961	8,351	8,743
Vote 12 - [NAME OF VOTE 1210]		528	533	556	621	621	621	653	688	718
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>113,941</b>	<b>142,216</b>	<b>157,203</b>	<b>136,705</b>	<b>160,648</b>	<b>160,648</b>	<b>145,314</b>	<b>152,535</b>	<b>154,167</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Finance and Administration		45,572	57,362	74,982	59,458	72,633	72,633	70,959	73,593	76,969
Vote 2 - Finance and Administration2		71	55	52	270	270	270	-	-	-
Vote 3 - Executive and Council		12,620	17,490	19,515	19,133	19,189	19,189	18,851	19,774	20,704
Vote 4 - Community and Social Services		5,197	5,673	7,366	9,042	14,234	14,234	14,456	15,818	16,711
Vote 5 - Community and Social Services2		8,843	15,590	20,479	17,856	16,162	16,162	15,630	16,710	17,496
Vote 6 - Energy Sources		6,224	10,433	5,567	-	-	-	-	-	-
Vote 7 - Road Transport		10,289	20,654	22,571	9,424	9,500	9,500	16,720	17,539	18,363
Vote 8 - Planning and Development		1,695	2,433	316	620	634	634	569	596	624
Vote 9 - Sport and Recreation		4,086	1,091	676	3,262	2,733	2,733	2,564	2,690	2,816
Vote 10 - Public Safety		2	-	-	-	-	-	-	-	-
Vote 11 - Other		3,827	636	454	642	642	642	672	704	737
Vote 12 - [NAME OF VOTE 1210]		2,626	1,705	3,603	6,550	888	888	557	584	612
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		115	110	52	354	5,831	5,831	325	341	357
<b>Total Expenditure by Vote</b>	2	<b>101,166</b>	<b>133,233</b>	<b>155,633</b>	<b>126,611</b>	<b>142,714</b>	<b>142,714</b>	<b>141,302</b>	<b>148,350</b>	<b>155,389</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>4,011</b>	<b>4,185</b>	<b>(1,221)</b>



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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	528	533	556	621	621	621	497	653	685	718
Sale of Goods and Rendering of Services		378	2,722	1,577	1,653	502	502	492	529	555	581
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		19	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		4,286	2,596	2,242	1,975	3,475	3,475	1,365	3,100	3,252	3,405
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,580	2,442	2,962	2,699	2,396	2,396	2,289	74	77	81
Licence and permits		4,704	5,349	5,825	7,554	7,560	7,560	5,930	7,961	8,351	8,743
Operational Revenue		157	522	199	144	144	144	129	81	85	89
<b>Non-Exchange Revenue</b>											
Property rates	2	15,048	16,789	21,130	20,088	21,288	21,288	17,779	24,850	26,068	27,293
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		25	0	1	5	2	2	1	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		69,092	85,494	76,559	84,194	92,894	92,894	92,686	89,672	94,419	93,538
Interest		941	(20)	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and cont</b>		<b>97,757</b>	<b>116,429</b>	<b>111,052</b>	<b>118,932</b>	<b>128,882</b>	<b>128,882</b>	<b>121,168</b>	<b>126,922</b>	<b>133,494</b>	<b>134,449</b>
<b>Expenditure</b>											
Employee related costs	2	36,529	43,215	51,093	53,084	47,384	47,384	42,843	49,690	52,125	54,575
Remuneration of councillors		6,024	6,022	5,883	6,960	6,960	6,960	5,266	7,329	7,688	8,050
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	2,898	4,445	2,997	3,640	3,288	3,288	2,903	4,627	5,546	5,807
Debt impairment	3	-	-	-	-	-	-	-	11,000	11,539	12,081
Depreciation and amortisation		9,319	10,760	11,763	11,916	12,063	12,063	9,053	12,643	13,045	13,658
Interest		4	0	1	-	-	-	39	-	-	-
Contracted services		27,530	38,107	47,030	26,842	35,854	35,854	33,584	29,033	30,273	31,887
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		4,890	5,167	10,590	5,221	10,590	10,590	-	-	-	-
Operational costs		13,860	23,858	25,909	18,948	26,575	26,575	19,365	26,286	27,302	28,460
Losses on disposal of Assets		261	1,659	367	-	-	-	-	-	-	-
Other Losses		(147)	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>101,166</b>	<b>133,233</b>	<b>155,633</b>	<b>126,611</b>	<b>142,714</b>	<b>142,714</b>	<b>113,053</b>	<b>140,608</b>	<b>147,518</b>	<b>154,518</b>
<b>Surplus/(Deficit)</b>		<b>(3,409)</b>	<b>(16,803)</b>	<b>(44,582)</b>	<b>(7,679)</b>	<b>(13,833)</b>	<b>(13,833)</b>	<b>8,115</b>	<b>(13,687)</b>	<b>(14,024)</b>	<b>(20,068)</b>
Transfers and subsidies - capital (monetary)	6	16,064	25,786	46,152	17,773	31,766	31,766	36,429	18,392	19,041	19,718
Transfers and subsidies - capital (in-kind)	6	120	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>10,094</b>	<b>17,934</b>	<b>17,934</b>	<b>44,543</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R126 million in 2023/24 and escalates to R134 million by 2025/26.
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
3. Employee related costs is the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage increases in future years.

**Table 117 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
Vote 1 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure, to be appropriated</b>	2										
Vote 1 - Finance and Administration		2,106	965	582	1,200	1,200	1,200	1,200	3,130	800	800
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2,667	(3,033)	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		3,499	862	4,863	-	-	-	-	7,612	-	19,718
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		7,876	21,901	31,449	7,136	15,539	15,539	15,539	6,287	2,850	400
Vote 8 - Planning and Development		5,911	13,902	250	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	7,748	4,651	7,246	7,246	7,246	3,425	16,891	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>22,059</b>	<b>34,597</b>	<b>44,892</b>	<b>12,988</b>	<b>23,985</b>	<b>23,985</b>	<b>23,985</b>	<b>20,454</b>	<b>20,541</b>	<b>20,918</b>
<b>Total Capital Expenditure - Vote</b>		<b>22,059</b>	<b>34,597</b>	<b>44,892</b>	<b>12,988</b>	<b>23,985</b>	<b>23,985</b>	<b>23,985</b>	<b>20,454</b>	<b>20,541</b>	<b>20,918</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		2,106	965	582	1,200	1,200	1,200	35,535	3,130	800	800
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		2,106	965	582	1,200	1,200	1,200	35,535	3,130	800	800
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		6,166	(2,171)	12,610	4,651	7,246	7,246	31,575	11,037	16,891	19,718
Community and social services		6,166	(2,171)	4,863	-	-	-	16,131	7,612	-	19,718
Sport and recreation		-	-	7,748	4,651	7,246	7,246	15,444	3,425	16,891	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		13,787	35,803	31,699	12,110	21,670	21,670	263,069	8,755	2,850	400
Planning and development		5,911	13,902	250	-	-	-	110,801	-	-	-
Road transport		7,876	21,901	31,449	12,110	21,670	21,670	152,268	8,755	2,850	400
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	2,560	2,560	2,755	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	<b>22,059</b>	<b>34,597</b>	<b>44,892</b>	<b>17,962</b>	<b>32,676</b>	<b>32,676</b>	<b>332,932</b>	<b>22,922</b>	<b>20,541</b>	<b>20,918</b>
<b>Funded by:</b>											
National Government		11,772	6,582	32,709	15,462	27,636	27,636	199,482	18,392	19,041	19,718
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>11,772</b>	<b>6,582</b>	<b>32,709</b>	<b>15,462</b>	<b>27,636</b>	<b>27,636</b>	<b>199,482</b>	<b>18,392</b>	<b>19,041</b>	<b>19,718</b>
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		10,287	28,015	12,182	2,500	5,041	5,041	133,450	4,530	1,500	1,200
<b>Total Capital Funding</b>	7	<b>22,059</b>	<b>34,597</b>	<b>44,892</b>	<b>17,962</b>	<b>32,676</b>	<b>32,676</b>	<b>332,932</b>	<b>22,922</b>	<b>20,541</b>	<b>20,918</b>

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Table 128 MBRR Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

R thousand	Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>ASSETS</b>												
<b>Current assets</b>												
	Cash and cash equivalents		65,456	50,443	53,265	42,302	79,191	79,191	43,838	43,311	(4,209)	(6,015)
1	Trade and other receivables from exchange transactions		710	790	985	-	2,275	2,275	957	2,282	-	-
	Receivables from non-exchange transactions		15,597	10,296	1,218	37,226	(6,351)	(6,351)	1,459	13,710	(9,828)	(13,623)
	Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
2	Inventory		221	48	33	49	33	33	33	33	-	-
	VAT		3,814	10,629	3,742	2,608	(5,068)	(5,068)	7,407	14,636	10,937	11,379
	Other current assets		95	88	278	812	88	88	492	88	-	-
	<b>Total current assets</b>		<b>85,893</b>	<b>72,295</b>	<b>59,522</b>	<b>82,996</b>	<b>70,169</b>	<b>70,169</b>	<b>54,186</b>	<b>74,061</b>	<b>(3,100)</b>	<b>(8,280)</b>
<b>Non current assets</b>												
	Investments		-	-	-	-	-	-	-	-	-	-
	Investment property		-	-	-	10,965	10,965	10,965	-	10,965	-	-
3	Property, plant and equipment		161,313	189,015	223,078	220,217	232,976	232,976	251,036	199,381	7,496	7,260
	Biological assets		-	-	-	-	-	-	-	-	-	-
	Living and non-living resources		-	-	-	-	-	-	-	-	-	-
	Heritage assets		-	-	-	-	-	-	-	-	-	-
	Intangible assets		488	294	207	188	101	101	106	-	-	-
	Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
	Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
	Other non-current assets		-	-	-	-	-	-	-	-	-	-
	<b>Total non current assets</b>		<b>161,801</b>	<b>189,308</b>	<b>223,285</b>	<b>231,369</b>	<b>244,042</b>	<b>244,042</b>	<b>251,142</b>	<b>210,346</b>	<b>7,496</b>	<b>7,260</b>
	<b>TOTAL ASSETS</b>		<b>247,694</b>	<b>261,604</b>	<b>282,807</b>	<b>314,366</b>	<b>314,211</b>	<b>314,211</b>	<b>305,327</b>	<b>284,407</b>	<b>4,396</b>	<b>(1,000)</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
	Bank overdraft		-	-	-	-	-	-	-	-	-	-
	Financial liabilities		-	-	-	-	-	-	-	-	-	-
	Consumer deposits		71	71	72	-	-	-	72	-	-	-
4	Trade and other payables from exchange transactions		7,352	9,614	12,394	51,692	(30,309)	(30,309)	5,406	5,561	-	-
5	Trade and other payables from non-exchange transactions		444	444	22,544	444	(556)	(556)	6,472	444	-	-
	Provision		-	-	-	2,905	3,228	3,228	-	3,228	-	-
	VAT		4,843	6,149	41	1,552	2,975	2,975	1,088	202	212	222
	Other current liabilities		-	-	-	-	-	-	-	-	-	-
	<b>Total current liabilities</b>		<b>13,211</b>	<b>16,279</b>	<b>35,061</b>	<b>56,592</b>	<b>(24,662)</b>	<b>(24,662)</b>	<b>13,638</b>	<b>10,395</b>	<b>212</b>	<b>222</b>
<b>Non current liabilities</b>												
	Financial liabilities		-	-	-	-	-	-	-	-	-	-
6	Provision		(4,645)	(3,856)	(3,009)	(1,875)	-	-	(3,005)	-	(7,019)	(7,019)
7	Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
	Other non-current liabilities		2,374	3,163	4,014	5,144	7,019	7,019	4,014	7,019	7,019	7,019
	<b>Total non current liabilities</b>		<b>(2,271)</b>	<b>(693)</b>	<b>(1,009)</b>	<b>(3,299)</b>	<b>7,019</b>	<b>7,019</b>	<b>1,009</b>	<b>14,047</b>	<b>17,414</b>	<b>212</b>
	<b>TOTAL LIABILITIES</b>		<b>(10,940)</b>	<b>(15,586)</b>	<b>(36,070)</b>	<b>(59,861)</b>	<b>(17,643)</b>	<b>(17,643)</b>	<b>14,647</b>	<b>26,993</b>	<b>18,631</b>	<b>18,234</b>
	<b>NET ASSETS</b>		<b>236,754</b>	<b>246,018</b>	<b>246,737</b>	<b>254,505</b>	<b>331,854</b>	<b>331,854</b>	<b>290,680</b>	<b>257,414</b>	<b>4,165</b>	<b>(1,221)</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
8	Accumulated surplus/(deficit)		231,416	240,909	242,479	251,376	330,601	330,601	287,022	266,433	5,017	(350)
9	Reserves and funds		693	1,253	1,253	(1,253)	(1,253)	(1,253)	(1,253)	(1,253)	-	-
	Other		-	-	-	-	-	-	-	-	-	-
10	<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>232,109</b>	<b>242,162</b>	<b>243,732</b>	<b>250,123</b>	<b>329,347</b>	<b>329,347</b>	<b>285,769</b>	<b>265,180</b>	<b>5,017</b>	<b>(350)</b>
	<b>References</b>		<b>4,645</b>	<b>3,856</b>	<b>3,005</b>	<b>4,382</b>	<b>2,507</b>	<b>2,507</b>	<b>5,512</b>	<b>1,813</b>	<b>(832)</b>	<b>(871)</b>

## Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice and improves understandability for 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. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

**Table 19 MBRR Table A7 - Budgeted Cash Flow Statement**

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	19,045	20,059	20,059	-	21,122	24,356	28,835
Service charges		-	-	-	527	571	571	-	601	788	825
Other revenue		-	-	-	36,174	8,777	8,777	-	126	132	138
Transfers and Subsidies - Operational	1	-	-	-	112,523	107,894	107,894	30,000	112,227	104,868	104,455
Transfers and Subsidies - Capital	1	-	-	-	17,781	31,781	31,781	-	18,392	19,041	19,718
Interest		-	-	-	1,975	3,475	3,475	-	3,100	3,252	3,405
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		-	-	-	(109,474)	(147,513)	(147,513)	-	(147,763)	(142,071)	(148,807)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	-	<b>78,551</b>	<b>25,044</b>	<b>25,044</b>	<b>30,000</b>	<b>7,806</b>	<b>10,366</b>	<b>8,569</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	-	20,281	36,481	36,481	-	(26,360)	(23,622)	(24,056)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	<b>20,281</b>	<b>36,481</b>	<b>36,481</b>	-	<b>(26,360)</b>	<b>(23,622)</b>	<b>(24,056)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	-	-	<b>98,832</b>	<b>61,525</b>	<b>61,525</b>	<b>30,000</b>	<b>(18,554)</b>	<b>(13,256)</b>	<b>(15,487)</b>
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	53,241	34,687	21,431
Cash/cash equivalents at the year end:	2	-	-	-	<b>98,832</b>	<b>61,525</b>	<b>61,525</b>	<b>30,000</b>	<b>34,687</b>	<b>21,431</b>	<b>5,944</b>

**Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	98,832	61,525	61,525	30,000	34,687	21,431	5,944
Other current investments > 90 days		66,166	51,234	54,250	(56,530)	19,941	19,941	14,794	10,907	(25,640)	(11,959)
<b>Non current Investments</b>	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>66,166</b>	<b>51,234</b>	<b>54,250</b>	<b>42,302</b>	<b>81,466</b>	<b>81,466</b>	<b>44,794</b>	<b>45,594</b>	<b>(4,209)</b>	<b>(6,015)</b>
<b>Application of cash and investments</b>											
Trade payables from Non-exchange transactions: Other		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	7,852	9,614	12,304	32,348	(31,263)	(31,263)	5,406	2,940	1,571	2,452
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>7,852</b>	<b>9,614</b>	<b>12,304</b>	<b>32,348</b>	<b>(31,263)</b>	<b>(31,263)</b>	<b>5,406</b>	<b>2,940</b>	<b>1,571</b>	<b>2,452</b>
<b>Surplus(shortfall)</b>		<b>58,314</b>	<b>41,620</b>	<b>41,946</b>	<b>9,955</b>	<b>112,729</b>	<b>112,729</b>	<b>39,388</b>	<b>42,654</b>	<b>(5,780)</b>	<b>(8,467)</b>

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

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

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 123 – Funding a Municipal Budget.
2. 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.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

**Table 131 MBRR Table A9 - Asset Management**



# MKHAMBATHINI MUNICIPALITY 2023/24 Original Budget and MTREF

Choose name from list - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	216,699	251,292	296,184	16,662	31,376	31,376	20,522	19,841	20,518
Roads Infrastructure		71,583	92,921	123,152	10,810	15,217	15,217	7,355	2,150	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
<b>Infrastructure</b>		71,583	92,921	123,152	10,810	15,217	15,217	7,355	2,150	--
Community Facilities		108,999	119,758	124,725	--	7,713	7,713	7,612	--	19,718
Sport and Recreation Facilities		--	--	7,748	4,651	7,246	7,246	3,425	16,891	--
<b>Community Assets</b>		108,999	119,758	132,472	4,651	14,959	14,959	11,037	16,891	19,718
<b>Heritage Assets</b>		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
<b>Investment properties</b>		--	--	--	--	--	--	--	--	--
Operational Buildings		13,182	13,812	14,857	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
<b>Other Assets</b>		13,182	13,812	14,857	--	--	--	--	--	--
<b>Biological or Cultivated Assets</b>		--	--	--	--	--	--	--	--	--
Services		--	--	--	--	--	--	--	--	--
Licences and Rights		1,383	1,272	1,272	--	--	--	--	--	--
<b>Intangible Assets</b>		1,383	1,272	1,272	--	--	--	--	--	--
Computer Equipment		978	2,219	2,410	800	800	800	480	400	400
Furniture and Office Equipment		5,389	2,941	3,118	400	400	400	900	400	400
Machinery and Equipment		--	--	--	--	--	--	750	--	--
<b>Transport Assets</b>		4,779	7,405	7,939	--	--	--	--	--	--
Land		10,405	10,965	10,965	--	--	--	--	--	--
<b>Zoo's, Marine and Non-biological Animals</b>		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
<b>Living Resources</b>		--	--	--	--	--	--	--	--	--
<b>Total Renewal of Existing Assets</b>	2	0	4	4	1,300	1,300	1,300	2,400	700	400
Roads Infrastructure		0	4	4	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
<b>Infrastructure</b>		0	4	4	--	--	--	--	--	--
Community Facilities		--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
<b>Community Assets</b>		--	--	--	--	--	--	--	--	--
<b>Heritage Assets</b>		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
<b>Investment properties</b>		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	1,300	1,300	1,300	2,400	700	400
Housing		--	--	--	--	--	--	--	--	--
<b>Other Assets</b>		--	--	--	1,300	1,300	1,300	2,400	700	400
<b>Biological or Cultivated Assets</b>		--	--	--	--	--	--	--	--	--
Services		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--
<b>Intangible Assets</b>		--	--	--	--	--	--	--	--	--
Computer Equipment		--	--	--	--	--	--	--	--	--
Furniture and Office Equipment		--	--	--	--	--	--	--	--	--
Machinery and Equipment		--	--	--	--	--	--	--	--	--
<b>Transport Assets</b>		--	--	--	--	--	--	--	--	--
Land		--	--	--	--	--	--	--	--	--
<b>Zoo's, Marine and Non-biological Animals</b>		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
<b>Living Resources</b>		--	--	--	--	--	--	--	--	--
<b>Total Upgrading of Existing Assets</b>	6	--	--	--	--	--	--	--	--	--
Roads Infrastructure		--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
<b>Infrastructure</b>		--	--	--	--	--	--	--	--	--
Community Facilities		--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
<b>Community Assets</b>		--	--	--	--	--	--	--	--	--
<b>Heritage Assets</b>		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
<b>Investment properties</b>		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
<b>Other Assets</b>		--	--	--	--	--	--	--	--	--
<b>Biological or Cultivated Assets</b>		--	--	--	--	--	--	--	--	--
Services		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--
<b>Intangible Assets</b>		--	--	--	--	--	--	--	--	--
Computer Equipment		--	--	--	--	--	--	--	--	--
Furniture and Office Equipment		--	--	--	--	--	--	--	--	--
Machinery and Equipment		--	--	--	--	--	--	--	--	--
<b>Transport Assets</b>		--	--	--	--	--	--	--	--	--
Land		--	--	--	--	--	--	--	--	--
<b>Zoo's, Marine and Non-biological Animals</b>		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
<b>Living Resources</b>		--	--	--	--	--	--	--	--	--

MKHAMBATHINI MUNICIPALITY 2023/24 Original Budget and MTREF

<b>Total Capital Expenditure</b>	4	216,699	251,296	296,188	17,962	32,676	32,676	22,922	20,541	20,918
<i>Roads Infrastructure</i>		71,583	92,924	123,156	10,810	15,217	15,217	7,355	2,150	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		71,583	92,924	123,156	10,810	15,217	15,217	7,355	2,150	-
<i>Community Facilities</i>		108,999	119,758	124,725	-	7,713	7,713	7,612	-	19,718
<i>Sport and Recreation Facilities</i>		-	-	7,748	4,651	7,246	7,246	3,425	16,891	-
<b>Community Assets</b>		108,999	119,758	132,472	4,651	14,959	14,959	11,037	16,891	19,718
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		13,182	13,812	14,857	1,300	1,300	1,300	2,400	700	400
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		13,182	13,812	14,857	1,300	1,300	1,300	2,400	700	400
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		1,383	1,272	1,272	-	-	-	-	-	-
<b>Intangible Assets</b>		1,383	1,272	1,272	-	-	-	-	-	-
<b>Computer Equipment</b>		978	2,219	2,410	800	800	800	480	400	400
<b>Furniture and Office Equipment</b>		5,389	2,941	3,118	400	400	400	900	400	400
<b>Machinery and Equipment</b>		-	-	-	-	-	-	750	-	-
<b>Transport Assets</b>		4,779	7,405	7,939	-	-	-	-	-	-
<b>Land</b>		10,405	10,965	10,965	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		216,699	251,296	296,188	17,962	32,676	32,676	22,922	20,541	20,918
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	161,801	189,308	223,285	170,842	195,930	195,930	162,234	7,496	7,260
<i>Roads Infrastructure</i>		50,334	69,166	94,106	67,235	80,589	80,589	72,510	(2,370)	(4,733)
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		50,334	69,166	94,106	67,235	80,589	80,589	72,510	(2,370)	(4,733)
<b>Community Assets</b>		81,096	89,486	97,866	78,410	88,421	88,421	84,282	12,370	14,985
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	10,965	10,965	10,965	10,965	-	-
<b>Other Assets</b>		13,439	10,175	10,776	209	10,106	10,106	(3,784)	49	(282)
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		488	294	207	188	101	101	-	-	-
<b>Computer Equipment</b>		1,526	2,219	2,410	1,593	1,062	1,062	701	(450)	(490)
<b>Furniture and Office Equipment</b>		1,229	792	785	(72)	121	121	564	(797)	(853)
<b>Machinery and Equipment</b>		294	1,050	855	8,245	251	251	992	(198)	(207)
<b>Transport Assets</b>		2,259	4,434	4,587	3,339	3,586	3,586	(4,723)	(1,106)	(1,158)
<b>Land</b>		11,136	11,693	11,693	728	728	728	728	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	161,801	189,308	223,285	170,842	195,930	195,930	162,234	7,496	7,260
<b>EXPENDITURE OTHER ITEMS</b>		20,065	38,431	45,029	24,216	34,209	34,209	25,562	26,415	27,847
<b>Depreciation</b>	7	9,319	10,760	11,763	11,916	12,063	12,063	12,643	13,045	13,658
<b>Repairs and Maintenance by Asset Class</b>	3	10,747	27,671	33,266	12,300	22,146	22,146	12,919	13,370	14,189
<i>Roads Infrastructure</i>		3,998	14,306	16,377	2,100	9,306	9,306	9,000	9,441	9,885
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		3,998	14,306	16,377	2,100	9,306	9,306	9,000	9,441	9,885
<i>Community Facilities</i>		1,951	2,452	2,426	2,100	540	540	700	734	769
<i>Sport and Recreation Facilities</i>		3,133	509	73	1,800	300	300	700	734	769
<b>Community Assets</b>		5,084	2,960	2,498	3,900	840	840	1,400	1,469	1,538
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		1,065	9,086	14,117	5,900	11,500	11,500	2,100	2,021	2,306
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		1,065	9,086	14,117	5,900	11,500	11,500	2,100	2,021	2,306
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		1	554	8	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		600	765	266	400	500	500	419	439	460
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		20,065	38,431	45,029	24,216	34,209	34,209	25,562	26,415	27,847

### **Explanatory notes to Table A9 - Asset Management**

1. 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.
2. 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 9.8 per cent of PPE.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

## **2 Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act. EXCO acts as the Budget Steering Committee.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### **2.1.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year, a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in the Council the required IDP and budget time schedule in August 2022. Key dates applicable to the process were noted and used in the compilation of the IDP and Budget process.

#### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2023/24 MTREF, based on the approved 2022/23 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2023/24 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2023/24 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2022/23 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 122 and 123 have been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The draft 2023/24

MTREF was tabled before Council on 30 March 2023 and the municipality started the community consultation after the adoption of the draft budget and the community engagement's public notice

was published on the municipality's website, and hard copies were made available at municipal offices, municipal notice boards and libraries for public consumption.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process starting in April 2023. The date of this meeting will be advertised in the local media. The following notice will be published in the local media:

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## **2.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 14 IDP Strategic Objectives**

<b>2023/24 Financial Year</b>	<b>2023/24 MTREF</b>
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. To ensure a safe & healthy environment	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. To support municipality's rural and agricultural development initiatives	4. Monitor and report on the performance of rural and agriculture development programs
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development,

economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide electricity;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water;
  - Provide Municipality planning services; and
  - Maintaining the infrastructure of the Municipality.
  
2. Economic growth and development that leads to sustainable job creation by:
  - Ensuring there is a clear structural plan for the Municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
  
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Working with the provincial department of health to provide primary health care services;
  - Extending waste removal services and ensuring effective Municipality cleansing;
  - Ensuring all waste water treatment works are operating optimally;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.
  
- 3.2 Integrated Social Services for empowered and sustainable communities
  - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
  
4. To support municipality's rural and agricultural development initiatives
  - Monitor and report on the performance of rural and agriculture development programs.
  
- 5.1 Promote sound governance through:



- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2023/24 revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;

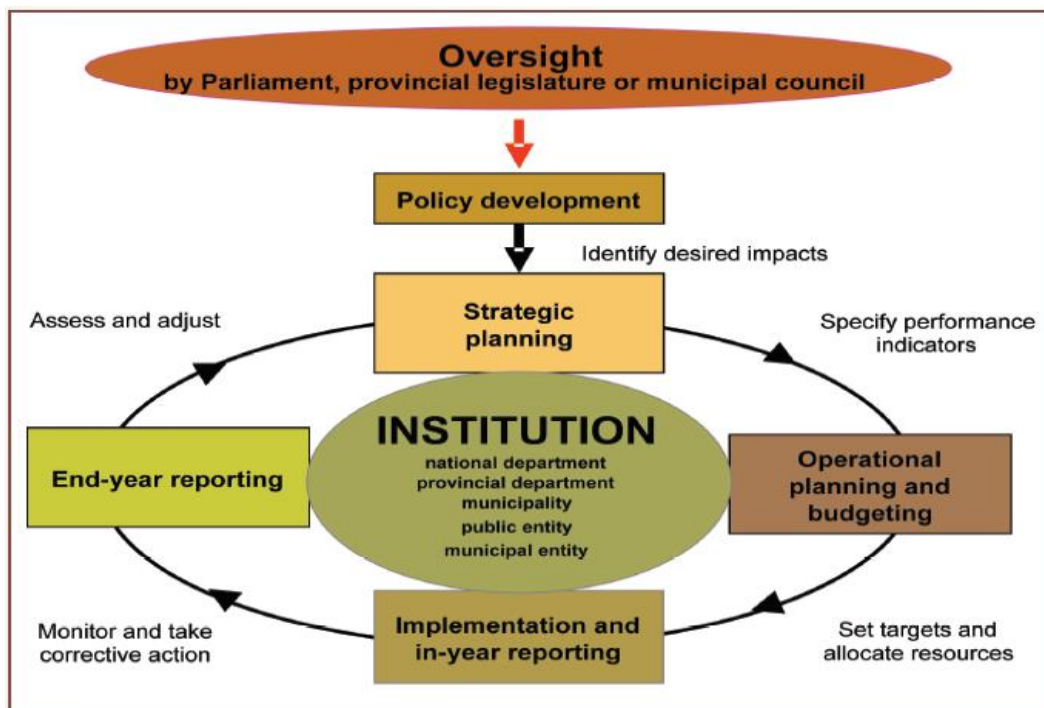
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2023/24 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

### 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. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee’s performance.

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. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



### Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

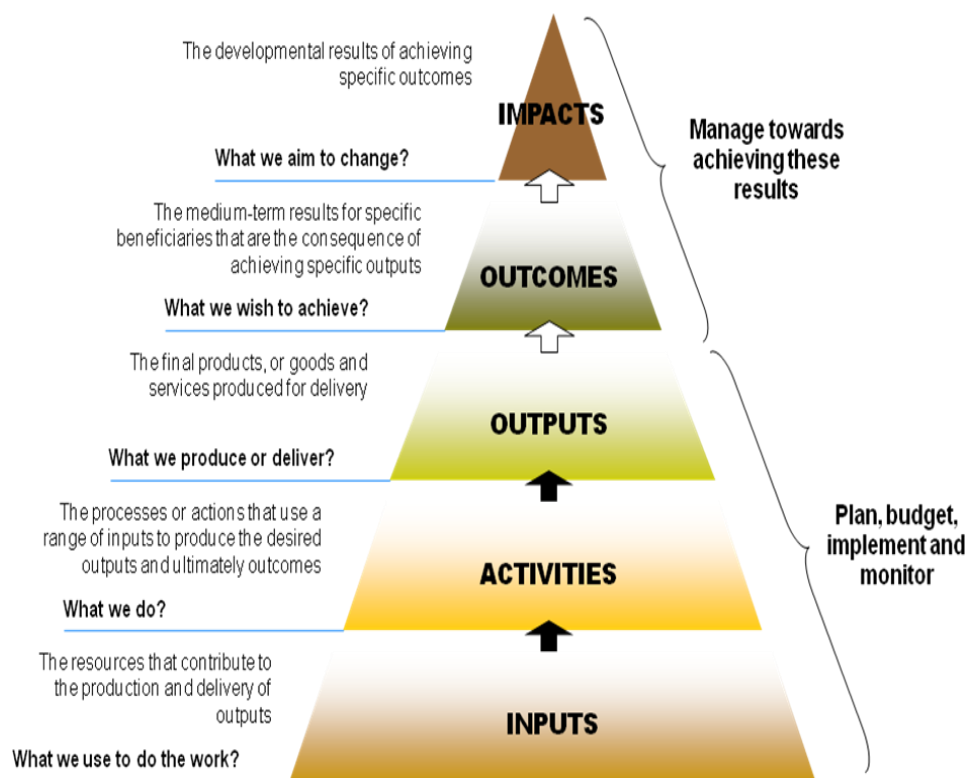


Figure 2 Definition of performance information concepts

## 2.3.1 Performance indicators and benchmarks

### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2023/24 MTREF:

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

### 2.3.1.2 Safety of Capital

### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2023/24 MTREF the current ratio is 2.6 in the 2024/25 financial year and 4.5 and 5,2 for the two outer years of the MTREF. These are only estimates at this stage
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

### 2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework is going to be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. For this purpose and exercise with Trans Union has commenced.

### 2.3.1.5 Creditors Management

- The Municipality managed to ensure that creditors are settled within the legislated 30 days of invoice.

## 2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The following budget-related policies have been approved by

Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation. The policies are opened for inspection and comment and the final copies will be tabled when the budget is adopted in May 2023.

- 2.4.1 Budget Policy
- 2.4.2 Supply Chain Management Policy
- 2.4.3. Property Rates Policy
- 2.4.4 Tariff Policy
- 2.4.5 Credit Control & Debt Collection Policy
- 2.4.6 Funding and Reserves Policy
- 2.4.7 Cost Containment Policy
- 2.4.8 Virement Policy
- 2.4.9 Cash Management and Investment Policy
- 2.4.10 Borrowing Policy
- 2.4.11 Recruitment and Selection Policy
- 2.4.12 Inventory Policy
- 2.4.13 Indigent Policy
- 2.4.14 Tariff By-laws
- 2.4.15 Hall Hire Policy
- 2.4.16 Asset Management Policy

## **2.5 Councillor and employee benefits**

### **Table 26 MBRR SA22 - Summary of councillor and staff benefits**

# MKHAMBATHINI MUNICIPALITY 2023/24 Original Budget and MTREF

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	Current Year 2022/23						2023/24 Medium Term Revenue & Expenditure Framework		
		2019/20	2020/21	2021/22	Original Budget		Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	G	H	I
R thousand	A	B	C	D	E	F	G	H	I	
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		-	-	5,565	6,282	6,282	6,282	6,614	6,939	7,265
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	318	679	679	679	715	750	785
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		-	-	5,883	6,960	6,960	6,960	7,329	7,688	8,050
% increase	4			-	18.3%	-	-	5.3%	4.9%	4.7%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		3,212	2,522	4,236	4,784	4,784	4,784	4,818	5,054	5,291
Pension and UIF Contributions		14	39	44	62	62	62	66	69	72
Medical Aid Contributions		11	-	360	45	45	45	47	50	52
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		171	-	-	137	137	137	145	152	159
Motor Vehicle Allowance	3	2	105	120	97	97	97	102	107	112
Cellphone Allowance	3	47	112	343	88	88	88	92	97	101
Housing Allowances	3	60	-	-	15	15	15	16	16	17
Other benefits and allowances	3	0	4	145	6	6	6	6	6	7
Payments in lieu of leave		5	-	-	136	136	136	143	150	157
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment	6	-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		147	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		3,523	2,782	5,248	5,369	5,369	5,369	5,434	5,701	5,969
% increase	4		(21.0%)	88.7%	2.3%	-	-	1.2%	4.9%	4.7%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		24,031	28,030	30,425	33,666	33,666	33,666	29,449	35,946	37,635
Pension and UIF Contributions		3,774	4,619	5,231	4,951	4,951	4,951	5,218	5,543	5,804
Medical Aid Contributions		1,558	1,882	2,162	2,124	2,124	2,124	2,239	2,398	2,511
Overtime		176	365	561	817	817	817	861	903	946
Performance Bonus		1,520	2,210	2,745	2,436	2,436	2,436	2,567	2,845	2,978
Motor Vehicle Allowance	3	168	536	811	157	157	157	165	180	193
Cellphone Allowance	3	10	49	2	64	64	64	67	168	176
Housing Allowances	3	109	215	222	397	397	397	419	455	477
Other benefits and allowances	3	27	13	14	11	11	11	12	19	20
Payments in lieu of leave		1,437	1,277	1,529	1,889	1,889	1,889	1,991	2,239	2,344
Long service awards		17	173	250	899	899	899	947	994	1,040
Post-retirement benefit obligations	6	(52)	986	1,893	81	81	81	85	89	94
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		86	79	-	223	223	223	235	246	258
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		32,774	40,354	45,845	47,492	47,492	47,492	44,021	51,879	54,317
% increase	4		23.1%	13.6%	3.6%	-	-	(7.3%)	17.8%	4.7%
<b>Total Parent Municipality</b>		36,297	43,136	56,976	59,822	59,822	59,822	56,785	65,268	68,336
% increase			18.8%	32.1%	5.0%	-	-	(5.1%)	14.9%	4.7%
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		36,297	43,136	56,976	59,822	59,822	59,822	56,785	65,268	68,336
% increase	4		18.8%	32.1%	5.0%	-	-	(5.1%)	14.9%	4.7%
<b>TOTAL MANAGERS AND STAFF</b>	5.7	36,297	43,136	51,093	52,861	52,861	52,861	49,456	57,580	60,286

**Table 27 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Choose name from list - Supporting Table SA23 Salaries, allowances &amp; benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum	No.		1.				2.
<b>Councillors</b>							
Speaker	3	204,312.00	-	112,500.00	-	-	316,812
Chief Whip	4	645,644.00	-	259,620.00	-	-	905,264
Executive Mayor		516,516.00	-	216,564.00	-	-	733,080
Deputy Executive Mayor		262,212.00	-	131,796.00	-	-	394,008
Executive Committee		204,312.00	-	112,512.00	-	-	316,824
Total for all other councillors		3,264,800.00	-	1,399,200.00	-	-	4,664,000
<b>Total Councillors</b>	8	<b>5,097,796</b>	<b>-</b>	<b>2,232,192</b>			<b>7,329,988</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	5	855,835	45,350	596,176	62,989		1,560,350
Chief Finance Officer		786,000	39,971	354,000	55,515		1,235,486
Corporate Services Manager		786,000	39,971	354,000	55,515		1,235,486
Community Services Manager		786,000	39,971	354,000	55,515		1,235,486
Technical Services Manager		786,000	39,971	354,000	55,515		1,235,486
List of each official with packages >= senior manager							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
<b>Total Senior Managers of the Municipality</b>	8,10	<b>3,999,835</b>	<b>205,234</b>	<b>2,012,176</b>	<b>285,049</b>		<b>6,502,294</b>
<b>A Heading for Each Entity</b>							
List each member of board by designation	6,7						-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
<b>Total for municipal entities</b>	8,10	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	<b>9,097,631</b>	<b>205,234</b>	<b>4,244,368</b>	<b>285,049</b>		<b>13,832,282</b>



**Table 28 MBRR SA24 – Summary of personnel numbers**

Choose name from list - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		14	3	11	14	3	11	14	3	11
Board Members of municipal entities	4	-	7	6	-	7	6	-	7	6
<b>Municipal employees</b>										
Municipal Manager and Senior Managers	3	5	-	5	5	-	5	5	-	5
Other Managers	7	7	7	-	9	9	-	10	10	-
Professionals		56	46	9	58	48	9	65	54	11
<i>Finance</i>		11	11	-	12	12	-	12	12	-
<i>Spatial/town planning</i>		1	1	-	1	1	-	1	1	-
<i>Information Technology</i>		1	1	-	2	2	-	2	2	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		43	33	9	43	33	9	50	39	11
Technicians		-	-	-	-	-	-	-	-	-
<i>Finance</i>		-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		36	36	-	40	40	-	40	42	42
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>118</b>	<b>99</b>	<b>31</b>	<b>126</b>	<b>107</b>	<b>31</b>	<b>134</b>	<b>116</b>	<b>75</b>
% increase					6.8%	8.1%	-	6.3%	8.4%	141.9%
<b>Total municipal employees headcount</b>	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-

**Monthly targets for revenue, expenditure and cash flow****Table 29 MBRR SA25 - Budgeted monthly revenue and expenditure**

MKHAMBATHINI MUNICIPALITY 2023/24 Original Budget and MTREF

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		54	54	54	54	54	54	54	54	54	54	54	54	653	685	718
Sale of Goods and Rendering of Services		44	44	44	44	44	44	44	44	44	44	44	44	529	555	581
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		258	258	258	258	258	258	258	258	258	258	258	258	3,100	3,252	3,405
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		6	6	6	6	6	6	6	6	6	6	6	6	74	77	81
Licence and permits		663	663	663	663	663	663	663	663	663	663	663	663	7,961	8,351	8,743
Operational Revenue		7	7	7	7	7	7	7	7	7	7	7	7	81	85	89
<b>Non-Exchange Revenue</b>																
Property rates		2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	24,850	26,068	27,293
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	89,672	94,419	93,538
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>		<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>10,577</b>	<b>126,922</b>	<b>133,494</b>	<b>134,449</b>
<b>Expenditure</b>																
Employee related costs		4,141	4,141	4,141	4,141	4,141	4,141	4,141	4,141	4,141	4,141	4,141	4,141	49,690	52,125	54,575
Remuneration of councillors		611	611	611	611	611	611	611	611	611	611	611	611	7,329	7,688	8,050
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		386	386	386	386	386	386	386	386	386	386	386	386	4,627	5,546	5,807
Debt impairment		917	917	917	917	917	917	917	917	917	917	917	917	11,000	11,539	12,081
Depreciation and amortisation		1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	12,643	13,045	13,658
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	29,033	30,273	31,887
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	2,191	26,286	27,302	28,460
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>11,717</b>	<b>140,608</b>	<b>147,518</b>	<b>154,518</b>
<b>Surplus/(Deficit)</b>		<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(1,141)</b>	<b>(13,687)</b>	<b>(14,024)</b>	<b>(20,068)</b>
Transfers and subsidies - capital (monetary allocations)		1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	18,392	19,041	19,718
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>
Share of Surplus/Deficit attributable to Associate Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>392</b>	<b>4,705</b>	<b>5,017</b>	<b>(350)</b>

**Table 30 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Finance and Administration				11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	33,568	134,272	140,963	142,056
Vote 2 - Finance and Administration2				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services				169	169	169	169	169	169	169	169	169	507	2,027	2,116	2,211
Vote 5 - Community and Social Services2				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development				33	33	33	33	33	33	33	33	33	100	400	420	439
Vote 9 - Sport and Recreation				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other				663	663	663	663	663	663	663	663	663	1,990	7,961	8,351	8,743
Vote 12 - [NAME OF VOTE 1210]				54	54	54	54	54	54	54	54	54	163	653	685	718
Vote 13 - Housing				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health				-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>				-	-	12,109	12,109	12,109	12,109	12,109	12,109	12,109	36,328	145,314	152,535	154,167
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Finance and Administration				5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	17,740	70,959	73,593	76,969
Vote 2 - Finance and Administration2				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council				1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	4,713	18,851	19,774	20,704
Vote 4 - Community and Social Services				1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,205	3,614	14,456	15,818	16,711
Vote 5 - Community and Social Services2				1,302	1,302	1,302	1,302	1,302	1,302	1,302	1,302	1,302	3,907	15,630	16,710	17,496
Vote 6 - Energy Sources				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport				1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	4,180	16,720	17,539	18,363
Vote 8 - Planning and Development				47	47	47	47	47	47	47	47	47	142	569	596	624
Vote 9 - Sport and Recreation				214	214	214	214	214	214	214	214	214	641	2,564	2,690	2,816
Vote 10 - Public Safety				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other				56	56	56	56	56	56	56	56	56	168	672	704	737
Vote 12 - [NAME OF VOTE 1210]				46	46	46	46	46	46	46	46	46	139	557	584	612
Vote 13 - Housing				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health				27	27	27	27	27	27	27	27	27	81	325	341	357
<b>Total Expenditure by Vote</b>				-	-	11,775	11,775	11,775	11,775	11,775	11,775	11,775	35,326	141,302	148,350	155,389
<b>Surplus/(Deficit) before assoc.</b>				-	-	334	334	334	334	334	334	334	1,003	4,011	4,185	(1,221)
Income Tax				-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities				-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions				-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1			-	-	334	334	334	334	334	334	334	1,003	4,011	4,185	(1,221)

**Table 31 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Choose name from list - Supporting Table SA27 Budg:0

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>Revenue - Functional</b>																	
<b>Revenue and administration</b>		11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	134,272	140,963	142,056	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance and administration		11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	11,189	134,272	140,963	142,056	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Community and public safety</b>		169	169	169	169	169	169	169	169	169	169	169	169	2,027	2,116	2,211	
Community and social services		169	169	169	169	169	169	169	169	169	169	169	169	2,027	2,116	2,211	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Economic and environmental services</b>		33	33	33	33	33	33	33	33	33	33	33	33	400	420	439	
Planning and development		33	33	33	33	33	33	33	33	33	33	33	33	400	420	439	
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Trading services</b>		54	54	54	54	54	54	54	54	54	54	54	54	653	685	718	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		54	54	54	54	54	54	54	54	54	54	54	54	653	685	718	
<b>Other</b>		663	663	663	663	663	663	663	663	663	663	663	663	7,961	8,351	8,743	
<b>Total Revenue - Functional</b>		12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	145,314	152,535	154,167	
<b>Expenditure - Functional</b>																	
<b>Expenditure and administration</b>		7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	7,484	89,810	93,367	97,673	
Executive and council		1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	18,851	19,774	20,704	
Finance and administration		5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	70,959	73,593	76,969	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Community and public safety</b>		2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	2,748	32,975	35,560	37,380	
Community and social services		2,507	2,507	2,507	2,507	2,507	2,507	2,507	2,507	2,507	2,507	2,507	2,507	30,086	32,529	34,206	
Sport and recreation		214	214	214	214	214	214	214	214	214	214	214	214	2,564	2,690	2,816	
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		27	27	27	27	27	27	27	27	27	27	27	27	325	341	357	
<b>Economic and environmental services</b>		1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	1,441	17,288	18,135	18,988	
Planning and development		47	47	47	47	47	47	47	47	47	47	47	47	569	596	624	
Road transport		1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	16,720	17,539	18,363	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Trading services</b>		46	46	46	46	46	46	46	46	46	46	46	46	557	584	612	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		46	46	46	46	46	46	46	46	46	46	46	46	557	584	612	
<b>Other</b>		56	56	56	56	56	56	56	56	56	56	56	56	672	704	737	
<b>Total Expenditure - Functional</b>		11,775	11,775	11,775	11,775	11,775	11,775	11,775	11,775	11,775	11,775	11,775	11,775	141,302	148,530	155,389	
<b>Surplus/(Deficit) before assoc.</b>		334	334	334	334	334	334	334	334	334	334	334	334	4,011	4,185	(1,221)	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	1	334	334	334	334	334	334	334	334	334	334	334	334	4,011	4,185	(1,221)	

**Table 32 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>																	
<b>Multi-year expenditure to be appropriated</b>	1																
Vote 1 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - Finance and Administration		261	261	261	261	261	261	261	261	261	261	261	261	3,130	800	800	
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		634	634	634	634	634	634	634	634	634	634	634	634	7,612	-	19,718	
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		524	524	524	524	524	524	524	524	524	524	524	524	6,287	2,850	400	
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		285	285	285	285	285	285	285	285	285	285	285	285	3,425	16,891	-	
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	20,454	20,541	20,918	
<b>Total Capital Expenditure</b>	2	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	20,454	20,541	20,918	

**Table 33 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Choose name from list - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		261	261	261	261	261	261	261	261	261	261	261	261	3,130	800	800
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		261	261	261	261	261	261	261	261	261	261	261	261	3,130	800	800
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		920	920	920	920	920	920	920	920	920	920	920	920	11,037	16,891	19,718
Community and social services		634	634	634	634	634	634	634	634	634	634	634	634	7,612	-	19,718
Sport and recreation		285	285	285	285	285	285	285	285	285	285	285	285	3,425	16,891	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		730	730	730	730	730	730	730	730	730	730	730	730	8,755	2,850	400
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		730	730	730	730	730	730	730	730	730	730	730	730	8,755	2,850	400
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	22,922	20,541	20,918
<b>Funded by:</b>																
National Government		1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	18,392	19,041	19,718
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	18,392	19,041	19,718
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		378	378	378	378	378	378	378	378	378	378	378	378	4,530	1,500	1,200
<b>Total Capital Funding</b>		1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	1,910	22,922	20,541	20,918

**Table 34 MBRR SA30 - Budgeted monthly cash flow**

Choose name from list - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash Receipts By Source</b>														1		
Property rates	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	21,122	24,356	28,835
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	50	50	50	50	50	50	50	50	50	50	50	50	601	788	825	
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	258	258	258	258	258	258	258	258	258	258	258	258	3,100	3,252	3,405	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2	
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	9,352	112,227	104,868	104,455	
Other revenue	10	10	10	10	10	10	10	10	10	10	10	10	124	130	136	
<b>Cash Receipts by Source</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>11,431</b>	<b>137,176</b>	<b>133,397</b>	<b>137,658</b>	
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	18,392	19,041	19,718	
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>12,964</b>	<b>155,568</b>	<b>152,438</b>	<b>157,376</b>	
<b>Cash Payments by Type</b>																
Employee related costs	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	4,164	49,967	52,415	54,879	
Remuneration of councillors	611	611	611	611	611	611	611	611	611	611	611	611	7,329	7,688	8,050	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	443	443	443	443	443	443	443	443	443	443	443	443	5,321	6,378	6,678	
Contracted services	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	33,388	34,814	36,670	
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	51,758	40,776	42,532	
<b>Cash Payments by Type</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>12,314</b>	<b>147,763</b>	<b>142,071</b>	<b>148,807</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	2,197	26,360	23,622	24,056	
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>14,510</b>	<b>174,123</b>	<b>165,694</b>	<b>172,863</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(1,546)</b>	<b>(18,554)</b>	<b>(13,256)</b>	<b>(15,487)</b>	
Cash/cash equivalents at the month/year begin:	53,241	51,695	50,149	48,603	47,057	45,510	43,964	42,418	40,872	39,326	37,779	36,233	53,241	34,687	21,431	
Cash/cash equivalents at the month/year end:	51,695	50,149	48,603	47,057	45,510	43,964	42,418	40,872	39,326	37,779	36,233	34,687	34,687	21,431	5,944	



## 2.6 Annual budgets and SDBIPs – internal departments

In terms of section 53(1)©(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

## 2.7 Capital expenditure details

The following tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>	1										
<i>Governance and administration</i>		2,106	965	582	1,200	1,200	1,200	35,535	3,130	800	800
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		2,106	965	582	1,200	1,200	1,200	35,535	3,130	800	800
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6,166	(2,171)	12,610	4,651	7,246	7,246	31,575	11,037	16,891	19,718
Community and social services		6,166	(2,171)	4,863	-	-	-	16,131	7,612	-	19,718
Sport and recreation		-	-	7,748	4,651	7,246	7,246	15,444	3,425	16,891	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13,787	35,803	31,699	12,110	21,670	21,670	263,069	8,755	2,850	400
Planning and development		5,911	13,902	250	-	-	-	110,801	-	-	-
Road transport		7,876	21,901	31,449	12,110	21,670	21,670	152,268	8,755	2,850	400
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	2,560	2,560	2,755	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	<b>22,059</b>	<b>34,597</b>	<b>44,892</b>	<b>17,962</b>	<b>32,676</b>	<b>32,676</b>	<b>332,932</b>	<b>22,922</b>	<b>20,541</b>	<b>20,918</b>
<b>Funded by:</b>											
National Government		11,772	6,582	32,709	15,462	27,636	27,636	199,482	18,392	19,041	19,718
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	11,772	6,582	32,709	15,462	27,636	27,636	199,482	18,392	19,041	19,718
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		10,287	28,015	12,182	2,500	5,041	5,041	133,450	4,530	1,500	1,200
<b>Total Capital Funding</b>	7	<b>22,059</b>	<b>34,597</b>	<b>44,892</b>	<b>17,962</b>	<b>32,676</b>	<b>32,676</b>	<b>332,932</b>	<b>22,922</b>	<b>20,541</b>	<b>20,918</b>

## 2.8 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### 1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

### 2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 7 interns through this programme and a majority of them were appointed either in Mkhambathini Municipality or other municipalities.

3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
  
4. Audit Committee  
An Audit Committee has been established and is fully functional.
  
5. Service Delivery and Implementation Plan  
The detail SDBIP document is approval for 2023/24 MTREF directly aligned and informed by the 2022/23 MTREF.
  
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.

## **2.9 Other supporting documents**

**Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance**

MKHAMBATHINI MUNICIPALITY 2023/24 Original Budget and MTREF

Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>	6										
Total Property Rates		17,277	21,488	26,042	21,709	24,709	24,709	22,050	28,468	29,863	31,266
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		2,229	4,699	4,913	1,621	3,421	3,421	4,271	3,618	3,795	3,974
<b>Net Property Rates</b>		<b>15,048</b>	<b>16,789</b>	<b>21,130</b>	<b>20,088</b>	<b>21,288</b>	<b>21,288</b>	<b>17,779</b>	<b>24,850</b>	<b>26,068</b>	<b>27,293</b>
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>	6										
Total Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Electricity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - Water</b>	6										
Total Service charges - Water		-	-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Water</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Water Management</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - Waste Management</b>	6										
Total refuse removal revenue		528	533	556	621	621	621	497	653	685	718
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Management</b>		<b>528</b>	<b>533</b>	<b>556</b>	<b>621</b>	<b>621</b>	<b>621</b>	<b>497</b>	<b>653</b>	<b>685</b>	<b>718</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	27,243	30,552	34,661	38,450	32,750	32,750	30,761	34,267	35,946	37,635
Pension and UIF Contributions		3,788	4,658	5,275	5,014	5,014	5,014	5,106	5,284	5,543	5,804
Medical Aid Contributions		1,570	1,882	2,522	2,169	2,169	2,169	2,065	2,286	2,398	2,511
Overtime		176	365	561	817	817	817	333	861	903	946
Performance Bonus		1,690	2,210	2,745	2,573	2,573	2,573	2,240	2,712	2,845	2,978
Motor Vehicle Allowance		170	641	931	253	253	253	591	267	280	293
Cellphone Allowance		57	161	345	152	152	152	272	160	168	176
Housing Allowances		169	215	222	412	412	412	357	434	455	477
Other benefits and allowances		27	17	159	17	17	17	347	18	19	20
Payments in lieu of leave		1,443	1,277	1,529	2,025	2,025	2,025	271	2,134	2,239	2,344
Long service awards		17	173	250	899	899	899	-	947	994	1,040
Post-retirement benefit obligations	4	(52)	986	1,893	81	81	81	2	85	89	94
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		232	79	-	223	223	223	497	235	246	258
In kind benefits		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	<b>36,529</b>	<b>43,215</b>	<b>51,093</b>	<b>53,084</b>	<b>47,384</b>	<b>47,384</b>	<b>42,843</b>	<b>49,690</b>	<b>52,125</b>	<b>54,575</b>
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Employee related costs</b>	1	<b>36,529</b>	<b>43,215</b>	<b>51,093</b>	<b>53,084</b>	<b>47,384</b>	<b>47,384</b>	<b>42,843</b>	<b>49,690</b>	<b>52,125</b>	<b>54,575</b>
<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		9,097	10,581	11,677	11,810	11,810	11,810	8,607	12,435	13,045	13,658
Lease amortisation		222	179	86	106	254	254	447	207	-	-
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation and amortisation</b>	1	<b>9,319</b>	<b>10,760</b>	<b>11,763</b>	<b>11,916</b>	<b>12,063</b>	<b>12,063</b>	<b>9,053</b>	<b>12,643</b>	<b>13,045</b>	<b>13,658</b>
<b>Bulk purchases - electricity</b>											
Electricity bulk purchases		-	-	-	-	-	-	-	-	-	-
<b>Total bulk purchases</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers and grants</b>											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contracted Services</b>											
Outsourced Services		9,483	9,417	9,140	10,605	9,850	9,850	7,880	11,457	12,018	12,583
Consultants and Professional Services		3,279	1,633	4,093	3,172	2,822	2,822	1,695	3,871	4,061	4,252
Contractors		14,767	27,058	33,797	13,065	23,181	23,181	24,010	13,705	14,194	15,052
<b>Total contracted services</b>		<b>27,530</b>	<b>38,107</b>	<b>47,030</b>	<b>26,842</b>	<b>35,854</b>	<b>35,854</b>	<b>33,584</b>	<b>29,033</b>	<b>30,273</b>	<b>31,887</b>
<b>Operational Costs</b>											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		1,173	1,261	1,596	1,800	1,800	1,800	1,663	1,895	1,988	2,082
Other Operational Costs		12,687	22,597	24,313	17,148	24,775	24,775	17,701	24,391	25,314	26,379
<b>Total Operational Costs</b>	1	<b>13,860</b>	<b>23,858</b>	<b>25,909</b>	<b>18,948</b>	<b>26,575</b>	<b>26,575</b>	<b>19,365</b>	<b>26,286</b>	<b>27,302</b>	<b>28,460</b>
<b>Repairs and Maintenance by Expenditure Item</b>	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		10,747	27,671	33,266	12,300	22,146	22,146	-	12,919	13,370	14,189
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>10,747</b>	<b>27,671</b>	<b>33,266</b>	<b>12,300</b>	<b>22,146</b>	<b>22,146</b>	<b>-</b>	<b>12,919</b>	<b>13,370</b>	<b>14,189</b>
<b>Inventory Consumed</b>											
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		-	-	-	3,640	3,288	3,288	-	4,627	5,546	5,807
<b>Total Inventory Consumed - Other Material</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,640</b>	<b>3,288</b>	<b>3,288</b>	<b>-</b>	<b>4,627</b>	<b>5,546</b>	<b>5,807</b>

**Table 39 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Choose name from list - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Finance and Administration	Vote 2 - Finance and Administration 2	Vote 3 - Executive and Council	Vote 4 - Community and Social Services	Vote 5 - Community and Social Services2	Vote 6 - Energy Sources	Vote 7 - Road Transport	Vote 8 - Planning and Development	Vote 9 - Sport and Recreation	Vote 10 - Public Safety	Vote 11 - Other	Vote 12 - [NAME OF VOTE 1210]	Vote 13 - Housing	Vote 14 - Waste Water Management	Vote 15 - Health	Total
<b>R thousand</b>	1																
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	653	-	-	-	653
Sale of Goods and Rendering of Services		108	-	-	21	-	-	-	400	-	-	-	-	-	-	-	529
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		3,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,100
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		74	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		81	-	-	-	-	-	-	-	-	-	7,961	-	-	-	-	7,961
<b>Non-Exchange Revenue</b>																	
Property rates		24,850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,850
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		87,668	-	-	2,004	-	-	-	-	-	-	-	-	-	-	-	89,672
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>115,880</b>	<b>-</b>	<b>-</b>	<b>2,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>7,961</b>	<b>653</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,922</b>
<b>Expenditure</b>																	
Employee related costs		(18,875)	-	(6,339)	(2,984)	(13,790)	-	(7,703)	-	-	-	-	-	-	-	-	(49,690)
Remuneration of councillors		-	-	(7,329)	-	-	-	-	-	-	-	-	-	-	-	-	(7,329)
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		-	-	-	(5,321)	-	-	-	-	-	-	-	-	-	-	-	(5,321)
Debt impairment		(11,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,000)
Depreciation and amortisation		(12,643)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,643)
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		(10,531)	-	(3,192)	(2,797)	(1,040)	-	(9,000)	(200)	(1,911)	-	-	(37)	-	-	(325)	(29,033)
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		(17,910)	-	(1,991)	(3,355)	(800)	-	(17)	(369)	(653)	-	(672)	(520)	-	-	-	(26,286)
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>(70,959)</b>	<b>-</b>	<b>(18,851)</b>	<b>(14,456)</b>	<b>(15,630)</b>	<b>-</b>	<b>(16,720)</b>	<b>(569)</b>	<b>(2,564)</b>	<b>-</b>	<b>(672)</b>	<b>(557)</b>	<b>-</b>	<b>-</b>	<b>(325)</b>	<b>(141,302)</b>
<b>Surplus/(Deficit)</b>		<b>186,839</b>	<b>-</b>	<b>18,851</b>	<b>16,483</b>	<b>15,630</b>	<b>-</b>	<b>16,720</b>	<b>969</b>	<b>2,564</b>	<b>-</b>	<b>8,633</b>	<b>1,210</b>	<b>-</b>	<b>-</b>	<b>325</b>	<b>268,224</b>
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>186,839</b>	<b>-</b>	<b>18,851</b>	<b>16,483</b>	<b>15,630</b>	<b>-</b>	<b>16,720</b>	<b>969</b>	<b>2,564</b>	<b>-</b>	<b>8,633</b>	<b>1,210</b>	<b>-</b>	<b>-</b>	<b>325</b>	<b>268,224</b>



**Table 40 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Trade and other receivables from exchange transactions</b>											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste		856	936	1,030	-	1,022	1,022	1,011	1,630	788	825
Waste Water		-	-	-	-	-	-	-	-	-	-
Other trade receivables from exchange transactions		-	-	-	-	1,299	1,299	(9)	697	(788)	(825)
<b>Gross: Trade and other receivables from exchange transactions</b>		<b>856</b>	<b>936</b>	<b>1,030</b>	<b>-</b>	<b>2,320</b>	<b>2,320</b>	<b>1,002</b>	<b>2,328</b>	<b>-</b>	<b>-</b>
<b>Less: Impairment for debt</b>		<b>(146)</b>	<b>(146)</b>	<b>(45)</b>	<b>-</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>-</b>	<b>-</b>
Impairment for Electricity		-	-	-	-	-	-	-	-	-	-
Impairment for Water		-	-	-	-	-	-	-	-	-	-
Impairment for Waste		(146)	(146)	(45)	-	(45)	(45)	(45)	(45)	-	-
Impairment for Waste Water		-	-	-	-	-	-	-	-	-	-
Impairment for other trade receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
<b>Total net Trade and other receivables from Exchange Transactions</b>		<b>710</b>	<b>790</b>	<b>985</b>	<b>-</b>	<b>2,275</b>	<b>2,275</b>	<b>957</b>	<b>2,282</b>	<b>-</b>	<b>-</b>
<b>Receivables from non-exchange transactions</b>											
Property rates		21,065	15,658	6,677	37,226	24,961	24,961	6,918	24,710	(9,828)	(13,623)
Less: Impairment of Property rates		(6,432)	(6,327)	(6,424)	-	(31,316)	(31,316)	(6,424)	(11,000)	-	-
<b>Net Property rates</b>		<b>14,632</b>	<b>9,331</b>	<b>253</b>	<b>37,226</b>	<b>(6,355)</b>	<b>(6,355)</b>	<b>494</b>	<b>13,710</b>	<b>(9,828)</b>	<b>(13,623)</b>
Other receivables from non-exchange transactions		965	965	965	-	4	4	965	-	-	-
Impairment for other receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
<b>Net other receivables from non-exchange transactions</b>		<b>965</b>	<b>965</b>	<b>965</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>965</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net Receivables from non-exchange transactions</b>		<b>15,597</b>	<b>10,296</b>	<b>1,218</b>	<b>37,226</b>	<b>(6,351)</b>	<b>(6,351)</b>	<b>1,459</b>	<b>13,710</b>	<b>(9,828)</b>	<b>(13,623)</b>
<b>Consumables</b>											
<b>Standard Rated</b>											
<b>Opening Balance</b>		-	-	-	-	-	-	-	-	-	-
Acquisitions		221	48	33	-	-	-	33	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
<b>Closing balance - Consumables Standard Rated</b>		<b>221</b>	<b>48</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zero Rated</b>											
<b>Opening Balance</b>		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
<b>Closing balance - Consumables Zero Rated</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Finished Goods</b>											
<b>Opening Balance</b>		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
<b>Closing balance - Finished Goods</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Materials and Supplies</b>											
<b>Opening Balance</b>		-	-	-	48	33	33	-	33	-	-
Acquisitions		-	-	-	3,640	3,288	3,288	-	4,627	5,546	5,807
Issues	7	-	-	-	(3,640)	(3,288)	(3,288)	(4,627)	(5,546)	(5,807)	(5,807)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
<b>Closing balance - Materials and Supplies</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>33</b>	<b>33</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>-</b>

MKHAMBATHINI MUNICIPALITY 2023/24 Original Budget and MTREF

Closing Balance - Inventory & Consumables	221	48	33	48	33	33	33	33	33	-	-
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)	215,938	252,711	297,532	232,527	319,239	319,239	334,442	294,526		20,541	20,918
Less: recognised as PPE	-	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	54,625	63,696	74,454	12,310	86,264	86,264	83,406	95,145		13,045	13,658
<b>Total Property, plant and equipment (PPE)</b>	<b>161,313</b>	<b>189,015</b>	<b>223,078</b>	<b>220,217</b>	<b>232,975</b>	<b>232,975</b>	<b>251,036</b>	<b>199,381</b>		<b>7,496</b>	<b>7,260</b>
<b>LIABILITIES</b>											
<b>Current liabilities - Financial liabilities</b>											
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current liabilities - Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade and other payables from exchange transactions</b>											
Trade and other payables from exchange transactions	7,852	9,614	12,304	51,692	(30,309)	(30,309)	5,406	6,521		-	-
Other trade payables from exchange transactions	-	-	-	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactions: Unspent conditional Grants	444	444	22,644	444	(556)	(556)	6,472	444		-	-
Trade payables from Non-exchange transactions: Other	-	-	-	-	-	-	-	-	-	-	-
VAT	4,843	6,149	41	1,552	2,975	2,975	1,088	202		212	222
<b>Total Trade and other payables from exchange transactions</b>	<b>13,139</b>	<b>16,207</b>	<b>34,989</b>	<b>53,687</b>	<b>(27,890)</b>	<b>(27,890)</b>	<b>12,966</b>	<b>7,167</b>		<b>212</b>	<b>222</b>
<b>Non-current liabilities - Financial liabilities</b>											
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-current liabilities - Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>											
Retirement benefits	2,374	3,163	4,014	5,144	7,019	7,019	4,014	7,019		-	-
Refuse landfills rehabilitation	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Provisions</b>	<b>2,374</b>	<b>3,163</b>	<b>4,014</b>	<b>5,144</b>	<b>7,019</b>	<b>7,019</b>	<b>4,014</b>	<b>7,019</b>		<b>-</b>	<b>-</b>
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated surplus/(deficit)</b>											
Accumulated surplus/(deficit) - opening balance	-	-	-	241,282	312,667	312,667	-	261,728		-	-
GRAP adjustments	-	-	-	-	-	-	-	-	-	-	-
Revised balance	-	-	-	241,282	312,667	312,667	-	261,728		-	-
Surplus/(Deficit)	12,775	8,983	1,570	10,094	17,934	17,934	44,543	4,705		5,017	(350)
Transfers to/from Reserves	-	-	-	-	-	-	-	-	-	-	-
Depreciation offsets	-	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Surplus/(Deficit)</b>	<b>12,775</b>	<b>8,983</b>	<b>1,570</b>	<b>251,376</b>	<b>330,601</b>	<b>330,601</b>	<b>44,543</b>	<b>266,433</b>		<b>5,017</b>	<b>(350)</b>
<b>Reserves</b>											
Housing Development Fund	-	-	-	-	-	-	-	-	-	-	-
Capital replacement	-	-	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-	-	-
Revaluation	693	1,253	1,253	(1,253)	(1,253)	(1,253)	(1,253)	(1,253)		-	-
<b>Total Reserves</b>	<b>693</b>	<b>1,253</b>	<b>1,253</b>	<b>(1,253)</b>	<b>(1,253)</b>	<b>(1,253)</b>	<b>(1,253)</b>	<b>(1,253)</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>13,468</b>	<b>10,236</b>	<b>2,823</b>	<b>250,123</b>	<b>329,347</b>	<b>329,347</b>	<b>43,290</b>	<b>265,180</b>		<b>5,017</b>	<b>(350)</b>





## **Municipal Manager's Quality Certificate**

OFFICE OF THE MUNICIPAL MANAGER

### **QUALITY CERTIFICATE**

I, Mr Sanele Mngwengwe , Municipal Manager of Mkhambathini Local Municipality, hereby certify that the Budget and SDBIP with the supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name: Mr S Mngwengwe**

**Municipal Manager of Mkhambathini Local Municipality KZ226**

Signature: \_\_\_\_\_

Date: 31 May 2023