

ANNUAL BUDGET OF
MKHAMBATHINI
MUNICIPALITY



2024/2025 TO 2026/27
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. N W NTOMBELA PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE
TABLING OF THE 2024/2025 , 2025/2026 AND 2026/2027 DRAFT BUDGET IN THE COUNCIL
CHAMBERS, CAMPERDOWN,**

ON WEDNESDAY, 22 MAY 2024

Speaker of the Council,

Deputy Mayor,

Executive Committee Members,

Councillors,

Traditional leaders,

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 2024/2025 , 2025/2026 AND 2026/2027 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 30 May 2024 which will be in compliance of the requirements of the MFMA.

Inflation is forecast to remain within the target range of 4.9 percent as per MFMA circular 126 and 128 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 Draft IDP tabled today in this meeting informs the 2024/25 financial year's Draft Budget. I am pleased to announce that this draft budget is aligned to the draft revised IDP. Due to the current financial situation of Mkhambathini Municipality, the municipality will only be able to fund the capital projects through the Municipal Infrastructure Grant which amounts to R 18 .1 million and own generated revenue of R 3.7 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 inspection of the roll and objection process has been finalised.
- There will be rates exemption of R150 000 and a reduction of R285000 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.

The Tariffs are set to be as follows:

Property rates budget 2024/2025					
Property Category	Tariff	Rebate	Exemption	Value Reduction	Pensioner rebate
Agricultural	0.00210	50%		R15,000	
Commercial	0.01066				
Industrial	0.00846			R15,000	
Mining	0.00846			R15,000	
Public Service Purpose	0.01611			R15,000	
Residential	0.00846		R15,000	R285,000	20%
Vacant Land	0.01274				
Illegal Use	0.01274				
Municipal	Exempted 100%				
Public benefit organisation					
Public service infrastructure					
Place of Worship					

- Rates Tariffs were reduced by 20% due to the new general valuation roll that will be implemented in July.

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 2024/2025 and indicative allocations for the two projected outer years 2025/2026 and 2026/27, 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 2024/2025 financial year be adopted.
3. To take note of the operational and Capital budget for the outer years 2025/26 and 2026/2027.

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 4% on Employee Related Costs and 5% 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 (126 &128) 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 2024/2025 & 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. 126 and 128 was used to guide the compilation of the 2024/2025 MTREF.

The main challenges experienced during the compilation of the 2022/25 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 2024/25 MTREF process; and

- The implementation of a sustainable refuse tariff

The following budget principles and guidelines directly informed the compilation of the 2024/25 MTREF:

- The 2023/2024 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 2024/2025 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 2024/2025 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2024/25 BUDGET MTREF

Revenue			
Budget	Budget 2024/25	Budget 2025/26 Yr 1	Budget 2026/27 Yr 2
Equitable Share	87,712,000.00	87,629,000.00	85,596,000.00
Finance Management Grant	3,000,000.00	3,000,000.00	3,000,000.00
Arts and Culture	2,103,000.00	2,198,000.00	2,308,000.00
EPWP Grant	1,541,000.00	-	-
Rates	31,877,216.00	33,152,304.64	34,478,396.83
Refuse Removal	685,459.61	716,990.75	749,255.33
Operational Income	12,838,402.06	15,371,768.58	15,986,639.33
TOTAL	139,757,077.67	142,068,063.97	142,118,291.49
INEP	11,643,000.00	7,205,000.00	7,509,000.00
MIG	18,159,000.00	18,847,000.00	20,128,000.00
Energy Efficient		3,000,000.00	4,000,000.00
TOTAL REVENUE	169,559,077.67	171,120,063.97	173,755,291.49
Expenditure			
Budget	Budget 2024/25	Budget 2025/26 Yr 1	Budget 2026/27 Yr 2
Salaries & Wages	59,634,881.72	62,020,276.99	64,501,088.06
Councillors Allowances	7,622,384.64	7,973,014.33	8,331,799.98
General Expenses	72,964,285.68	75,882,857.10	78,918,171.39
Repairs & Maintenance	17,759,552.00	17,468,200.00	18,254,269.00
CAPITAL EXPENDITURE	21,859,000.00	19,847,000.00	21,128,000.00
TOTAL	179,840,104.03	168,062,663.72	175,197,761.92
Supl/Dif	- 10,281,026.36	3,057,400.26	- 1,442,470.43
Non cash item	16,530,346.00	17,290,741.92	18,068,825.30
Dif	6,249,319.64	20,348,142.17	16,626,354.87

Total revenue budget is R 169 559 077.67 this include the amount of R 11 643 000 for INEP and R 18 159 000 for MIG, for the 2024/25 financial year. For the two outer years, revenue will increase to R 171 120 063.97 in 2025/26 financial year and increase to R 173 755 291.49 in 2026/27 financial year.

Total expenditure budget is R 179 840 104.03 for the 2024/25 financial year which includes the amount for capital projects of R21 859 000.00 and also the non-cash item of R 16 530 346. For the two outer years, expenditure will decrease to R 168 062 663.72 in 2025/26 financial year and increase to R 175 197 761.92 in 2026/27 financial year.

Total Capital Expenditure is R 21 859 000 for the 2024/5 financial year, R18 159 000 from MIG and R 3 700 000 from our own generated revenue. For the two outer years, capital will decrease in 2025/26 financial year to R 19 847 000 and increase in 2026/27 financial year to R 21 128 000. The below table contains the list for the Capital Budget

Details	Budget 2024/2025	Budget 2025/2026	Budget 2025/2027
GRANTS & SUBSIDIES			
National Government			
Municipal Infrastructure Grant	18,159,000.00	18,847,000.00	20,128,000.00
Own funding	3,700,000.00	1,000,000.00	1,000,000.00
	21,859,000.00	19,847,000.00	21,128,000.00
Internal funding			
New Computers and Printers	200,000.00	200,000.00	200,000.00
Municipal Vehicles	1,400,000.00	500,000.00	500,000.00
Generator/Solar	500,000.00		
Server: Finance	1,200,000.00		
Fire arm	150,000.00		
Furniture	250,000.00	300,000.00	300,000.00
	3,700,000.00	1,000,000.00	1,000,000.00
MIG FUNDING			
Ngilanyoni Community Hall	7,922,264.94	672,866.06	
Nkanyezini Sportfiel W3		3,257,340.12	7,209,684.66
Makholweni Access Road W6	1,931,795.06		
Matigulu Access Road W7			
Mboyi Community Hall 3	8,304,940.00		
Nonzila Creche W2		2,638,088.50	2,638,088.50
Estingini Sportfield W1		7,128,433.50	5,150,566.50
Lights - High Masts All wards		5,150,271.82	
Eqeleni Access Road W2			5,129,660.34
	18,159,000.00	18,847,000.00	20,128,000.00
	21,859,000.00	19,847,000.00	21,128,000.00

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 95 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 2024/25 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)

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	533	556	596	653	653	653	525	685	717	750
Sale of Goods and Rendering of Services		2,722	1,577	499	529	535	535	1,178	561	587	614
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		2,596	2,242	3,703	3,100	3,100	3,100	1,852	3,224	3,372	3,524
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	417	75	74	301	301	274	316	331	346
Licence and permits		5,349	5,825	6,979	7,961	7,961	7,961	6,696	8,351	8,735	9,137
Operational Revenue		522	199	9,847	81	521	521	289	384	402	420
Non-Exchange Revenue											
Property rates	2	19,217	24,876	23,937	24,850	24,850	24,850	20,931	31,877	33,344	34,877
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	1	1	2	2	2	1	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		85,494	76,559	92,894	89,672	198,350	198,350	191,026	105,999	104,573	103,854
Interest		(20)	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		116,416	112,253	138,531	126,922	236,273	236,273	222,771	151,400	152,063	153,524
Expenditure											
Employee related costs	2	43,215	51,093	49,034	49,690	49,690	49,690	44,571	59,635	62,484	65,273
Remuneration of councillors		6,022	5,883	6,288	7,329	7,329	7,329	5,741	7,622	7,973	8,332
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	4,445	4,222	3,223	4,627	5,227	5,227	4,218	6,038	5,868	6,137
Debt impairment	3	-	-	-	11,000	11,000	11,000	-	4,700	4,916	5,137
Depreciation and amortisation		10,760	11,763	12,968	12,643	12,643	12,643	9,513	11,830	12,375	12,931
Interest		0	1	39	-	-	-	-	-	-	-
Contracted services		38,107	62,778	60,890	29,033	131,519	131,519	118,841	40,726	35,456	36,281
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		5,167	10,590	2,173	-	-	-	-	-	-	-
Operational costs		23,858	20,342	27,261	26,286	27,937	27,937	24,980	27,430	28,692	29,963
Losses on disposal of Assets		1,659	5,934	642	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		133,233	172,606	162,519	140,608	245,345	245,345	207,863	157,981	157,763	164,074
Surplus/(Deficit)		(16,817)	(60,353)	(23,988)	(13,686)	(9,072)	(9,072)	14,907	(6,581)	(5,700)	(10,550)
Transfers and subsidies - capital (monetary)	6	25,800	61,923	59,968	18,392	17,162	17,162	15,417	18,159	18,847	20,128
Transfers and subsidies - capital (in-kind)	6	-	-	3,800	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578

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 R169 559 078 million will be received from grants (74%), Property Rates (19%), licences and permits (5%), interest earned from investment (2%), other revenue (0%) and Service charges – refuse (0%).

The below table explain the total revenue budget for 2024/2025

Revenue

Departments	Equitable Share	Finance Management Grant	MIG	INEP	Arts and Culture	EPWP Grant	Rates	Refuse Removal	Operational Income	Totals
Executive Department	7,016,960.00									7,016,960
Office of the Municipal Manager	9,648,320									9,648,320
Finance Services	13,156,800	3,000,000.00					31,877,216.00		3,642,677.51	51,676,694
Corporate Services	10,525,440								8,650,855.07	19,176,295
Library Services					2,103,000.00				24,163.72	2,127,164
Community & Social Services	21,050,880					1,541,000.00		685,459.61	12,588.00	23,289,928
Technical Services	26,313,600		18,159,000.00	11,643,000.00					508,117.77	56,623,718
	87,712,000	3,000,000	18,159,000	11,643,000	2,103,000	1,541,000	31,877,216	685,460	12,838,402	169,559,078
	52%	2%	11%	7%	1%	1%	19%	0%	8%	100%

The revenue as per chart is as follows:

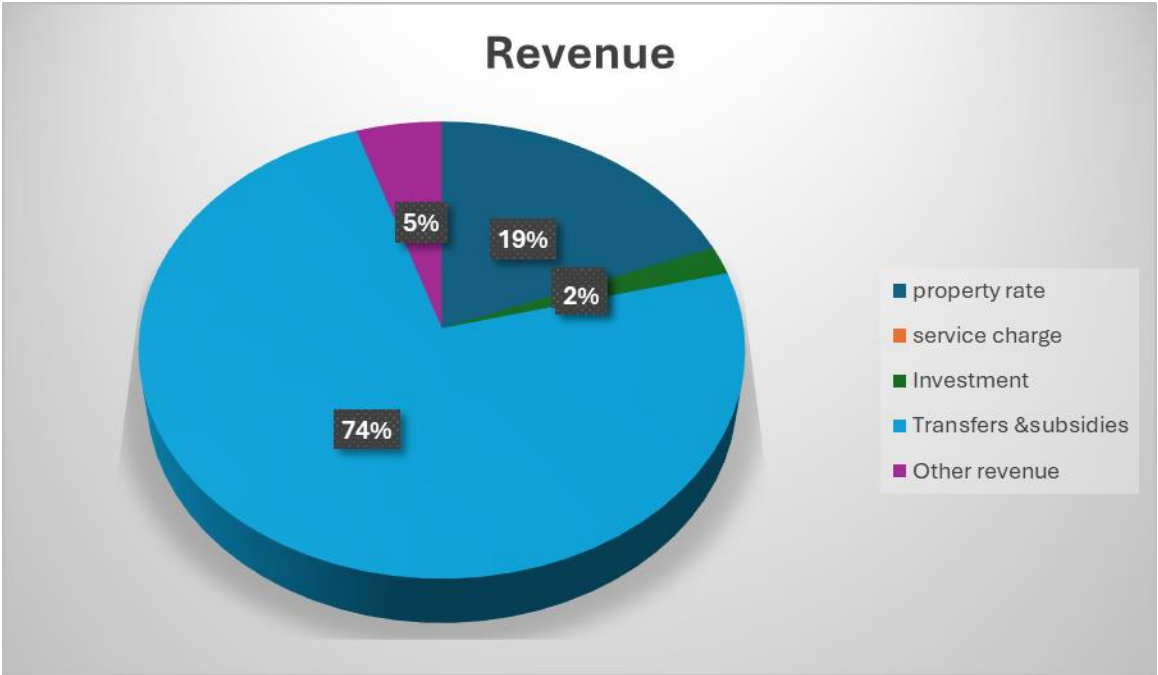


Table 4 Operating Transfers and Grant Receipts

KZN226 Mkhambathini - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		88,678	100,959	111,190	110,223	117,723	117,723	103,896	100,834	100,005
EPWP Incentive		1,143	1,329	1,671	1,456	1,456	1,456	1,541	-	-
Finance Management		2,800	2,850	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Local Government Equitable Share		79,735	70,470	77,519	83,212	83,212	83,212	87,712	87,629	85,496
Municipal Disaster Recovery Grant		-	8,200	8,200	-	-	-	-	-	-
Energy Efficiency and Demand Management		-	-	-	-	-	-	-	3,000	4,000
Integrated National Electrification Programme		5,000	18,110	20,800	22,555	30,055	30,055	11,643	7,205	7,509
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
KwaZulu-Natal Capacity Building and Other_Cap		1,816	1,910	2,504	2,004	2,004	2,004	2,103	2,198	2,308
Municipal Excellence Awards		-	-	500	-	-	-	-	-	-
Library Grant		1,816	1,910	2,004	2,004	2,004	2,004	2,103	2,198	2,308
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	18,387	-	85,923	85,923	-	-	-
Department of Transport		-	-	18,387	-	65,123	65,123	-	-	-
COGTA Electrification		-	-	-	-	20,800	20,800	-	-	-
Total Operating Transfers and Grants	5	90,494	102,869	132,081	112,227	205,650	205,650	105,999	103,032	102,313
Capital Transfers and Grants										
		28,500	46,175	41,881	18,362	17,162	17,162	18,159	18,847	20,128
Integrated City Development Grant		-	14,420	14,000	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)		28,500	31,755	27,881	18,362	17,162	17,162	18,159	18,847	20,128
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
KwaZulu-Natal Capacity Building and Other_Cap		-	-	-	-	-	-	-	-	-
KwaZulu-Natal Infrastructure Infrastructure_RE		-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
Department of Transpor		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	28,500	46,175	41,881	18,362	17,162	17,162	18,159	18,847	20,128
TOTAL RECEIPTS OF TRANSFERS & GRANTS		118,994	149,044	173,962	130,589	222,812	222,812	124,158	121,879	122,441

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 4 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 draft Property Rates Policy to be 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 2024/25 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 5470332.24 based on the R285 000 plus R15 000 reduction amount on all residential properties, 20% rebate for all properties owned by pensioners and 50% rebates for agricultural.

Table 5 MBRR Table SA14 – Household bills

KZN226 Mkhambathini - Supporting Table SA14 Household bills

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rand/cent											
Monthly Account for Household - 'Middle Income Range'											
Rates and services charges:	1										
Property rates		431.00	560.00	593.00	593.00	593.00	593.00	80.0%	629.17	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	6.1%	629.17	666.29	704.94
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
% increase/-decrease			29.9%	5.9%	-	-	-		6.1%	5.9%	5.8%
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:	2										
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease											
Monthly Account for Household - 'Indigent' Household receiving free basic services											
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		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease											

1.5 Operating Expenditure Framework

The Municipality’s expenditure framework for the 2024/25 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 2024/25 budget and MTREF (classified per main type of operating expenditure):

KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	533	556	596	653	653	653	525	685	717	750
Sale of Goods and Rendering of Services		2,722	1,577	499	529	535	535	1,178	561	587	614
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		2,596	2,242	3,703	3,100	3,100	3,100	1,852	3,224	3,372	3,524
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	417	75	74	301	301	274	316	331	346
Licence and permits		5,349	5,825	6,979	7,961	7,961	7,961	6,696	8,351	8,735	9,137
Operational Revenue		522	199	9,847	81	521	521	289	384	402	420
Non-Exchange Revenue											
Property rates	2	19,217	24,876	23,937	24,850	24,850	24,850	20,931	31,877	33,344	34,877
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	1	1	2	2	2	1	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		85,494	76,559	92,894	89,672	198,350	198,350	191,026	105,999	104,573	103,854
Interest		(20)	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		116,416	112,253	138,531	126,922	236,273	236,273	222,771	151,400	152,063	153,524
Expenditure											
Employee related costs	2	43,215	51,093	49,034	49,690	49,690	49,690	44,571	59,635	62,484	65,273
Remuneration of councillors		6,022	5,883	6,288	7,329	7,329	7,329	5,741	7,622	7,973	8,332
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	4,445	4,222	3,223	4,627	5,227	5,227	4,218	6,038	5,868	6,137
Debt impairment	3	-	-	-	11,000	11,000	11,000	-	4,700	4,916	5,137
Depreciation and amortisation		10,760	11,763	12,968	12,643	12,643	12,643	9,513	11,830	12,375	12,931
Interest		0	1	39	-	-	-	-	-	-	-
Contracted services		38,107	62,778	60,890	29,033	131,519	131,519	118,841	40,726	35,456	36,281
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		5,167	10,590	2,173	-	-	-	-	-	-	-
Operational costs		23,858	20,342	27,261	26,286	27,937	27,937	24,980	27,430	28,692	29,983
Losses on disposal of Assets		1,659	5,934	642	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		133,233	172,606	162,519	140,608	245,345	245,345	207,863	157,981	157,763	164,074
Surplus/(Deficit)		(16,817)	(60,353)	(23,988)	(13,686)	(9,072)	(9,072)	14,908	(6,581)	(5,700)	(10,550)
Transfers and subsidies - capital (monetary)	6	25,800	61,923	59,968	18,392	17,162	17,162	15,417	18,159	18,847	20,128
Transfers and subsidies - capital (in-kind)	6	-	-	3,800	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578

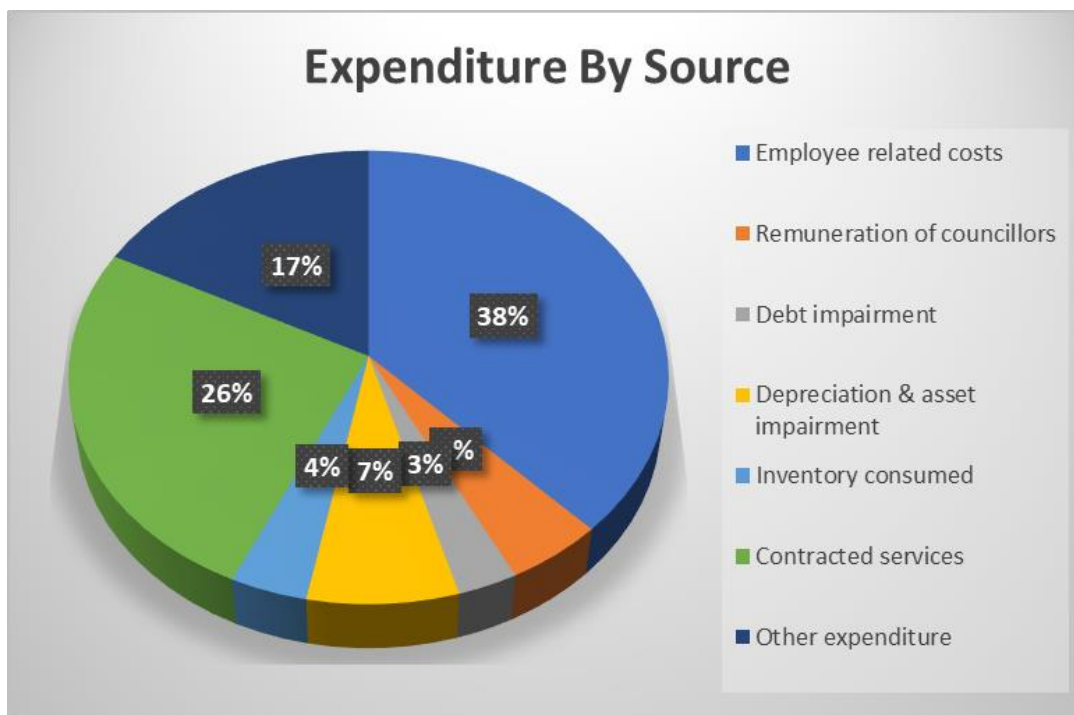
Table 6 Summary of operating expenditure by standard classification item

The budgeted allocation for employee related costs for the 2024/2025 financial year totals R 59.6 million, which equals 33 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 5 per cent for the 2024/2025 financial year. An annual increase on salaries of 4.6 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.

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 4 per cent for 4 and curbed at 4 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 2024/25 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 SA 34

KZN226 Mkhambathini - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		14,306	16,377	11,169	9,000	16,000	16,000	12,600	13,180	13,773
Roads Infrastructure		14,306	16,377	11,169	9,000	16,000	16,000	12,600	13,180	13,773
Roads		13,883	15,789	7,956	-	-	-	-	-	-
Road Structures		423	588	3,213	9,000	16,000	16,000	12,600	13,180	13,773
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Community Assets	2,960	2,498	1,510	1,400	1,400	1,400	2,000	2,092	2,186	
Community Facilities	2,452	2,426	1,352	700	700	700	1,000	1,046	1,093	
Halls	2,452	2,426	1,352	700	700	700	1,000	1,046	1,093	
Centres	-	-	-	-	-	-	-	-	-	
Crèches	-	-	-	-	-	-	-	-	-	
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	509	73	158	700	700	700	1,000	1,046	1,093	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	509	73	158	700	700	700	1,000	1,046	1,093	
Capital Spares	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Other assets	9,086	14,117	9,876	2,100	2,100	2,100	2,100	2,197	2,295	
Operational Buildings	9,086	14,117	9,876	2,100	2,100	2,100	2,100	2,197	2,295	
Municipal Offices	8,501	13,937	9,876	2,100	2,100	2,100	2,100	2,197	2,295	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	585	180	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
Computer Equipment	554	8	-	-	-	-	-	-	-	
Computer Equipment	554	8	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Transport Assets	765	266	782	419	1,019	1,019	1,060	1,108	1,158	
Transport Assets	765	266	782	419	1,019	1,019	1,060	1,108	1,158	
Land	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Repairs and Maintenance Expenditure	1	27,671	33,266	23,338	12,919	20,519	20,519	17,760	16,576	19,412

1.6 Capital expenditure

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

Table 8 2024/2025 Medium-term capital budget per vote

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 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		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Finance and Administration		965	582	443	3,130	4,230	4,230	35,555	3,550	1,000	1,000
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		(3,033)	-	(0)	-	-	-	(0)	-	2,638	2,638
Vote 5 - Community and Social Services2		862	4,863	(6,747)	7,612	-	-	8,931	16,227	673	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		21,901	31,449	20,136	6,287	16,701	16,701	147,003	1,932	-	5,130
Vote 8 - Planning and Development		13,902	250	7,552	-	-	-	118,335	-	-	-
Vote 9 - Sport and Recreation		-	7,748	9,109	3,425	-	-	16,856	-	10,386	12,360
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		34,597	44,892	30,492	20,454	20,931	20,931	326,680	21,709	14,697	21,128
Total Capital Expenditure - Vote		34,597	44,892	30,492	20,454	20,931	20,931	326,680	21,709	14,697	21,128
Capital Expenditure - Functional											
Governance and administration		965	582	443	3,130	4,230	4,230	38,411	3,550	1,000	1,000
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		965	582	443	3,130	4,230	4,230	38,411	3,550	1,000	1,000
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		(2,171)	12,610	2,362	11,037	80	80	26,779	16,377	13,697	14,998
Community and social services		(2,171)	4,863	(6,747)	7,612	-	-	8,931	16,227	3,311	2,638
Sport and recreation		-	7,748	9,109	3,425	-	-	17,848	-	10,386	12,360
Public safety		-	-	-	-	80	80	-	150	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		35,803	31,699	37,105	8,755	22,525	22,525	291,990	1,932	-	5,130
Planning and development		13,902	250	7,552	-	-	-	118,335	-	-	-
Road transport		21,901	31,449	29,553	8,755	22,525	22,525	173,655	1,932	-	5,130
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	5,150	-
Energy sources		-	-	-	-	-	-	-	-	5,150	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	2,556	-	-	-	2,776	-	-	-
Total Capital Expenditure - Functional	3	34,597	44,892	42,465	22,922	26,835	26,835	359,956	21,859	19,847	21,128
Funded by:											
National Government		6,582	32,709	18,668	18,392	17,162	17,162	196,877	18,159	18,847	20,128
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	6,582	32,709	18,668	18,392	17,162	17,162	196,877	18,159	18,847	20,128
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		28,015	12,182	23,797	4,530	9,673	9,673	163,079	3,700	1,000	1,000
Total Capital Funding	7	34,597	44,892	42,465	22,922	26,835	26,835	359,956	21,859	19,847	21,128

For 2024/2025 an amount of R 18.1 million has been appropriated for the development of infrastructure. In the outer years this amount totals R18.8 million, and R 20.1 million, respectively for each of the financial years. And the municipality budgeted R3.7 from their internal generated funds.

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 2024/2025 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

KZN226 Mkhambathini - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Financial Performance										
Property rates	19,217	24,876	23,937	24,850	24,850	24,850	20,931	31,877	33,344	34,877
Service charges	533	556	596	653	653	653	525	685	717	750
Investment revenue	2,596	2,242	3,703	3,100	3,100	3,100	1,852	3,224	3,372	3,524
Transfer and subsidies - Operational	85,494	76,559	92,894	89,672	198,350	198,350	191,026	105,999	104,573	103,854
Other own revenue	8,574	8,019	17,401	8,646	9,320	9,320	8,438	9,614	10,057	10,519
Total Revenue (excluding capital transfers and contributions)	116,416	112,253	138,531	126,922	236,273	236,273	222,771	151,400	152,063	153,524
Employee costs	43,215	51,093	49,034	49,690	49,690	49,690	44,571	59,635	62,484	65,273
Remuneration of councillors	6,022	5,883	6,288	7,329	7,329	7,329	5,741	7,622	7,973	8,332
Depreciation and amortisation	10,760	11,763	12,968	12,643	12,643	12,643	9,513	11,830	12,375	12,931
Interest	0	1	39	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	4,445	4,222	3,223	4,627	5,227	5,227	4,218	6,038	5,868	6,137
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	68,790	99,644	90,966	66,319	170,456	170,456	143,821	72,856	69,064	71,402
Total Expenditure	133,233	172,606	162,519	140,608	245,345	245,345	207,863	157,981	157,763	164,074
Surplus/(Deficit)	(16,817)	(60,353)	(23,988)	(13,686)	(9,072)	(9,072)	14,908	(6,581)	(5,700)	(10,550)
Transfers and subsidies - capital (monetary allocations)	25,800	61,923	59,968	18,392	17,162	17,162	15,417	18,159	18,847	20,128
Transfers and subsidies - capital (in-kind)	-	-	3,800	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Capital expenditure & funds sources										
Capital expenditure	34,597	44,892	42,465	22,922	26,835	26,835	359,956	21,859	19,847	21,128
Transfers recognised - capital	6,582	32,709	18,668	18,392	17,162	17,162	196,877	18,159	18,847	20,128
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	28,015	12,182	23,797	4,530	9,673	9,673	163,079	3,700	1,000	1,000
Total sources of capital funds	34,597	44,892	42,465	22,922	26,835	26,835	359,956	21,859	19,847	21,128
Financial position										
Total current assets	72,295	61,884	58,767	52,200	99,254	99,254	81,297	68,791	71,662	83,455
Total non current assets	189,308	223,285	257,458	210,346	271,646	271,646	269,247	281,307	145,919	283,522
Total current liabilities	16,279	36,391	27,842	(12,160)	38,718	38,718	31,838	(3,740)	(4,225)	2,221
Total non current liabilities	13,149	14,851	14,497	20,861	(6,823)	(6,823)	14,497	(6,823)	(6,823)	(6,823)
Community wealth/Equity	242,162	244,765	284,545	265,180	339,005	339,005	312,363	360,661	228,629	371,579
Cash flows										
Net cash from (used) operating	-	-	-	(41,109)	(25,556)	(25,556)	30,000	23,647	27,563	24,829
Net cash from (used) investing	-	-	-	26,360	26,847	26,847	-	(25,138)	(22,648)	(24,222)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	(14,749)	1,291	1,291	30,000	46,420	51,335	51,941
Cash backing/surplus reconciliation										
Cash and investments available	50,443	53,265	44,074	20,756	92,942	92,942	62,405	46,420	51,335	56,109
Application of cash and investments	5,578	30,214	16,326	(30,075)	46,685	46,685	11,252	(26,639)	(25,024)	(20,261)
Balance - surplus (shortfall)	44,865	23,051	27,748	50,831	46,258	46,258	51,154	73,059	76,359	76,370
Asset management										
Asset register summary (WDV)	39,885	65,623	68,584	23,834	45,310	45,310	42,695	42,695	37,286	49,654
Depreciation	2,558	3,019	3,262	4,023	4,023	4,023	3,194	3,194	3,341	3,491
Renewal and Upgrading of Existing Assets	-	-	-	2,400	1,720	1,720	-	-	-	-
Repairs and Maintenance	27,671	33,266	23,338	12,919	20,519	20,519	17,760	17,760	18,576	19,412
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	(4,713)	(3,712)	(5,177)	(3,618)	(3,618)	(3,618)	(5,470)	(5,722)	(5,985)	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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 10 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional										
Governance and administration		132,080	134,170	151,704	134,272	133,704	133,704	146,320	148,577	149,449
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		132,080	134,170	151,704	134,272	133,704	133,704	146,320	148,577	149,449
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1,833	1,936	10,739	2,027	2,039	2,039	2,140	2,236	2,348
Community and social services		1,833	1,936	10,739	2,027	2,039	2,039	2,140	2,236	2,348
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2,419	15,941	14,194	400	65,523	65,523	420	439	459
Planning and development		2,419	1,521	194	400	400	400	420	439	459
Road transport		-	14,420	14,000	-	65,123	65,123	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		533	16,304	18,683	653	44,208	44,208	12,328	10,922	12,259
Energy sources		-	15,748	18,087	-	43,555	43,555	11,643	10,205	11,509
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		533	556	596	653	653	653	685	717	750
Other	4	5,349	5,825	6,979	7,961	7,961	7,961	8,351	8,735	9,137
Total Revenue - Functional	2	142,216	174,176	202,299	145,314	253,435	253,435	169,559	170,910	173,652
Expenditure - Functional										
Governance and administration		74,907	100,116	83,181	91,737	95,031	95,031	98,986	104,219	108,887
Executive and council		17,490	19,515	17,774	20,093	20,873	20,873	26,178	27,344	28,574
Finance and administration		57,417	80,601	65,407	71,644	74,157	74,157	72,808	76,876	80,312
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		22,131	29,797	41,077	29,484	29,462	29,462	27,630	28,693	29,988
Community and social services		20,931	29,069	32,825	26,365	26,455	26,455	24,255	25,128	26,262
Sport and recreation		1,091	676	1,599	2,794	2,710	2,710	3,066	3,242	3,389
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		110	52	6,654	325	297	297	309	323	338
Economic and environmental services		23,087	38,635	36,935	17,308	80,937	80,937	19,656	19,744	20,633
Planning and development		2,433	16,064	27,475	589	589	589	1,392	640	669
Road transport		20,654	22,571	9,459	16,720	80,348	80,348	18,264	19,104	19,964
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		12,138	3,603	727	1,407	39,244	39,244	11,165	4,537	3,972
Energy sources		10,433	-	-	-	37,874	37,874	10,124	3,657	3,051
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,705	3,603	727	1,407	1,370	1,370	1,041	880	921
Other	4	969	454	599	672	672	672	544	569	595
Total Expenditure - Functional	3	133,233	172,606	162,519	140,608	245,345	245,345	157,981	157,763	164,074
Surplus/(Deficit) for the year		8,983	1,570	39,780	4,706	8,090	8,090	11,578	13,147	9,578

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 11 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue by Vote	1									
Vote 1 - Finance and Administration		132,080	134,170	151,704	134,272	133,704	133,704	146,320	148,577	149,449
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		1,833	1,929	10,222	2,027	2,027	2,027	2,127	2,223	2,334
Vote 5 - Community and Social Services2		-	8	517	-	12	12	13	13	14
Vote 6 - Energy Sources		-	15,748	18,087	-	43,555	43,555	11,643	10,205	11,509
Vote 7 - Road Transport		-	14,420	14,000	-	65,123	65,123	-	-	-
Vote 8 - Planning and Development		2,419	1,521	194	400	400	400	420	439	459
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 11 - Other		5,349	5,825	6,979	7,961	7,961	7,961	8,351	8,735	9,137
Vote 12 - [NAME OF VOTE 1210]		533	556	596	653	653	653	685	717	750
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	142,216	174,176	202,299	145,314	253,435	253,435	169,559	170,910	173,652
Expenditure by Vote to be appropriated	1									
Vote 1 - Finance and Administration		57,362	80,549	65,102	71,359	73,873	73,873	72,512	76,566	79,989
Vote 2 - Finance and Administration2		55	52	305	284	284	284	296	309	323
Vote 3 - Executive and Council		17,490	19,515	17,774	20,093	20,873	20,873	26,178	27,344	28,574
Vote 4 - Community and Social Services		5,673	8,591	14,738	10,735	10,825	10,825	12,903	13,253	13,853
Vote 5 - Community and Social Services2		15,590	20,479	18,087	15,630	15,630	15,630	11,353	11,875	12,409
Vote 6 - Energy Sources		10,433	-	-	-	37,874	37,874	10,124	3,657	3,051
Vote 7 - Road Transport		20,654	22,571	9,459	16,720	80,348	80,348	18,264	19,104	19,964
Vote 8 - Planning and Development		2,433	16,064	27,475	589	589	589	1,392	640	669
Vote 9 - Sport and Recreation		1,091	676	1,599	2,794	2,710	2,710	3,066	3,242	3,389
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 11 - Other		636	454	599	672	672	672	544	569	595
Vote 12 - [NAME OF VOTE 1210]		1,705	3,603	727	1,407	1,370	1,370	1,041	880	921
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		110	52	6,654	325	297	297	309	323	338
Total Expenditure by Vote	2	133,233	172,606	162,519	140,608	245,345	245,345	157,981	157,763	164,074
Surplus/(Deficit) for the year	2	8,983	1,570	39,780	4,706	8,090	8,090	11,578	13,147	9,578

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	533	556	596	653	653	653	525	685	717	750
Sale of Goods and Rendering of Services		2,722	1,577	499	529	535	535	1,178	561	587	614
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		2,596	2,242	3,703	3,100	3,100	3,100	1,852	3,224	3,372	3,524
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	417	75	74	301	301	274	316	331	346
Licence and permits		5,349	5,825	6,979	7,961	7,961	7,961	6,696	8,351	8,735	9,137
Operational Revenue		522	199	9,847	81	521	521	289	384	402	420
Non-Exchange Revenue											
Property rates	2	19,217	24,876	23,937	24,850	24,850	24,850	20,931	31,877	33,344	34,877
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	1	1	2	2	2	1	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		85,494	76,559	92,894	89,672	198,350	198,350	191,026	105,999	104,573	103,854
Interest		(20)	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		116,416	112,253	138,531	126,922	236,273	236,273	222,771	151,400	152,063	153,524
Expenditure											
Employee related costs	2	43,215	51,093	49,034	49,690	49,690	49,690	44,571	59,635	62,484	65,273
Remuneration of councillors		6,022	5,883	6,288	7,329	7,329	7,329	5,741	7,622	7,973	8,332
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	4,445	4,222	3,223	4,627	5,227	5,227	4,218	6,038	5,868	6,137
Debt impairment	3	-	-	-	11,000	11,000	11,000	-	4,700	4,916	5,137
Depreciation and amortisation		10,760	11,763	12,968	12,643	12,643	12,643	9,513	11,830	12,375	12,931
Interest		0	1	39	-	-	-	-	-	-	-
Contracted services		38,107	62,778	60,890	29,033	131,519	131,519	118,841	40,726	35,456	36,281
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		5,167	10,590	2,173	-	-	-	-	-	-	-
Operational costs		23,858	20,342	27,261	26,286	27,937	27,937	24,980	27,430	28,692	29,983
Losses on disposal of Assets		1,659	5,934	642	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		133,233	172,606	162,519	140,608	245,345	245,345	207,863	157,981	157,763	164,074
Surplus/(Deficit)		(16,817)	(60,353)	(23,988)	(13,686)	(9,072)	(9,072)	14,908	(6,581)	(5,700)	(10,550)
Transfers and subsidies - capital (monetary)	6	25,800	61,923	59,968	18,392	17,162	17,162	15,417	18,169	18,847	20,128
Transfers and subsidies - capital (in-kind)	6	-	-	3,800	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	8,983	1,570	39,780	4,706	8,090	8,090	30,324	11,578	13,147	9,578

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

1. Total revenue is R169 million including MIG revenue in 2024/2025 and escalates to R 170 million by 2025/26 and escalates to R 173 million in 2026/2027
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 127 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 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		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Finance and Administration		965	582	443	3,130	4,230	4,230	35,555	3,550	1,000	1,000
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		(3,033)	-	(0)	-	-	-	(0)	-	2,638	2,638
Vote 5 - Community and Social Services2		862	4,863	(6,747)	7,612	-	-	8,931	16,227	673	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		21,901	31,449	20,136	6,287	16,701	16,701	147,003	1,932	-	5,130
Vote 8 - Planning and Development		13,902	250	7,552	-	-	-	118,335	-	-	-
Vote 9 - Sport and Recreation		-	7,748	9,109	3,425	-	-	16,856	-	10,386	12,360
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		34,597	44,892	30,492	20,454	20,931	20,931	326,680	21,709	14,697	21,128
Total Capital Expenditure - Vote		34,597	44,892	30,492	20,454	20,931	20,931	326,680	21,709	14,697	21,128
Capital Expenditure - Functional											
Governance and administration		965	582	443	3,130	4,230	4,230	38,411	3,550	1,000	1,000
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		965	582	443	3,130	4,230	4,230	38,411	3,550	1,000	1,000
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		(2,171)	12,610	2,362	11,037	80	80	26,779	16,377	13,697	14,998
Community and social services		(2,171)	4,863	(6,747)	7,612	-	-	8,931	16,227	3,311	2,638
Sport and recreation		-	7,748	9,109	3,425	-	-	17,848	-	10,386	12,360
Public safety		-	-	-	-	80	80	-	150	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		35,803	31,699	37,105	8,755	22,525	22,525	291,990	1,932	-	5,130
Planning and development		13,902	250	7,552	-	-	-	118,335	-	-	-
Road transport		21,901	31,449	29,553	8,755	22,525	22,525	173,655	1,932	-	5,130
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	5,150	-
Energy sources		-	-	-	-	-	-	-	-	5,150	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	2,556	-	-	-	2,776	-	-	-
Total Capital Expenditure - Functional	3	34,597	44,892	42,465	22,922	26,835	26,835	359,956	21,859	19,847	21,128
Funded by:											
National Government		6,582	32,709	18,668	18,392	17,162	17,162	196,877	18,159	18,847	20,128
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)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	6,582	32,709	18,668	18,392	17,162	17,162	196,877	18,159	18,847	20,128
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		28,015	12,182	23,797	4,530	9,673	9,673	163,079	3,700	1,000	1,000
Total Capital Funding	7	34,597	44,892	42,465	22,922	26,835	26,835	359,956	21,859	19,847	21,128

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 138 MBRR Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

R thousand	Description	Ref	2020/21			2021/22			Current Year 2022/23				2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27			
ASSETS															
Current assets															
	Cash and cash equivalents		50,443	53,265	44,074	20,766	92,942	92,942	62,495	46,400	51,335	56,169			
1	Trade and other receivables from exchange transactions		790	985	1,026	2,292	2,513	2,513	1,023	2,826	2,941	3,073			
1	Receivables from non-exchange transactions		10,296	1,218	1,711	13,710	(6,158)	(6,158)	3,023	(1,313)	(2,839)	(2,967)			
	Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-			
2	Inventory		48	33	38	33	(5,189)	(5,189)	38	38	39	5,397			
	VAT		10,629	6,104	11,444	15,330	15,145	15,145	14,073	20,821	20,187	21,842			
	Other current assets		88	279	474	88	-	-	735	-	-	-			
	Total current assets		72,295	61,864	59,767	52,200	99,254	99,254	81,297	68,791	71,662	83,455			
Non current assets															
	Investments		-	-	-	-	-	-	-	-	-	-			
	Investment property		-	-	3,800,000.00	10,965	14,765	14,765	3,800	14,765	14,765	14,765			
3	Property, plant and equipment		189,015	223,078	253,537	199,381	256,967	256,967	265,398	265,247	131,060	268,665			
	Biological assets		-	-	-	-	-	-	-	-	-	-			
	Living and non-living resources		-	-	-	-	-	-	-	-	-	-			
	Heritage assets		-	-	-	-	-	-	-	-	-	-			
	Intangible assets		294	207	121	-	(86)	(86)	49	1,294	93	92			
	Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-			
	Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-			
	Other non-current assets		-	-	-	-	-	-	-	-	-	-			
	Total non current assets		189,308	223,285	257,458	210,346	271,646	271,646	269,247	281,307	145,919	283,522			
	TOTAL ASSETS		261,604	285,170	316,224	262,546	370,900	370,900	350,544	350,098	217,581	366,977			
LIABILITIES															
Current liabilities															
	Bank overdraft		-	-	-	-	-	-	-	-	-	-			
	Financial liabilities		-	-	-	-	-	-	-	-	-	-			
	Consumer deposits		71	72	72	-	-	-	72	-	-	-			
4	Trade and other payables from exchange transactions		9,614	11,272	13,562	6,521	139,172	139,172	12,435	(427)	(440)	5,994			
5	Trade and other payables from non-exchange transactions		444	22,644	9,112	(22,111)	(97,090)	(97,090)	12,932	(444)	(444)	(4,602)			
	Provision		-	-	-	3,228	(3,600)	(3,600)	(3,600)	(3,600)	(3,600)	(3,600)			
	VAT		6,149	2,403	5,096	202	237	237	6,398	732	260	272			
	Other current liabilities		-	-	-	-	-	-	-	-	-	-			
	Total current liabilities		16,279	38,391	27,842	(12,169)	38,718	38,718	31,838	(3,740)	(4,225)	2,221			
Non current liabilities															
	Financial liabilities		-	-	-	-	-	-	-	-	-	-			
6	Provision		9,986	10,837	10,660	13,842	-	-	10,660	-	-	-			
7	Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-			
	Other non-current liabilities		3,163	4,014	3,837	7,019	(6,823)	(6,823)	3,837	(6,823)	(6,823)	(6,823)			
	Total non current liabilities		13,149	14,851	14,497	20,861	(6,823)	(6,823)	14,497	(6,823)	(6,823)	(6,823)			
	TOTAL LIABILITIES		29,428	51,242	42,339	8,701	31,895	31,895	46,335	(10,563)	(11,048)	(4,602)			
	NET ASSETS		232,176	233,928	273,885	253,845	339,005	339,005	304,210	360,661	228,629	371,579			
COMMUNITY WEALTH/EQUITY															
8	Accumulated surplus/(deficit)		240,909	243,511	283,292	266,433	339,005	339,005	313,616	360,661	228,629	371,579			
9	Reserves and funds		1,253	1,253	1,253	(1,253)	-	-	(1,253)	-	-	-			
	Other		-	-	-	-	-	-	-	-	-	-			
	TOTAL COMMUNITY WEALTH/EQUITY	10	242,162	244,765	284,545	265,180	339,005	339,005	312,363	360,661	228,629	371,579			

Explanatory notes to Table A6 - Budgeted Financial Position

1. 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).
2. 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.
3. 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.
4. 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

KZN226 Mkhambathini - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	21,122	21,122	21,122	-	30,283	33,344	34,877
Service charges		-	-	-	601	601	601	-	651	681	712
Other revenue		-	-	-	126	142	142	-	13,292	13,398	14,010
Transfers and Subsidies - Operational	1	-	-	-	89,672	198,350	198,350	30,000	105,999	104,573	103,854
Transfers and Subsidies - Capital	1	-	-	-	18,392	17,162	17,162	-	18,159	18,847	20,128
Interest		-	-	-	3,100	3,100	3,100	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	-	-	(174,123)	(243,178)	(243,178)	-	(144,738)	(143,280)	(148,754)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	(22,855)	(22,855)	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	(41,109)	(25,556)	(25,556)	30,000	23,647	27,563	24,829
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	26,360	26,847	26,847	-	(25,138)	(22,648)	(24,222)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	26,360	26,847	26,847	-	(25,138)	(22,648)	(24,222)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	(14,749)	1,291	1,291	30,000	(1,491)	4,915	606
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	47,911	46,420	51,335
Cash/cash equivalents at the year end:	2	-	-	-	(14,749)	1,291	1,291	30,000	46,420	51,335	51,941

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.

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available											
Cash/cash equivalents at the year end	1	–	–	–	(14,749)	1,291	1,291	30,000	46,420	51,335	51,941
Other current investments > 90 days		50,443	53,265	44,074	35,505	91,651	91,651	32,405	–	0	4,168
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		50,443	53,265	44,074	20,756	92,942	92,942	62,405	46,420	51,335	56,109
Application of cash and investments											
Unspent conditional transfers		444	22,644	9,112	(22,111)	(74,235)	(74,235)	12,932	(444)	(444)	(444)
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(4,480)	(3,701)	(6,348)	(15,395)	(15,176)	(15,176)	(14,116)	(20,569)	(20,429)	(22,095)
Other working capital requirements	3	9,614	11,272	13,562	4,203	139,696	139,696	12,435	(2,026)	(550)	5,879
Other provisions		–	–	–	3,228	(3,600)	(3,600)	–	(3,600)	(3,600)	(3,600)
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		5,578	30,214	16,326	(30,075)	46,685	46,685	11,252	(26,639)	(25,024)	(20,261)
Surplus(shortfall) - Excluding Non-Current Creditors Trf		44,865	23,051	27,748	50,831	46,258	46,258	51,154	73,059	76,359	76,370
Creditors transferred to Debt Relief - Non-Current portio		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf		44,865	23,051	27,748	50,831	46,258	46,258	51,154	73,059	76,359	76,370

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 42 – 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 141 MBRR Table A9 - Asset Management

Choose name from list - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	38,614	48,308	58,942	5,555	3,310	3,310	3,700	11,386	13,360
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	7,748	16,856	3,425	-	-	-	10,386	12,360
Community Assets		-	7,748	16,856	3,425	-	-	-	10,386	12,360
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		13,812	14,857	14,859	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		13,812	14,857	14,859	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		1,272	1,272	1,272	-	-	-	1,200	-	-
Intangible Assets		1,272	1,272	1,272	-	-	-	1,200	-	-
Computer Equipment		2,219	2,410	2,704	480	480	480	200	200	200
Furniture and Office Equipment		2,941	3,118	3,269	900	1,980	1,980	400	300	300
Machinery and Equipment		-	-	-	750	850	850	500	-	-
Transport Assets		7,405	7,939	9,017	-	-	-	1,400	500	500
Land		10,965	10,965	10,965	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	2,400	1,720	1,720	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	2,400	1,720	1,720	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	2,400	1,720	1,720	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	38,614	48,308	58,942	7,955	5,030	5,030	3,700	11,386	13,360

Roads Infrastructure	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	7,748	16,856	3,425	-	-	-	10,386	12,360	-
Community Assets	-	7,748	16,856	3,425	-	-	-	10,386	12,360	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Operational Buildings	13,812	14,857	14,859	2,400	1,720	1,720	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Other Assets	13,812	14,857	14,859	2,400	1,720	1,720	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	1,272	1,272	1,272	-	-	-	1,200	-	-	-
Intangible Assets	1,272	1,272	1,272	-	-	-	1,200	-	-	-
Computer Equipment	2,219	2,410	2,704	480	480	480	200	200	200	200
Furniture and Office Equipment	2,941	3,118	3,269	900	1,980	1,980	400	300	300	300
Machinery and Equipment	-	-	-	750	850	850	500	-	-	-
Transport Assets	7,405	7,939	9,017	-	-	-	1,400	500	500	500
Land	10,965	10,965	10,965	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	38,614	48,308	58,942	7,955	5,030	5,030	3,700	11,386	13,360	-
ASSET REGISTER SUMMARY - PPE (WDV)	5	39,885	65,623	68,584	23,834	45,310	45,310	42,695	37,286	49,654
Roads Infrastructure	4	20,367	17,821	7,355	20,912	20,912	1,932	-	-	5,130
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	4	20,367	17,821	7,355	20,912	20,912	1,932	-	-	5,130
Community Assets	9,225	13,942	15,775	11,037	-	-	16,227	13,697	14,998	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	3,800	10,965	14,765	14,765	14,765	14,765	14,765	-
Other Assets	10,175	10,776	10,417	(3,784)	1,897	1,897	971	852	890	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	294	207	121	-	(86)	(86)	1,294	93	92	-
Computer Equipment	2,219	2,410	2,704	701	717	717	753	774	800	-
Furniture and Office Equipment	792	785	685	564	1,449	1,449	918	990	1,021	-
Machinery and Equipment	1,050	855	718	992	1,134	1,134	614	67	19	-
Transport Assets	4,434	4,587	4,850	(4,723)	3,795	3,795	4,493	5,320	11,211	-
Land	11,693	11,693	11,693	728	728	728	728	728	728	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	39,885	65,623	68,584	23,834	45,310	45,310	42,695	37,286	49,654
EXPENDITURE OTHER ITEMS	7	30,229	36,285	26,600	16,942	24,542	24,542	20,954	21,917	22,904
Depreciation	-	2,558	3,019	3,262	4,023	4,023	3,194	3,341	3,491	-
Repairs and Maintenance by Asset Class	3	27,671	33,266	23,338	12,919	20,519	20,519	17,760	16,576	19,412
Roads Infrastructure	14,306	16,377	11,169	9,000	16,000	16,000	12,600	13,180	13,773	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	14,306	16,377	11,169	9,000	16,000	16,000	12,600	13,180	13,773	-
Community Facilities	2,452	2,426	1,352	700	700	700	1,000	1,046	1,093	-
Sport and Recreation Facilities	509	73	158	700	700	700	1,000	1,046	1,093	-
Community Assets	2,960	2,499	1,510	1,400	1,400	1,400	2,000	2,092	2,186	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Operational Buildings	9,086	14,117	9,876	2,100	2,100	2,100	2,100	2,197	2,295	-
Housing	-	-	-	-	-	-	-	-	-	-
Other Assets	9,086	14,117	9,876	2,100	2,100	2,100	2,100	2,197	2,295	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Computer Equipment	554	8	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	765	266	782	419	1,019	1,019	1,060	1,108	1,158	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	7	30,229	36,285	26,600	16,942	24,542	24,542	20,954	21,917	22,904
Renewal and upgrading of Existing Assets as % of total capex	0.0%	0.0%	0.0%	30.2%	34.2%	34.2%	34.2%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprec	0.0%	0.0%	0.0%	59.7%	42.7%	42.7%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE & Investment Property	69.9%	50.9%	34.1%	54.2%	45.2%	45.2%	42.9%	49.9%	39.2%	39.2%
Renewal and upgrading and R&M as a % of PPE and Investment Prop	69.9%	50.9%	34.1%	64.3%	49.0%	49.0%	42.9%	49.9%	39.2%	39.2%

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.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

KZN226 Mkhambathini - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA		(4,713)	(3,712)	(5,177)	(3,618)	(3,618)	(3,618)	(5,470)	(5,722)	(5,985)
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	(4,713)	(3,712)	(5,177)	(3,618)	(3,618)	(3,618)	(5,470)	(5,722)	(5,985)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

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 Council the required the IDP and budget time schedule in August 2021. 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 2022/23 MTREF, based on the approved 2021/22 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 2022/23 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 2022/23 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 2023/24 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 112 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The municipality conducted public participation from 06 to 12 April 2024 on the Draft 2024/25 MTREF as tabled before Council on 31 March 2024 for the community to provide its comments on the draft budget before it is approved by Council as final document in May 2024.

All documents in the appropriate format (electronic and printed) were 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 were utilised to facilitate the community consultation process started in April 2024. The date of this meeting will be advertised in the local media. The following notice will be published in the local media:

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 15 IDP Strategic Objectives

2024/25 Financial Year	2024/25 MTREF
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. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to MKHAMBATHINI principles through a caring, accessible and accountable service	4. Foster participatory democracy and Mk principles through a caring, accessible and accountable service
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. Foster participatory democracy and MKHAMBATHINI principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing MKHAMBATHINI in the revenue management strategy.

- 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 2024/25 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 2024/25 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:

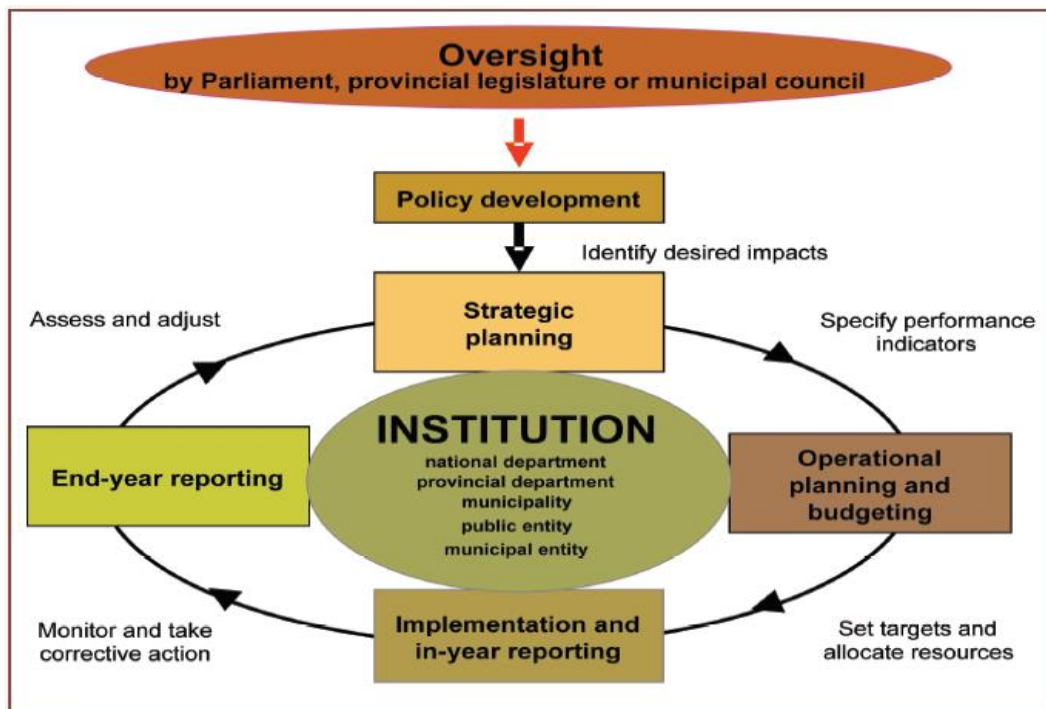


Figure 1 Planning, budgeting and reporting cycle

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:

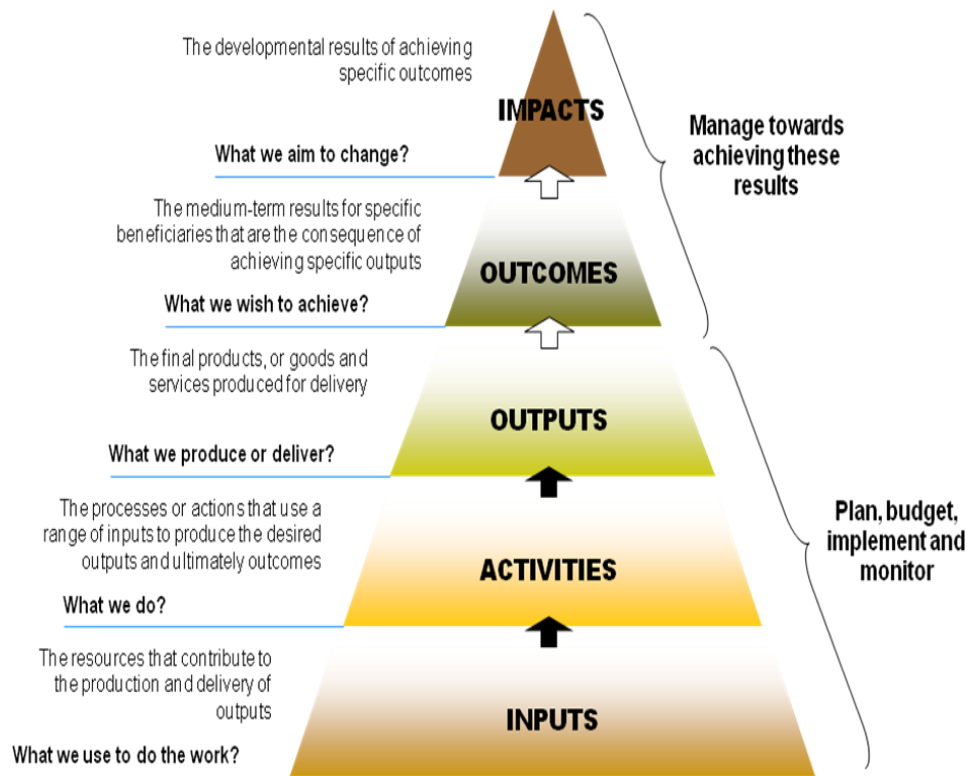


Figure 2 Definition of performance information concepts

Table 165 MBRR Table SA8 - Performance indicators and benchmarks

2.3.1 Performance indicators and benchmarks

SA 10

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 2019/20 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 2024/25 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 2024.

- 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 Subsistence & Travel Policy
- 2.4.7 Leave Policy
- 2.4.8 Virement Policy
- 2.4.9 Cash Management and Investment Policy
- 2.4.10 Overtime Policy
- 2.4.11 Budget policy
- 2.4.12 Banking Policy
- 2.4.12 Indigent Policy

2.5 Councillor and employee benefits

Table 26 MBRR SA22 - Summary of councillor and staff benefit

KZN226 Mkhambathini - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	-	6,003	6,614	6,614	6,614	6,879	7,195	7,519
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	286	715	715	715	743	778	813
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		-	-	6,288	7,329	7,329	7,329	7,622	7,973	8,332
% increase		-	-	-	16.6%	-	-	4.0%	4.6%	4.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		2,522	4,236	3,849	4,818	4,818	4,818	4,664	4,879	5,098
Pension and UIF Contributions		39	44	-	66	66	66	-	-	-
Medical Aid Contributions		-	360	-	47	47	47	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	37	145	145	145	-	-	-
Motor Vehicle Allowance		105	120	120	102	102	102	120	126	131
Cellphone Allowance		112	343	222	92	92	92	320	335	350
Housing Allowances		-	-	-	16	16	16	-	-	-
Other benefits and allowances		4	145	860	6	6	6	360	377	394
Payments in lieu of leave		-	-	-	143	143	143	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2,782	5,248	5,089	5,434	5,434	5,434	5,464	5,716	5,973
% increase		-	88.7%	(3.0%)	6.8%	-	-	0.5%	4.6%	4.5%
Other Municipal Staff										
Basic Salaries and Wages		28,030	30,425	30,072	29,449	29,449	29,449	38,076	44,683	46,672
Pension and UIF Contributions		4,619	5,231	5,616	5,218	5,218	5,218	6,847	7,249	7,575
Medical Aid Contributions		1,882	2,162	2,404	2,239	2,239	2,239	2,581	2,699	2,821
Overtime		365	561	718	861	861	861	946	989	1,034
Performance Bonus		2,210	2,745	2,209	2,567	2,567	2,567	3,389	3,586	3,747
Motor Vehicle Allowance		536	811	564	165	165	165	360	502	525
Cellphone Allowance		49	2	137	67	67	67	-	335	350
Housing Allowances		215	222	233	419	419	419	148	155	162
Other benefits and allowances		13	14	16	12	12	12	20	398	416
Payments in lieu of leave		1,277	1,529	1,794	1,991	1,991	1,991	1,249	1,307	1,365
Long service awards		173	250	380	947	947	947	554	580	606
Post-retirement benefit obligations		986	1,893	(196)	85	85	85	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		79	-	-	235	235	235	-	-	-
Sub Total - Other Municipal Staff		40,433	45,845	43,945	44,256	44,256	44,256	54,171	62,484	65,273
% increase		-	13.4%	(4.1%)	0.7%	-	-	22.4%	15.3%	4.5%
Total Parent Municipality		43,215	51,093	55,323	57,020	57,020	57,020	67,257	76,172	79,577
% increase		-	18.2%	8.3%	3.1%	-	-	18.0%	13.3%	4.5%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarfly		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		43,215	51,093	55,323	57,020	57,020	57,020	67,257	76,172	79,577
% increase		-	18.2%	8.3%	3.1%	-	-	18.0%	13.3%	4.5%
TOTAL MANAGERS AND STAFF		5.7	43,215	51,093	49,034	49,690	49,690	59,635	68,199	71,246

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

KZN226 Mkhambathini - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
	No.						
Rand per annum			1.				2.
Councillors							
Speaker	3						
Chief Whip	4	820,338.00	-	53,096.00	-	-	873,434
Executive Mayor		-	-	-	-	-	-
Deputy Executive Mayor		820,338.00	-	53,096.00	-	-	873,434
Executive Committee		466,546.00	-	53,096.00	-	-	519,642
Total for all other councillors		-	-	-	-	-	-
		4,771,810.00	-	584,062.00	-	-	5,355,872
Total Councillors	8	-	6,879,032	-	743,350		7,622,382
Senior Managers of the Municipality							
Municipal Manager (MM)	5	1,068,294	103,988	272,866	89,025		1,534,172
Chief Finance Officer		911,756	120,000	81,525	75,980		1,189,261
Strat. Manager: Corporate Services		894,713	120,000	81,525	74,559		1,170,798
Manager Community		894,713	120,000	81,525	74,559		1,170,798
Strategic Manager Technical		894,713	120,000	81,525	74,559		1,170,798
							-
<i>List of each official with packages >= senior manager</i>							
Manager PMU		552,553	-	189,971	46,046		788,571
Manager Development and Planning		539,583	-	119,250	44,965		703,798
Manager LED/ Tourism		490,758	-	161,853	40,896		693,507
Manager HR		539,583	-	119,250	44,965		703,798
Manager Finance		502,544	-	103,450	39,001		644,995
Manager SCM		502,544	-	139,469	41,879		683,892
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
Total Senior Managers of the Municipality	8,10	-	7,791,755	583,988	1,432,211	646,435	10,454,388
A Heading for Each Entity							
List each member of board by designation	6.7						
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
Total for municipal entities	8,10	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	14,670,787	583,988	2,175,561	646,435	18,076,770

Table 28 MBRR SA24 – Summary of personnel numbers

KZN226 Mkhambathini - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		14	-	14	14	-	14	14	-	14
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	5	-	5	5	-	5	5	-	5
Other Managers	7	6	6	-	6	6	-	6	6	-
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		-	-	-	-	-	-	-	-	-
TOTAL PERSONNEL NUMBERS	9	117	88	28	123	94	28	130	102	72
% increase					5.1%	6.8%	-	5.7%	8.5%	157.1%
Total municipal employees headcount	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

KZN226 Mkhambathini - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue																
Exchange Revenue																
Service charges - Electricity		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Service charges - Water		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Service charges - Waste Water Management		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Service charges - Waste Management		57	57	57	57	57	57	57	57	57	57	57	57	680	711	743
Sale of Goods and Rendering of Services		46	46	46	46	46	46	46	46	46	46	46	46	566	582	608
Agency services		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Interest		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Interest earned from Receivables		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Interest earned from Current and Non Current Assets		269	269	269	269	269	269	269	269	269	269	269	269	3,224	3,372	3,524
Dividends		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rent on Land		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rental from Fixed Assets		26	26	26	26	26	26	26	26	26	26	26	26	314	328	343
Licence and permits		690	690	690	690	690	690	690	690	690	690	690	690	8,279	8,660	9,050
Operational Revenue		32	32	32	32	32	32	32	32	32	32	32	32	384	402	420
Non-Exchange Revenue																
Property rates		2,656	2,656	2,656	2,656	2,656	2,656	2,656	2,656	2,656	2,656	2,656	2,656	31,877	33,344	34,844
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		8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	105,999	104,573	103,854
Interest		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Fuel Levy		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Operational Revenue		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Gains on disposal of Assets		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other Gains		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Discontinued Operations		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Revenue (excluding capital transfers and cont)		12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	12,610	151,315	151,974	153,388
Expenditure																
Employee related costs		5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	5,239	62,865	65,734	68,669
Remuneration of councillors		635	635	635	635	635	635	635	635	635	635	635	635	7,622	7,973	8,332
Bulk purchases - electricity		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Inventory consumed		503	503	503	503	503	503	503	503	503	503	503	503	6,038	5,868	11,493
Debt impairment		953	953	953	953	953	953	953	953	953	953	953	953	11,440	11,966	12,505
Depreciation and amortisation		1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	1,096	13,148	13,753	14,372
Interest		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Contracted services		3,185	3,185	3,185	3,185	3,185	3,185	3,185	3,185	3,185	3,185	3,185	3,185	38,226	32,841	33,549
Transfers and subsidies		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Irrecoverable debts written off		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Operational costs		2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	27,812	29,092	30,401
Losses on disposal of Assets		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other Losses		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Expenditure		13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	13,929	167,152	167,226	179,320
Surplus/(Deficit)		(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(15,837)	(15,253)	(25,932)
Transfers and subsidies - capital (monetary allocations)		1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	18,159	18,847	20,128
Transfers and subsidies - capital (in-kind)		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital transfers & contributions		194	194	194	194	194	194	194	194	194	194	194	194	2,322	3,594	(5,804)
Income Tax		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after income tax		194	194	194	194	194	194	194	194	194	194	194	194	2,322	3,594	(5,804)
Share of Surplus/Deficit attributable to Joint Venture		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Share of Surplus/Deficit attributable to Minorities		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) attributable to municipality		194	194	194	194	194	194	194	194	194	194	194	194	2,322	3,594	(5,804)
Share of Surplus/Deficit attributable to Associate		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Intercompany/Parent subsidiary transactions		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) for the year	1	194	194	194	194	194	194	194	194	194	194	194	194	2,322	3,594	(5,804)

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

KZN226 Mkhambathini - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
Revenue by Vote																	
Vote 1 - Finance and Administration				12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	36,580	146,320	148,577	149,449	
Vote 2 - Finance and Administration2				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 3 - Executive and Council				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 4 - Community and Social Services				177	177	177	177	177	177	177	177	177	532	2,127	2,223	2,334	
Vote 5 - Community and Social Services2				1	1	1	1	1	1	1	1	1	3	13	13	14	
Vote 6 - Energy Sources				970	970	970	970	970	970	970	970	970	2,911	11,643	10,205	11,509	
Vote 7 - Road Transport				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - Planning and Development				35	35	35	35	35	35	35	35	35	105	420	439	459	
Vote 9 - Sport and Recreation				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 - Public Safety				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 - Other				696	696	696	696	696	696	696	696	696	2,088	8,351	8,735	9,137	
Vote 12 - [NAME OF VOTE 1210]				57	57	57	57	57	57	57	57	57	171	685	717	750	
Vote 13 - Housing				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - Waste Water Management				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Health				-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote				14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	42,390	169,559	170,910	173,652	
Expenditure by Vote to be appropriated																	
Vote 1 - Finance and Administration				6,043	6,043	6,043	6,043	6,043	6,043	6,043	6,043	6,043	18,128	72,512	76,566	79,989	
Vote 2 - Finance and Administration2				25	25	25	25	25	25	25	25	25	74	296	309	323	
Vote 3 - Executive and Council				2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	6,545	26,178	27,344	28,574	
Vote 4 - Community and Social Services				1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	3,226	12,903	13,253	13,853	
Vote 5 - Community and Social Services2				946	946	946	946	946	946	946	946	946	2,838	11,353	11,875	12,409	
Vote 6 - Energy Sources				844	844	844	844	844	844	844	844	844	2,531	10,124	3,657	3,051	
Vote 7 - Road Transport				1,522	1,522	1,522	1,522	1,522	1,522	1,522	1,522	1,522	4,566	18,264	19,104	19,964	
Vote 8 - Planning and Development				116	116	116	116	116	116	116	116	116	348	1,392	640	669	
Vote 9 - Sport and Recreation				256	256	256	256	256	256	256	256	256	766	3,066	3,242	3,389	
Vote 10 - Public Safety				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 - Other				45	45	45	45	45	45	45	45	45	136	544	569	595	
Vote 12 - [NAME OF VOTE 1210]				87	87	87	87	87	87	87	87	87	260	1,041	880	921	
Vote 13 - Housing				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - Waste Water Management				-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - Health				26	26	26	26	26	26	26	26	26	77	309	323	338	
Total Expenditure by Vote				13,165	13,165	13,165	13,165	13,165	13,165	13,165	13,165	13,165	39,495	157,981	157,763	164,074	
Surplus/(Deficit) before assoc.				965	965	965	965	965	965	965	965	965	2,894	11,578	13,147	9,578	
Income Tax				-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities				-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions				-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1			965	965	965	965	965	965	965	965	965	2,894	11,578	13,147	9,578	

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

KZN226 Mkhambathini - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
Revenue - Functional																	
Revenue and administration		12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	146,320	148,577	149,449	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance and administration		12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	12,193	146,320	148,577	149,449	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		178	178	178	178	178	178	178	178	178	178	178	178	2,140	2,236	2,348	
Community and social services		178	178	178	178	178	178	178	178	178	178	178	178	2,140	2,236	2,348	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		35	35	35	35	35	35	35	35	35	35	35	35	420	439	459	
Planning and development		35	35	35	35	35	35	35	35	35	35	35	35	420	439	459	
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trading services		1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	12,328	10,922	12,259	
Energy sources		970	970	970	970	970	970	970	970	970	970	970	970	11,643	10,205	11,509	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		57	57	57	57	57	57	57	57	57	57	57	57	685	717	750	
Other		696	696	696	696	696	696	696	696	696	696	696	696	8,351	8,735	9,137	
Total Revenue - Functional		14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	14,130	169,559	170,910	173,652	
Expenditure - Functional																	
Revenue and administration		8,249	8,249	8,249	8,249	8,249	8,249	8,249	8,249	8,249	8,249	8,249	8,249	98,986	104,219	108,887	
Executive and council		2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	26,178	27,344	28,574	
Finance and administration		6,067	6,067	6,067	6,067	6,067	6,067	6,067	6,067	6,067	6,067	6,067	6,067	72,808	76,876	80,312	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,302	27,630	28,693	29,988	
Community and social services		2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	24,255	25,128	26,262	
Sport and recreation		256	256	256	256	256	256	256	256	256	256	256	255	3,066	3,242	3,389	
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		26	26	26	26	26	26	26	26	26	26	26	26	309	323	338	
Economic and environmental services		1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	19,656	19,744	20,633	
Planning and development		116	116	116	116	116	116	116	116	116	116	116	116	1,392	640	669	
Road transport		1,522	1,522	1,522	1,522	1,522	1,522	1,522	1,522	1,522	1,522	1,522	1,522	18,264	19,104	19,964	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trading services		930	930	930	930	930	930	930	930	930	930	930	930	11,165	4,537	3,972	
Energy sources		844	844	844	844	844	844	844	844	844	844	844	844	10,124	3,657	3,051	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		87	87	87	87	87	87	87	87	87	87	87	87	1,041	880	921	
Other		45	45	45	45	45	45	45	45	45	45	45	45	544	569	595	
Total Expenditure - Functional		13,165	13,165	13,165	13,165	13,165	13,165	13,165	13,165	13,165	13,165	13,165	13,165	157,981	157,763	164,074	
Surplus/(Deficit) before assoc.		965	965	965	965	965	965	965	965	965	965	965	965	11,578	13,147	9,578	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	965	965	965	965	965	965	965	965	965	965	965	965	11,578	13,147	9,578	

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

KZN226 Mkhambathini - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand																	
Multi-year expenditure to be appropriated	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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																	
Vote 1 - Finance and Administration		296	296	296	296	296	296	296	296	296	296	296	296	3,550	1,000	1,000	
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	2,638	2,638	
Vote 5 - Community and Social Services2		1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	16,227	673	-	
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		161	161	161	161	161	161	161	161	161	161	161	161	1,932	-	5,130	
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	10,386	12,360	
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	21,709	14,697	21,128	
Total Capital Expenditure	2	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	1,809	21,709	14,697	21,128	

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

KZN226 Mkhambathini - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		296	296	296	296	296	296	296	296	296	296	296	296	3,550	1,000	1,000
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		296	296	296	296	296	296	296	296	296	296	296	296	3,550	1,000	1,000
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	16,377	13,697	14,998
Community and social services		1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	16,227	3,311	2,638
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	10,386	12,360
Public safety		13	13	13	13	13	13	13	13	13	13	13	13	150	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		161	161	161	161	161	161	161	161	161	161	161	161	1,932	-	5,130
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		161	161	161	161	161	161	161	161	161	161	161	161	1,932	-	5,130
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	5,150	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	5,150	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	21,859	19,847	21,128
Funded by:																
National Government		1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	18,159	18,847	20,128
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)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	18,159	18,847	20,128
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		308	308	308	308	308	308	308	308	308	308	308	308	3,700	1,000	1,000
Total Capital Funding		1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	21,859	19,847	21,128

Table 34 MBRR SA30 - Budgeted monthly cash flow

KZN226 Mkhambathini - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27
R thousand															
Cash Receipts By Source													1		
Property rates	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524	30,283	33,344	34,877
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	54	54	54	54	54	54	54	54	54	54	54	54	651	681	712
Rental of facilities and equipment	334	334	334	334	334	334	334	334	334	334	334	334	4,008	3,687	3,853
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	8,833	105,999	104,573	103,854
Other revenue	773	773	773	773	773	773	773	773	773	773	773	773	9,282	9,709	10,155
Cash Receipts by Source	12,519	12,519	12,519	12,519	12,519	12,519	12,519	12,519	12,519	12,519	12,519	12,519	150,226	151,995	153,454
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	1,513	18,159	18,847	20,128
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	14,032	14,032	14,032	14,032	14,032	14,032	14,032	14,032	14,032	14,032	14,032	14,032	168,385	170,842	173,582
Cash Payments by Type															
Employee related costs	5,020	5,020	5,020	5,020	5,020	5,020	5,020	5,020	5,020	5,020	5,020	5,020	60,237	63,107	65,924
Remuneration of councillors	635	635	635	635	635	635	635	635	635	635	635	635	7,622	7,973	8,332
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	3,903	46,835	40,774	41,658
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	30,044	31,426	32,840
Cash Payments by Type	12,061	12,061	12,061	12,061	12,061	12,061	12,061	12,061	12,061	12,061	12,061	12,061	144,738	143,280	148,754
Other Cash Flows/Payments by Type															
Capital assets	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	2,095	25,138	22,648	24,222
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	14,156	14,156	14,156	14,156	14,156	14,156	14,156	14,156	14,156	14,156	14,156	14,156	169,876	165,928	172,976
NET INCREASE/(DECREASE) IN CASH HELD	(124)	(124)	(124)	(124)	(124)	(124)	(124)	(124)	(124)	(124)	(124)	(124)	(1,491)	4,915	606
Cash/cash equivalents at the month/year begin:	47,911	47,787	47,663	47,538	47,414	47,290	47,166	47,041	46,917	46,793	46,669	46,544	47,911	46,420	51,335
Cash/cash equivalents at the month/year end:	47,787	47,663	47,538	47,414	47,290	47,166	47,041	46,917	46,793	46,669	46,544	46,420	46,420	51,335	51,941

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 three 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.

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 5 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 at a draft stage and will be finalised after approval of the 2024/25 MTREF in May 2024 directly aligned and informed by the 2024/25 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

KZN226 Mkhambathini - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand								
REVENUE ITEMS:								
Non-exchange revenue by source								
Exchange Revenue								
Total Property Rates	6	28,468	28,468	28,468	25,430	37,348	39,066	40,863
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(3,618)	(3,618)	(3,618)	(4,499)	(5,470)	(5,722)	(5,985)
Net Property Rates		24,850	24,850	24,850	20,931	31,877	33,344	34,877
Exchange revenue service charges								
Service charges - Electricity								
Total Service charges - Electricity	6	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-
Net Service charges - Electricity		-	-	-	-	-	-	-
Service charges - Water								
Total Service charges - Water	6	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-
Net Service charges - Water		-	-	-	-	-	-	-
Service charges - Waste Water Management								
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)		-	-	-	-	-	-	-
Net Service charges - Waste Water Management		-	-	-	-	-	-	-
Service charges - Waste Management								
Total refuse removal revenue	6	653	653	653	525	685	717	750
Total landfill revenue		-	-	-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-
Net Service charges - Waste Management		653	653	653	525	685	717	750
EXPENDITURE ITEMS:								
Employee related costs								
Basic Salaries and Wages	2	34,267	34,267	34,267	30,895	42,740	44,683	46,672
Pension and UIF Contributions		5,284	5,284	5,284	5,804	6,847	7,249	7,575
Medical Aid Contributions		2,286	2,286	2,286	2,183	2,581	2,609	2,821
Overtime		861	861	861	443	946	989	1,034
Performance Bonus		2,712	2,712	2,712	2,346	3,389	3,586	3,747
Motor Vehicle Allowance		267	267	267	546	480	502	525
Cellphone Allowance		160	160	160	336	320	335	350
Housing Allowances		434	434	434	511	148	155	162
Other benefits and allowances		18	18	18	550	380	398	416
Payments in lieu of leave		2,134	2,134	2,134	293	1,249	1,307	1,365
Long service awards		947	947	947	-	554	580	606
Post-retirement benefit obligations	4	85	85	85	6	-	-	-
Entertainment		-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-
Aiding and post related allowance		235	235	235	656	-	-	-
In kind benefits		-	-	-	-	-	-	-
sub-total	5	49,690	49,690	49,690	44,571	59,635	62,484	65,273
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-
Total Employee related costs	1	49,690	49,690	49,690	44,571	59,635	62,484	65,273
Depreciation and amortisation								
Depreciation of Property, Plant & Equipment		12,435	12,435	12,435	9,441	11,804	12,347	12,902
Lease amortisation		207	207	207	72	27	28	29
Capital asset impairment		-	-	-	-	-	-	-
Total Depreciation and amortisation	1	12,643	12,643	12,643	9,513	11,830	12,375	12,931
Bulk purchases - electricity								
Electricity bulk purchases		-	-	-	-	-	-	-
Total bulk purchases	1	-	-	-	-	-	-	-
Transfers and grants								
Cash transfers and grants		-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-
Contracted Services								
Outsourced Services		11,457	11,571	11,571	8,944	9,695	9,983	10,432
Consultants and Professional Services		3,871	4,171	4,171	2,112	2,594	2,661	2,780
Contractors		13,705	115,778	115,778	107,785	28,437	22,812	23,069
Total contracted services		29,033	131,519	131,519	118,841	40,726	35,456	36,281
Operational Costs								
Collection costs		-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-
Audit fees		1,895	1,995	1,995	1,971	2,075	2,171	2,268
Other Operational Costs		24,391	25,942	25,942	23,008	25,355	26,521	27,715
Total Operational Costs	1	26,286	27,937	27,937	24,980	27,430	28,692	29,983
Repairs and Maintenance by Expenditure Item								
Employee related costs	8	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		12,919	20,519	20,519	-	17,760	18,576	19,412
Contracted Services		-	-	-	-	-	-	-
Other Expenditure		-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	12,919	20,519	20,519	-	17,760	18,576	19,412
Inventory Consumed								
Inventory Consumed - Other		4,627	5,227	5,227	-	6,038	5,868	6,137
Total Inventory Consumed & Other Material	68	4,627	5,227	5,227	-	6,038	5,868	6,137

28-March-2024

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

KZN226 Mkhambathini - 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
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	680	-	-	-	680
Sale of Goods and Rendering of Services		118	-	-	22	-	-	-	416	-	-	-	-	-	-	-	556
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		3,224	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,224
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		301	-	-	-	12	-	-	-	-	-	-	-	-	-	-	314
Licence and permits		-	-	-	-	-	-	-	-	-	-	8,279	-	-	-	-	8,279
Operational Revenue		384	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384
Non-Exchange Revenue																	
Property rates		31,877	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,877
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		92,253	-	-	2,103	-	11,643	-	-	-	-	-	-	-	-	-	105,999
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		128,158	-	-	2,127	12	11,643	-	416	-	-	8,279	680	-	-	-	151,315
Expenditure																	
Employee related costs		(29,711)	-	(12,907)	(3,517)	(10,419)	-	(6,312)	-	-	-	-	-	-	-	-	(62,865)
Remuneration of councillors		-	-	(7,622)	-	-	-	-	-	-	-	-	-	-	-	-	(7,622)
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		(416)	(296)	(1,796)	(1,916)	-	-	(51)	(519)	-	-	(544)	(500)	-	-	-	(6,038)
Debt impairment		(11,440)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,440)
Depreciation and amortisation		(13,148)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,148)
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		(8,273)	-	(2,317)	(3,276)	(700)	(10,124)	(10,500)	(958)	(1,768)	-	-	-	-	-	(309)	(38,226)
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		(19,451)	-	(2,397)	(4,194)	(104)	-	(63)	(383)	(679)	-	-	(541)	-	-	-	(27,812)
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		(82,440)	(296)	(27,040)	(12,903)	(11,223)	(10,124)	(16,875)	(1,392)	(2,966)	-	(544)	(1,041)	-	-	(309)	(167,152)
Surplus/(Deficit)		210,597	296	27,040	15,029	11,236	21,767	16,875	1,808	2,966	-	8,824	1,720	-	-	309	318,467
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		210,597	296	27,040	15,029	11,236	21,767	16,875	1,808	2,966	-	8,824	1,720	-	-	309	318,467

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

KZN226 Mkhambathini - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste		936	1,030	1,080	1,630	1,671	1,671	1,058	3,295	3,433	3,585
Waste Water		-	-	-	-	-	-	-	-	-	-
Other trade receivables from exchange transactions		-	-	-	697	896	896	-	(625)	(817)	(854)
Gross: Trade and other receivables from exchange transactions		936	1,030	1,080	2,328	2,567	2,567	1,058	2,669	2,614	2,731
Less: Impairment for debt		-	-	-	-	-	-	-	-	-	-
Impairment for Electricity		-	-	-	-	-	-	-	-	-	-
Impairment for Water		-	-	-	-	-	-	-	-	-	-
Impairment for Waste		-	-	-	-	-	-	-	-	-	-
Impairment for Waste Water		-	-	-	-	-	-	-	-	-	-
Impairment for other trade receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Total net Trade and other receivables from Exchange Transactions		936	1,030	1,080	2,328	2,567	2,567	1,058	2,669	2,614	2,731
Receivables from non-exchange transactions											
Property rates		15,658	6,677	7,170	24,710	27,322	27,322	7,731	27,604	28,874	30,173
Less: Impairment of Property rates		(6,327)	(6,424)	(6,424)	(11,000)	(33,480)	(33,480)	(6,424)	(33,480)	(34,819)	(36,386)
Net Property rates		9,331	253	746	13,710	(6,158)	(6,158)	1,307	(5,876)	(5,945)	(6,213)
Other receivables from non-exchange transactions		965	965	965	-	-	-	965	-	-	-
Impairment for other receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Net other receivables from non-exchange transactions		965	965	965	-	-	-	965	-	-	-
Total net Receivables from non-exchange transactions		10,296	1,218	1,711	13,710	(6,158)	(6,158)	2,272	(5,876)	(5,945)	(6,213)
Inventory											
Water											
Opening Balance		-	-	-	-	-	-	-	-	-	-
System Input Volume		-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption	6										
Billed Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Billed Metered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses											
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses											
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Non-revenue Water											
Closing Balance Water											
Agricultural											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural											
Consumables											

Standard Rated											
Opening Balance	-	-	-	-	-	-	-	-	-	-	
Acquisitions	48	33	38	-	-	-	38	-	-	-	
Issues	-	-	-	-	-	-	-	-	-	-	
Adjustments	-	-	-	-	-	-	-	-	-	-	
Write-offs	-	-	-	-	-	-	-	-	-	-	
Closing balance - Consumables Standard Rated	48	33	38	-	-	-	38	-	-	-	
Zero Rated											
Opening Balance	-	-	-	-	-	-	-	-	-	-	
Acquisitions	-	-	-	-	-	-	-	-	-	-	
Issues	-	-	-	-	-	-	-	-	-	-	
Adjustments	-	-	-	-	-	-	-	-	-	-	
Write-offs	-	-	-	-	-	-	-	-	-	-	
Closing balance - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-	
Finished Goods											
Opening Balance	-	-	-	-	-	-	-	-	-	-	
Acquisitions	-	-	-	-	-	-	-	-	-	-	
Issues	-	-	-	-	-	-	-	-	-	-	
Adjustments	-	-	-	-	-	-	-	-	-	-	
Write-offs	-	-	-	-	-	-	-	-	-	-	
Closing balance - Finished Goods	-	-	-	-	-	-	-	-	-	-	
Materials and Supplies											
Opening Balance	-	-	-	33	38	38	-	38	39	41	
Acquisitions	-	-	-	4,627	-	-	-	6,038	5,868	11,493	
Issues	-	-	-	(4,627)	(5,227)	(5,227)	-	(6,038)	(5,868)	(11,493)	
Adjustments	-	-	-	-	-	-	-	-	-	-	
Write-offs	-	-	-	-	-	-	-	-	-	-	
Closing balance - Materials and Supplies	-	-	-	33	(5,189)	(5,189)	-	38	39	41	
Work-in-progress											
Opening Balance	-	-	-	-	-	-	-	-	-	-	
Materials	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	-	
Closing balance - Work-in-progress	-	-	-	-	-	-	-	-	-	-	
Housing Stock											
Opening Balance	-	-	-	-	-	-	-	-	-	-	
Acquisitions	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	-	
Sales	-	-	-	-	-	-	-	-	-	-	
Closing Balance - Housing Stock	-	-	-	-	-	-	-	-	-	-	
Land											
Opening Balance	-	-	-	-	-	-	-	-	-	-	
Acquisitions	-	-	-	-	-	-	-	-	-	-	
Sales	-	-	-	-	-	-	-	-	-	-	
Adjustments	-	-	-	-	-	-	-	-	-	-	
Correction of Prior period errors	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	-	
Closing Balance - Land	-	-	-	-	-	-	-	-	-	-	
Closing Balance - Inventory & Consumables	48	33	38	33	(5,189)	(5,189)	38	38	39	41	
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)	252,711	297,532	339,918	294,526	355,784	355,784	358,249	371,843	241,343	378,179	
Less: Accumulated depreciation	63,696	74,454	86,392	95,145	98,817	98,817	93,835	107,725	111,463	110,748	
Total Property, plant and equipment (PPE)	189,015	223,078	253,537	199,381	256,967	256,967	264,414	264,118	129,879	267,431	
LIABILITIES											
Current liabilities - Financial liabilities											
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-	-	
Current portion of long-term liabilities	-	-	-	-	-	-	-	-	-	-	
Total Current liabilities - Financial liabilities	-	-	-	-	-	-	-	-	-	-	
Trade and other payables from exchange transactions											
Trade and other payables from exchange transactions	9,614	11,272	13,562	6,521	139,172	139,172	20,306	(422)	(536)	5,933	
Other trade payables from exchange transactions	-	-	-	-	-	-	-	-	-	-	
Trade payables from Non-exchange transactions: Unspent conditional Grants	444	22,644	9,112	(22,111)	(74,235)	(74,235)	16,025	(444)	(444)	(444)	
Trade payables from Non-exchange transactions: Other	-	-	-	-	(22,855)	(22,855)	-	-	-	-	
VAT	6,149	2,403	5,096	202	237	237	6,161	730	258	269	
Total Trade and other payables from exchange transactions	16,207	36,319	27,770	(15,388)	42,319	42,319	42,492	(136)	(722)	5,758	
Non current liabilities - Financial liabilities											
Borrowing	-	-	-	-	-	-	-	-	-	-	
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	
Total Non current liabilities - Financial liabilities	-	-	-	-	-	-	-	-	-	-	
Non current liabilities - Long Term portion of trade payables											
Electricity Bulk Purchases	-	-	-	-	-	-	-	-	-	-	
Payables and Accruals - General	-	-	-	-	-	-	-	-	-	-	
Water Bulk Purchases	-	-	-	-	-	-	-	-	-	-	
Municipal Debt Relief	-	-	-	-	-	-	-	-	-	-	
Provisions											
Retirement benefits	3,163	4,014	3,837	7,019	(6,823)	(6,823)	3,837	(6,823)	(6,823)	(6,823)	
Ruise landfill site rehabilitation	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Total Provisions	3,163	4,014	3,837	7,019	(6,823)	(6,823)	3,837	(6,823)	(6,823)	(6,823)	
CHANGES IN NET ASSETS											
Accumulated surplus/(deficit)											
Accumulated surplus/(deficit) - opening balance	-	-	-	261,728	330,915	330,915	-	346,383	214,358	349,434	
GRAP adjustments	-	-	-	-	-	-	-	-	-	-	
Restated balance	-	-	-	261,728	330,915	330,915	-	346,383	214,358	349,434	
Surplus/(Deficit)	8,983	1,570	39,780	4,706	8,090	8,090	8,212	2,322	3,594	(5,804)	
Transfers to/from Reserves	-	-	-	-	-	-	-	-	-	-	
Depreciation offsets	-	-	-	-	-	-	-	-	-	-	
Other adjustments	-	-	-	-	-	-	-	-	-	-	
Accumulated Surplus/(Deficit)	8,983	1,570	39,780	266,433	339,005	339,005	8,212	348,705	217,952	343,630	
Reserves											
Housing Development Fund	-	-	-	-	-	-	-	-	-	-	
Capital replacement	-	-	-	-	-	-	-	-	-	-	
Self-insurance	-	-	-	-	-	-	-	-	-	-	
Other reserves	-	-	-	-	-	-	-	-	-	-	
Revaluation	1,253	1,253	1,253	(1,253)	-	-	(1,253)	-	-	-	
Total Reserves	1,253	1,253	1,253	(1,253)	-	-	(1,253)	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	2	10,236	2,823	41,034	265,180	339,005	339,005	6,959	348,705	217,952	343,630



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 Final 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: 22 May 2024