

# **ANNUAL BUDGET OF MKHAMBATHINI MUNICIPALITY**



## **2022/23 TO 2024/25 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. E. NGCONGO PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE  
TABLING OF THE 2022/2023, 2023/2024 and 2024/2025 DRAFT BUDGET IN THE COUNCIL  
CHAMBERS, CAMPERDOWN,**

**ON THURSDAY, 31 MARCH 2022**

Speaker of the Council,

Deputy Mayor,

Executive Committee Members,

Councillors,

Traditional leaders,

Acting Municipal Manager,

All Senior Managers,

Chief Financial Officer,

All Staff members present,

Members of the media if any are present and Public,

Distinguish guest, Ladies and Gentlemen.

It is a great honour to present to you the multi-year budget for Mkhambathini Municipality in respect of the 2022/23, 2023/24 and 2024/25 financial years.

Speaker and members of Council, this multi-year budget is tabled in terms of the Municipal Finance Management Act (MFMA), No 56 of 2003 and in terms of the Municipal Budget & Reporting Regulations. The MFMA requires that the budget be tabled ninety (90) days before the start of the financial year and we are fully complying with this requirement. It is the intention to have this budget finally approved on 31 May 2022 which will be in compliance of the requirements of the MFMA.

Inflation is forecast to remain within the target range of 6.1 to 5.8 percent as per MFMA 115 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 2022/23 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 17.7 million and own generated revenue of R1.2 million. Few projects are funded from the Municipality's own reserves as per the detailed capital budget.

### **Governance**

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

### **Housing**

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

### **Property Rates**

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

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

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

### **Back to basics**

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

### **MSCOA**

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

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

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

I THANK YOU



## 1.2 Council Resolutions

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of Mkhambathini Municipality for the financial year 2021/2020 and indicative allocations for the two projected outer years 2020/2021 and 2021/2022, 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 2022/2023 financial year be adopted.
3. To take note of the operational and Capital budget for the outer years 2023/2024 and 2024/2025.
4. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables
  - 4.1 Budgeted Financial Position
  - 4.2 Budgeted Cash Flows
  - 4.3 Cash backed reserves and accumulated surplus reconciliation
  - 4.4 Asset Management
  - 4.5 Basic service delivery measurement
5. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the Medium-Term Revenue and Expenditure Framework be adopted
6. To take note that provision was made for a general increase of 5% 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 policies, mSCOA Regulations, Integrated Development Plan, MFMA Budget Circular (93 & 94) 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 2019/2020 & 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. 115 was used to guide the compilation of the 2022/23 MTREF.

The main challenges experienced during the compilation of the 2022/23 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 2022/23 MTREF process; and
- The implementation of a sustainable refuse tariff

The following budget principles and guidelines directly informed the compilation of the 2022/23 MTREF:

- The 2020/21 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 2022/23 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 2018/19 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2022/23 MTREF**

Description	Adjusted Budget 2021/22	Draft Budget 2022/23	Year 1 Budget 2023/24	Year 2 Budget 2024/25
Total Operating Revenue	109,191,000	118,360,000	118,133,000	125,257,000
Total Operating Expenditure	148,894,000	122,891,000	120,702,000	148,674,000
Surplus/ Deficit	<b>(39,703,000)</b>	<b>(4,530,000)</b>	<b>(2,569,000)</b>	<b>(23,417,000)</b>
Total Capital Expenditure	<b>49,067,000</b>	<b>18,981,000</b>	<b>19,694,000</b>	<b>20,646,000</b>

Total operating revenue has increased by R 9,1 million for the 2022/23 financial year when compared to the 2020/21 Adjustments Budget. For the two outer years, operational revenue will decrease in 2023/24 financial year by R 227,000 and increase in 2024/25 financial year by R7,124 million.

Total operating expenditure has decreased by R 26,003 million for the 2022/23 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operational expenditure will decrease in 2023/24 financial year by R 2,189 million and increase in 2024/25 financial year by R 27,972 million

Total Capital Expenditure has decreased by R 30,086 million for the 2022/23 financial year when compared to the 2020/21 Adjustments Budget. For the two outer years, capital will decrease in 2023/24 financial year by R 668,000 and increase in 2024/25 financial year by R 952,000

## 1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy
- Growth in the Municipality and continued economic development

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

The following table is a summary of the 2022/23 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)

Choose name from list - Table A4 Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	17 480	21 849	28 644	20 553	21 544	21 544	22 756	22 406	19 260	20 127
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	526	528	533	597	597	597	370	621	648	677
Rental of facilities and equipment		132	248	-	359	359	359	7	373	373	407
Interest earned - external investments		4 539	4 286	2 596	4 000	2 600	2 600	671	1 975	1 975	2 062
Interest earned - outstanding debtors		3 748	960	(20)	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30	25	0	36	4	4	1	5	5	5
Licences and permits		6 462	4 704	5 349	7 400	6 400	6 400	3 819	7 554	7 886	8 241
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		60 609	69 092	85 494	76 559	76 559	76 559	58 591	84 194	87 718	93 459
Other revenue	2	641	534	3 245	1 185	1 128	1 128	636	1 233	267	279
Gains		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		94 167	102 227	125 842	110 688	109 191	109 191	86 852	118 360	118 133	125 257

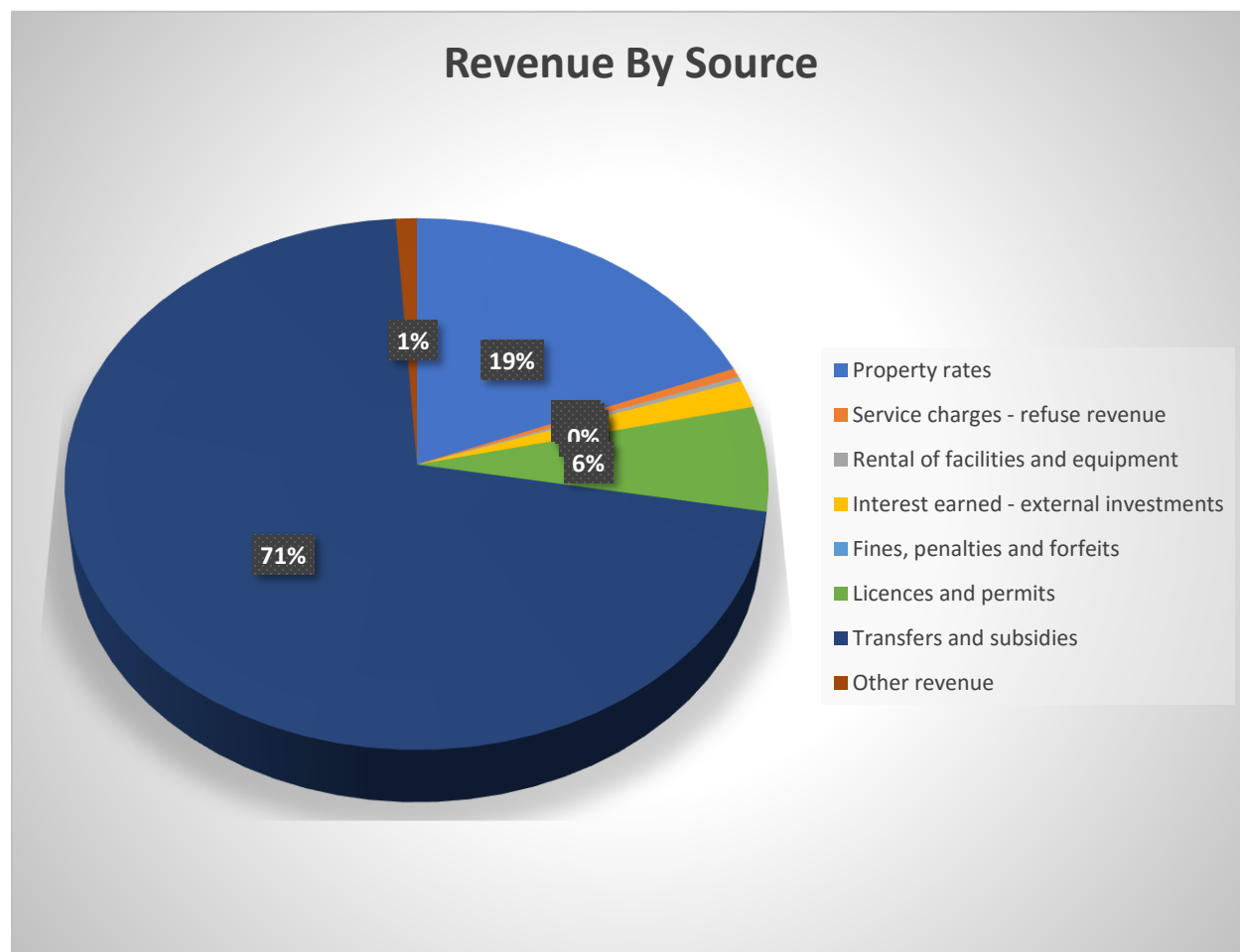
**Table 3 Percentage growth in revenue by main revenue source**

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 R118,360 million will be received from grants (71%), Property Rates (19%), licences and permits (6%), interest earned from investment (3%), other revenue (0%) and Service charges – refuse (1%).

The revenue as per chart is as follows:



**Table 4 Operating Transfers and Grant Receipts**

KZN226 Mkhambathini - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		59 010	63 405	64 326	66 550	58 550	58 550	66 608	63 883	69 585
Local Government Equitable Share		51 341	50 183	51 173	55 546	55 546	55 546	62 733	61 448	66 718
Finance Management		1 800	1 826	1 900	1 970	1 970	1 970	2 435	2 435	2 867
Municipal Systems Improvement		930	–	–	–	–	–	–	–	–
Integrated National Electrification Programme		2 194	10 105	10 000	8 000	–	–	–	–	–
EPWP Incentive		1 012	1 291	1 253	1 034	1 034	1 034	1 440	–	–
Roll Overs		1 733	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		801	668	1 264	1 617	1 617	1 617	2 514	2 464	1 817
Library Grant		801	668	1 264	1 617	1 617	1 617	1 714	1 714	1 817
Spatial Development Framework Support		–	–	–	–	–	–	750	750	–
Planning Scheme Support		–	–	–	–	–	–	–	–	–
Sports and recreation Subsidy		–	–	–	–	–	–	–	–	–
Roll Overs		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
<b>Total Operating Transfers and Grants</b>	5	59 811	64 073	65 590	68 167	60 167	60 167	69 122	66 347	71 402
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		16 851	12 486	16 285	15 835	15 835	15 835	16 076	17 201	18 405
Municipal Infrastructure Grant (MIG)		16 851	12 486	16 285	15 835	15 835	15 835	16 076	17 201	18 405
Other capital transfers/grants [insert desc]		–	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
<b>Total Capital Transfers and Grants</b>	5	16 851	12 486	16 285	15 835	15 835	15 835	16 076	17 201	18 405
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		76 662	76 559	81 875	84 002	76 002	76 002	85 198	83 548	89 807

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

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

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

#### **1.4.1 Property Rates**

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

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

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA). In addition to this rebate, a further R285 000 reduction on the market value of a property will be granted in terms of Mkhambathini Municipality's proposed 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 2019/2020 financial year has been calculated in compliance with the MPRA regulations which stipulate the ratios of tariffs per category. It must be noted that the previous year's tariffs were not complying with the MPRA regulations when it comes to ratios per category. The revenue forgone has been calculated to R 1 737 312 based on the R285 000 reduction amount on all residential properties and 20% rebate for all properties owned by pensioners.



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

KZN226 Mkhambathini - Supporting Table SA14 Household bills

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
VAT on Services											
<b>Total large household bill:</b>		431.00	560.00	593.00	593.00	593.00	593.00	6.1%	629.17	666.29	704.94
<b>% increase/decrease</b>			29.9%	5.9%	-	-	-		6.1%	5.9%	5.8%
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates									451.25	477.42	505.11
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	451.25	477.42	505.11
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	451.25	477.42	505.11
<b>% increase/decrease</b>			-	-	-	-	-		-	5.8%	5.8%
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Electricity: Basic levy		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Electricity: Consumption		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Water: Basic levy		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Water: Consumption		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Sanitation		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Refuse removal		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
Other		N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	N/A	N/A	N/A
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/decrease</b>			-	-	-	-	-		-	-	-

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2022/23 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 2022/23 budget and MTREF (classified per main type of operating expenditure):

# MKHAMBATHINI Municipality 2022/23 Draft Annual Budget and MTREF

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>											
Property rates	2	17 480	21 849	28 644	20 553	21 544	21 544	22 756	22 406	19 260	20 127
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	526	528	533	597	597	597	370	621	648	677
Rental of facilities and equipment		132	248	-	359	359	359	7	373	373	407
Interest earned - external investments		4 539	4 286	2 596	4 000	2 600	2 600	671	1 975	1 975	2 062
Interest earned - outstanding debtors		3 748	960	(20)	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30	25	0	36	4	4	1	5	5	5
Licences and permits		6 462	4 704	5 349	7 400	6 400	6 400	3 819	7 554	7 886	8 241
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		60 609	69 092	85 494	76 559	76 559	76 559	58 591	84 194	87 718	93 459
Other revenue	2	641	534	3 245	1 185	1 128	1 128	636	1 233	267	279
Gains		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>94 167</b>	<b>102 227</b>	<b>125 842</b>	<b>110 688</b>	<b>109 191</b>	<b>109 191</b>	<b>86 852</b>	<b>118 360</b>	<b>118 133</b>	<b>125 257</b>
<b>Expenditure By Type</b>											
Employee related costs	2	34 971	36 529	43 215	48 558	48 265	48 265	31 146	53 084	55 258	80 594
Remuneration of councillors		5 809	6 024	6 022	6 693	6 693	6 693	4 905	6 960	6 867	7 586
Debt impairment	3	1 540	4 890	5 167	3 140	3 140	3 140	-	3 266	3 409	3 563
Depreciation & asset impairment	2	8 722	9 319	10 756	11 609	11 599	11 599	7 169	12 063	12 594	13 161
Finance charges		3	4	0	-	-	-	0	-	-	-
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	6 051	4 605	4 605	2 292	3 702	-	-
Contracted services		18 584	27 530	38 107	43 396	51 099	51 099	44 369	25 274	28 876	29 460
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	11 233	13 712	23 858	23 455	23 493	23 493	20 677	18 542	13 698	14 310
Losses		195	113	1 689	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>81 057</b>	<b>98 121</b>	<b>128 813</b>	<b>142 902</b>	<b>148 894</b>	<b>148 894</b>	<b>110 557</b>	<b>122 891</b>	<b>120 702</b>	<b>148 674</b>
<b>Surplus/(Deficit)</b>		<b>13 110</b>	<b>4 106</b>	<b>(2 972)</b>	<b>(32 214)</b>	<b>(39 703)</b>	<b>(39 703)</b>	<b>(23 705)</b>	<b>(4 530)</b>	<b>(2 569)</b>	<b>(23 417)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		19 385	16 076	25 800	24 755	39 175	39 175	19 618	17 781	18 394	19 046
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	120	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>32 495</b>	<b>20 302</b>	<b>22 828</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4 088)</b>	<b>13 251</b>	<b>15 825</b>	<b>(4 371)</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>32 495</b>	<b>20 302</b>	<b>22 828</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4 088)</b>	<b>13 251</b>	<b>15 825</b>	<b>(4 371)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>32 495</b>	<b>20 302</b>	<b>22 828</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4 088)</b>	<b>13 251</b>	<b>15 825</b>	<b>(4 371)</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>32 495</b>	<b>20 302</b>	<b>22 828</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4 088)</b>	<b>13 251</b>	<b>15 825</b>	<b>(4 371)</b>

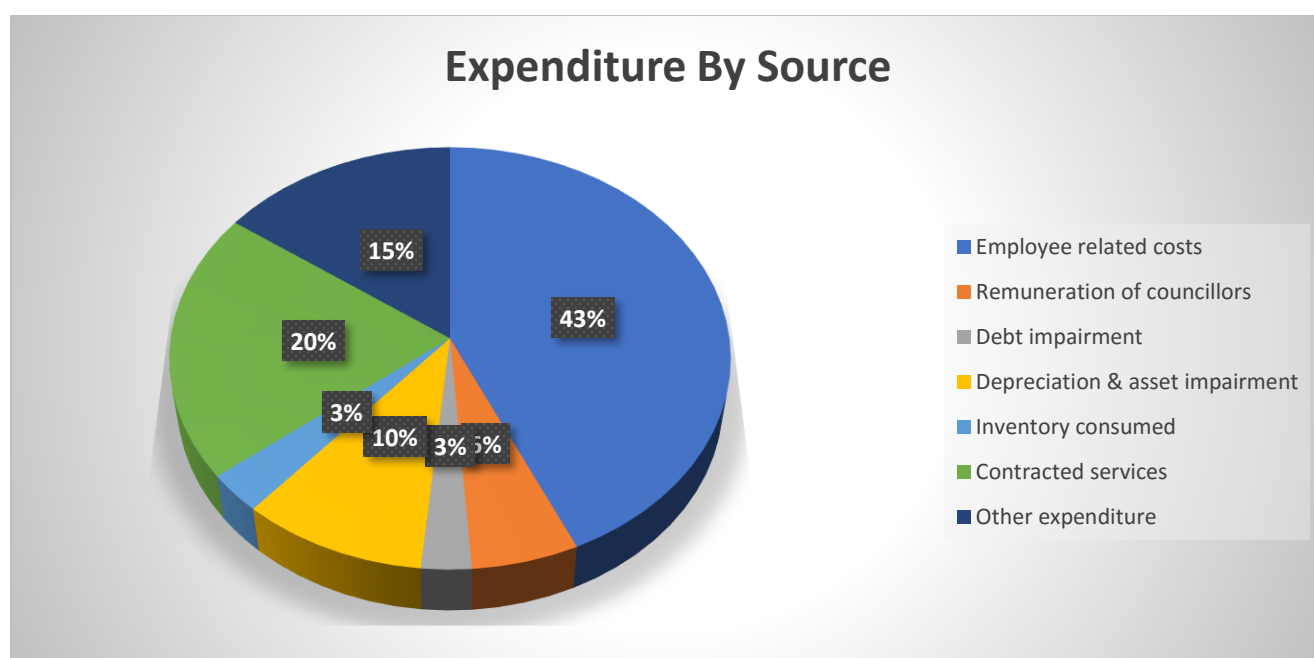
**Table 6 Summary of operating expenditure by standard classification item**

The budgeted allocation for employee related costs for the 2022/23 financial year totals R36.027 million, which equals 36 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2022/23 financial year. An annual increase on salaries of 5 per cent has been included in the two outer years of the MTREF to be conservative and implement cost cutting measures. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 12 million for the 2022/23 financial and equates to 9.8 per cent of the total operating expenditure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 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 2022/23 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance

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

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. And takes the form of social relief for the family of deceased persons who are destitute without income.

### **Table 7 Operational repairs and maintenance**

# MKHAMBATHINI Municipality 2022/23 Draft Annual Budget and MTREF

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 164	1 568	14 306	9 800	16 000	16 000	1 000	7 308	7 637
Roads Infrastructure		1 164	1 568	14 306	9 800	16 000	16 000	1 000	7 308	7 637
Roads		—	—	13 883	—	—	—	—	—	—
Road Structures		1 164	1 568	423	9 800	16 000	16 000	1 000	7 308	7 637
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		—	—	—	—	—	—	—	—	—
Retreatment		—	—	—	—	—	—	—	—	—
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		—	—	—	—	—	—	—	—	—
<b>Community Assets</b>		2 836	5 084	2 960	6 900	3 700	3 700	3 300	3 445	3 600
Community Facilities		1 436	1 951	2 452	5 000	3 300	3 300	1 500	1 566	1 636
Halls		909	1 699	2 452	5 000	3 300	3 300	1 500	1 566	1 636
Centres		—	—	—	—	—	—	—	—	—
Crèches		527	252	—	—	—	—	—	—	—
Clinics/Care Centres		—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—
Testing Stations		—	—	—	—	—	—	—	—	—
Museums		—	—	—	—	—	—	—	—	—
Galleries		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—
Police		—	—	—	—	—	—	—	—	—
Parks		—	—	—	—	—	—	—	—	—
Public Open Space		—	—	—	—	—	—	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		1 400	3 133	509	1 900	400	400	1 800	1 879	1 964
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		1 400	3 133	509	1 900	400	400	1 800	1 879	1 964
Capital Spares		—	—	—	—	—	—	—	—	—
<b>Heritage assets</b>		—	—	—	—	—	—	—	—	—
Monuments		—	—	—	—	—	—	—	—	—
Historic Buildings		—	—	—	—	—	—	—	—	—
Works of Art		—	—	—	—	—	—	—	—	—
Conservation Areas		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
<b>Investment properties</b>		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
<b>Other assets</b>		264	1 065	8 501	10 500	13 700	13 700	5 900	2 297	2 400
Operational Buildings		264	1 065	8 501	10 500	13 700	13 700	5 900	2 297	2 400
Municipal Offices		264	1 065	8 501	10 500	13 700	13 700	5 900	2 297	2 400
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	—	—	—
Stores		—	—	—	—	—	—	—	—	—
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
<b>Intangible Assets</b>		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Water Rights		—	—	—	—	—	—	—	—	—
Effluent Licences		—	—	—	—	—	—	—	—	—
Solid Waste Licences		—	—	—	—	—	—	—	—	—
Computer Software and Applications		—	—	—	—	—	—	—	—	—
Local Settlement Software Applications		—	—	—	—	—	—	—	—	—
Unspecified		—	—	—	—	—	—	—	—	—
<b>Computer Equipment</b>		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
<b>Furniture and Office Equipment</b>		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
<b>Machinery and Equipment</b>		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
<b>Transport Assets</b>		368	600	765	1 018	618	618	400	418	436
Transport Assets		368	600	765	1 018	618	618	400	418	436
<b>Land</b>		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
<b>Total Repairs and Maintenance Expenditure</b>	1	4 631	8 316	26 533	28 218	34 018	34 018	10 500	13 468	14 074

## 1.6 Capital expenditure

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

**Table 8 2022/23 Medium-term capital budget per vote**

Vote Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		31 459	33 565	34 392	905	905	905	34 592	1 200	1 300	1 600
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		31 459	33 565	34 392	905	905	905	34 592	1 200	1 300	1 600
Internal audit		–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		6 821	12 987	11 029	16 126	–	–	21 543	–	14 326	8 000
Community and social services		6 821	12 987	11 029	2 965	–	–	15 176	–	11 262	–
Sport and recreation		–	–	–	13 161	–	–	6 367	–	3 065	8 000
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		156 360	170 148	205 737	14 590	48 162	48 162	218 308	17 781	4 068	11 046
Planning and development		90 719	96 631	110 533	–	1 227	1 227	110 533	–	–	–
Road transport		65 641	73 517	95 204	14 590	46 935	46 935	107 775	17 781	4 068	11 046
Environmental protection		–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–
<b>Other</b>		–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Functional</b>	3	194 640	216 699	251 159	31 621	49 067	49 067	274 443	18 981	19 694	20 646

For 2022/23 an amount of R 18.981 million has been appropriated for the development of infrastructure. In the outer years this amount totals R19.694 million, and R20.646 million, respectively for each of the financial years.

### 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 2022/23 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

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	17,480	21,849	28,644	20,553	21,544	21,544	22,756	22,406	19,260	20,127
Service charges	526	528	533	597	597	597	370	621	648	677
Investment revenue	4,539	4,286	2,596	4,000	2,600	2,600	671	1,975	1,975	2,062
Transfers recognised - operational	60,609	69,092	85,494	76,559	76,559	76,559	58,591	84,194	87,718	93,459
Other own revenue	11,013	6,471	8,574	8,979	7,891	7,891	4,464	9,164	8,531	8,932
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>94,167</b>	<b>102,227</b>	<b>125,842</b>	<b>110,688</b>	<b>109,191</b>	<b>109,191</b>	<b>86,852</b>	<b>118,360</b>	<b>118,133</b>	<b>125,257</b>
Employee costs	34,971	36,529	43,215	48,558	48,265	48,265	31,146	53,084	55,258	80,594
Remuneration of councillors	5,809	6,024	6,022	6,693	6,693	6,693	4,905	6,960	6,867	7,586
Depreciation & asset impairment	8,722	9,319	10,756	11,609	11,599	11,599	7,169	12,063	12,594	13,161
Finance charges	3	4	0	-	-	-	0	-	-	-
Inventory consumed and bulk purchases	-	-	-	6,051	4,605	4,605	2,292	3,702	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	31,551	46,246	68,820	69,991	77,732	77,732	65,046	47,082	45,983	47,333
<b>Total Expenditure</b>	<b>81,057</b>	<b>98,121</b>	<b>128,813</b>	<b>142,902</b>	<b>148,894</b>	<b>148,894</b>	<b>110,557</b>	<b>122,891</b>	<b>120,702</b>	<b>148,674</b>
<b>Surplus/(Deficit)</b>	<b>13,110</b>	<b>4,106</b>	<b>(2,972)</b>	<b>(32,214)</b>	<b>(39,703)</b>	<b>(39,703)</b>	<b>(23,705)</b>	<b>(4,530)</b>	<b>(2,569)</b>	<b>(23,417)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	19,385	16,076	25,800	24,755	39,175	39,175	19,618	17,781	18,394	19,046
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	120	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>32,495</b>	<b>20,302</b>	<b>22,828</b>	<b>(7,459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4,088)</b>	<b>13,251</b>	<b>15,825</b>	<b>(4,371)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>32,495</b>	<b>20,302</b>	<b>22,828</b>	<b>(7,459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4,088)</b>	<b>13,251</b>	<b>15,825</b>	<b>(4,371)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>194,640</b>	<b>216,699</b>	<b>251,159</b>	<b>31,621</b>	<b>49,067</b>	<b>49,067</b>	<b>274,443</b>	<b>18,981</b>	<b>19,694</b>	<b>20,646</b>
Transfers recognised - capital	112,534	124,307	136,412	24,755	39,175	39,175	156,674	17,781	18,394	19,046
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	82,106	92,393	114,746	6,866	9,892	9,892	117,769	1,200	1,300	1,600
<b>Total sources of capital funds</b>	<b>194,640</b>	<b>216,699</b>	<b>251,159</b>	<b>31,621</b>	<b>49,067</b>	<b>49,067</b>	<b>274,443</b>	<b>18,981</b>	<b>19,694</b>	<b>20,646</b>
<b>Financial position</b>										
Total current assets	87,790	85,893	72,295	57,497	76,291	76,291	57,794	68,982	15,044	21,553
Total non current assets	146,707	161,801	189,283	195,681	225,323	225,323	346,738	232,241	18,370	18,767
Total current liabilities	13,266	13,211	16,789	7,985	7,858	7,858	(28,924)	7,858	5,036	532
Total non current liabilities	2,591	2,374	3,163	4,158	5,144	5,144	(3,163)	5,144	-	-
Community wealth/Equity	144,864	145,558	146,118	241,035	288,612	288,612	(356,570)	288,221	28,378	311,179
<b>Cash flows</b>										
Net cash from (used) operating	-	-	-	12,168	10,935	10,935	30,000	24,862	35,850	(14,660)
Net cash from (used) investing	-	-	-	(31,621)	(49,067)	(49,067)	-	(18,981)	(18,394)	(19,046)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,863</b>	<b>12,274</b>	<b>12,274</b>	<b>30,000</b>	<b>30,895</b>	<b>48,351</b>	<b>14,645</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	63,942	65,456	50,443	30,812	25,014	25,014	33,200	30,895	11,873	18,171
Application of cash and investments	11,832	10,670	13,731	(12,564)	(32,561)	(32,561)	(25,285)	(19,498)	1,845	(2,860)
<b>Balance - surplus (shortfall)</b>	<b>52,111</b>	<b>54,786</b>	<b>36,712</b>	<b>43,376</b>	<b>57,575</b>	<b>57,575</b>	<b>58,485</b>	<b>50,393</b>	<b>10,028</b>	<b>21,031</b>
<b>Asset management</b>										
Asset register summary (WDV)	146,707	161,801	189,283	211,265	285,851	285,851	285,851	232,241	18,370	18,767
Depreciation	8,722	9,319	10,756	11,609	11,599	11,599	11,599	12,063	12,594	13,161
Renewal and Upgrading of Existing Assets	2,214	0	4	5,161	8,995	8,995	8,995	-	-	1,000
Repairs and Maintenance	4,631	8,316	26,533	28,218	34,018	34,018	34,018	10,600	13,468	14,074
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	(1,594)	(2,241)	(4,713)	1,566	1,566	1,566	1,629	1,629	1,701	1,777
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		101 035	106 050	132 080	124 541	124 076	124 076	124 961	125 967	133 358
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		101 035	106 050	132 080	124 541	124 076	124 076	124 961	125 967	133 358
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		2 086	2 502	1 833	1 933	1 933	1 933	2 028	2 025	2 027
Community and social services		2 061	2 477	1 833	1 933	1 933	1 933	2 028	2 025	2 027
Sport and recreation		25	25	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		255	156	2 419	972	15 360	15 360	977	–	–
Planning and development		228	133	2 419	940	940	940	977	–	–
Road transport		27	23	–	31	14 420	14 420	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		526	528	533	597	597	597	621	648	677
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		526	528	533	597	597	597	621	648	677
<i>Other</i>	4	6 462	4 704	5 349	7 400	6 400	6 400	7 554	7 886	8 241
<b>Total Revenue - Functional</b>	2	<b>110 364</b>	<b>113 941</b>	<b>142 216</b>	<b>135 443</b>	<b>148 366</b>	<b>148 366</b>	<b>136 141</b>	<b>136 527</b>	<b>144 303</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		47 359	58 263	74 933	85 014	85 066	85 066	76 840	69 525	95 913
Executive and council		11 233	12 620	17 490	22 481	21 504	21 504	19 214	18 201	42 288
Finance and administration		36 127	45 643	57 442	62 533	63 562	63 562	57 626	51 324	53 625
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		15 101	18 243	22 131	30 947	31 157	31 157	29 914	32 580	33 326
Community and social services		12 311	14 040	20 931	27 137	28 907	28 907	26 298	28 698	29 270
Sport and recreation		2 630	4 086	1 091	3 470	1 910	1 910	3 262	3 513	3 671
Public safety		–	2	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		160	115	110	340	340	340	354	369	386
<i>Economic and environmental services</i>		10 855	11 984	23 087	17 332	23 261	23 261	8 945	15 302	15 995
Planning and development		2 811	1 695	2 433	572	285	285	620	347	367
Road transport		8 045	10 289	20 654	16 760	22 976	22 976	8 324	14 954	15 627
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		4 927	8 849	12 138	2 685	8 725	8 725	6 550	6 987	7 302
Energy sources		3 223	6 224	10 433	–	4 700	4 700	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		0	–	–	–	–	–	–	–	–
Waste management		1 704	2 626	1 705	2 685	4 025	4 025	6 550	6 987	7 302
<i>Other</i>	4	5 291	3 827	969	6 925	685	685	642	670	697
<b>Total Expenditure - Functional</b>	3	<b>83 534</b>	<b>101 166</b>	<b>133 258</b>	<b>142 902</b>	<b>148 894</b>	<b>148 894</b>	<b>122 891</b>	<b>125 064</b>	<b>153 233</b>
<b>Surplus/(Deficit) for the year</b>		<b>26 830</b>	<b>12 775</b>	<b>8 957</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>13 251</b>	<b>11 463</b>	<b>(8 929)</b>

**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	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Finance and Administration		101 035	106 050	132 080	124 541	124 076	124 076	124 961	125 967	133 358
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2 061	2 477	1 833	1 933	1 933	1 933	2 028	2 025	2 027
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		27	23	-	31	14 420	14 420	-	-	-
Vote 8 - Planning and Development		228	133	2 419	940	940	940	977	-	-
Vote 9 - Sport and Recreation		25	25	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 11 - Other		6 462	4 704	5 349	7 400	6 400	6 400	7 554	7 886	8 241
Vote 12 - Waste Management		526	528	533	597	597	597	621	648	677
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>110 364</b>	<b>113 941</b>	<b>142 216</b>	<b>135 443</b>	<b>148 366</b>	<b>148 366</b>	<b>136 141</b>	<b>136 527</b>	<b>144 303</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Finance and Administration		36 124	45 572	57 387	62 283	63 312	63 312	57 356	51 198	53 494
Vote 2 - Finance and Administration2		2	71	55	250	100	100	270	125	131
Vote 3 - Executive and Council		11 233	12 620	17 490	22 481	21 504	21 504	19 214	18 201	42 288
Vote 4 - Community and Social Services		5 081	5 197	5 673	10 995	10 414	10 414	9 042	10 683	10 446
Vote 5 - Community and Social Services2		7 236	8 843	15 590	16 142	18 493	18 493	17 256	18 015	18 824
Vote 6 - Energy Sources		3 223	6 224	10 433	-	4 700	4 700	-	-	-
Vote 7 - Road Transport		8 045	10 289	20 654	16 760	22 976	22 976	8 324	14 954	15 627
Vote 8 - Planning and Development		2 811	1 695	2 433	572	285	285	620	347	367
Vote 9 - Sport and Recreation		2 630	4 086	1 091	3 470	1 910	1 910	3 262	3 513	3 671
Vote 10 - Public Safety		-	2	-	-	-	-	-	-	-
Vote 11 - Other		5 285	3 827	636	6 925	685	685	642	670	697
Vote 12 - Waste Management		1 704	2 626	1 705	2 685	4 025	4 025	6 550	6 987	7 302
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		0	-	-	-	-	-	-	-	-
Vote 15 - Health		160	115	110	340	340	340	354	369	386
<b>Total Expenditure by Vote</b>	2	<b>83 534</b>	<b>101 166</b>	<b>133 258</b>	<b>142 902</b>	<b>148 744</b>	<b>148 744</b>	<b>122 891</b>	<b>125 064</b>	<b>153 233</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>26 830</b>	<b>12 775</b>	<b>8 957</b>	<b>(7 459)</b>	<b>(378)</b>	<b>(378)</b>	<b>13 251</b>	<b>11 463</b>	<b>(8 929)</b>

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

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

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

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	17 480	21 849	28 644	20 553	21 544	21 544	22 756	22 406	19 260	20 127
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	526	528	533	597	597	597	370	621	648	677
Rental of facilities and equipment		132	248	-	359	359	359	7	373	373	407
Interest earned - external investments		4 539	4 286	2 596	4 000	2 600	2 600	671	1 975	1 975	2 062
Interest earned - outstanding debtors		3 748	960	(20)	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30	25	0	36	4	4	1	5	5	5
Licences and permits		6 462	4 704	5 349	7 400	6 400	6 400	3 819	7 554	7 886	8 241
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		60 609	69 092	85 494	76 559	76 559	76 559	58 591	84 194	87 718	93 459
Other revenue	2	641	534	3 245	1 185	1 128	1 128	636	1 233	267	279
Gains		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>94 167</b>	<b>102 227</b>	<b>125 842</b>	<b>110 688</b>	<b>109 191</b>	<b>109 191</b>	<b>86 852</b>	<b>118 360</b>	<b>118 133</b>	<b>125 257</b>
<b>Expenditure By Type</b>											
Employee related costs	2	34 971	36 529	43 215	48 558	48 265	48 265	31 146	53 084	55 258	80 594
Remuneration of councillors		5 809	6 024	6 022	6 693	6 693	6 693	4 905	6 960	6 867	7 586
Debt impairment	3	1 540	4 890	5 167	3 140	3 140	3 140	-	3 266	3 409	3 563
Depreciation & asset impairment	2	8 722	9 319	10 756	11 609	11 599	11 599	7 169	12 063	12 594	13 161
Finance charges	3	4	0	0	-	-	-	0	-	-	-
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	6 051	4 605	4 605	2 292	3 702	-	-
Contracted services		18 584	27 530	38 107	43 396	51 099	51 099	44 369	25 274	28 876	29 460
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	11 233	13 712	23 858	23 455	23 493	23 493	20 677	18 542	13 698	14 310
Losses		195	113	1 689	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>81 057</b>	<b>98 121</b>	<b>128 813</b>	<b>142 902</b>	<b>148 894</b>	<b>148 894</b>	<b>110 557</b>	<b>122 891</b>	<b>120 702</b>	<b>148 674</b>
<b>Surplus/(Deficit)</b>		<b>13 110</b>	<b>4 106</b>	<b>(2 972)</b>	<b>(32 214)</b>	<b>(39 703)</b>	<b>(39 703)</b>	<b>(23 705)</b>	<b>(4 530)</b>	<b>(2 569)</b>	<b>(23 417)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		19 385	16 076	25 800	24 755	39 175	39 175	19 618	17 781	18 394	19 046
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	120	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>32 495</b>	<b>20 302</b>	<b>22 828</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4 088)</b>	<b>13 251</b>	<b>15 825</b>	<b>(4 371)</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>32 495</b>	<b>20 302</b>	<b>22 828</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4 088)</b>	<b>13 251</b>	<b>15 825</b>	<b>(4 371)</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>32 495</b>	<b>20 302</b>	<b>22 828</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4 088)</b>	<b>13 251</b>	<b>15 825</b>	<b>(4 371)</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>32 495</b>	<b>20 302</b>	<b>22 828</b>	<b>(7 459)</b>	<b>(528)</b>	<b>(528)</b>	<b>(4 088)</b>	<b>13 251</b>	<b>15 825</b>	<b>(4 371)</b>

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

1. Total revenue is R122.891 million in 2022/23 and escalates to R 1148.674 million by 2024/25.
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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
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 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Finance and Administration		31 459	33 565	34 392	905	905	905	34 592	1 200	1 300	1 600
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		366	3 033	-	-	-	-	-	-	5 432	-
Vote 5 - Community and Social Services2		6 455	9 953	11 029	2 965	-	-	15 176	-	5 830	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		65 641	73 517	95 204	14 590	46 935	46 935	107 775	12 061	4 068	11 046
Vote 8 - Planning and Development		90 719	96 631	110 533	-	1 227	1 227	110 533	-	-	-
Vote 9 - Sport and Recreation		-	-	-	13 161	-	-	6 367	-	3 065	8 000
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>194 640</b>	<b>216 699</b>	<b>251 159</b>	<b>31 621</b>	<b>49 067</b>	<b>49 067</b>	<b>274 443</b>	<b>13 261</b>	<b>19 694</b>	<b>20 646</b>
<b>Total Capital Expenditure - Vote</b>		<b>194 640</b>	<b>216 699</b>	<b>251 159</b>	<b>31 621</b>	<b>49 067</b>	<b>49 067</b>	<b>274 443</b>	<b>13 261</b>	<b>19 694</b>	<b>20 646</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>31 459</b>	<b>33 565</b>	<b>34 392</b>	<b>905</b>	<b>905</b>	<b>905</b>	<b>34 592</b>	<b>1 200</b>	<b>1 300</b>	<b>1 600</b>
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		31 459	33 565	34 392	905	905	905	34 592	1 200	1 300	1 600
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>6 821</b>	<b>12 987</b>	<b>11 029</b>	<b>16 126</b>	<b>-</b>	<b>-</b>	<b>21 543</b>	<b>-</b>	<b>14 326</b>	<b>8 000</b>
Community and social services		6 821	12 987	11 029	2 965	-	-	15 176	-	11 262	-
Sport and recreation		-	-	-	13 161	-	-	6 367	-	3 065	8 000
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>156 360</b>	<b>170 148</b>	<b>205 737</b>	<b>14 590</b>	<b>48 162</b>	<b>48 162</b>	<b>218 308</b>	<b>17 781</b>	<b>4 068</b>	<b>11 046</b>
Planning and development		90 719	96 631	110 533	-	1 227	1 227	110 533	-	-	-
Road transport		65 641	73 517	95 204	14 590	46 935	46 935	107 775	17 781	4 068	11 046
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>194 640</b>	<b>216 699</b>	<b>251 159</b>	<b>31 621</b>	<b>49 067</b>	<b>49 067</b>	<b>274 443</b>	<b>18 981</b>	<b>19 694</b>	<b>20 646</b>
<b>Funded by:</b>											
National Government		112 534	124 307	136 412	24 755	39 175	39 175	156 674	17 781	18 394	19 046
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>112 534</b>	<b>124 307</b>	<b>136 412</b>	<b>24 755</b>	<b>39 175</b>	<b>39 175</b>	<b>156 674</b>	<b>17 781</b>	<b>18 394</b>	<b>19 046</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>82 106</b>	<b>92 393</b>	<b>114 746</b>	<b>6 866</b>	<b>9 892</b>	<b>9 892</b>	<b>117 769</b>	<b>1 200</b>	<b>1 300</b>	<b>1 600</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>194 640</b>	<b>216 699</b>	<b>251 159</b>	<b>31 621</b>	<b>49 067</b>	<b>49 067</b>	<b>274 443</b>	<b>18 981</b>	<b>19 694</b>	<b>20 646</b>



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

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

**Table 138 MBRR Table A6 - Budgeted Financial Position**

Choose name from list - Table A6 Budgeted Financial Position												
Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS												
Current assets												
Cash			6 807	20 222	33 996	30 812	25 014	25 014	23 742	30 895	11 873	18 171
Call investment deposits	1		57 135	45 234	16 448	—	—	—	9 458	—	—	—
Consumer debtors	1		19 225	15 342	10 122	25 380	33 873	33 873	12 174	37 226	3 171	3 382
Other debtors			4 623	4 873	11 682	1 084	17 355	17 355	12 332	812	—	—
Current portion of long-term receivables			—	—	—	—	—	—	—	—	—	—
Inventory	2		—	221	48	221	48	48	88	48	—	—
Total current assets			87 790	85 893	72 295	57 497	76 291	76 291	57 794	68 982	15 044	21 553
Non current assets												
Long-term receivables			—	—	—	—	—	—	—	—	—	—
Investments			—	—	—	—	—	—	—	—	—	—
Investment property			—	—	—	10 405	10 965	10 965	—	10 965	10 965	10 965
Investment in Associate			—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3		146 297	161 313	188 989	184 787	214 065	214 065	346 528	221 236	7 365	7 762
Biological			—	—	—	—	—	—	—	—	—	—
Intangible			409	488	294	488	294	294	210	40	40	40
Other non-current assets			—	—	—	—	—	—	—	—	—	—
Total non current assets			146 707	161 801	189 283	195 681	225 323	225 323	346 738	232 241	18 370	18 767
TOTAL ASSETS			234 497	247 694	261 578	253 178	301 614	301 614	404 532	301 223	33 414	40 320
LIABILITIES												
Current liabilities												
Bank overdraft	1		—	—	—	—	—	—	—	—	—	—
Borrowing	4		—	—	—	—	—	—	—	—	—	—
Consumer deposits			71	71	71	—	—	—	71	—	—	—
Trade and other payables	4		13 194	13 139	16 717	5 409	4 953	4 953	(28 995)	4 953	2 132	(2 373)
Provisions			—	—	—	2 576	2 905	2 905	—	2 905	2 905	2 905
Total current liabilities			13 266	13 211	16 789	7 985	7 858	7 858	(28 924)	7 858	5 036	532
Non current liabilities												
Borrowing			—	—	—	—	—	—	—	—	—	—
Provisions			2 591	2 374	3 163	4 158	5 144	5 144	(3 163)	5 144	—	—
Total non current liabilities			2 591	2 374	3 163	4 158	5 144	5 144	(3 163)	5 144	—	—
TOTAL LIABILITIES			15 856	15 585	19 952	12 143	13 002	13 002	(32 087)	13 002	5 036	532
NET ASSETS	5		218 641	232 109	241 626	241 035	288 612	288 612	436 619	288 221	28 378	39 789
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			144 864	144 864	144 864	241 035	287 359	287 359	(355 317)	286 967	27 125	309 925
Reserves	4		—	693	1 253	—	1 253	1 253	(1 253)	1 253	1 253	1 253
TOTAL COMMUNITY WEALTH/EQUITY	5		144 864	145 558	146 118	241 035	288 612	288 612	(356 570)	288 221	28 378	311 179

**Explanatory notes to Table A6 - Budgeted Financial Position**

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.

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

Choose name from list - Table A7 Budgeted Cash Flows											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	17 470	18 313	18 313	-	19 045	19 807	20 599
Service charges		-	-	-	507	507	507	-	527	549	571
Other revenue		-	-	-	8 979	7 891	7 891	-	7 932	8 264	8 653
Transfers and Subsidies - Operational		-	-	-	94 669	94 669	94 669	30 000	112 523	124 458	101 459
Transfers and Subsidies - Capital	1	-	-	-	24 755	39 175	39 175	-	18 981	18 394	19 046
Interest		-	-	-	4 000	2 600	2 600	-	1 975	2 062	2 153
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		-	-	-	(138 212)	(152 221)	(152 221)	-	(136 121)	(137 684)	(167 140)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	-	12 168	10 935	10 935	30 000	24 862	35 850	(14 660)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	-	(31 621)	(49 067)	(49 067)	-	(18 981)	(18 394)	(19 046)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	(31 621)	(49 067)	(49 067)	-	(18 981)	(18 394)	(19 046)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	-	-	-
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		-	-	-	(19 453)	(38 132)	(38 132)	30 000	5 881	17 456	(33 706)
Cash/cash equivalents at the year begin:	2	-	-	-	56 316	50 406	50 406	-	25 014	30 895	48 351
Cash/cash equivalents at the year end:	2	-	-	-	36 863	12 274	12 274	30 000	30 895	48 351	14 645

**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	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	36 863	12 274	12 274	30 000	30 895	48 351	14 645
Other current investments > 90 days		63 942	65 456	50 443	(6 051)	12 741	12 741	3 200	-	(36 478)	3 525
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		63 942	65 456	50 443	30 812	25 014	25 014	33 200	30 895	11 873	18 171
<b>Application of cash and investments</b>											
Unspent conditional transfers		469	444	444	444	444	444	(10 491)	444	(4)	(4)
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	8 772	7 852	10 124	(19 743)	(41 054)	(41 054)	(11 631)	(27 991)	(1 055)	(5 761)
Other provisions		2 591	2 374	3 163	6 734	8 049	8 049	(3 163)	8 049	2 905	2 905
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		11 832	10 670	13 731	(12 564)	(32 561)	(32 561)	(25 285)	(19 498)	1 845	(2 860)
<b>Surplus(shortfall)</b>		52 111	54 786	36 712	43 376	57 575	57 575	58 485	50 393	10 028	21 031

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 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

Onchange name from not - Table A6 Asset management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	192 426	216 699	251 155	26 460	40 072	40 072	18 981	19 694	19 646
Roads Infrastructure		62 147	71 583	89 937	13 790	37 040	37 040	17 781	9 898	11 046
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		62 147	71 583	89 937	13 790	37 040	37 040	17 781	9 898	11 046
Community Facilities		97 339	108 999	122 741	2 965	1 227	1 227	-	5 432	-
Sport and Recreation Facilities		-	-	-	8 000	-	-	-	3 065	8 000
Community Assets		97 339	108 999	122 741	10 965	1 227	1 227	-	8 496	8 000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		12 981	13 182	13 812	-	-	-	-	1 000	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		12 981	13 182	13 812	-	-	-	-	1 000	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 083	1 383	1 272	-	-	-	-	-	-
Intangible Assets		1 083	1 383	1 272	-	-	-	-	-	-
Computer Equipment		322	978	2 219	555	555	555	800	300	400
Furniture and Office Equipment		4 717	5 389	2 941	350	350	350	400	-	200
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		4 125	4 779	7 268	800	900	900	-	-	-
Land		9 712	10 405	10 965	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

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<b>Total Upgrading of Existing Assets</b>	6	2 214	-	-	5 161	8 995	8 995	-	-	-
Roads Infrastructure		2 214	-	-	-	8 995	8 995	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		2 214	-	-	-	8 995	8 995	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	5 161	-	-	-	-	-
<b>Community Assets</b>		-	-	-	5 161	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	194 640	216 699	251 159	31 621	49 067	49 067	18 981	19 694	20 646
Roads Infrastructure		64 361	71 583	89 941	13 790	46 035	46 035	17 781	9 898	11 046
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		64 361	71 583	89 941	13 790	46 035	46 035	17 781	9 898	11 046
Community Facilities		97 339	108 999	122 741	2 965	1 227	1 227	-	5 432	-
Sport and Recreation Facilities		-	-	-	13 161	-	-	-	3 065	8 000
<b>Community Assets</b>		97 339	108 999	122 741	16 126	1 227	1 227	-	8 496	8 000
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		12 981	13 182	13 812	-	-	-	-	1 000	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		12 981	13 182	13 812	-	-	-	-	1 000	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 083	1 383	1 272	-	-	-	-	-	-
<b>Intangible Assets</b>		1 083	1 383	1 272	-	-	-	-	-	-
Computer Equipment		322	978	2 219	555	555	555	800	300	400
Furniture and Office Equipment		4 717	5 389	2 941	350	350	350	400	-	200
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		4 125	4 779	7 268	800	900	900	-	-	1 000
Land		9 712	10 405	10 965	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		194 640	216 699	251 159	31 621	49 067	49 067	18 981	19 694	20 646

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	146 707	161 801	189 283	211 265	285 851	285 851	232 241	18 370	18 767
Roads Infrastructure		46 687	50 334	66 188	88 760	181 573	181 573	134 734	5 625	6 581
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>46 687</b>	<b>50 334</b>	<b>66 188</b>	<b>88 760</b>	<b>181 573</b>	<b>181 573</b>	<b>134 734</b>	<b>5 625</b>	<b>6 581</b>
<b>Community Assets</b>		<b>74 309</b>	<b>81 096</b>	<b>92 469</b>	<b>81 889</b>	<b>77 852</b>	<b>77 852</b>	<b>73 759</b>	<b>4 224</b>	<b>3 535</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>10 405</b>	<b>10 965</b>	<b>10 965</b>	<b>10 965</b>	<b>10 965</b>	<b>10 965</b>
<b>Other Assets</b>		<b>8 602</b>	<b>13 439</b>	<b>10 175</b>	<b>(5 331)</b>	<b>(501)</b>	<b>(501)</b>	<b>(1 091)</b>	<b>384</b>	<b>(643)</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>		<b>409</b>	<b>488</b>	<b>294</b>	<b>488</b>	<b>294</b>	<b>294</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>Computer Equipment</b>		<b>894</b>	<b>1 526</b>	<b>2 219</b>	<b>3 923</b>	<b>1 563</b>	<b>1 563</b>	<b>1 593</b>	<b>(504)</b>	<b>(440)</b>
<b>Furniture and Office Equipment</b>		<b>662</b>	<b>1 229</b>	<b>792</b>	<b>12 019</b>	<b>612</b>	<b>612</b>	<b>(72)</b>	<b>(1 131)</b>	<b>(982)</b>
<b>Machinery and Equipment</b>		<b>100</b>	<b>294</b>	<b>1 050</b>	<b>1 058</b>	<b>8 424</b>	<b>8 424</b>	<b>8 245</b>	<b>(187)</b>	<b>(195)</b>
<b>Transport Assets</b>		<b>4 604</b>	<b>2 259</b>	<b>4 404</b>	<b>4 616</b>	<b>4 341</b>	<b>4 341</b>	<b>3 339</b>	<b>(1 046)</b>	<b>(93)</b>
<b>Land</b>		<b>10 440</b>	<b>11 136</b>	<b>11 693</b>	<b>13 438</b>	<b>728</b>	<b>728</b>	<b>728</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>146 707</b>	<b>161 801</b>	<b>189 283</b>	<b>211 265</b>	<b>285 851</b>	<b>285 851</b>	<b>232 241</b>	<b>18 370</b>	<b>18 767</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>13 354</b>	<b>17 635</b>	<b>37 289</b>	<b>39 827</b>	<b>45 617</b>	<b>45 617</b>	<b>22 663</b>	<b>26 061</b>	<b>27 234</b>
<b>Depreciation</b>	7	8 722	9 319	10 756	11 609	11 599	11 599	12 063	12 594	13 161
<b>Repairs and Maintenance by Asset Class</b>	3	<b>4 631</b>	<b>8 316</b>	<b>26 533</b>	<b>28 218</b>	<b>34 018</b>	<b>34 018</b>	<b>10 600</b>	<b>13 468</b>	<b>14 074</b>
Roads Infrastructure		1 164	1 568	14 306	9 800	16 000	16 000	1 000	7 308	7 637
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>1 164</b>	<b>1 568</b>	<b>14 306</b>	<b>9 800</b>	<b>16 000</b>	<b>16 000</b>	<b>1 000</b>	<b>7 308</b>	<b>7 637</b>
Community Facilities		1 436	1 951	2 452	5 000	3 300	3 300	1 500	1 566	1 636
Sport and Recreation Facilities		1 400	3 133	509	1 900	400	400	1 800	1 879	1 964
<b>Community Assets</b>		<b>2 836</b>	<b>5 084</b>	<b>2 960</b>	<b>6 900</b>	<b>3 700</b>	<b>3 700</b>	<b>3 300</b>	<b>3 445</b>	<b>3 600</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		264	1 065	8 501	10 500	13 700	13 700	5 900	2 297	2 400
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>264</b>	<b>1 065</b>	<b>8 501</b>	<b>10 500</b>	<b>13 700</b>	<b>13 700</b>	<b>5 900</b>	<b>2 297</b>	<b>2 400</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Machinery and Equipment</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transport Assets</b>		<b>368</b>	<b>600</b>	<b>765</b>	<b>1 018</b>	<b>618</b>	<b>618</b>	<b>400</b>	<b>418</b>	<b>436</b>
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>13 354</b>	<b>17 635</b>	<b>37 289</b>	<b>39 827</b>	<b>45 617</b>	<b>45 617</b>	<b>22 663</b>	<b>26 061</b>	<b>27 234</b>

### 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

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Household service targets</b>	1									
<b>Water:</b>										
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>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
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>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
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>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
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>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	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)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
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)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
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)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates: exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		(1 594)	(2 241)	(4 713)	1 566	1 566	1 566	1 629	1 701	1 777
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										
<b>Total revenue cost of subsidised services provided</b>	6	(1 594)	(2 241)	(4 713)	1 566	1 566	1 566	1 629	1 701	1 777



**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 2021/22 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 115 have been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The municipality will conduct public participation from 05 to 12 April 2022 on the Draft 2022/23 MTREF as tabled before Council on 31 March 2022 for the community to provide its comments on the draft budget before it is approved by Council as final document in May 2022. The notice will be published on the municipality's website, and hard copies will be made available at municipal offices, municipal notice boards and libraries for comments.

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

Ward Committees will be utilised to facilitate the community consultation process starting in April 2022. The date of this meeting will be advertised in the local media. The following notice will be published in the local media:

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

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

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

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

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

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

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

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2022/23 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 15 IDP Strategic Objectives**

<b>2022/23 Financial Year</b>	<b>2022/23 MTREF</b>
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. 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 2021/22 revised IDP, including:

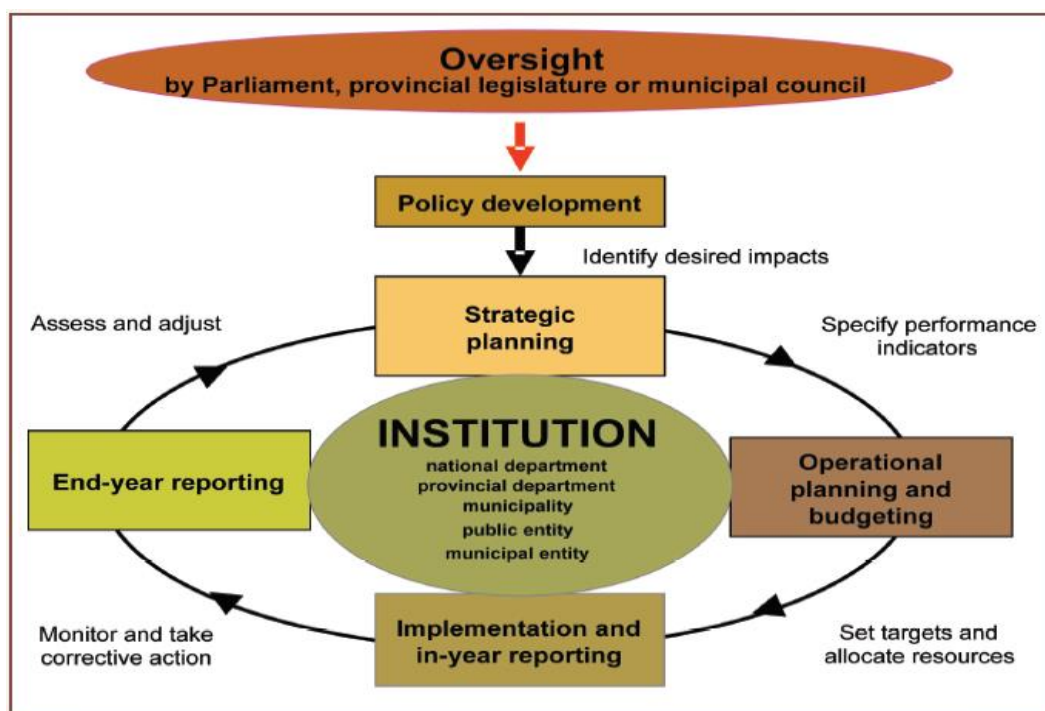
- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better 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 2022/23 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**

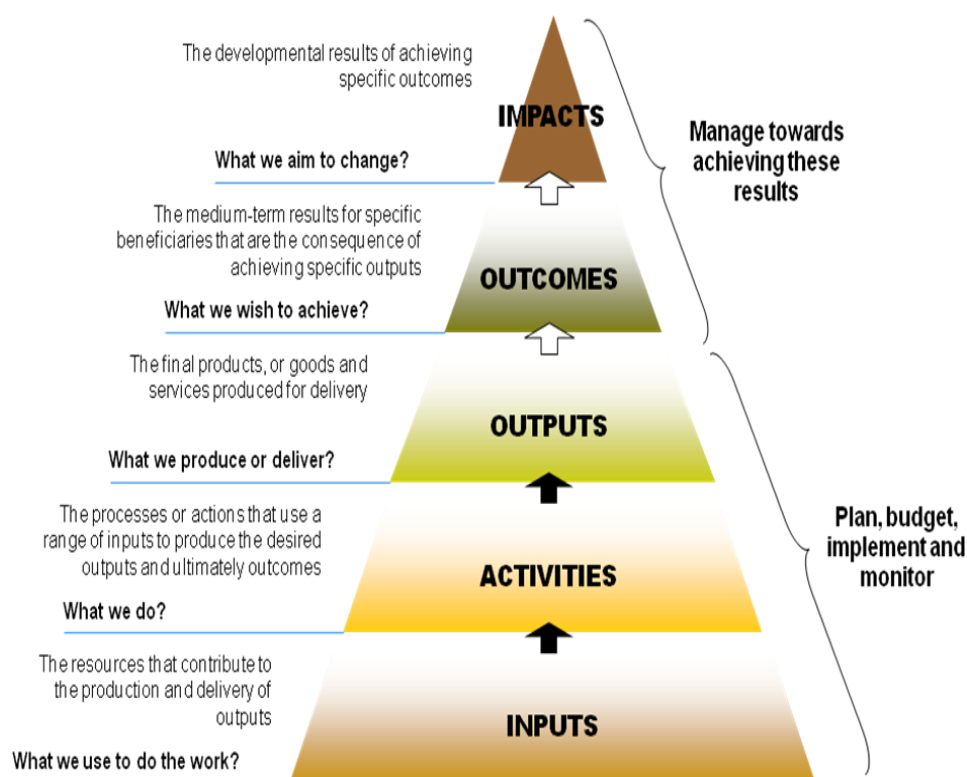
The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting



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

KZN226 Mkhambathini - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	6.6	6.5	4.3	7.2	9.7	9.7	(2.0)	8.8	3.0	40.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	6.6	6.5	4.3	7.2	9.7	9.7	(2.0)	8.8	3.0	40.5
Liquidity Ratio	Monetary Assets/Current Liabilities	4.8	5.0	3.0	3.9	3.2	3.2	(1.1)	3.9	2.4	34.2
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	85.0%	85.0%	85.0%	0.0%	85.0%	102.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	85.0%	85.0%	85.0%	0.0%	85.0%	102.2%	101.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	25.3%	19.8%	17.3%	23.9%	46.9%	46.9%	28.2%	32.1%	2.7%	2.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	0.0%	10.7%	36.7%	36.7%	-38.8%	14.6%	4.4%	-16.2%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.1%	35.7%	34.3%	43.9%	44.2%	44.2%	35.9%	44.8%	46.8%	64.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	43.3%	41.6%	39.1%	49.9%	50.3%	50.3%		50.7%	52.6%	70.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.9%	8.1%	21.1%	25.5%	31.2%	31.2%		9.0%	11.4%	11.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.3%	9.1%	8.5%	10.5%	10.6%	10.6%	8.3%	10.2%	10.7%	10.5%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	10.1	13.1	13.1	13.1	14.3	16.6	14.1	14.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	131.5%	89.3%	74.7%	123.0%	227.7%	227.7%	105.9%	162.6%	15.6%	15.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	–	–	–	3.9	1.2	1.2	4.0	3.8	5.8	1.4

#### 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 2022/23 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 2022/23 MTREF the current ratio is 2.6 in the 2022/23 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 2022.

- 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 benefits**

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

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		5 236	5 430	5 587	6 040	6 040	6 040	6 282	6 158	6 846
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		574	594	434	653	653	653	679	709	740
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>5 809</b>	<b>6 024</b>	<b>6 022</b>	<b>6 693</b>	<b>6 693</b>	<b>6 693</b>	<b>6 960</b>	<b>6 867</b>	<b>7 586</b>
<b>% increase</b>	4		3.7%	(0.0%)	11.1%	-	-	4.0%	(1.3%)	10.5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		3 912	3 359	2 522	4 353	4 353	4 353	4 784	4 995	5 220
Pension and UIF Contributions		1	14	39	59	59	59	62	65	68
Medical Aid Contributions		-	11	-	43	43	43	45	47	49
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	171	-	131	131	131	137	143	150
Motor Vehicle Allowance	3	1	2	105	92	92	92	97	101	105
Cellphone Allowance	3	55	47	112	83	83	83	88	91	96
Housing Allowances	3	63	60	-	14	14	14	15	15	16
Other benefits and allowances	3	0	0	4	0	6	6	6	6	0
Payments in lieu of leave		130	5	-	129	129	129	136	142	148
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 163</b>	<b>3 669</b>	<b>2 782</b>	<b>4 905</b>	<b>4 910</b>	<b>4 910</b>	<b>5 369</b>	<b>5 606</b>	<b>5 852</b>
<b>% increase</b>	4		(11.9%)	(24.2%)	76.3%	0.1%	-	9.3%	4.4%	4.4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		22 446	24 117	28 110	29 960	30 208	30 208	33 889	35 217	36 802
Pension and UIF Contributions		3 493	3 774	4 619	4 712	4 712	4 712	4 951	5 169	5 402
Medical Aid Contributions		1 420	1 558	1 882	2 026	2 026	2 026	2 124	2 218	2 317
Overtime		338	176	365	1 325	778	778	817	853	891
Performance Bonus		1 360	1 520	2 210	2 320	2 320	2 320	2 436	2 543	2 657
Motor Vehicle Allowance	3	2	168	536	149	149	149	157	164	171
Cellphone Allowance	3	12	10	49	61	61	61	64	67	70
Housing Allowances	3	113	109	215	357	357	357	397	415	433
Other benefits and allowances	3	12	27	13	11	11	11	11	12	10
Payments in lieu of leave		976	1 437	1 277	1 799	1 799	1 799	1 889	1 972	24 920
Long service awards		-	17	173	856	856	856	899	938	981
Post-retirement benefit obligations	6	637	(52)	986	77	77	77	81	84	88
<b>Sub Total - Other Municipal Staff</b>		<b>30 808</b>	<b>32 860</b>	<b>40 433</b>	<b>43 653</b>	<b>43 354</b>	<b>43 354</b>	<b>47 715</b>	<b>49 652</b>	<b>74 743</b>
<b>% increase</b>	4		6.7%	23.0%	8.0%	(0.7%)	-	10.1%	4.1%	50.5%
<b>Total Parent Municipality</b>		<b>40 780</b>	<b>42 553</b>	<b>49 237</b>	<b>55 251</b>	<b>54 957</b>	<b>54 957</b>	<b>60 044</b>	<b>62 125</b>	<b>88 181</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>40 780</b>	<b>42 553</b>	<b>49 237</b>	<b>55 251</b>	<b>54 957</b>	<b>54 957</b>	<b>60 044</b>	<b>62 125</b>	<b>88 181</b>
<b>% increase</b>	4		4.3%	15.7%	12.2%	(0.5%)	-	9.3%	3.5%	41.9%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>34 971</b>	<b>36 529</b>	<b>43 215</b>	<b>48 558</b>	<b>48 265</b>	<b>48 265</b>	<b>53 084</b>	<b>55 258</b>	<b>80 594</b>

**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	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b><u>Councillors</u></b>	3							
Speaker	4		516,516		216,564			733,080
Chief Whip			204,312		112,500			316,812
Executive Mayor			645,644		259,620			905,264
Deputy Executive Mayor			516,516		216,564			733,080
Executive Committee			262,212		131,796			394,008
Total for all other councillors			204,312		112,512			316,824
<b>Total Councillors</b>	8	-	2,349,512	-	1,049,556			3,399,068
<b><u>Senior Managers of the Municipality</u></b>	5							
Municipal Manager (MM)			1,008,886		44,400			1,053,286
Chief Finance Officer			989,063		18,000			1,007,063
Corporate Services Manager			989,063		18,000			1,007,063
Community Services Manager			989,063		34,320			1,023,383
Technical Services Manager			989,063		30,000			1,019,063
<i>List of each official with packages &gt;= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	4,965,138	-	144,720	-		5,109,858
<b><u>A Heading for Each Entity</u></b>	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	7,314,650	-	1,194,276	-		8,508,926

## References

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

KZN226 Mkhambathini - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)			14	3	11	14	3	11	14		14
Board Members of municipal entities		4									
<b>Municipal employees</b>											
Municipal Manager and Senior Managers		5									
Other Managers		3	5	–	5	5	–	5	5		5
Professionals		7									
Finance			44	39	17	44	39	17	31	31	–
Spatial/town planning				6	7		6	7	9	9	–
Information Technology			1	–	1	1	–	1	1	1	–
Roads											
Electricity											
Water											
Sanitation											
Refuse											
Other			43	33	9	43	33	9	20	20	–
Technicians			–	–	–	–	–	–	–	–	–
Finance											
Spatial/town planning											
Information Technology											
Roads											
Electricity											
Water											
Sanitation											
Refuse											
Other											
Clerks (Clerical and administrative)			36	36	–	36	36	–	21	21	
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations									36	36	–
<b>TOTAL PERSONNEL NUMBERS</b>		9	<b>99</b>	<b>78</b>	<b>33</b>	<b>99</b>	<b>78</b>	<b>33</b>	<b>107</b>	<b>88</b>	<b>19</b>
<b>% increase</b>						–	–	–	8.1%	12.8%	(42.4%)
<b>Total municipal employees headcount</b>		6, 10									
Finance personnel headcount		8, 10									
Human Resources personnel headcount		8, 10									

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



# MKHAMBATHINI Municipality 2022/23 Draft Annual Budget and MTREF

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
<b>Revenue By Source</b>																
Property rates		1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	1 867	22 406	19 260	20 127
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		52	52	52	52	52	52	52	52	52	52	52	52	621	648	677
Rental of facilities and equipment		31	31	31	31	31	31	31	31	31	31	31	31	373	373	407
Interest earned - external investments		165	165	165	165	165	165	165	165	165	165	165	165	1 975	1 975	2 062
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	0	0	0	0	0	0	0	0	0	0	0	5	5	5
Licences and permits		630	630	630	630	630	630	630	630	630	630	630	630	7 554	7 886	8 241
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		7 016	7 016	7 016	7 016	7 016	7 016	7 016	7 016	7 016	7 016	7 016	7 016	84 194	87 718	93 459
Other revenue		103	103	103	103	103	103	103	103	103	103	103	103	1 233	267	279
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	9 863	118 360	118 133	125 257
<b>Expenditure By Type</b>																
Employee related costs		4 424	4 424	4 424	4 424	4 424	4 424	4 424	4 424	4 424	4 424	4 424	4 424	53 084	55 258	80 594
Remuneration of councillors		580	580	580	580	580	580	580	580	580	580	580	580	6 960	6 867	7 586
Debt impairment		272	272	272	272	272	272	272	272	272	272	272	272	3 266	3 409	3 563
Depreciation & asset impairment		1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	12 063	12 594	13 161
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		308	308	308	308	308	308	308	308	308	308	308	308	3 702	-	-
Contracted services		2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	25 274	28 876	29 460
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		1 545	1 545	1 545	1 545	1 545	1 545	1 545	1 545	1 545	1 545	1 545	1 545	18 542	13 698	14 310
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	122 891	120 702	148 674
<b>Surplus/(Deficit)</b>																
		(378)	(378)	(378)	(378)	(378)	(378)	(378)	(378)	(378)	(378)	(378)	(378)	(4 530)	(2 569)	(23 417)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	17 781	18 394	19 046
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	13 251	15 825	(4 371)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	13 251	15 825	(4 371)

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

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Finance and Administration		10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	124 961	125 967	133 358
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		169	169	169	169	169	169	169	169	169	169	169	169	2 028	2 025	2 027
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		81	81	81	81	81	81	81	81	81	81	81	81	977	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		630	630	630	630	630	630	630	630	630	630	630	630	7 554	7 886	8 241
Vote 12 - Waste Management		52	52	52	52	52	52	52	52	52	52	52	52	621	648	677
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>11 345</b>	<b>136 141</b>	<b>136 527</b>	<b>144 303</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Finance and Administration		4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	4 780	57 356	51 198	53 494
Vote 2 - Finance and Administration2		23	23	23	23	23	23	23	23	23	23	23	23	270	125	131
Vote 3 - Executive and Council		1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	19 214	18 201	42 288
Vote 4 - Community and Social Services		753	753	753	753	753	753	753	753	753	753	753	753	9 042	10 683	10 446
Vote 5 - Community and Social Services2		1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	1 438	17 256	18 015	18 824
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		694	694	694	694	694	694	694	694	694	694	694	694	8 324	14 954	15 627
Vote 8 - Planning and Development		52	52	52	52	52	52	52	52	52	52	52	52	620	347	367
Vote 9 - Sport and Recreation		272	272	272	272	272	272	272	272	272	272	272	272	3 262	3 513	3 671
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		53	53	53	53	53	53	53	53	53	53	53	53	642	670	697
Vote 12 - Waste Management		546	546	546	546	546	546	546	546	546	546	546	546	6 550	6 987	7 302
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		29	29	29	29	29	29	29	29	29	29	29	29	354	369	386
<b>Total Expenditure by Vote</b>		<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>10 241</b>	<b>122 891</b>	<b>125 064</b>	<b>153 233</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>13 251</b>	<b>11 463</b>	<b>(8 929)</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>13 251</b>	<b>11 463</b>	<b>(8 929)</b>

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

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	124 961	125 967	133 358
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	10 413	124 961	125 967	133 358
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		169	169	169	169	169	169	169	169	169	169	169	169	2 028	2 025	2 027
Community and social services		169	169	169	169	169	169	169	169	169	169	169	169	2 028	2 025	2 027
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		81	81	81	81	81	81	81	81	81	81	81	81	977	–	–
Planning and development		81	81	81	81	81	81	81	81	81	81	81	81	977	–	–
Road transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		52	52	52	52	52	52	52	52	52	52	52	52	621	648	677
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		52	52	52	52	52	52	52	52	52	52	52	52	621	648	677
<b>Other</b>		630	630	630	630	630	630	630	630	630	630	630	630	7 554	7 886	8 241
<b>Total Revenue - Functional</b>		11 345	11 345	11 345	11 345	11 345	11 345	11 345	11 345	11 345	11 345	11 345	11 345	136 141	136 527	144 303
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		6 403	6 403	6 403	6 403	6 403	6 403	6 403	6 403	6 403	6 403	6 403	6 403	76 840	69 525	95 913
Executive and council		1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	1 601	19 214	18 201	42 288
Finance and administration		4 802	4 802	4 802	4 802	4 802	4 802	4 802	4 802	4 802	4 802	4 802	4 802	57 626	51 324	53 625
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		2 493	2 493	2 493	2 493	2 493	2 493	2 493	2 493	2 493	2 493	2 493	2 493	29 914	32 580	33 326
Community and social services		2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	26 298	28 698	29 270
Sport and recreation		272	272	272	272	272	272	272	272	272	272	272	272	3 262	3 513	3 671
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		29	29	29	29	29	29	29	29	29	29	29	29	354	369	386
<b>Economic and environmental services</b>		745	745	745	745	745	745	745	745	745	745	745	745	8 945	15 302	15 995
Planning and development		52	52	52	52	52	52	52	52	52	52	52	52	620	347	367
Road transport		694	694	694	694	694	694	694	694	694	694	694	694	8 324	14 954	15 627
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		546	546	546	546	546	546	546	546	546	546	546	546	6 550	6 987	7 302
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		546	546	546	546	546	546	546	546	546	546	546	546	6 550	6 987	7 302
<b>Other</b>		53	53	53	53	53	53	53	53	53	53	53	53	642	670	697
<b>Total Expenditure - Functional</b>		10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	10 241	122 891	125 064	153 233
<b>Surplus/(Deficit) before assoc.</b>		1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	13 251	11 463	(8 929)
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>1 104</b>	<b>13 251</b>	<b>11 463</b>	<b>(8 929)</b>

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

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Finance and Administration		100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 300	1 600
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	5 432	-
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-	-	-	-	-	5 830	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	1 005	12 061	4 068	11 046
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	3 065	8 000
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	13 261	19 694	20 646
<b>Total Capital Expenditure</b>	2	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	1 105	13 261	19 694	20 646

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

Choose name from list - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 300	1 600
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 300	1 600
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	14 326	8 000
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	11 262	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	3 065	8 000
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	17 781	4 068	11 046
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	17 781	4 068	11 046
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	18 981	19 694	20 646
<b>Funded by:</b>																
National Government		1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	17 781	18 394	19 046
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	1 482	17 781	18 394	19 046
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 300	1 600
<b>Total Capital Funding</b>		1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	18 981	19 694	20 646

Table 34 MBRR SA30 - Budgeted monthly cash flow

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

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	1 587	19 045	19 807	20 599
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	44	44	44	44	44	44	44	44	44	44	44	44	527	549	571
Rental of facilities and equipment	31	31	31	31	31	31	31	31	31	31	31	31	373	373	407
Interest earned - external investments	165	165	165	165	165	165	165	165	165	165	165	165	1 975	2 062	2 153
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	0	0	0	0	0	0	0	0	0	0	0	0	5	5	5
Licences and permits	630	630	630	630	630	630	630	630	630	630	630	630	7 554	7 886	8 241
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	9 377	9 377	9 377	9 377	9 377	9 377	9 377	9 377	9 377	9 377	9 377	9 377	112 523	124 458	101 459
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Receipts by Source</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>11 834</b>	<b>142 002</b>	<b>155 140</b>	<b>133 435</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	18 981	18 394	19 046
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>13 415</b>	<b>160 983</b>	<b>173 534</b>	<b>152 481</b>
<b>Cash Payments by Type</b>															
Employee related costs	5 004	5 004	5 004	5 004	5 004	5 004	5 004	5 004	5 004	5 004	5 004	5 004	60 044	62 125	88 181
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	308	308	308	308	308	308	308	308	308	308	308	308	3 702	-	-
Contracted services	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150	25 804	26 939	28 151
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	3 881	46 571	48 620	50 808
<b>Cash Payments by Type</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>11 343</b>	<b>136 121</b>	<b>137 684</b>	<b>167 140</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	1 582	18 981	18 394	19 046
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>12 925</b>	<b>155 102</b>	<b>156 078</b>	<b>186 186</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>490</b>	<b>5 881</b>	<b>17 456</b>	<b>(33 706)</b>
Cash/cash equivalents at the month/year begin:	25 014	25 504	25 994	26 484	26 974	27 465	27 955	28 445	28 935	29 425	29 915	30 405	25 014	30 895	48 351
Cash/cash equivalents at the month/year end:	25 504	25 994	26 484	26 974	27 465	27 955	28 445	28 935	29 425	29 915	30 405	30 895	30 895	48 351	14 645

## 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.

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		31 459	33 565	34 392	905	905	905	34 592	1 200	1 300	1 600
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		31 459	33 565	34 392	905	905	905	34 592	1 200	1 300	1 600
Internal audit		–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		6 821	12 987	11 029	16 126	–	–	21 543	–	14 326	8 000
Community and social services		6 821	12 987	11 029	2 965	–	–	15 176	–	11 262	–
Sport and recreation		–	–	–	13 161	–	–	6 367	–	3 065	8 000
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		156 360	170 148	205 737	14 590	48 162	48 162	218 308	17 781	4 068	11 046
Planning and development		90 719	96 631	110 533	–	1 227	1 227	110 533	–	–	–
Road transport		65 641	73 517	95 204	14 590	46 935	46 935	107 775	17 781	4 068	11 046
Environmental protection		–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–
<b>Other</b>		–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Functional</b>	3	194 640	216 699	251 159	31 621	49 067	49 067	274 443	18 981	19 694	20 646

## 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 2022/23 MTREF in May 2022 directly aligned and informed by the 2021/22 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.

## **2.9 Other supporting documents**



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

# MKHAMBATHINI Municipality 2022/23 Draft Annual Budget and MTREF

Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue Framework		& Expenditure
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		15 886	19 609	23 931	22 119	23 111	23 111	19 469	24 035	20 961	21 904
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(1 594)	(2 241)	(4 713)	1 566	1 566	1 566	(3 287)	1 629	1 701	1 777
Net Property Rates		17 480	21 849	28 644	20 553	21 544	21 544	22 756	22 406	19 260	20 127
Service charges - electricity revenue	6										
Total Service charges - electricity revenue											
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 revenue											
Service charges - water revenue	6										
Total Service charges - water revenue											
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 revenue											
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
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 - sanitation revenue											
Service charges - refuse revenue	6										
Total refuse removal revenue		526	528	533	597	597	597	370	621	648	677
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 - refuse revenue		526	528	533	597	597	597	370	621	648	677
Other Revenue by source											
Administrative Handling Fees											
Bad Debts Recovered											
Breakages and Losses Recovered											
Collection Charges											
Commission			20	349	9	74	74	73	77	80	84
Discounts and Early Settlements											
Incidental Cash Surpluses											
Inspection Fees											
Registration Fees											
Staff Recoveries											
Request for Information											
Insurance Refund											
Sale of Property											
Merchandising, Jobbing and Contracts											
Bursary Repayment											
Recovery Infrastructure Maintenance		102	97	90							
Skills Development Levy Refund		103	40	83	64	64	64	26	67	70	73
Arbor City Awards Competition											
Other Revenue		437	378	2 722	1 112	990	990	538	1 089	117	122
Total 'Other' Revenue	1	641	534	3 245	1 185	1 128	1 128	636	1 233	267	279
EXPENDITURE ITEMS:											
Employee related costs	2										
Basic Salaries and Wages		26 358	27 475	30 632	34 314	34 562	34 562	22 335	38 673	40 213	42 022
Pension and UIF Contributions		3 493	3 788	4 658	4 771	4 771	4 771	3 716	5 014	5 234	5 470
Medical Aid Contributions		1 420	1 570	1 882	2 069	2 069	2 069	1 397	2 169	2 264	2 366
Overtime		338	176	365	1 325	778	778	187	817	853	891
Performance Bonus		1 360	1 690	2 210	2 450	2 450	2 450	2 190	2 573	2 686	2 807
Motor Vehicle Allowance		3	170	641	241	241	241	514	253	264	276
Cellphone Allowance		67	57	161	144	144	144	232	152	158	165
Housing Allowances		176	169	215	372	372	372	374	412	430	449
Other benefits and allowances		12	27	17	11	16	16	42	17	18	10
Payments in lieu of leave		1 107	1 443	1 277	1 929	1 929	1 929	152	2 025	2 114	25 068
Long service awards			17	173	856	856	856		899	938	981
Post-retirement benefit obligations		637	(52)	986	77	77	77	7	81	84	88
sub-total	4	34 971	36 529	43 215	48 558	48 265	48 265	31 146	53 084	55 258	80 594
Less: Employees costs capitalised to PPE	5										
Total Employee related costs	1	34 971	36 529	43 215	48 558	48 265	48 265	31 146	53 084	55 258	80 594
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		8 722	9 097	10 577	11 365	11 355	11 355	7 085	11 810	12 329	12 884
Lease amortisation			222	179	244	244	244	83	254	265	277
Capital asset impairment											
Total Depreciation & asset impairment	1	8 722	9 319	10 756	11 609	11 599	11 599	7 169	12 063	12 594	13 161
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		7 224	9 483	9 417	10 385	11 389	11 389	7 085	10 367	10 913	10 688
Consultants and Professional Services		3 256	3 279	1 633	3 662	4 723	4 723	2 964	3 342	3 489	3 646
Contractors		8 103	14 767	27 058	29 350	34 987	34 987	34 320	11 564	14 474	15 125
Total contracted services		18 584	27 530	38 107	43 396	51 099	51 099	44 369	25 274	28 876	29 460
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Audit fees		1 233	1 173	1 261	1 456	1 706	1 706	1 596	1 800	1 879	1 964
Other Expenditure		10 000	12 539	22 597	21 999	21 787	21 787	19 081	16 742	11 819	12 346
Total 'Other' Expenditure	1	11 233	13 712	23 858	23 455	23 493	23 493	20 677	18 542	13 698	14 310
by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)											
Contracted Services		4 631	8 316	26 533	28 218	34 018	34 018	33 686	10 600	13 468	14 074
Other Expenditure											
Total Revenue and Expenditure	9	4 631	8 316	26 533	28 218	34 018	34 018	33 686	10 600	13 468	14 074

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

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

Description	Ref	Vote 1 - Finance and Administration	Vote 2 - Finance and Administration 2	Vote 3 - Executive and Council	Vote 4 - Community and Social Services	Vote 5 - Community and Social Services2	Vote 6 - Energy Sources	Vote 7 - Road Transport	Vote 8 - Planning and Development	Vote 9 - Sport and Recreation	Vote 10 - Public Safety	Vote 11 - Other	Vote 12 - Waste Management	Vote 13 - Housing	Vote 14 - Waste Water Management	Vote 15 - Health	Total
<b>R thousand</b>	1																
<b>Revenue By Source</b>																	
Property rates		22 406	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22 406
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	621	-	-	-	621
Rental of facilities and equipment		373	-	-	-	-	-	-	-	-	-	-	-	-	-	-	373
Interest earned - external investments		1 975	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 975
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	5
Licences and permits		-	-	-	-	-	-	-	-	-	-	7 554	-	-	-	-	7 554
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		82 190	-	-	2 004	-	-	-	-	-	-	-	-	-	-	-	84 194
Transfers and subsidies		236	-	-	20	-	-	-	977	-	-	-	-	-	-	-	1 233
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>107 180</b>	<b>-</b>	<b>-</b>	<b>2 028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>977</b>	<b>-</b>	<b>-</b>	<b>7 554</b>	<b>621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118 360</b>
<b>Expenditure By Type</b>																	
Employee related costs		18 148	-	6 014	2 831	13 083	-	7 308	-	-	-	-	5 700	-	-	-	53 084
Remuneration of councillors		-	-	6 960	-	-	-	-	-	-	-	-	-	-	-	-	6 960
Debt impairment		3 266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 266
Depreciation & asset impairment		12 063	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12 063
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		380	270	972	1 412	-	-	-	21	270	-	-	377	-	-	-	3 702
Contracted services		13 185	-	3 380	2 634	2 079	-	1 000	250	2 445	-	-	31	-	-	270	25 274
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		10 315	-	1 888	2 165	2 094	-	16	350	547	-	642	442	-	-	83	18 542
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>57 356</b>	<b>270</b>	<b>19 214</b>	<b>9 042</b>	<b>17 256</b>	<b>-</b>	<b>8 324</b>	<b>620</b>	<b>3 262</b>	<b>-</b>	<b>642</b>	<b>6 550</b>	<b>-</b>	<b>-</b>	<b>354</b>	<b>122 891</b>
<b>Surplus/(Deficit)</b>		<b>49 824</b>	<b>(270)</b>	<b>(19 214)</b>	<b>(7 013)</b>	<b>(17 256)</b>	<b>-</b>	<b>(8 324)</b>	<b>357</b>	<b>(3 262)</b>	<b>-</b>	<b>6 912</b>	<b>(5 929)</b>	<b>-</b>	<b>-</b>	<b>(354)</b>	<b>(4 530)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		17 781	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17 781
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>67 605</b>	<b>(270)</b>	<b>(19 214)</b>	<b>(7 013)</b>	<b>(17 256)</b>	<b>-</b>	<b>(8 324)</b>	<b>357</b>	<b>(3 262)</b>	<b>-</b>	<b>6 912</b>	<b>(5 929)</b>	<b>-</b>	<b>-</b>	<b>(354)</b>	<b>13 251</b>

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

Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors	2	29 161	30 835	30 676	25 380	33 873	33 873	32 825	40 492	6 581	6 945
Less: Provision for debt impairment		(9 937)	(15 493)	(20 554)	–	–	–	(20 651)	(3 266)	(3 409)	(3 563)
Total Consumer debtors		19 225	15 342	10 122	25 380	33 873	33 873	12 174	37 226	3 171	3 382
Debt impairment provision											
Balance at the beginning of the year		–	–	–	–	–	–	–	–	–	–
Contributions to the provision	(5 387)	(6 578)	(6 473)	–	–	–	(6 570)	–	–	–	
Bad debts written off	(4 550)	(8 915)	(14 081)	–	–	–	(14 081)	(3 266)	(3 409)	(3 563)	
Balance at end of year	(9 937)	(15 493)	(20 554)	–	–	–	(20 651)	(3 266)	(3 409)	(3 563)	
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)	3	192 392	215 938	252 573	232 774	225 664	225 664	275 858	233 546	19 694	20 646
Leases recognised as PPE		–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	46 095	54 625	63 584	47 987	11 599	11 599	(70 670)	12 310	12 329	12 884	
Total Property, plant and equipment (PPE)	2	146 297	161 313	188 989	184 787	214 065	214 065	346 528	221 236	7 365	7 762
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)	5	–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		–	–	–	–	–	–	–	–	–	–
Total Current liabilities - Borrowing		–	–	–	–	–	–	–	–	–	–
Trade and other payables											
Trade Payables		8 772	7 852	10 124	3 935	4 509	4 509	(11 631)	4 509	2 136	(2 369)
Other creditors	–	–	–	–	–	–	–	–	–	–	
Unspent conditional transfers	469	444	444	444	444	444	(10 491)	444	(4)	(4)	
VAT	3 953	4 843	6 149	1 029	–	–	(6 873)	–	–	–	
Total Trade and other payables	2	13 194	13 139	16 717	5 409	4 953	4 953	(28 995)	4 953	2 132	(2 373)
Non current liabilities - Borrowing											
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Finance leases (including PPP asset element)		–	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	–	–	–	–	–	–	–	–	–	–	–
Provisions - non-current											
Retirement benefits	1	2 591	2 374	3 163	–	5 144	5 144	(3 163)	5 144	–	–
Refuse landfill site rehabilitation		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	4 158	–	–	–	–	–	–
Total Provisions - non-current		2 591	2 374	3 163	4 158	5 144	5 144	(3 163)	5 144	–	–
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance	1	–	–	–	248 494	279 273	279 273	–	273 717	15 662	318 855
GRAP adjustments		–	–	–	–	–	–	–	–	–	–
Restated balance		–	–	–	248 494	279 273	279 273	–	273 717	15 662	318 855
Surplus/(Deficit)		32 495	20 302	22 828	(7 459)	(528)	(528)	(4 088)	13 251	15 825	(4 371)
Transfers to/from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		–	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)		32 495	20 302	22 828	241 035	278 746	278 746	(4 088)	286 967	31 487	314 484
Reserves											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement	–	–	–	–	–	–	–	–	–	–	
Self-insurance	–	–	–	–	–	–	–	–	–	–	
Other reserves	–	–	–	–	–	–	–	–	–	–	
Revaluation	–	693	1 253	–	1 253	1 253	(1 253)	1 253	1 253	1 253	
Total Reserves	2	–	693	1 253	–	1 253	1 253	(1 253)	1 253	1 253	1 253
TOTAL COMMUNITY WEALTH/EQUITY	2	32 495	20 995	24 082	241 035	279 999	279 999	(5 341)	288 221	32 740	315 737

**Table 41 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**



## **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 Draft Budget and SDBIP with the supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and the budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name: Mr. S Mngwengwe**

**Municipal Manager of Mkhambathini Local Municipality KZ226**

Signature: 

Date: 31 March 2022