

# **ANNUAL BUDGET OF MKHAMBATHINI MUNICIPALITY**



## **2025/2026 TO 2027/2028 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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## Abbreviations and Acronyms

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

# **Part 1 – Annual Budget**

## **1.1 Mayor's Report**

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

**CLLR. N W NTOMBELA PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE  
TABLING OF THE 2025/2026, 2026/2027 AND 2027/2028 DRAFT BUDGET IN THE COUNCIL  
CHAMBERS, CAMPERDOWN,**

**ON Thursday, 27 MARCH 2025**

Speaker of the Council,

Deputy Mayor,

Executive Committee Members,

Councillors,

Traditional leaders,

Municipal Manager,

All Senior Managers,

Chief Financial Officer,

All Staff members present,

Members of the media if any are present and Public,

Distinguish guest, Ladies and Gentlemen.

It is a great honour to present to you the multi-year Draft Budget for Mkhambathini Municipality in respect of the 2025/2026, 2026/2027 AND 2027/2028 financial years.

Speaker and members of Council, this multi-year budget is tabled in terms of the Municipal Finance Management Act (MFMA), No 56 of 2003 and in terms of the Municipal Budget & Reporting Regulations. The MFMA requires that the budget be tabled ninety (90) days before the start of the financial year and we are fully complying with this requirement. It is the intention to have this budget finally approved on 30 May 2025 which will be in compliance of the requirements of the MFMA.

Inflation is forecast to decline to 2.9 per cent in the fourth quarter of 2024. Consumer inflation is projected to average 4.4 per cent in 2025 and 4.5 per cent in 2026 as per MFMA circular 126,128,129,130 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 2025/26 financial year's Draft Budget. I am pleased to announce that this draft budget is aligned to the draft revised IDP. Due to the current financial situation of Mkhambathini Municipality, the municipality will only be able to fund the capital projects through the Municipal Infrastructure Grant which amounts to R 18 .9 million and own generated revenue of R 5.1 million. Few projects are funded from the Municipality's own reserves as per the detailed capital budget.

## **Governance**

The Internal Audit Activity now operates as an in-house audit service, demonstrating a commitment to promoting good governance. It has established a collaborative relationship with the Provincial Internal Audit Unit and the National Treasury Risk and Internal Audit Support Unit to enhance skills, share resources, and strengthen its operations. A risk-based audit plan has been developed, and internal control systems have been tested to effectively monitor operational vulnerabilities within the municipality. Additionally, Internal Audit holds regular meetings, including engagements with MPAC.

## **Property Rates**

- The municipality has implemented a new valuation roll which was implemented as from 01 July 2024 with a validity period being 5 years ending 31 June 2029
- 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.
- There will be rates exemption up 50% for agriculture and the council took a resolution to not impose penalties for rate.
- There will be rates exemption up to 20% for pensioners.

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.

### **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 2025/2026 and indicative allocations for the two projected outer years 2026/2027 and 2027/28, 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 2025/2026 financial year be adopted.
3. To take note of the operational and Capital budget for the outer years 2026/27 and 2027/2028.
4. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables
  - 4.1 Budgeted Financial Position
  - 4.2 Budgeted Cash Flows
  - 4.3 Cash backed reserves and accumulated surplus reconciliation
  - 4.4 Asset Management
  - 4.5 Basic service delivery measurement
5. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the Medium-Term Revenue and Expenditure Framework be adopted
6. To take note that provision was made for a general increase of 4% on Employee Related Costs and 5% provision for the Upper limits for Remuneration and allowances for Councillors, implementation being subject to the confirmation by the SALGBC for employees and approval by MEC for Co-operative Governance and Traditional Affairs for Councillors.

7. To take note that the Municipal Budget related policies, mSCOA Regulations, Integrated Development Plan, MFMA Budget Circular (126,128 & 129,130) 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 2025/2026 & 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

## **Executive Summary**

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

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

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

National Treasury's MFMA No. 126,128 & 129, 130 was used to guide the compilation of the 2025/2026 draft MTREF.

The main challenges experienced during the compilation of the 20225/26 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 2025/26 MTREF process; and
- The implementation of a sustainable refuse tariff

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

- The 2024/2025 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 2025/2026 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 2025/2026 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2025/26 DRAFT BUDGET MTREF**

<b>Revenue</b>				
<b>Budget</b>	<b>Adjusted Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27 Yr 1</b>	<b>Budget 2027/28 Yr 2</b>
Equitable Share	87 712 000.00	87 953 000.00	87 957 000.00	91 932 000.00
Finance Management Grant	3 000 000.00	3 000 000.00	3 000 000.00	3 100 000.00
Arts and Culture	2 103 000.00	2 198 000.00	2 308 000.00	2 416 000.00
EPWP Grant	1 541 000.00	2 204 000.00		-
INEP	11 643 000.00	12 624 000.00	7 509 000.00	7 848 000.00
Energy Efficient		3 000 000.00	4 000 000.00	
Maintenance Grant- Sport Facilities	415 000.00			
Rates	31 877 217.00	31 877 217.00	33 311 691.76	34 144 484.04
Refuse Removal	685 459.61	685 459.61	716 305.29	734 212.92
Operational Income	14 751 363.06	15 810 457.03	15 985 928.00	16 385 575.00
<b>TOTAL</b>	<b>153 728 039.67</b>	<b>159 352 133.64</b>	<b>154 787 925.05</b>	<b>156 560 271.96</b>
MIG	18 159 000.00	18 934 000.00	20 223 000.00	20 970 000.00
<b>TOTAL REVENUE</b>	<b>171 887 039.67</b>	<b>178 286 133.64</b>	<b>175 010 925.05</b>	<b>177 530 271.96</b>
<b>Expenditure</b>				
<b>Budget</b>	<b>Adjusted Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27 Yr 1</b>	<b>Budget 2027/28 Yr 2</b>
Salaries & Wages	59 634 881.72	62 295 726.61	65 539 739.00	68 141 129.00
Councillors Allowances	7 622 384.64	7 957 769.56	8 315 869.19	8 523 765.92
General Expenses	86 602 442.49	79 528 788.38	96 244 441.00	94 471 004.00
Repairs & Maintenance	23 909 552.00	11 059 552.00	11 557 231.84	11 846 162.64
<b>TOTAL</b>	<b>177 769 260.85</b>	<b>160 841 836.55</b>	<b>181 657 281.03</b>	<b>182 982 061.56</b>
CAPITAL EXPENDITURE	<b>26 184 000.00</b>	24 034 000.00	21 223 000.00	21 970 000.00
<b>TOTAL</b>	<b>203 953 260.85</b>	<b>184 875 836.55</b>	<b>202 880 281.03</b>	<b>204 952 061.56</b>
<b>Supl/Dif</b>	<b>- 32 066 221.18</b>	<b>(6 589 702.91)</b>	<b>(27 869 355.98)</b>	<b>(27 421 789.60)</b>
<b>Non cash item</b>	<b>20 525 236.00</b>	<b>21 221 546.38</b>	<b>28 656 242.00</b>	<b>29 255 148.00</b>
<b>Dif</b>	<b>- 11 540 985.18</b>	<b>14 631 843.48</b>	<b>786 886.02</b>	<b>1 833 358.40</b>

The above table indicates that the total operational revenue is expected to increase by almost R 5.6 million for the 2025/2026 financial year when compared to the 2024/2025 adjusted budget. For the two outer years, revenue will decrease by R 4.7 million in 2026/27 financial year and increase by R 1.8 million respectively.

Total operating expenditure budget for the 2025/26 financial year is expected to decrease by R 16.9 million when compared to the 2024/2025 adjusted budget of R24 034 000.00. For the two outer years, expenditure will increase by R 20.8 million and increase by R1.3 million respectively.

**Table 2 The total Capital Expenditure Budget for 2025/2026 MTREF**

Details	Adjusted 2024/2025	Budget 2025/2026	Budget 2026/2027	Budget 2027/2028
<b>GRANTS &amp; SUBSIDIES</b>	.			
<b>National Government</b>				
Municipal Infrastructure Grant	18 159 000.00	18 934 000.00	20 223 000.00	20 970 000.00
Own funding	8 025 000.00	5 100 000.00	1 000 000.00	1 000 000.00
	<b>26 184 000.00</b>	<b>24 034 000.00</b>	<b>21 223 000.00</b>	<b>21 970 000.00</b>
<b>Internal funding</b>				
New Computers and Printers	370 000.00	400 000.00	200 000.00	200 000.00
Municipal Vehicles	400 000.00	1 400 000.00	500 000.00	500 000.00
Server: Finance	500 000.00			
New Yellow Plant - TLB		3 000 000.00		
Furniture	250 000.00	300 000.00	300 000.00	300 000.00
Municipal Fencing	470 000.00			
Makhokhoba Access Road	4 885 000.00			
Fire arm	150 000.00			
Maqongqo Taxi Rank- Standing	1 000 000.00			
<b>Total</b>	<b>8 025 000.00</b>	<b>5 100 000.00</b>	<b>1 000 000.00</b>	<b>1 000 000.00</b>
<b>MIG FUNDING</b>				
Mboyi Community Hall 3		5 899 950.00		
Nonzila Creche W2		2 456 319.48		
Gobhoini Access Road		520 000.00	7 335 743.96	
Eqeleni Access Road W		9 297 252.00	3 404 382.00	
Tala Valley Sportfield		159 836.52	9 482 874.04	9 228 037.21
Mphayeni Access Road		211 304.00		9 618 453.96
Lights - High Masts All wards		389 338.00		2 123 508.83
<b>Total</b>	<b>18 159 000.00</b>	<b>18 934 000.00</b>	<b>20 223 000.00</b>	<b>20 970 000.00</b>
	<b>26 184 000.00</b>	<b>24 034 000.00</b>	<b>21 223 000.00</b>	<b>21 970 000.00</b>

The table above indicates that the municipality plans to invest R24 million in the 2025/2026 financial year, followed by R21 million in 2026/2027 and R21.9 million in the subsequent year. These investments will support construction projects funded by the Municipal Infrastructure Grant (MIG) and the acquisition of municipal assets financed through internal funding.

**Table 3 : Capital Budget Funding for 2025/2026 MTREF**

Details	Adjusted 2024/2025	Budget 2025/2026	Budget 2026/2027	Budget 2027/2028
<b>GRANTS &amp; SUBSIDIES</b>	.			
<b>National Government</b>				
Municipal Infrastructure Grant	18 159 000.00	18 934 000.00	20 223 000.00	20 970 000.00
Own funding	8 025 000.00	5 100 000.00	1 000 000.00	1 000 000.00
	<b>26 184 000.00</b>	<b>24 034 000.00</b>	<b>21 223 000.00</b>	<b>21 970 000.00</b>

The table provides an overview of the funding model for the capital project, indicating that the majority of the funding will be sourced from the Municipal Infrastructure Grant, while the remaining portion will be financed through internal funding. The internal funding decrease by R 3 million as compare to the 2024/2025 Adjusted budget and for the two outer years is expected to also decrease by R 4 million and remain R1 million in 2027/2028.

### 1.3 Operating Revenue Framework

For Mkhambathini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. Under these tough economic strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that some communities within our municipality 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 expenditure against realistically anticipated revenue.

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

- National Treasury's guidelines and macroeconomic policy
- Growth in the Municipality and continued economic development
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges over the next two financial years.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2025/26 MTREF (classified by main revenue source):

**Table 4 Summary of revenue classified by main revenue source**

Description	Current Year 2024/25				2025/26 MTREF		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue</b>							
<b>Exchange Revenue</b>							
Service charges - Waste Management	685 460.00	685 460.00	685 460.00	448 235.00	685 460.00	716 305.00	734 213.00
Sale of Goods and Rendering of Services	560 887.00	692 769.00	692 769.00	603 216.00	731 945.00	764 881.00	784 003.00
Interest earned from Current and Non Current Assets	3 224 000.00	4 290 000.00	4 290 000.00	1 128 519.00	4 290 000.00	4 483 050.00	4 595 126.00
Rental from Fixed Assets	316 249.00	178 662.00	178 662.00	108 638.00	185 423.00	193 767.00	198 611.00
Licence and permits	8 350 855.00	8 303 522.00	8 303 522.00	5 416 543.00	9 712 876.00	10 149 956.00	10 403 706.00
Operational Revenue	384 202.00	1 284 202.00	1 284 202.00	664 471.00	887 906.00	391 862.00	401 659.00
<b>Non-Exchange Revenue</b>							
Property rates	31 877 217.00	31 877 217.00	31 877 217.00	21 036 233.00	31 877 217.00	33 311 691.00	34 144 485.00
Fines, penalties and forfeits	2 209.00	2 209.00	2 209.00	969.00	2 306.00	2 410.00	2 470.00
Transfer and subsidies - Operational	105 999 000.00	106 414 000.00	106 414 000.00	83 335 619.00	110 979 000.00	104 774 000.00	105 296 000.00
Gains on disposal of Assets	-	-	-	600.00	-	-	-
<b>Total Revenue (excluding capital transfers)</b>	<b>151 400 079.00</b>	<b>153 728 041.00</b>	<b>153 728 041.00</b>	<b>112 743 043.00</b>	<b>159 352 133.00</b>	<b>154 787 922.00</b>	<b>156 560 273.00</b>

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.

For the 2025/2026 financial year, transfers and subsidies recognized in operational revenue are projected to amount to R110.9 million, representing the largest share of the municipality's total revenue.

Mkhambathini Municipality is primarily dependent on grants; however, efforts are underway to enhance its revenue base. As part of this initiative, the municipality plans to establish and commence operations of a traffic department in the 2025/2026 financial year.

The municipality's second-largest source of revenue is property rates with the expected budget of R 31.8 million for 2025/2026 financial year.

2025/26 operating income budget can be summarised as follows:

### **Exchange Revenue**

#### **Service Charge**

The municipality has resolved to maintain the budget for the 2025/2026 financial year at the same level as the 2024/2025 Adjusted budget. This decision is primarily driven by the financial constraints faced by residents and businesses.

#### **Sale of goods and rendering of services**

The sale of goods and rendering of services involves various legal and operational aspects that can include processes such as tenders, advertisements, land usage applications, building plans Applications, and clearance certificates.

The sale of goods and rendering of services is expected to increase from R 692 769 in the 2024/2025 financial year to R 731 945 in the 2025/2026 budget year.

The increase in sales and the rendering of services is based on the 2024/25 adjusted budget, and attributed to the CPI inflation target of 4.4% as indicated in circular 129.

### **Interest earned from current and non-current assets**

Interest earned on external investments is expected to remain unchanged as compared to 2024/2025 Adjusted budget with the budget of R 4 290 000.

The interest earned from the municipality's external investments will remain stable due to the investment in fixed-income securities, which provide a fixed and assured return over their term.

The municipality does not have plans to increase its investment beyond the current levels at this time. Investment strategy remains focused on maintaining a balanced approach that ensures financial stability while adhering to established budgetary constraints and regulations.

The municipality currently does not impose interest charges on customers for late or delayed payments related to refuse removal services. However, the municipality encourage timely payments to ensure the continued provision of essential services and avoid potential service disruptions.

### **Rental From Fixed Assets**

Rent from municipal facilities is expected to increase by R 15 thousands from R 178 thousands in 2024/2025 Adjusted budget to R 193 thousands for 2025/2026 financial year.

The community assets (hall hire) budget of R 25,000 for the 2024/2025 financial year will remain the same for the 2025/2026 financial year as the rate has not been adjusted. However the municipality made changes to rental of other assets which attributed to 4.4% of CPI inflation and anticipated growth in terms of properties to be rented out in 2025/2026 financial year.

### **Licences and Permit**

Licences and Permits budget will increase by R 1.4 million for 2025/2026 financial year when compared to 2024/2025 adjusted budget.

This adjustment is driven by the increased number of motor vehicle and driver's license applications within the municipality, as well as the 4.4% CPI inflation rate for the 2025/2026 financial year.

## **Operation Revenue**

Operational revenue has been budgeted to be R 887 thousands for 2025/2026 financial year.

The municipality received an amount for the skills development levy as part of its operational revenue in the 2024/2025 financial year. However, this revenue is no longer being guaranteed in the 2025/2026 financial year, resulting in the decrease in operation revenue.

Operational revenue for 2025/2026 financial year decreased by R 396 thousands, from R 1 284 million 2024/2025 from Adjusted budget to R 887 thousands 2025/2026 financial year.

## **Non Exchange Revenue**

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.4 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

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

## **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 rate-able 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 2025/2026 to address the value of the properties for indigent household taking into account the RDP House value.

The proposed property rates tariff for 2025/26 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 5 470 332 based on the R285 000 reduction amount on all residential properties and 20% rebate for all properties owned by pensioners.

## Transfers and Subsidies

**Table 5 Operating Transfers and Grant Receipts**

Description	Current Year 2024/25		2025/26 MTREF		
R thousand	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:					
Operating Transfers and Grants					
<b>National Government:</b>	<b>103 896 000.00</b>	<b>103 896 000.00</b>	<b>108 781 000.00</b>	<b>102 466 000.00</b>	<b>102 880 000.00</b>
EPWP Incentive	1 541 000.00	1 541 000.00	2 204 000.00	–	–
Finance Management	3 000 000.00	3 000 000.00	3 000 000.00	3 000 000.00	3 100 000.00
Integrated National Electrification Progra	11 643 000.00	11 643 000.00	12 624 000.00	7 509 000.00	7 848 000.00
Local Government Equitable Share	87 712 000.00	87 712 000.00	87 953 000.00	87 957 000.00	91 932 000.00
Energy Efficiency			3 000 000.00	4 000 000.00	
Other transfers/grants [insert description]					
<b>Provincial Government:</b>	<b>2 103 000.00</b>	<b>2 518 000.00</b>	<b>2 198 000.00</b>	<b>2 308 000.00</b>	<b>2 416 000.00</b>
Library Grant	2 103 000.00	2 103 000.00	2 198 000.00	2 308 000.00	2 416 000.00
Maintenance- Sport & facilities		415 000.00			
<b>Total Operating Transfers and Grants</b>	<b>105 999 000.00</b>	<b>106 414 000.00</b>	<b>110 979 000.00</b>	<b>104 774 000.00</b>	<b>105 296 000.00</b>
Capital Transfers and Grants					
<b>National Government:</b>	<b>18 159 000.00</b>	<b>18 159 000.00</b>	<b>18 934 000.00</b>	<b>20 223 000.00</b>	<b>20 970 000.00</b>
Municipal Infrastructure Grant (MIG)	18 159 000.00	18 159 000.00	18 934 000.00	20 223 000.00	20 970 000.00
Integrated City Development Grant	–	–	–	–	–
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRAN</b>	<b>124 158 000.00</b>	<b>124 573 000.00</b>	<b>129 913 000.00</b>	<b>124 997 000.00</b>	<b>126 266 000.00</b>

The 2025/2026 transfer recognised operational revenue will increase by R4.5 million when compared to 2024/2025 Adjusted budget

The increase results from additional allocations we received as well as new grant allocation for energy efficiency of R 3 million.

## Fines and Permits

The increase in fines and permits is based on the 2024/25 adjusted budget, and attributed to the CPI inflation target of 4.4% as indicated in circular 129.

**Table 6 Percentage growth in revenue by main revenue source**

The below table explain the total revenue budget for 2025/2026

Departments	Equitable Share	Finance Management Grant	MIG	INEP	Energy Efficiency	Arts and Culture	EPWP Grant	Rates	Refuse Removal	Operational Income	Totals
Executive Department	7 036 240.00										7 036 240.00
Office of the Municipal Manager	9 674 830.00										9 674 830.00
Finance Services	13 192 950.00	3 000 000.00						31 877 217.00		4 570 499.32	52 640 666.00
Corporate Services	10 554 360.00									10 512 877.04	21 067 237.00
Library Services	-					2 198 000.00				33 920.91	2 231 921.00
Community & Social Services	21 108 720.00						2 204 000.00		685 459.61	25 000.00	24 023 180.00
Technical Services	26 385 900.00		18 934 000.00	12 624 000.00	3 000 000.00					668 159.76	61 612 060.00
	<b>87 953 000</b>	<b>3 000 000</b>	<b>18 934 000</b>	<b>12 624 000</b>	<b>3 000 000</b>	<b>2 198 000</b>	<b>2 204 000</b>	<b>31 877 217</b>	<b>685 460</b>	<b>15 810 457</b>	<b>178 286 134</b>
	49%	2%	11%	7%	2%	1%	1%	18%	0%	9%	100%

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 municipality primarily relies on grants for its revenue. Of the total projected income of R178 million, 73% will be sourced from grants, 18% from property rates, and 9% from other operating revenue.

## Operating Expenditure Framework

The Municipality's expenditure framework for the 2025/26 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 2025/26 budget and MTREF (classified per main type of operating expenditure):

**Table 7 Summary of operating expenditure by standard classification item**

Description	Current Year 2024/25				2025/26 MTREF		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure							
Employee related costs	59 080 691.00	59 080 691.00	59 080 691.00	39 059 322.00	62 295 728.00	65 539 744.00	68 141 129.00
Remuneration of councillors	7 622 383.00	7 622 383.00	7 622 383.00	4 582 553.00	7 957 766.00	8 315 869.00	8 523 765.00
Inventory consumed	6 082 263.00	5 870 312.00	5 870 312.00	5 779 549.00	4 135 672.00	4 321 777.00	4 429 822.00
Debt impairment	4 700 000.00	4 700 000.00	4 700 000.00	-	4 700 000.00	4 911 500.00	5 034 888.00
Depreciation and amortisation	11 830 346.00	15 825 236.00	15 825 236.00	10 060 262.00	16 521 546.00	23 956 243.00	24 555 148.00
Contracted services	40 725 712.00	52 061 010.00	52 061 010.00	43 921 288.00	36 459 912.00	41 634 508.00	38 619 610.00
Operational costs	27 429 868.00	32 055 437.00	32 055 437.00	22 914 981.00	31 771 210.00	33 189 145.00	34 012 570.00
<b>Total Expenditure</b>	<b>157 471 263.00</b>	<b>177 215 069.00</b>	<b>177 215 069.00</b>	<b>126 317 955.00</b>	<b>163 841 834.00</b>	<b>181 868 786.00</b>	<b>183 316 932.00</b>

In view of the above table, it can be noted that the total operating expenditure budget for 2025/2026 financial year amounted to R 163 million, an increase of R13 million from the 2024/2025 adjusted budget.

The budgeted allocation for employee-related costs for the 2025/2026 financial year is R62.2 million. This includes a salary increase of R3.2 million compared to the adjusted budget for 2024/2025, representing a 7% increase of salaries for the 2025/2026 financial year.

Employee related cost and remuneration of councillors is sitting at 40% of the total operating expenditure budget which is within the norm range of 25% to 40% as indicated in MFMA circular no.71

An annual increase on salaries of 5.2% 2026/2027 and 4% respectively 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.

Depreciation is expected to increase from R 15 million for 2024/2025 Adjusted Budget to R 16 million 2025/2026 financial year.

Due to historical consumption on Property Plant and Equipment the depreciation increase of 4.4% is informed by expected capital projects to be completed & revision of useful life, disposals which

the municipality is set to make and impairment which is expected to rise due to floods and climate change.

Inventory consumed is expected to decrease by R 1, 7 million from R 5.8 million in 2024/2025 Adjusted budget to R 4 million for 2025/2026 financial year.

The municipality reduce inventory costs to optimize budget utilization and enhance financial sustainability. However, should the situation change this budget line will be considered to be in line with CPI Inflation rate guidelines.

This will be utilised for the issuing of cleaning material, refuse removal plastic bags, stationery and any other related items.

The contracted services are divided into two categories, firstly it is based on the signed contract such as the maintenance of infrastructure. Second is based on the items categorise as contracted services in line with MSCOA such as catering, consultation, transport

The municipality decrease the contracted service expenditure by R 15 million from the 2024/2025 adjusted budget.

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.

### **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 8 Operational repairs and maintenance**

Description	Current Year 2024/25			2025/26 MTREF		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class						
<b>Infrastructure</b>	<b>12 600 000.00</b>	<b>20 800 000.00</b>	<b>20 800 000.00</b>	<b>7 000 000.00</b>	<b>10 450 000.00</b>	<b>10 711 250.00</b>
Roads Infrastructure	12 600 000.00	20 800 000.00	20 800 000.00	7 000 000.00	10 450 000.00	10 711 250.00
<b>Community Assets</b>	<b>2 000 000.00</b>	<b>1 200 000.00</b>	<b>1 200 000.00</b>	<b>2 000 000.00</b>	<b>2 090 000.00</b>	<b>2 142 250.00</b>
Community Facilities- Halls	1 000 000.00	600 000.00	600 000.00	1 000 000.00	1 045 000.00	1 071 125.00
Sport and Recreation Facilities ( outdoor)	1 000 000.00	600 000.00	600 000.00	1 000 000.00	1 045 000.00	1 071 125.00
<b>Other assets</b>	<b>2 100 000.00</b>	<b>850 000.00</b>	<b>850 000.00</b>	<b>1 000 000.00</b>	<b>1 045 000.00</b>	<b>1 071 125.00</b>
Municipal Offices	2 100 000.00	850 000.00	850 000.00	1 000 000.00	1 045 000.00	1 071 125.00
<b>Transport Assets</b>	<b>1 059 552.00</b>	<b>1 059 552.00</b>	<b>1 059 552.00</b>	<b>1 059 552.00</b>	<b>1 107 232.00</b>	<b>1 134 913.00</b>
Transport Assets	1 059 552.00	1 059 552.00	1 059 552.00	1 059 552.00	1 107 232.00	1 134 913.00
<b>Total Repairs and Maintenance Expendi</b>	<b>17 759 552.00</b>	<b>23 909 552.00</b>	<b>23 909 552.00</b>	<b>11 059 552.00</b>	<b>14 692 232.00</b>	<b>15 059 538.00</b>

### Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2025/26 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.

The repairs and maintenance decrease of R12 million compared to the 2024/2025 adjusted budget is a result of the municipality implementing cost-cutting measures. Additionally, the municipality is in the process of acquiring machinery (plant) to help reduce road maintenance expenditure.

### Capital expenditure

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

**Table 9 2025/2026 Medium-term capital budget per vote**

Description	Current Year 2024/25				2025/26 MTREF		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Single-year expenditure to be appropriated							
Vote 1 - Finance and Administration	3 550 000.00	1 990 000.00	1 990 000.00	1 990 000.00	2 100 000.00	1 000 000.00	1 000 000.00
Vote 4 - Community and Social Services	-	-	-	-	2 456 319.00	-	-
Vote 5 - Community and Social Services2	16 227 205.00	16 227 205.00	16 227 205.00	16 227 205.00	5 899 950.00	-	-
Vote 6 - Energy Sources	-	-	-	-	389 338.00	-	-
Vote 7 - Road Transport	1 931 795.00	6 816 795.00	6 816 795.00	6 816 795.00	13 028 556.00	10 740 126.00	9 618 544.00
Vote 8 - Planning and Development	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation	-	-	-	-	159 837.00	9 387 874.00	9 228 037.00
<b>Total Capital Expenditure - Vote</b>	<b>21 709 000.00</b>	<b>25 034 000.00</b>	<b>25 034 000.00</b>	<b>25 034 000.00</b>	<b>24 034 000.00</b>	<b>21 128 000.00</b>	<b>19 846 581.00</b>
Capital Expenditure - Functional							
Finance and administration	3 550 000.00	1 990 000.00	1 990 000.00	2 746 677.00	2 100 000.00	1 000 000.00	1 000 000.00
Community and social services	16 227 205.00	16 227 205.00	16 227 205.00	6 227 803.00	8 356 269.00	-	-
Sport and recreation	-	-	-	-	159 837.00	9 387 874.00	9 228 037.00
Public safety	150 000.00	150 000.00	150 000.00	113 300.00	-	-	-
Road transport	1 931 795.00	7 816 795.00	7 816 795.00	5 761 169.00	13 028 556.00	10 740 126.00	9 618 544.00
Energy sources	-	-	-	-	389 338.00	-	2 562 509.00
<b>Total Capital Expenditure - Functional</b>	<b>21 859 000.00</b>	<b>26 184 000.00</b>	<b>26 184 000.00</b>	<b>13 448 382.00</b>	<b>24 034 000.00</b>	<b>21 128 000.00</b>	<b>22 409 090.00</b>
Funded by:							
National Government	18 159 000.00	18 159 000.00	18 159 000.00	(5 457 286.00)	18 934 000.00	20 128 000.00	21 409 090.00
Internally generated funds	3 700 000.00	8 025 000.00	8 025 000.00	18 768 892.00	5 100 000.00	1 000 000.00	1 000 000.00
<b>Total Capital Funding</b>	<b>21 859 000.00</b>	<b>26 184 000.00</b>	<b>26 184 000.00</b>	<b>13 311 606.00</b>	<b>24 034 000.00</b>	<b>21 128 000.00</b>	<b>22 409 090.00</b>

For 2025/2026 an amount of R 24 034 million has been appropriated for the development of infrastructure. In the outer years this amount totals R21 128 million, and R 22 409 million, respectively for each of the financial years. And the municipality budgeted R 5,1 million from their internal generated funds.

### Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/2026 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

## Table 10 MBRR Table A1 - Budget Summary

### KZN226 Mkhambathini - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	24 876	23 937	25 117	31 877	31 877	31 877	21 036	31 877	33 312	34 144
Service charges	556	596	630	685	685	685	448	685	716	734
Investment revenue	2 242	3 703	4 665	3 224	4 290	4 290	1 129	4 290	4 483	4 595
Transfer and subsidies - Operational	76 559	92 894	187 480	105 999	106 414	106 414	83 336	110 979	104 774	105 296
Other own revenue	8 019	17 411	9 499	9 614	10 461	10 461	6 711	11 520	11 503	11 790
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>112 253</b>	<b>138 541</b>	<b>227 390</b>	<b>151 400</b>	<b>153 728</b>	<b>153 728</b>	<b>112 660</b>	<b>159 352</b>	<b>154 788</b>	<b>156 560</b>
Employee costs	50 842	48 655	53 964	59 081	59 081	59 081	39 059	62 310	65 540	68 141
Remuneration of councillors	5 883	6 288	6 820	7 622	7 622	7 622	4 583	7 958	8 316	8 524
Depreciation and amortisation	11 763	12 968	13 597	11 830	15 825	15 825	10 060	16 522	23 956	24 555
Interest	1	39	—	—	—	—	—	—	—	—
Inventory consumed and bulk purchases	4 222	3 223	5 638	6 082	5 870	5 870	5 780	4 136	4 322	4 430
Transfers and subsidies	—	—	—	—	—	—	—	—	—	—
Other expenditure	99 644	91 967	166 531	72 856	88 816	88 816	66 836	72 931	79 524	77 332
<b>Total Expenditure</b>	<b>172 355</b>	<b>163 140</b>	<b>246 550</b>	<b>157 471</b>	<b>177 215</b>	<b>177 215</b>	<b>126 318</b>	<b>163 856</b>	<b>181 657</b>	<b>182 982</b>
<b>Surplus/(Deficit)</b>	<b>(60 102)</b>	<b>(24 599)</b>	<b>(19 160)</b>	<b>(6 071)</b>	<b>(23 487)</b>	<b>(23 487)</b>	<b>(13 658)</b>	<b>(4 504)</b>	<b>(26 869)</b>	<b>(26 422)</b>
Transfers and subsidies - capital (monetary allocations)	61 923	59 968	17 162	18 159	18 159	18 159	8 920	18 934	20 223	20 970
Transfers and subsidies - capital (in-kind)	—	3 800	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1 820</b>	<b>39 169</b>	<b>(1 998)</b>	<b>12 088</b>	<b>(5 328)</b>	<b>(5 328)</b>	<b>(4 738)</b>	<b>14 430</b>	<b>(6 646)</b>	<b>(5 452)</b>
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>1 820</b>	<b>39 169</b>	<b>(1 998)</b>	<b>12 088</b>	<b>(5 328)</b>	<b>(5 328)</b>	<b>(4 738)</b>	<b>14 430</b>	<b>(6 646)</b>	<b>(5 452)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>44 892</b>	<b>42 465</b>	<b>25 444</b>	<b>21 859</b>	<b>26 184</b>	<b>26 184</b>	<b>13 448</b>	<b>24 034</b>	<b>21 128</b>	<b>22 409</b>
Transfers recognised - capital	32 709	18 668	(5 298)	18 159	18 159	18 159	(5 457)	18 934	20 128	21 409
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	12 182	23 797	30 742	3 700	8 025	8 025	18 769	5 100	1 000	1 000
<b>Total sources of capital funds</b>	<b>44 892</b>	<b>42 465</b>	<b>25 444</b>	<b>21 859</b>	<b>26 184</b>	<b>26 184</b>	<b>13 312</b>	<b>24 034</b>	<b>21 128</b>	<b>22 409</b>
<b>Financial position</b>										
Total current assets	61 884	56 328	36 606	61 848	38 156	38 156	33 466	34 707	25 856	27 117
Total non current assets	223 285	257 458	269 283	281 307	279 637	279 637	273 865	276 791	278 568	286 285
Total current liabilities	36 391	24 808	18 149	(10 683)	(13 240)	(13 240)	24 256	(20 010)	(20 253)	(20 739)
Total non current liabilities	15 812	15 774	17 898	(5 862)	(7 784)	(7 784)	17 898	(7 784)	(8 134)	(8 338)
Community wealth/Equity	245 015	285 362	282 984	361 171	339 371	339 371	277 945	339 292	332 810	342 478
<b>Cash flows</b>										
Net cash from (used) operating	—	—	577	(5 101)	(19 837)	(19 837)	144 573	24 690	12 330	14 500
Net cash from (used) investing	—	—	—	25 138	29 962	29 962	—	(27 639)	(24 297)	(25 770)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—	—
<b>Cash/cash equivalents at the year end</b>	<b>—</b>	<b>—</b>	<b>577</b>	<b>20 037</b>	<b>10 124</b>	<b>10 124</b>	<b>144 573</b>	<b>13 988</b>	<b>2 021</b>	<b>(9 250)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	53 265	44 085	36 793	42 810	16 937	16 937	31 009	13 988	5 732	6 871
Application of cash and investments	33 916	22 001	14 379	(9 510)	(3 886)	(3 886)	19 054	(21 003)	(20 308)	(20 922)
<b>Balance - surplus (shortfall)</b>	<b>19 350</b>	<b>22 084</b>	<b>22 414</b>	<b>52 320</b>	<b>20 823</b>	<b>20 823</b>	<b>11 955</b>	<b>34 990</b>	<b>26 040</b>	<b>27 792</b>
<b>Asset management</b>										
Asset register summary (WDV)	223 285	257 458	269 283	200 561	249 025	249 025	246 179	246 179	246 578	253 496
Depreciation	—	—	—	—	—	—	—	—	—	—
Renewal and Upgrading of Existing Assets	4	4	2 096	—	5 355	5 355	—	—	—	—
Repairs and Maintenance	33 266	23 338	22 385	17 760	23 910	23 910	11 060	11 060	14 692	15 060
<b>Free services</b>										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	(3 712)	(5 177)	(5 399)	(5 470)	(5 470)	(5 470)	(5 470)	(5 716)	(5 859)	—
<b>Households below minimum service level</b>										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

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

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

**Table 11 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

**KZN226 Mkhambathini - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		134 170	151 704	135 288	146 320	148 168	148 168	149 464	149 699	155 484
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		134 170	151 704	135 288	146 320	148 168	148 168	149 464	149 699	155 484
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		1 936	10 739	2 032	2 140	2 567	2 567	2 257	2 370	2 479
Community and social services		1 936	10 739	2 032	2 140	2 152	2 152	2 257	2 370	2 479
Sport and recreation		—	—	—	—	415	415	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		15 941	14 194	54 814	420	520	520	543	567	581
Planning and development		1 521	194	1 121	420	520	520	543	567	581
Road transport		14 420	14 000	53 693	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		16 304	18 683	44 745	12 328	12 328	12 328	16 309	12 225	8 582
Energy sources		15 748	18 087	44 115	11 643	11 643	11 643	15 624	11 509	7 848
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		556	596	630	685	685	685	685	716	734
<i>Other</i>	4	5 825	6 989	8 056	8 351	8 304	8 304	9 713	10 150	10 404
<b>Total Revenue - Functional</b>	2	174 176	202 309	244 936	169 559	171 887	171 887	178 286	175 011	177 530
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		100 116	83 181	92 533	98 986	106 552	106 552	105 243	116 621	120 100
Executive and council		19 515	17 646	22 720	26 178	27 666	27 666	25 271	26 505	27 369
Finance and administration		80 601	65 535	69 813	72 808	78 886	78 886	79 972	90 117	92 731
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		29 797	41 077	28 928	27 630	26 901	26 901	28 087	29 459	30 422
Community and social services		29 069	32 825	27 236	24 255	23 407	23 407	24 260	25 460	26 324
Sport and recreation		676	1 599	1 602	3 066	3 230	3 230	3 562	3 722	3 816
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		52	6 654	90	309	264	264	264	276	283
<i>Economic and environmental services</i>		38 635	37 936	79 140	19 656	31 178	31 178	13 580	17 004	17 522
Planning and development		16 064	28 476	70	1 392	740	740	690	355	364
Road transport		22 571	9 459	79 070	18 264	30 438	30 438	12 890	16 649	17 158
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		3 603	727	45 766	11 165	12 595	12 595	16 396	17 998	14 348
Energy sources		—	—	44 871	10 124	11 643	11 643	15 624	17 192	13 522
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		3 603	727	894	1 041	952	952	772	806	826
<i>Other</i>	4	454	599	484	544	544	544	550	575	589
<b>Total Expenditure - Functional</b>	3	172 606	163 520	246 851	157 981	177 769	177 769	163 856	181 657	182 982
<b>Surplus/(Deficit) for the year</b>		1 570	38 789	(1 915)	11 578	(5 882)	(5 882)	14 430	(6 646)	(5 452)

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

**KZN226 Mkhambathini - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Finance and Administration		134 170	151 704	135 288	146 320	148 168	148 168	149 464	149 699	155 484
Vote 2 - Finance and Administration2		—	—	—	—	—	—	—	—	—
Vote 3 - Executive and Council		—	—	—	—	—	—	—	—	—
Vote 4 - Community and Social Services		1 929	10 222	2 024	2 127	2 127	2 127	2 232	2 343	2 452
Vote 5 - Community and Social Services2		8	517	8	13	25	25	25	26	27
Vote 6 - Energy Sources		15 748	18 087	44 115	11 643	11 643	11 643	15 624	11 509	7 848
Vote 7 - Road Transport		14 420	14 000	53 693	—	—	—	—	—	—
Vote 8 - Planning and Development		1 521	194	1 121	420	520	520	543	567	581
Vote 9 - Sport and Recreation		—	—	—	—	415	415	—	—	—
Vote 10 - Public Safety		—	—	—	—	—	—	—	—	—
Vote 11 - Other		5 825	6 989	8 056	8 351	8 304	8 304	9 713	10 150	10 404
Vote 12 - [NAME OF VOTE 12]		556	596	630	685	685	685	685	716	734
Vote 13 - Housing		—	—	—	—	—	—	—	—	—
Vote 14 - Waste Water Management		—	—	—	—	—	—	—	—	—
Vote 15 - Health		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	174 176	202 309	244 936	169 559	171 887	171 887	178 286	175 011	177 530
Expenditure by Vote to be appropriated	1									
Vote 1 - Finance and Administration		80 549	65 230	69 492	72 512	78 590	78 590	79 676	89 808	92 414
Vote 2 - Finance and Administration2		52	305	322	296	296	296	296	309	317
Vote 3 - Executive and Council		19 515	17 646	22 720	26 178	27 666	27 666	25 271	26 505	27 369
Vote 4 - Community and Social Services		8 591	14 738	9 331	12 903	12 476	12 476	12 469	13 058	13 443
Vote 5 - Community and Social Services2		20 479	18 087	17 905	11 353	10 930	10 930	11 791	12 402	12 881
Vote 6 - Energy Sources		—	—	44 871	10 124	11 643	11 643	15 624	17 192	13 522
Vote 7 - Road Transport		22 571	9 459	79 070	18 264	30 438	30 438	12 890	16 649	17 158
Vote 8 - Planning and Development		16 064	28 476	70	1 392	740	740	690	355	364
Vote 9 - Sport and Recreation		676	1 599	1 602	3 066	3 230	3 230	3 562	3 722	3 816
Vote 10 - Public Safety		—	—	—	—	—	—	—	—	—
Vote 11 - Other		454	599	484	544	544	544	550	575	589
Vote 12 - [NAME OF VOTE 12]		3 603	727	894	1 041	952	952	772	806	826
Vote 13 - Housing		—	—	—	—	—	—	—	—	—
Vote 14 - Waste Water Management		—	—	—	—	—	—	—	—	—
Vote 15 - Health		52	6 654	90	309	264	264	264	276	283
Total Expenditure by Vote	2	172 606	163 520	246 851	157 981	177 769	177 769	163 856	181 657	182 982
Surplus/(Deficit) for the year	2	1 570	38 789	(1 915)	11 578	(5 882)	(5 882)	14 430	(6 646)	(5 452)

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	556	596	630	685	685	685	448	685	716	734
Sale of Goods and Rendering of Services		1 577	499	1 217	561	693	693	603	732	765	784
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		2 242	3 703	4 665	3 224	4 290	4 290	1 129	4 290	4 483	4 595
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		417	75	292	316	179	179	109	185	194	199
Licence and permits		5 825	6 989	8 056	8 351	8 304	8 304	5 333	9 713	10 150	10 404
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		199	9 847	316	384	1 284	1 284	664	888	392	402
<b>Non-Exchange Revenue</b>											
Property rates	2	24 876	23 937	25 117	31 877	31 877	31 877	21 036	31 877	33 312	34 144
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	-	1	1	2	2	2	1	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		76 559	92 894	187 480	105 999	106 414	106 414	83 336	110 979	104 774	105 296
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	1	-	-	-
Other Gains		-	-	(384)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>		<b>112 253</b>	<b>138 541</b>	<b>227 390</b>	<b>151 400</b>	<b>153 728</b>	<b>153 728</b>	<b>112 660</b>	<b>159 352</b>	<b>154 788</b>	<b>156 560</b>
<b>Expenditure</b>											
Employee related costs	2	50 842	48 655	53 964	59 081	59 081	59 081	39 059	62 310	65 540	68 141
Remuneration of councillors		5 883	6 288	6 820	7 622	7 622	7 622	4 583	7 958	8 316	8 524
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	4 222	3 223	5 638	6 082	5 870	5 870	5 780	4 136	4 322	4 430
Debt impairment	3	-	-	-	4 700	4 700	4 700	-	4 700	4 700	4 700
Depreciation and amortisation		11 763	12 968	13 597	11 830	15 825	15 825	10 060	16 522	23 956	24 555
Interest	1	-	39	-	-	-	-	-	-	-	-
Contracted services		62 778	61 891	134 254	40 726	52 061	52 061	43 921	36 460	41 635	38 620
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		10 590	2 173	3 069	-	-	-	-	-	-	-
Operational costs		20 342	27 261	29 208	27 430	32 055	32 055	22 915	31 771	33 189	34 013
Losses on disposal of Assets		5 934	642	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>172 355</b>	<b>163 140</b>	<b>246 550</b>	<b>157 471</b>	<b>177 215</b>	<b>177 215</b>	<b>126 318</b>	<b>163 856</b>	<b>161 657</b>	<b>162 982</b>
<b>Surplus/(Deficit)</b>		<b>(60 102)</b>	<b>(24 599)</b>	<b>(19 160)</b>	<b>(6 071)</b>	<b>(23 487)</b>	<b>(23 487)</b>	<b>(13 658)</b>	<b>(4 504)</b>	<b>(26 869)</b>	<b>(26 422)</b>
Transfers and subsidies - capital (monetary)	6	61 923	59 968	17 162	18 159	18 159	18 159	8 920	18 934	20 223	20 970
Transfers and subsidies - capital (in-kind)	6	-	3 800	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>1 820</b>	<b>39 169</b>	<b>(1 998)</b>	<b>12 088</b>	<b>(5 328)</b>	<b>(5 328)</b>	<b>(4 738)</b>	<b>14 430</b>	<b>(6 646)</b>	<b>(5 452)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>1 820</b>	<b>39 169</b>	<b>(1 998)</b>	<b>12 088</b>	<b>(5 328)</b>	<b>(5 328)</b>	<b>(4 738)</b>	<b>14 430</b>	<b>(6 646)</b>	<b>(5 452)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>1 820</b>	<b>39 169</b>	<b>(1 998)</b>	<b>12 088</b>	<b>(5 328)</b>	<b>(5 328)</b>	<b>(4 738)</b>	<b>14 430</b>	<b>(6 646)</b>	<b>(5 452)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>1 820</b>	<b>39 169</b>	<b>(1 998)</b>	<b>12 088</b>	<b>(5 328)</b>	<b>(5 328)</b>	<b>(4 738)</b>	<b>14 430</b>	<b>(6 646)</b>	<b>(5 452)</b>

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

1. Total revenue is R178 286 million including MIG revenue in 2025/2026 and escalates to R 170 million by 2026/27 and escalates to R 173 million in 2027/2028
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
3. Employee related costs are 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 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
Vote 1 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Finance and Administration		582	443	2 906	3 550	1 990	1 990	1 990	2 100	1 000	1 000
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	(0)	-	-	-	-	-	2 456	-	-
Vote 5 - Community and Social Services2		4 863	(6 747)	551	16 227	16 227	16 227	16 227	5 900	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		31 449	20 136	15 801	1 932	6 817	6 817	6 817	13 029	10 740	9 619
Vote 8 - Planning and Development		250	7 552	26 566	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		7 748	9 109	(16 856)	-	-	-	-	160	9 388	9 228
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		44 892	30 492	28 968	21 709	25 034	25 034	25 034	23 645	21 128	19 847
<b>Total Capital Expenditure - Vote</b>		44 892	30 492	28 968	21 709	25 034	25 034	25 034	23 645	21 128	19 847
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		582	443	2 906	3 550	1 990	1 990	2 747	2 100	1 000	1 000
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		582	443	2 906	3 550	1 990	1 990	2 747	2 100	1 000	1 000
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		12 610	2 362	(16 306)	16 377	16 377	16 377	6 341	8 516	9 388	9 228
Community and social services		4 863	(6 747)	551	16 227	16 227	16 227	6 228	8 356	-	-
Sport and recreation		7 748	9 109	(16 856)	-	-	-	-	160	9 388	9 228
Public safety		-	-	-	150	150	150	113	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		31 699	37 105	41 400	1 932	7 817	7 817	4 361	13 029	10 740	9 619
Planning and development		250	7 552	26 566	-	-	-	(1 401)	-	-	-
Road transport		31 449	29 553	14 834	1 932	7 817	7 817	5 761	13 029	10 740	9 619
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	389	-	2 563
Energy sources		-	-	-	-	-	-	-	389	-	2 563
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	2 556	(2 556)	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	44 892	42 465	25 444	21 859	26 184	26 184	13 448	24 034	21 128	22 409
<b>Funded by:</b>											
National Government		32 709	18 668	(5 298)	18 159	18 159	18 159	(5 457)	18 934	20 128	21 409
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	32 709	18 668	(5 298)	18 159	18 159	18 159	(5 457)	18 934	20 128	21 409
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		12 182	23 797	30 742	3 700	8 025	8 025	18 769	5 100	1 000	1 000
<b>Total Capital Funding</b>	7	44 892	42 465	25 444	21 859	26 184	26 184	13 312	24 034	21 128	22 409

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

KZN226 Mkhambathini - Table A6 Budgeted Financial Position												
Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS												
Current assets												
	Cash and cash equivalents		53 265	44 085	36 793	42 810	16 937	16 937	31 009	13 988	5 732	6 871
1	Trade and other receivables from exchange transactions		985	1 017	1 076	6 435	2 768	2 768	935	2 758	2 882	2 954
	Receivables from non-exchange transactions		1 218	1 721	1 929	(608)	(2 496)	(2 496)	5 572	(1 791)	(3 326)	(3 292)
	Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
2	Inventory		33	38	73	(6 045)	73	73	145	73	73	73
	VAT		6 104	9 082	(3 960)	19 254	20 874	20 874	(4 798)	19 680	20 495	20 511
	Other current assets		278	386	695	-	-	-	602	-	-	-
	Total current assets		61 884	56 328	36 606	61 848	38 156	38 156	33 466	34 707	25 856	27 117
Non current assets												
	Investments		-	-	-	-	-	-	-	-	-	-
	Investment property		-	3 800	3 800 000.00	14 765	14 765	14 765	3 800	14 765	15 429	15 815
3	Property, plant and equipment		223 078	253 537	265 412	265 247	264 352	264 352	270 027	262 008	263 141	270 473
	Biological assets		-	-	-	-	-	-	-	-	-	-
	Living and non-living resources		-	-	-	-	-	-	-	-	-	-
	Heritage assets		-	-	-	-	-	-	-	-	-	-
	Intangible assets		207	121	71	1 294	520	520	38	18	(3)	(3)
	Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
	Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
	Other non-current assets		-	-	-	-	-	-	-	-	-	-
	Total non current assets		223 285	257 458	269 283	281 307	279 637	279 637	273 865	276 791	278 568	286 285
	TOTAL ASSETS		285 170	313 785	305 889	343 154	317 793	317 793	307 331	311 498	304 424	313 402
LIABILITIES												
Current liabilities												
	Bank overdraft		-	-	-	-	-	-	-	-	-	-
	Financial liabilities		-	-	-	-	-	-	-	-	-	-
	Consumer deposits		72	72	72	-	-	-	72	-	-	-
4	Trade and other payables from exchange transactions		11 272	12 888	11 830	(7 371)	1 582	1 582	12 408	(5 790)	(5 402)	(5 637)
5	Trade and other payables from non-exchange transactions		22 644	9 112	2 540	(444)	(2 540)	(2 540)	7 028	(2 540)	(2 540)	(2 540)
	Provision		-	-	(577)	(3 600)	(4 187)	(4 187)	(577)	(3 594)	(3 766)	(3 851)
	VAT		2 403	2 735	4 275	732	(8 085)	(8 085)	5 245	(8 077)	(8 441)	(8 652)
	Other current liabilities		-	-	-	-	-	-	-	-	-	-
	Total current liabilities		36 391	24 808	18 149	(10 683)	(13 240)	(13 240)	24 256	(20 010)	(20 233)	(20 739)
Non current liabilities												
6	Financial liabilities		-	-	-	-	-	-	-	-	-	-
7	Provision		11 798	11 779	12 841	961	-	-	12 841	-	(350)	(554)
	Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
	Other non-current liabilities		4 014	3 995	5 057	(6 823)	(7 784)	(7 784)	5 057	(7 784)	(7 784)	(7 784)
	Total non current liabilities		15 812	15 774	17 898	(5 862)	(7 784)	(7 784)	17 898	(7 784)	(8 134)	(8 338)
	TOTAL LIABILITIES		52 203	40 582	36 047	(16 545)	(21 024)	(21 024)	42 154	(27 794)	(28 367)	(29 076)
	NET ASSETS		232 967	273 203	269 842	359 700	338 817	338 817	265 177	339 292	332 811	342 478
COMMUNITY WEALTH/EQUITY												
8	Accumulated surplus/(deficit)		243 762	284 108	281 731	361 171	339 371	339 371	276 691	339 292	332 810	342 478
9	Reserves and funds		1 253	1 253	1 253	-	-	-	1 253	-	-	-
	Other		-	-	-	-	-	-	-	-	-	-
	TOTAL COMMUNITY WEALTH/EQUITY		245 015	285 362	282 984	361 171	339 371	339 371	277 945	339 292	332 810	342 478

## 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 16 MBRR Table A7 - Budgeted Cash Flow Statement**

**KZN226 Mkhambathini - Table A7 Budgeted Cash Flows**

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	30 283	30 283	30 283	5 926	30 283	33 312	34 144
Service charges		-	-	-	749	651	651	287	651	680	698
Other revenue		-	-	-	9 585	14 890	14 890	-	11 678	11 667	11 959
Transfers and Subsidies - Operational	1	-	-	-	105 999	106 414	106 414	125 666	110 979	104 774	105 296
Transfers and Subsidies - Capital	1	-	-	-	18 159	18 159	18 159	12 711	18 934	20 223	20 970
Interest		-	-	-	-	-	-	-	4 290	4 483	4 595
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		-	-	577	(169 876)	(190 235)	(190 235)	(17)	(152 125)	(162 809)	(163 162)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	577	(5 101)	(19 837)	(19 837)	144 573	24 690	12 330	14 500
<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		-	-	-	25 138	29 962	29 962	-	(27 639)	(24 297)	(25 770)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	25 138	29 962	29 962	-	(27 639)	(24 297)	(25 770)
<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>		-	-	577	20 037	10 124	10 124	144 573	(2 949)	(11 967)	(11 271)
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	16 937	13 988	2 021
Cash/cash equivalents at the year end:	2	-	-	577	20 037	10 124	10 124	144 573	13 988	2 021	(9 250)

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

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

**Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

KZN226 Mkhambathini - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	–	–	577	20 037	10 124	10 124	144 573	13 988	2 021	(9 250)
Other current investments > 90 days		53 265	44 085	36 216	22 773	6 813	6 813	(113 564)	–	3 711	16 121
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		53 265	44 085	36 793	42 810	16 937	16 937	31 009	13 988	5 732	6 871
Application of cash and investments											
Unspent conditional transfers		22 644	9 112	2 549	(444)	(2 549)	(2 549)	7 028	(2 549)	(2 644)	(2 699)
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	11 272	12 888	11 830	(9 066)	(1 337)	(1 337)	12 026	(18 454)	(17 665)	(18 223)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		33 916	22 001	14 379	(9 510)	(3 886)	(3 886)	19 054	(21 003)	(20 308)	(20 922)
Surplus(shortfall) - Excluding Non-Current Creditors Trf		19 350	22 084	22 414	52 320	20 823	20 823	11 955	34 990	26 040	27 792
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf		19 350	22 084	22 414	52 320	20 823	20 823	11 955	34 990	26 040	27 792

## 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 18 MBRR Table A9 - Asset Management**

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### **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 19 MBRR Table A10 - Basic Service Delivery Measurement**

KZN226 Mkhambathini - Table A10 Basic service delivery measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<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)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
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>	8	-	-	-	-	-	-	-	-	-
<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		(3 712)	(5 177)	(5 399)	(5 470)	(5 470)	(5 470)	(5 470)	(5 716)	(5 859)
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	(3 712)	(5 177)	(5 399)	(5 470)	(5 470)	(5 470)	(5 470)	(5 716)	(5 859)

## 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 IDP and budget time schedule in August 2024. 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 2025/26 MTREF, based on the approved 2024/25 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 2025/26 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 2025/26 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 2024/25 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels

### **2.1.4 Community Consultation**

The municipality will conduct public participation from 06 to 12 April 2024 on the Draft 2025/26 MTREF as tabled before Council on 27 March 2025 for the community to provide its comments on the draft budget before it is approved by Council as final document in May 2025.

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.

## 2.2 Overview of alignment of annual budget with IDP

The Constitution assigns local governments the responsibility of promoting local developmental and cooperative governance. Addressing societal imbalances in South Africa requires a credible integrated development planning process.

Municipalities must utilize integrated development planning to effectively map out future growth in their areas, ensuring long-term sustainable development. A municipal Integrated Development Plan (IDP) serves as a five-year strategic framework that sets short-, medium-, and long-term priorities, aligning with the political term of office. It strategically allocates resources, enhances municipal capacity, and guides budgeting decisions. As a key planning instrument, the IDP provides vision, leadership, and direction to all stakeholders involved in municipal development, ensuring the efficient use of limited resources while expediting service delivery.

In the South African context, integrated development planning fosters collaboration between municipalities and communities to identify and implement sustainable development solutions. Additionally, it establishes a strategic framework for managing and directing municipal planning, development, and decision-making.

Municipal IDPs must align with national and provincial objectives to create a cohesive strategy that improves the quality of life for all residents. These plans should reflect key national and provincial priorities, ensuring that municipalities strategically comply with overarching development goals.

The objective of this revision cycle is to develop a well-coordinated plan that enhances residents' quality of life while integrating national and provincial concerns. A crucial goal is to align municipal responses with key policies, priorities, and strategies at higher government levels. Notable guiding frameworks include:

- Green Paper on National Strategic Planning (2009)
- Government Programme of Action
- Development Facilitation Act (1995)
- Provincial Growth and Development Strategy (PGDS)
- National and Provincial Spatial Development Perspectives
- Relevant sector plans (e.g., transportation, legislation, and policy)
- National Key Performance Indicators (NKGPIs)
- Accelerated and Shared Growth Initiative (ASGISA)

- National Spatial Development Perspective (NSDP)
- National Priority Outcomes

The Constitution mandates that local governments align their management, budgeting, and planning functions with their objectives, underscoring the purpose of integrated development planning. Legislation further requires municipalities not only to implement their IDPs but also to conduct all operations in accordance with them.

The following table outlines the IDP's five strategic objectives for the 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF), along with key planning refinements that have informed the

**Table 20 IDP Strategic Objectives**

2025/26 Financial Year	2025/26 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to MKHAMBATHINI principles through a caring, accessible and accountable service	4. Foster participatory democracy and Mk principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

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

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide electricity;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water;

- Provide Municipality planning services; and
  - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
- Ensuring there is a clear structural plan for the Municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
  - Working with the provincial department of health to provide primary health care services;
  - Extending waste removal services and ensuring effective Municipality cleansing;
  - Ensuring all waste water treatment works are operating optimally;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and MKHAMBATHINI principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
  - Implementing MKHAMBATHINI in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
  - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

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

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

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

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

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2024/25 revised IDP, including:

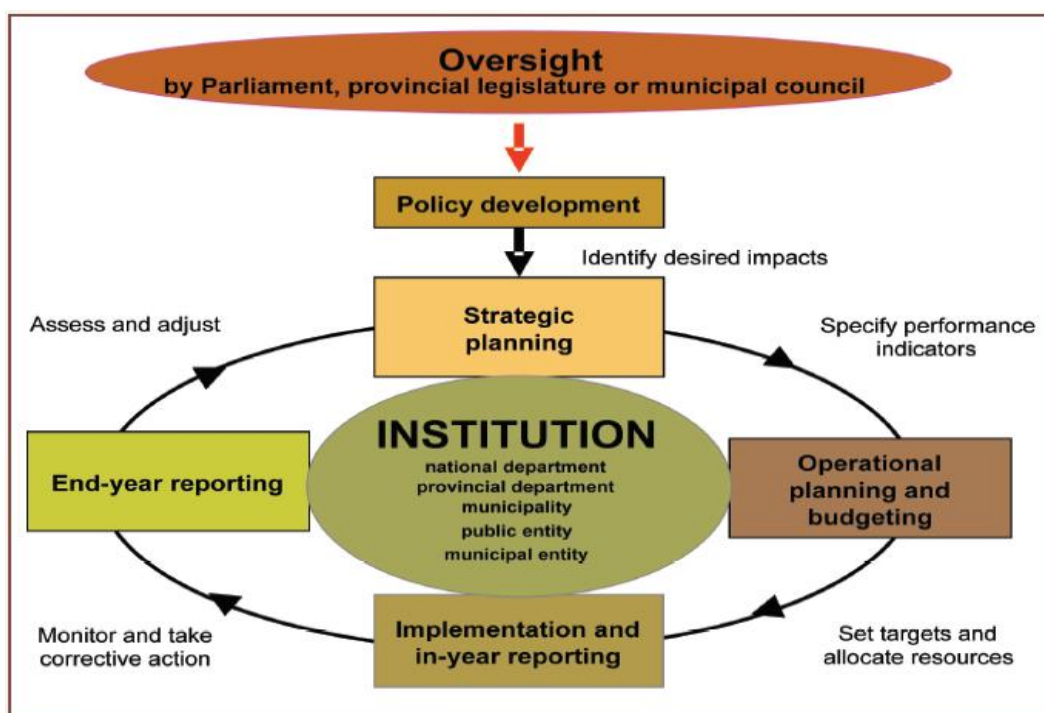
- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2025/26 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:



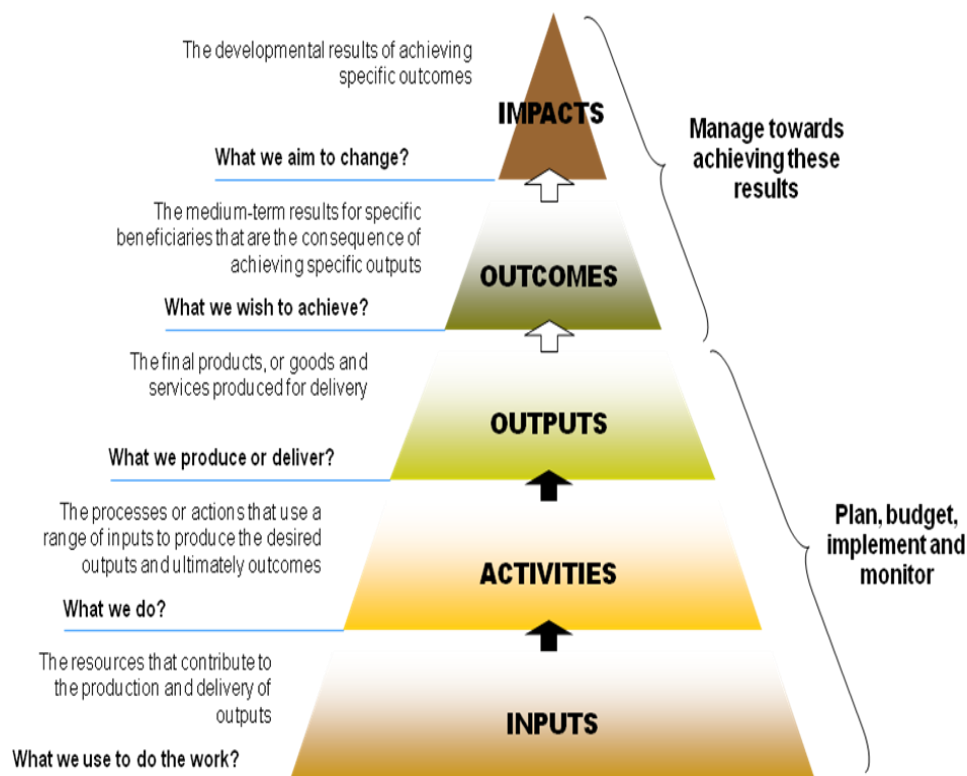
**Figure 1 Planning, budgeting and reporting cycle**

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 22 MBRR Table SA8 - Performance indicators and benchmarks**

KZN226 Mkhambathini - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Borrowing Management</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 excl. 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>Safety of Capital</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>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.7	2.3	2.0	(5.8)	(2.9)	(2.9)	1.4	(1.7)	(1.2)	(1.2)
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	2.3	2.0	(5.8)	(2.9)	(2.9)	1.4	(1.7)	(1.2)	(1.2)
Liquidity Ratio	Monetary Assets/Current Liabilities	1.5	1.8	2.1	(4.6)	(1.5)	(1.5)	1.3	(0.8)	(0.4)	(0.4)
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	2489.9%	2244.5%	2244.5%	595.3%	2182.5%	2294.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	2489.9%	2244.5%	2244.5%	595.3%	2182.5%	2294.9%	2294.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.6%	10.6%	0.8%	18.1%	21.6%	21.6%	4.2%	20.5%	21.0%	20.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		37.3%	117.1%	155.6%	-44.8%	-12.1%	-12.1%	4.4%	-47.5%	-722.6%	55.7%
<b>Other Indicators</b>											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase Water treatment works Natural sources										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	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)	45.3%	35.1%	23.7%	39.4%	38.4%	38.4%	34.6%	39.1%	42.3%	43.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	45.3%	35.1%	26.7%	44.4%	43.8%	43.8%		44.1%	47.7%	49.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	29.6%	16.8%	9.8%	11.7%	15.6%	15.6%		6.9%	9.5%	9.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.5%	9.4%	6.0%	7.8%	10.3%	10.3%	8.9%	10.4%	15.5%	15.7%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	–	–	–	–	–	–	26.3	35.5	33.7	34.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	344.9%	990.3%	-106.0%	1011.1%	1338.7%	1338.7%	89.6%	1267.2%	1149.8%	1117.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.8	1.0	0.4	1.7	(1.1)	(1.1)	21.9	1.3	0.1	(1.0)

## 2.3.1 Table 22 Funding Measurements SA10

KZN226 Mkhambathini Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	30 204	11 007	7 602	17 672	(13 025)	(13 025)	181 921	13 409	832	(11 072)
Cash + investments at the yr end less applications - R'000	18(1)b	2	23 051	28 431	14 757	76 267	55 105	55 105	7 456	69 534	61 959	63 993
Cash year end/monthly employee/supplier payments	18(1)b	3	2.8	1.0	0.4	1.7	(1.1)	(1.1)	21.9	1.3	0.1	(1.0)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	1 820	39 169	(1 998)	11 534	(5 328)	(5 328)	(5 568)	14 444	(6 858)	(5 786)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(9.5%)	(1.1%)	20.5%	(6.0%)	(6.0%)	(40.0%)	(6.0%)	(1.5%)	(3.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	20.9%	23.7%	23.7%	4.9%	97.1%	100.7%	100.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	14.4%	14.4%	14.4%	0.0%	14.4%	14.4%	14.4%
Capital payments % of capital expenditure	18(1)c,19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - inc/(decr)	18(1)a	11	N.A.	24.3%	9.8%	93.9%	(95.3%)	0.0%	2265.3%	(85.0%)	(167.8%)	2.5%
Long term receivables % change - inc/(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	14.9%	9.1%	8.3%	8.9%	9.6%	9.6%	4.5%	6.0%	5.9%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	1.5%	0.0%	1.8%	1.8%	0.0%	0.0%	0.0%	0.0%

### 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 2025/26 MTREF:

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

### 2.3.1.2 Safety of Capital

### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2024/25 MTREF the current ratio is 2.6 in the 2025/26 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 2025.

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 Recruitment and selection Policy

2.4.8 Virement Policy

2.4.9 Cash Management and Investment Policy

2.4.10 Assets Management Policy

2.4.11 Tariff By-laws

2.4.12 Banking Policy

2.4.13 Indigent Policy

2.4.14 Borrowing Policy

2.4.15 Cost Containment Policy

2.4.16 Debt Incentive Scheme Policy

2.4.17 Funding and Reserves Policy

2.4.18 Hall Hire Policy

2.4.19 Inventory Policy

## **Councillor and employee benefits**

**Table 23 MBRR SA22 - Summary of councillor and staff benefit**

KZN226 Mkhambathini - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	Current Year 2024/25						2025/26 Medium Term Revenue & Expenditure Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27
		A	B	C	D	E	F	G	H
<b>R thousand</b>									
<b>Councillors (Political Office Bearers plus Other)</b>	1								
Basic Salaries and Wages		–	–	6 579	6 879	6 879	6 879	7 182	7 505
Pension and UIF Contributions		–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–
Cellphone Allowance		–	–	240	743	743	743	776	811
Housing Allowances		–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–
<b>Sub Total - Councillors</b>	4	–	–	6 820	7 622	7 622	7 622	7 958	8 316
<b>% increase</b>	2			–	11.8%	–	–	4.4%	4.5%
<b>Senior Managers of the Municipality</b>	2								
Basic Salaries and Wages		4 236	3 849	4 314	4 664	4 664	4 664	4 874	5 130
Pension and UIF Contributions		44	–	–	–	–	–	–	–
Medical Aid Contributions		360	–	120	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–
Performance Bonus		–	37	–	–	–	–	–	–
Motor Vehicle Allowance	3	120	120	–	120	120	120	125	132
Cellphone Allowance	3	343	222	18	320	320	320	334	352
Housing Allowances	3	–	–	–	–	–	–	–	–
Other benefits and allowances	3	145	860	494	360	360	360	376	396
Payments in lieu of leave		–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>	4	5 248	5 089	4 946	5 464	5 464	5 464	5 710	6 010
<b>% increase</b>	4		(3.0%)	(2.8%)	10.5%	–	–	4.5%	5.2%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		30 425	30 072	33 508	38 076	38 076	38 076	39 767	–
Pension and UIF Contributions		5 231	5 616	6 038	6 847	6 847	6 847	7 154	–
Medical Aid Contributions		2 162	2 404	2 532	2 581	2 581	2 581	2 697	–
Overtime		561	718	895	946	946	946	988	–
Performance Bonus		2 745	2 209	3 337	3 389	3 389	3 389	3 542	–
Motor Vehicle Allowance	3	811	654	634	360	360	360	376	–
Cellphone Allowance	3	2	137	305	–	–	–	–	–
Housing Allowances	3	222	233	236	148	148	148	155	–
Other benefits and allowances	3	14	16	18	20	20	20	21	–
Payments in lieu of leave		1 529	1 794	1 511	1 249	1 249	1 249	1 305	–
Long service awards		–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	1 893	(196)	5	–	–	–	593	–
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	(0)	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>	4	45 595	43 566	49 018	53 617	53 617	53 617	56 600	–
<b>% increase</b>	4		(4.5%)	12.5%	9.4%	–	–	5.6%	(100.0%)
<b>Total Parent Municipality</b>		59 842	48 655	60 783	66 703	66 703	66 703	70 267	14 326
			(4.3%)	24.9%	9.7%	–	–	5.3%	(79.6%)
<b>Board Members of Entities</b>									
Basic Salaries and Wages		–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–
Board Fees		–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–
<b>Sub Total - Board Members of Entities</b>	4	–	–	–	–	–	–	–	–
<b>% increase</b>	4								
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages		–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Entities</b>	4	–	–	–	–	–	–	–	–
<b>% increase</b>	4								
<b>Other Staff of Entities</b>									
Basic Salaries and Wages		–	–	–	–	–	–	–	–
Pension and UIF Contributions		–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–
<b>Sub Total - Other Staff of Entities</b>	4	–	–	–	–	–	–	–	–
<b>% increase</b>	4								
<b>TOTAL MUNICIPAL ENTITIES</b>		–	–	–	–	–	–	–	–
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		59 842	48 655	60 783	66 703	66 703	66 703	70 267	14 326
<b>% increase</b>	4		(4.3%)	24.9%	9.7%	–	–	5.3%	(79.6%)
<b>TOTAL MANAGERS AND STAFF</b>	5.7	59 842	48 655	53 964	59 081	59 081	59 081	62 310	6 010
									6 250

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

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## Table 25 MBRR SA24 – Summary of personnel numbers

KZN226 Mkhambathini - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2023/24			Current Year 2024/25			Budget Year 2025/26		
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	3	11
Board Members of municipal entities	4	–	7	6	–	7	6	–	7	6
<b>Municipal employees</b>	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	5	–	5	5	3	2	5	5	5
Other Managers	7	7	7	–	9	9	–	10	10	–
Professionals		58	47	10	66	50	15	73	56	17
Finance		11	11	–	18	13	5	18	13	5
Spatial/town planning		1	1	–	2	2	–	2	2	–
Information Technology		3	2	1	3	2	1	3	2	1
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		43	33	9	43	33	9	50	39	11
Technicians		–	–	–	1	1	–	1	1	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)		36	36	–	45	45	7	47	45	9
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		–	–	–	–	–	–	–	–	–
Elementary Occupations		–	–	–	–	–	–	–	–	–
<b>TOTAL PERSONNEL NUMBERS</b>	9	120	100	32	139	117	41	149	126	48
<b>% increase</b>					15.8%	17.0%	28.1%	7.2%	7.7%	17.1%
<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 26 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN226 Mkhambathini - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		57	57	57	57	57	57	57	57	57	57	57	57	685	716	734
Sale of Goods and Rendering of Services		61	61	61	61	61	61	61	61	61	61	61	61	732	765	784
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		358	358	358	358	358	358	358	358	358	358	358	358	4 290	4 483	4 595
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		15	15	15	15	15	15	15	15	15	15	15	15	185	194	199
Licence and permits		809	809	809	809	809	809	809	809	809	809	809	809	9 713	10 150	10 404
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		74	74	74	74	74	74	74	74	74	74	74	74	888	392	402
<b>Non-Exchange Revenue</b>																
Property rates		2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	31 877	33 312	34 144
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	110 979	104 774	105 296
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and cont</b>		<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>13 279</b>	<b>159 352</b>	<b>154 788</b>	<b>156 560</b>
<b>Expenditure</b>																
Employee related costs		5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	5 191	62 296	65 540	68 141
Remuneration of councillors		663	663	663	663	663	663	663	663	663	663	663	663	7 958	8 316	8 524
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		345	345	345	345	345	345	345	345	345	345	345	345	4 136	4 322	4 430
Debt impairment		392	392	392	392	392	392	392	392	392	392	392	392	4 700	4 912	5 034
Depreciation and amortisation		1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	16 522	23 956	24 555
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		3 038	3 038	3 038	3 038	3 038	3 038	3 038	3 038	3 038	3 038	3 038	3 038	36 460	41 635	38 620
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	2 648	31 771	33 189	34 013
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>13 653</b>	<b>163 842</b>	<b>161 869</b>	<b>163 316</b>
<b>Surplus/(Deficit)</b>		<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(374)</b>	<b>(4 490)</b>	<b>(27 081)</b>	<b>(26 756)</b>
Transfers and subsidies - capital (monetary allocations)		1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	18 934	20 223	20 970
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>14 444</b>	<b>(6 858)</b>	<b>(5 786)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>14 444</b>	<b>(6 858)</b>	<b>(5 786)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>14 444</b>	<b>(6 858)</b>	<b>(5 786)</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>14 444</b>	<b>(6 858)</b>	<b>(5 786)</b>

**Table 27 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

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

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Finance and Administration				12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	37 366	149 464	149 699	155 484
Vote 2 - Finance and Administration2				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services				186	186	186	186	186	186	186	186	186	558	2 232	2 343	2 452
Vote 5 - Community and Social Services2				2	2	2	2	2	2	2	2	2	6	25	26	27
Vote 6 - Energy Sources				1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	3 906	15 624	11 509	7 848
Vote 7 - Road Transport				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development				45	45	45	45	45	45	45	45	45	136	543	567	581
Vote 9 - Sport and Recreation				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other				809	809	809	809	809	809	809	809	809	2 428	9 713	10 150	10 404
Vote 12 - [NAME OF VOTE 12]				57	57	57	57	57	57	57	57	57	171	685	716	734
Vote 13 - Housing				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health				-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		-	-	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	44 572	178 286	175 011	177 530
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Finance and Administration				6 640	6 640	6 640	6 640	6 640	6 640	6 640	6 640	6 640	19 919	79 676	89 808	92 414
Vote 2 - Finance and Administration2				25	25	25	25	25	25	25	25	25	74	296	309	317
Vote 3 - Executive and Council				2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	6 318	25 271	26 505	27 369
Vote 4 - Community and Social Services				1 039	1 039	1 039	1 039	1 039	1 039	1 039	1 039	1 039	3 117	12 469	13 058	13 443
Vote 5 - Community and Social Services2				983	983	983	983	983	983	983	983	983	2 948	11 791	12 402	12 881
Vote 6 - Energy Sources				1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	3 906	15 624	17 192	13 522
Vote 7 - Road Transport				1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	3 223	12 890	16 649	17 158
Vote 8 - Planning and Development				58	58	58	58	58	58	58	58	58	173	690	355	364
Vote 9 - Sport and Recreation				297	297	297	297	297	297	297	297	297	891	3 562	3 722	3 816
Vote 10 - Public Safety				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other				46	46	46	46	46	46	46	46	46	138	550	575	589
Vote 12 - [NAME OF VOTE 12]				64	64	64	64	64	64	64	64	64	193	772	806	826
Vote 13 - Housing				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health				22	22	22	22	22	22	22	22	22	66	264	276	283
<b>Total Expenditure by Vote</b>		-	-	13 655	13 655	13 655	13 655	13 655	13 655	13 655	13 655	13 655	40 964	163 856	181 657	182 982
<b>Surplus/(Deficit) before assoc.</b>		-	-	1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	3 608	14 430	(6 646)	(5 452)
Income Tax				-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities				-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions				-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	-	-	1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	1 203	3 608	14 430	(6 646)	(5 452)

**Table 28 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

KZN226 Mkhambathini - Supporting Table SA27 Budg:0

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	149 464	149 699	155 484
Executive and council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance and administration		12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	12 455	149 464	149 699	155 484
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		188	188	188	188	188	188	188	188	188	188	188	188	2 257	2 370	2 479
Community and social services		188	188	188	188	188	188	188	188	188	188	188	188	2 257	2 370	2 479
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		45	45	45	45	45	45	45	45	45	45	45	45	543	567	581
Planning and development		45	45	45	45	45	45	45	45	45	45	45	45	543	567	581
Road transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>		1 359	1 359	1 359	1 359	1 359	1 359	1 359	1 359	1 359	1 359	1 359	1 359	16 309	12 225	8 582
Energy sources		1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	15 624	11 509	7 848
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		57	57	57	57	57	57	57	57	57	57	57	57	685	716	734
<b>Other</b>		809	809	809	809	809	809	809	809	809	809	809	809	9 713	10 150	10 404
<b>Total Revenue - Functional</b>		14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	14 857	178 286	175 011	177 530
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		8 769	8 769	8 769	8 769	8 769	8 769	8 769	8 769	8 769	8 769	8 769	8 769	105 230	116 833	120 434
Executive and council		2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	25 271	26 505	27 369
Finance and administration		6 663	6 663	6 663	6 663	6 663	6 663	6 663	6 663	6 663	6 663	6 663	6 663	79 958	90 328	93 065
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		2 341	2 341	2 341	2 341	2 341	2 341	2 341	2 341	2 341	2 341	2 341	2 341	28 087	29 459	30 422
Community and social services		2 022	2 022	2 022	2 022	2 022	2 022	2 022	2 022	2 022	2 022	2 022	2 022	24 260	25 460	26 324
Sport and recreation		297	297	297	297	297	297	297	297	297	297	297	297	3 562	3 722	3 816
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		22	22	22	22	22	22	22	22	22	22	22	22	264	276	283
<b>Economic and environmental services</b>		1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	1 132	13 580	17 004	17 522
Planning and development		58	58	58	58	58	58	58	58	58	58	58	58	690	355	364
Road transport		1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	1 074	12 890	16 649	17 158
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Trading services</b>		1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	16 396	17 998	14 348
Energy sources		1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	1 302	15 624	17 192	13 522
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		64	64	64	64	64	64	64	64	64	64	64	64	772	806	826
<b>Other</b>		46	46	46	46	46	46	46	46	46	46	46	46	550	575	589
<b>Total Expenditure - Functional</b>		13 653	13 653	13 653	13 653	13 653	13 653	13 653	13 653	13 653	13 653	13 653	13 653	163 842	181 869	183 316
<b>Surplus/(Deficit) before assoc.</b>		1 204	1 204	1 204	1 204	1 204	1 204	1 204	1 204	1 204	1 204	1 204	1 204	14 444	(6 858)	(5 786)
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>1 204</b>	<b>14 444</b>	<b>(6 858)</b>	<b>(5 786)</b>

**Table 29 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

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

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		175	175	175	175	175	175	175	175	175	175	175	175	2 100	1 000	1 000
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		205	205	205	205	205	205	205	205	205	205	205	205	2 456	-	-
Vote 5 - Community and Social Services2		492	492	492	492	492	492	492	492	492	492	492	492	5 900	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	13 029	10 740	9 619
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		13	13	13	13	13	13	13	13	13	13	13	13	160	9 388	9 228
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	23 645	21 128	19 847
<b>Total Capital Expenditure</b>	2	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	1 970	23 645	21 128	19 847

**Table 30 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

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

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Capital Expenditure - Functional</b>	1															
<i>Governance and administration</i>		175	175	175	175	175	175	175	175	175	175	175	175	2 100	1 000	1 000
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		175	175	175	175	175	175	175	175	175	175	175	175	2 100	1 000	1 000
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		710	710	710	710	710	710	710	710	710	710	710	710	8 516	9 388	9 228
Community and social services		696	696	696	696	696	696	696	696	696	696	696	696	8 356	-	-
Sport and recreation		13	13	13	13	13	13	13	13	13	13	13	13	160	9 388	9 228
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	13 029	10 740	9 619
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	13 029	10 740	9 619
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		32	32	32	32	32	32	32	32	32	32	32	32	389	-	2 563
Energy sources		32	32	32	32	32	32	32	32	32	32	32	32	389	-	2 563
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	24 034	21 128	22 409
<b>Funded by:</b>																
National Government		1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	18 934	20 128	21 409
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	18 934	20 128	21 409
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		425	425	425	425	425	425	425	425	425	425	425	425	5 100	1 000	1 000
<b>Total Capital Funding</b>		2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	2 003	24 034	21 128	22 409

**Table 31 MBRR SA30 - Budgeted monthly cash flow**

**KZN226 Mkhambathini - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	2 524	30 283	33 312	34 144
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	54	54	54	54	54	54	54	54	54	54	54	54	651	680	698
Rental of facilities and equipment	18	18	18	18	18	18	18	18	18	18	18	18	213	223	228
Interest earned - external investments	358	358	358	358	358	358	358	358	358	358	358	358	4 290	4 483	4 595
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Licences and permits	810	810	810	810	810	810	810	810	810	810	810	810	9 719	10 157	10 410
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	9 248	110 979	104 774	105 296
Other revenue	145	145	145	145	145	145	145	145	145	145	145	145	1 743	1 285	1 317
<b>Cash Receipts by Source</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>13 157</b>	<b>157 881</b>	<b>154 916</b>	<b>156 692</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	18 934	20 223	20 970
Transfers and subsidies - capital (monetary allocations) (Nat / Prov	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private Enterprises,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>14 735</b>	<b>176 815</b>	<b>175 139</b>	<b>177 662</b>
<b>Cash Payments by Type</b>															
Employee related costs	5 175	5 175	5 175	5 175	5 175	5 175	5 175	5 175	5 175	5 175	5 175	5 175	62 103	65 334	67 922
Remuneration of councillors	663	663	663	663	663	663	663	663	663	663	663	663	7 958	8 316	8 524
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	396	396	396	396	396	396	396	396	396	396	396	396	4 756	4 322	4 430
Contracted services	3 494	3 494	3 494	3 494	3 494	3 494	3 494	3 494	3 494	3 494	3 494	3 494	41 929	47 880	44 413
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 948	2 948	2 948	2 948	2 948	2 948	2 948	2 948	2 948	2 948	2 948	2 948	35 379	36 958	37 874
<b>Cash Payments by Type</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>12 677</b>	<b>152 125</b>	<b>162 809</b>	<b>163 162</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	27 639	24 297	25 770
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>14 980</b>	<b>179 764</b>	<b>187 106</b>	<b>188 932</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(246)</b>	<b>(2 949)</b>	<b>(11 967)</b>	<b>(11 271)</b>
Cash/cash equivalents at the month/year begin:	16 937	16 691	16 445	16 200	15 954	15 708	15 462	15 217	14 971	14 725	14 479	14 234	16 937	13 988	2 021
Cash/cash equivalents at the month/year end:	16 691	16 445	16 200	15 954	15 708	15 462	15 217	14 971	14 725	14 479	14 234	13 988	13 988	2 021	(9 250)

Table 32 MBRR SA34a - Capital expenditure on the renewal of existing assets by asset class

KZN226 Mkhambathini - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year *1 2026/27	Budget Year *2 2027/28
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		123 152	145 598	163 930	1 932	2 932	2 932	10 418	10 740	12 181
Roads Infrastructure		123 152	145 598	163 930	1 932	2 932	2 932	10 029	10 740	9 619
Roads		118 878	134 610	147 289	1 932	1 932	1 932	10 029	10 740	9 619
Road Structures		-	3 388	9 041	-	1 000	1 000	-	-	-
Road Furniture		4 274	7 600	7 600	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	389	-	2 563
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	389	-	2 563
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		132 472	150 966	152 049	16 227	16 227	16 227	8 516	9 388	9 228
Community Facilities		124 725	134 109	152 049	16 227	16 227	16 227	8 356	-	-
Halls		13 942	7 190	7 149	16 227	16 227	16 227	5 900	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		110 783	118 335	144 901	-	-	-	2 456	-	-

Sport and Recreation Facilities	7 748	16 856	-	-	-	-	160	9 388	9 228	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	7 748	16 856	-	-	-	-	160	9 388	9 228	
Capital Spares	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Other assets	14 857	14 859	14 859	-	-	-	-	-	-	
Operational Buildings	14 857	14 859	14 859	-	-	-	-	-	-	
Municipal Offices	14 857	14 859	14 859	-	-	-	-	-	-	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Intangible Assets	1 272	1 272	1 272	1 200	500	500	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	1 272	1 272	1 272	1 200	500	500	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	1 272	1 272	1 272	1 200	500	500	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
Computer Equipment	2 410	2 704	3 401	200	370	370	400	200	200	
Computer Equipment	2 410	2 704	3 401	200	370	370	400	200	200	
Furniture and Office Equipment	3 118	3 269	5 102	400	400	400	300	300	300	
Furniture and Office Equipment	3 118	3 269	5 102	400	400	400	300	300	300	
Machinery and Equipment	-	-	-	500	-	-	3 000	-	-	
Machinery and Equipment	-	-	-	500	-	-	3 000	-	-	
Transport Assets	7 939	9 017	10 423	1 400	400	400	1 400	500	500	
Transport Assets	7 939	9 017	10 423	1 400	400	400	1 400	500	500	
Land	10 965	10 965	10 965	-	-	-	-	-	-	
Land	10 965	10 965	10 965	-	-	-	-	-	-	
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	1	296 184	338 649	362 001	21 859	20 829	20 829	24 034	21 128	22 409

Table 33 MBRR Table SA1 - Supporting detail to budgeted financial performance

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue											
Total Property Rates	6	28 588	29 114	30 516	37 348	37 348	37 348	24 756	37 348	39 028	40 004
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(3 712)	(5 177)	(5 399)	(5 470)	(5 470)	(5 470)	(3 720)	(5 470)	(5 716)	(5 859)
Net Property Rates		24 876	23 937	25 117	31 877	31 877	31 877	21 036	31 877	33 312	34 144
Exchange revenue service charges											
Service charges - Electricity											
Total Service charges - Electricity	6	-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Service charges - Water											
Total Service charges - Water	6	-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Water		-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management											
Total refuse removal revenue	6	556	596	630	685	685	685	448	685	716	734
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Management		556	596	630	685	685	685	448	685	716	734
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	34 661	33 922	37 822	42 740	42 740	42 740	27 874	44 641	46 959	46 817
Pension and UIF Contributions		5 275	5 616	6 038	6 947	6 947	6 947	4 604	7 154	7 530	7 531
Medical Aid Contributions		2 522	2 404	2 652	2 981	2 981	2 981	1 973	2 807	2 858	2 952
Overtime		561	718	895	946	946	946	398	988	1 040	1 082
Performance Bonus		2 745	2 246	3 337	3 389	3 389	3 389	2 490	3 542	3 728	3 877
Motor Vehicle Allowance		931	684	634	480	480	480	502	528	549	549
Cellphone Allowance		345	360	323	320	320	320	109	334	352	366
Housing Allowances		222	233	236	148	148	148	749	155	163	170
Other benefits and allowances		159	876	511	380	380	380	41	398	418	435
Payments in lieu of leave		1 529	1 794	1 511	1 249	1 249	1 249	248	1 305	1 374	1 429
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	1 893	(196)	5	554	-	-	-	579	610	634
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	(0)	-	-	-	193	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-	-
sub-total	5	50 842	48 655	53 964	59 635	59 081	59 081	39 059	62 296	65 540	68 141
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	50 842	48 655	53 964	59 635	59 081	59 081	39 059	62 296	65 540	68 141
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		11 677	12 882	13 547	11 804	15 775	15 775	10 027	16 469	23 880	24 477
Lease amortisation		86	86	50	27	51	51	33	53	77	79
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Total Depreciation and amortisation	1	11 763	12 968	13 597	11 830	15 825	15 825	10 060	16 522	23 956	24 555
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		9 140	8 382	10 139	9 695	10 174	10 174	6 985	7 429	7 663	7 899
Consultants and Professional Services		4 093	1 525	2 337	2 594	1 905	1 905	778	1 735	1 447	1 484
Contractors		49 545	51 985	121 778	28 437	39 982	39 982	36 617	27 296	32 524	29 237
Total contracted services		62 778	61 891	134 254	40 726	52 061	52 061	44 381	36 460	41 635	38 620
Operational Costs											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		1 596	1 663	1 971	2 075	2 075	2 075	1 811	2 080	2 174	2 228
Other Operational Costs		18 746	25 997	27 237	25 355	29 980	29 980	21 358	28 691	31 016	31 785
Total Operational Costs	1	20 342	27 261	29 208	27 430	32 055	32 055	23 169	31 771	33 189	34 013
Repairs and Maintenance by Expenditure Item											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		33 266	23 338	22 385	17 760	23 910	23 910	-	11 060	14 692	15 060
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	33 266	23 338	22 385	17 760	23 910	23 910	-	11 060	14 692	15 060

Table 34 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

## KZN226 Mkhambathini - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Finance and Administration	Vote 2 - Finance and Administration 2	Vote 3 - Executive and Council	Vote 4 - Community and Social Services	Vote 5 - Community and Social Services2	Vote 6 - Energy Sources	Vote 7 - Road Transport	Vote 8 - Planning and Development	Vote 9 - Sport and Recreation	Vote 10 - Public Safety	Vote 11 - Other	Vote 12 - [NAME OF VOTE 12]	Vote 13 - Housing	Vote 14 - Waste Water Management	Vote 15 - Health	Total
<b>R thousand</b>	<b>1</b>																
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	685	-	-	-	685
Sale of Goods and Rendering of Services		157	-	-	32	-	-	-	543	-	-	-	-	-	-	-	732
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		4 290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 290
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		160	-	-	-	25	-	-	-	-	-	-	-	-	-	-	185
Licence and permits		-	-	-	-	-	-	-	-	-	-	9 713	-	-	-	-	9 713
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		888	-	-	-	-	-	-	-	-	-	-	-	-	-	-	888
<b>Non-Exchange Revenue</b>																	
Property rates		31 877	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31 877
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		93 157	-	-	2 198	-	15 624	-	-	-	-	-	-	-	-	-	110 979
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>130 530</b>	<b>-</b>	<b>-</b>	<b>2 232</b>	<b>25</b>	<b>15 624</b>	<b>-</b>	<b>543</b>	<b>-</b>	<b>-</b>	<b>9 713</b>	<b>685</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159 352</b>
<b>Expenditure</b>																	
Employee related costs		(29 246)	-	(12 804)	(3 675)	(10 711)	-	(5 860)	-	-	-	-	-	-	-	-	(62 296)
Remuneration of councillors		-	-	(7 958)	-	-	-	-	-	-	-	-	-	-	-	-	(7 958)
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		(390)	(296)	(1 000)	(1 120)	-	-	-	-	(450)	-	(550)	(330)	-	-	-	(4 136)
Debt impairment		(4 700)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4 700)
Depreciation and amortisation		(16 522)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16 522)
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		(6 460)	-	(870)	(2 510)	(1 000)	(15 624)	(7 000)	(460)	(2 272)	-	-	-	-	-	(264)	(36 460)
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		(22 346)	-	(2 640)	(5 164)	(80)	-	(30)	(230)	(840)	-	-	(442)	-	-	-	(31 771)
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>(79 663)</b>	<b>(296)</b>	<b>(25 271)</b>	<b>(12 469)</b>	<b>(11 791)</b>	<b>(15 624)</b>	<b>(12 890)</b>	<b>(690)</b>	<b>(3 562)</b>	<b>-</b>	<b>(550)</b>	<b>(772)</b>	<b>-</b>	<b>-</b>	<b>(264)</b>	<b>(163 842)</b>
<b>Surplus/(Deficit)</b>		<b>210 193</b>	<b>296</b>	<b>25 271</b>	<b>14 701</b>	<b>11 816</b>	<b>31 248</b>	<b>12 890</b>	<b>1 233</b>	<b>3 562</b>	<b>-</b>	<b>10 263</b>	<b>1 457</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>(4 490)</b>
Transfers and subsidies - capital (monetary allocations)		18 934	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18 934
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>229 127</b>	<b>296</b>	<b>25 271</b>	<b>14 701</b>	<b>11 816</b>	<b>31 248</b>	<b>12 890</b>	<b>1 233</b>	<b>3 562</b>	<b>-</b>	<b>10 263</b>	<b>1 457</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>14 444</b>



## **2.5 Annual budgets and SDBIPs – internal departments**

## **2.6 Capital expenditure details**

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

## **2.7 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 2025/26 MTREF in May 2025.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.

## **2.8 Other supporting documents**

**Table 32 MBRR Table SA1 - Supporting detail to budgeted financial performance**

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>	6										
Total Property Rates		28 588	29 114	30 516	37 348	37 348	37 348	24 756	37 348	39 028	40 004
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(3 712)	(5 177)	(5 399)	(5 470)	(5 470)	(5 470)	(3 720)	(5 470)	(5 716)	(5 859)
<b>Net Property Rates</b>		<b>24 876</b>	<b>23 937</b>	<b>25 117</b>	<b>31 877</b>	<b>31 877</b>	<b>31 877</b>	<b>21 036</b>	<b>31 877</b>	<b>33 312</b>	<b>34 144</b>
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>	6										
Total Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Electricity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - Water</b>	6										
Total Service charges - Water		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Water</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Water Management</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - Waste Management</b>	6										
Total refuse removal revenue		556	596	630	685	685	685	448	685	716	734
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Management</b>		<b>556</b>	<b>596</b>	<b>630</b>	<b>685</b>	<b>685</b>	<b>685</b>	<b>448</b>	<b>685</b>	<b>716</b>	<b>734</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	34 661	33 922	37 822	42 740	42 740	42 740	27 874	44 641	46 959	48 817
Pension and UIF Contributions		5 275	5 616	6 038	6 847	6 847	6 847	4 604	7 154	7 530	7 831
Medical Aid Contributions		2 522	2 404	2 652	2 581	2 581	2 581	1 873	2 697	2 838	2 952
Overtime		561	718	895	946	946	946	398	988	1 040	1 082
Performance Bonus		2 745	2 246	3 337	3 389	3 389	3 389	2 490	3 542	3 728	3 877
Motor Vehicle Allowance		931	684	634	480	480	480	480	502	528	549
Cellphone Allowance		345	360	323	320	320	320	109	334	352	366
Housing Allowances		222	233	236	148	148	148	749	155	163	170
Other benefits and allowances		159	876	511	380	380	380	41	398	418	435
Payments in lieu of leave		1 529	1 794	1 511	1 249	1 249	1 249	248	1 305	1 374	1 429
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	1 893	(196)	5	-	-	-	-	593	610	634
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Aiding and post related allowance		-	-	(0)	-	-	-	193	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	<b>50 842</b>	<b>48 655</b>	<b>53 964</b>	<b>59 081</b>	<b>59 081</b>	<b>59 081</b>	<b>39 059</b>	<b>62 310</b>	<b>65 540</b>	<b>68 141</b>
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Employee related costs</b>	1	<b>50 842</b>	<b>48 655</b>	<b>53 964</b>	<b>59 081</b>	<b>59 081</b>	<b>59 081</b>	<b>39 059</b>	<b>62 310</b>	<b>65 540</b>	<b>68 141</b>
<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		11 677	12 882	13 547	11 804	15 775	15 775	10 027	16 469	23 880	24 477
Lease amortisation		86	86	50	27	51	51	33	53	77	79
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation and amortisation</b>	1	<b>11 763</b>	<b>12 968</b>	<b>13 597</b>	<b>11 830</b>	<b>15 825</b>	<b>15 825</b>	<b>10 060</b>	<b>16 522</b>	<b>23 956</b>	<b>24 555</b>
<b>Bulk purchases - electricity</b>											
Electricity bulk purchases		-	-	-	-	-	-	-	-	-	-
<b>Total bulk purchases</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers and grants</b>											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contracted Services</b>											
Outsourced Services		9 140	8 382	10 139	9 695	10 174	10 174	6 546	7 429	7 663	7 899
Consultants and Professional Services		4 093	1 525	2 337	2 594	1 905	1 905	778	1 735	1 447	1 484
Contractors		49 545	51 985	121 778	28 437	39 982	39 982	36 596	27 296	32 524	29 237
<b>Total contracted services</b>		<b>62 778</b>	<b>61 891</b>	<b>134 254</b>	<b>40 726</b>	<b>52 061</b>	<b>52 061</b>	<b>43 921</b>	<b>36 460</b>	<b>41 635</b>	<b>38 620</b>
<b>Operational Costs</b>											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		1 596	1 663	1 971	2 075	2 075	2 075	1 811	2 080	2 174	2 228
Other Operational Costs		18 746	25 597	27 237	25 355	29 980	29 980	21 104	29 691	31 016	31 785
<b>Total Operational Costs</b>	1	<b>20 342</b>	<b>27 261</b>	<b>29 208</b>	<b>27 430</b>	<b>32 055</b>	<b>32 055</b>	<b>22 915</b>	<b>31 771</b>	<b>33 189</b>	<b>34 013</b>
<b>Repairs and Maintenance by Expenditure Item</b>	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		33 266	23 338	22 385	17 760	23 910	23 910	-	11 060	14 692	15 060
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>33 266</b>	<b>23 338</b>	<b>22 385</b>	<b>17 760</b>	<b>23 910</b>	<b>23 910</b>	<b>-</b>	<b>11 060</b>	<b>14 692</b>	<b>15 060</b>
<b>Inventory Consumed</b>											
Inventory Consumed - Other		-	-	-	6 082	5 870	5 870	(73)	4 136	4 322	4 430
<b>Total Inventory Consumed &amp; Other Material</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>6 082</b>	<b>5 870</b>	<b>5 870</b>	<b>(73)</b>	<b>4 136</b>	<b>4 322</b>	<b>4 430</b>

28-March-2024



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

**KZN226 Mkhambathini - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Finance and Administration	Vote 2 - Finance and Administration 2	Vote 3 - Executive and Council	Vote 4 - Community and Social Services	Vote 5 - Community and Social Services2	Vote 6 - Energy Sources	Vote 7 - Road Transport	Vote 8 - Planning and Development	Vote 9 - Sport and Recreation	Vote 10 - Public Safety	Vote 11 - Other	Vote 12 - [NAME OF VOTE 12]	Vote 13 - Housing	Vote 14 - Waste Water Management	Vote 15 - Health	Total
<b>R thousand</b>	1																
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	685	-	-	-	685
Sale of Goods and Rendering of Services		157	-	-	32	-	-	-	543	-	-	-	-	-	-	-	732
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		4 290	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 290
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		160	-	-	-	25	-	-	-	-	-	-	-	-	-	-	185
Licence and permits		-	-	-	-	-	-	-	-	-	-	9 713	-	-	-	-	9 713
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		888	-	-	-	-	-	-	-	-	-	-	-	-	-	-	888
<b>Non-Exchange Revenue</b>																	
Property rates		31 877	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31 877
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		93 157	-	-	2 198	-	15 624	-	-	-	-	-	-	-	-	-	110 979
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		130 530	-	-	2 232	25	15 624	-	543	-	-	9 713	685	-	-	-	159 352
<b>Expenditure</b>																	
Employee related costs		(29 260)	-	(12 804)	(3 675)	(10 711)	-	(5 860)	-	-	-	-	-	-	-	-	(62 310)
Remuneration of councillors		-	-	(7 958)	-	-	-	-	-	-	-	-	-	-	-	-	(7 958)
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		(390)	(296)	(1 000)	(1 120)	-	-	-	-	(450)	-	(550)	(330)	-	-	-	(4 136)
Debt impairment		(4 700)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4 700)
Depreciation and amortisation		(16 522)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16 522)
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		(6 460)	-	(870)	(2 510)	(1 000)	(15 624)	(7 000)	(460)	(2 272)	-	-	-	-	-	(264)	(36 460)
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		(22 346)	-	(2 640)	(5 164)	(80)	-	(30)	(230)	(840)	-	-	(442)	-	-	-	(31 771)
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		(79 676)	(296)	(25 271)	(12 469)	(11 791)	(15 624)	(12 890)	(690)	(3 562)	-	(550)	(772)	-	-	(264)	(163 856)
<b>Surplus/(Deficit)</b>		210 206	296	25 271	14 701	11 816	31 248	12 890	1 233	3 562	-	10 263	1 457	-	-	264	(4 504)
Transfers and subsidies - capital (monetary allocations)		18 934	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18 934
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		229 140	296	25 271	14 701	11 816	31 248	12 890	1 233	3 562	-	10 263	1 457	-	-	264	14 430

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

KZN226 Mkhambathini - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
<b>ASSETS</b>											
<b>Trade and other receivables from exchange transactions</b>											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste		1 030	1 080	1 138	3 301	2 484	2 484	1 301	2 484	2 596	2 661
Waste Water		-	-	-	-	-	-	-	-	-	-
Other trade receivables from exchange transactions		-	(9)	(9)	3 134	337	337	(314)	326	341	349
<b>Gross: Trade and other receivables from exchange transactions</b>		<b>1 030</b>	<b>1 071</b>	<b>1 129</b>	<b>6 435</b>	<b>2 820</b>	<b>2 820</b>	<b>987</b>	<b>2 810</b>	<b>2 936</b>	<b>3 010</b>
<b>Less: Impairment for debt</b>		<b>(45)</b>	<b>(54)</b>	<b>(52)</b>	<b>-</b>	<b>(52)</b>	<b>(52)</b>	<b>(52)</b>	<b>(52)</b>	<b>(54)</b>	<b>(56)</b>
Impairment for Electricity		-	-	-	-	-	-	-	-	-	-
Impairment for Water		-	-	-	-	-	-	-	-	-	-
Impairment for Waste		(45)	(54)	(52)	-	-	-	(52)	-	-	-
Impairment for Waste Water		-	-	-	-	-	-	-	-	-	-
Impairment for other trade receivables from exchange transactions		-	-	-	-	(52)	(52)	-	(52)	(54)	(56)
<b>Total net Trade and other receivables from Exchange Transactions</b>		<b>985</b>	<b>1 017</b>	<b>1 076</b>	<b>6 435</b>	<b>2 768</b>	<b>2 768</b>	<b>935</b>	<b>2 758</b>	<b>2 882</b>	<b>2 954</b>
<b>Receivables from non-exchange transactions</b>											
Property rates		6 677	7 180	7 388	32 072	34 250	34 250	11 031	34 955	35 073	36 068
Less: Impairment of Property rates		(6 424)	(6 424)	(6 424)	(33 480)	(36 746)	(36 746)	(6 424)	(36 746)	(38 399)	(39 359)
<b>Net Property rates</b>		<b>253</b>	<b>756</b>	<b>964</b>	<b>(608)</b>	<b>(2 496)</b>	<b>(2 496)</b>	<b>4 607</b>	<b>(1 791)</b>	<b>(3 326)</b>	<b>(3 292)</b>
Other receivables from non-exchange transactions		965	965	965	-	-	-	965	-	-	-
Impairment for other receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
<b>Net other receivables from non-exchange transactions</b>		<b>965</b>	<b>965</b>	<b>965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>965</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total net Receivables from non-exchange transactions</b>		<b>1 218</b>	<b>1 721</b>	<b>1 929</b>	<b>(608)</b>	<b>(2 496)</b>	<b>(2 496)</b>	<b>5 572</b>	<b>(1 791)</b>	<b>(3 326)</b>	<b>(3 292)</b>
<b>Inventory</b>											
<b>Water</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
System Input Volume		-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-
<b>Authorised Consumption</b>	6	-	-	-	-	-	-	73	-	-	-
Billed Authorised Consumption		-	-	-	-	-	-	73	-	-	-
Billed Metered Consumption		-	-	-	-	-	-	73	-	-	-
Free Basic Water		-	-	-	-	-	-	73	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
<b>Water Losses</b>		-	-	-	-	-	-	-	-	-	-
<b>Apparent losses</b>		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
<b>Real losses</b>		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
<b>Non-revenue Water</b>		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
<b>Closing Balance Water</b>		-	-	-	-	-	-	73	-	-	-
<b>Agricultural</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
<b>Closing balance - Agricultural</b>		-	-	-	-	-	-	-	-	-	-
<b>Consumables</b>											
<b>Standard Rated</b>											
Opening Balance		-	-	-	-	-	-	73	-	-	-
Acquisitions		33	38	73	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
<b>Closing balance - Consumables Standard Rated</b>		<b>33</b>	<b>38</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zero Rated</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
<b>Closing balance - Consumables Zero Rated</b>		-	-	-	-	-	-	-	-	-	-
<b>Finished Goods</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
<b>Closing balance - Finished Goods</b>		-	-	-	-	-	-	-	-	-	-
<b>Materials and Supplies</b>											
Opening Balance		-	-	-	38	73	73	-	73	73	73
Acquisitions		-	-	-	-	5 870	5 870	-	4 136	4 322	4 430
Issues	7	-	-	-	(6 082)	(5 870)	(5 870)	-	(4 136)	(4 322)	(4 430)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-

Closing balance - Materials and Supplies		-	-	-	(6 045)	73	73	-	73	73	73
Work-in-progress		-	-	-	-	-	-	-	-	-	-
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Housing Stock		-	-	-	-	-	-	-	-	-	-
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables		33	38	73	(6 045)	73	73	145	73	73	73
Property, plant and equipment (PPE)		-	-	-	-	-	-	-	-	-	-
PPE at cost/valuation (excl. finance leases)		297 532	339 918	365 362	371 843	377 034	377 034	380 005	375 384	388 289	398 749
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		74 454	86 382	99 950	106 596	112 682	112 682	109 977	113 376	125 147	128 276
Total Property, plant and equipment (PPE)		223 078	253 537	265 412	265 247	264 352	264 352	270 027	262 008	263 141	270 473
LIABILITIES		-	-	-	-	-	-	-	-	-	-
Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-	-
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables		-	-	-	-	-	-	-	-	-	-
Trade and other payables from exchange transactions		11 272	12 888	11 830	(7 371)	1 582	1 582	12 488	(5 790)	(5 402)	(5 537)
Other trade payables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactions: Unspent conditional Grants		22 644	9 112	2 549	(444)	(2 549)	(2 549)	7 028	(2 549)	(2 644)	(2 699)
Trade payables from Non-exchange transactions: Other		-	-	-	-	-	-	-	-	-	-
VAT		2 403	2 735	4 275	732	(8 085)	(8 085)	5 245	(8 077)	(8 441)	(8 652)
Total Trade and other payables		36 319	24 736	18 653	(7 083)	(9 052)	(9 052)	24 761	(16 416)	(16 486)	(16 887)
Non current liabilities - Financial liabilities		-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-
Other financial liabilities		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Financial liabilities		-	-	-	-	-	-	-	-	-	-
Non current liabilities - Long Term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Electricity Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Payables and Accruals - General		-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Municipal Debt Relief		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Long Term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Provisions - non-current		-	-	-	-	-	-	-	-	-	-
Retirement benefits		4 014	3 995	5 057	(6 823)	(7 784)	(7 784)	5 057	(7 784)	(8 134)	(8 338)
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions non-current		4 014	3 995	5 057	(6 823)	(7 784)	(7 784)	5 057	(7 784)	(8 134)	(8 338)
CHANGES IN NET ASSETS		-	-	-	-	-	-	-	-	-	-
Accumulated surplus/(deficit)		-	-	-	-	-	-	-	-	-	-
Accumulated surplus/(deficit) - opening balance		-	913	913	349 083	344 699	344 699	(298 171)	324 862	339 457	347 930
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		-	913	913	349 083	344 699	344 699	(298 171)	324 862	339 457	347 930
Surplus/(Deficit)		1 820	39 169	(1 998)	12 088	(5 328)	(5 328)	(4 738)	14 430	(6 646)	(5 452)
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)		1 820	40 082	(1 085)	361 171	339 371	339 371	(302 909)	339 292	332 810	342 478
Reserves		-	-	-	-	-	-	-	-	-	-
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		1 253	1 253	1 253	-	-	-	1 253	-	-	-
Total Reserves		1 253	1 253	1 253	-	-	-	1 253	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		3 074	41 335	168	361 171	339 371	339 371	(301 656)	339 292	332 810	342 478



## **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 2025/2026 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: 27 March 2025