



TABLED ANNUAL BUDGET OF

Msunduzi Municipality KZN225

2025/26 TO 2027/28

**MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Mayor's Report

LEGISLATIVE REQUIREMENTS

1. MOVE FOR THE IDP ADOPTION

1.1.1 MUNICIPAL MANAGER'S FOREWORD 2024/25 IDP/BUDGET MTREF

1.2 Executive Summary

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

The City'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 to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The City has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the City has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circulars were used to guide the compilation of the 2025/26 MTREF. The latest being circular number 130 issued on the 20rd March 2025.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;

- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Ageing creditors
- The increased cost of bulk water and electricity (due to tariff increases from Umgeni Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Low debtor's collection rate which impact negatively on municipal cash coverage ratio and implementation of critical projects
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

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

- The 2024/25 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 2025/26 tabled 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 CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- 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;

While the municipality is optimistic about growth prospects in the next few year, there is no provision of such a growth in the municipality's revenue budget. Ordinarily, the municipality is expected to reflect such a growth in the revenue budget, however, the municipality chose to be cautious and conservative in this case. Taking into account, the MFMA provision that the budget must be funded from realistically anticipated revenue for collection, the municipality opted to use the current revenue base for the purposes of the MTREF but adjustments will be done in future when such a growth in the revenue base materialises. Therefore the constant % increases of revenue over the MTREF must not be read as meaning that the municipality is not anticipating

growth in the revenue base of the MTREF. This is rather informed by a conservative or cautious approach in light of the prevailing economic conditions.

Overall, the municipality's operating expenditure has increased by 5% and that is informed by the municipality's decision to cap operational costs through doing business in cost effective measures and to ensure that actual cash to be collected informs expenditure. This is informed by the municipality's desire to ensure that it remains financially sustainable and for that to be achieved; the municipality must budget for credible and sufficient operational budget surpluses. As a result, the municipality's operational budget surplus has increased from R795 million to R949 million.

The above-mentioned cash surplus is based on a prevailing collection rate of 87% average debt collection.

Table 1 Consolidated Overview of the 2025/26 MTREF

KZN225 Msunduzi - 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
Financial Performance										
Total Revenue (excluding capital transfers and contributions)	6,116,383	6,427,061	6,927,537	8,963,903	8,970,488	8,975,953	2,193,424	9,556,811	10,043,404	10,487,145
Total Expenditure	6,722,368	6,225,702	8,034,116	8,380,271	7,875,440	7,875,440	4,943,599	8,477,175	8,975,029	9,396,320
Surplus/(Deficit)	(605,986)	201,359	(1,106,579)	583,632	1,095,048	1,100,513	(2,750,175)	1,079,636	1,068,374	1,090,825
Transfers and subsidies - capital (monetary allocations)	368,725	324,319	427,923	456,975	488,696	488,696	–	379,300	433,098	460,834
Transfers and subsidies - capital (in-kind)	60	2	199	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659

Total operating revenue of R 9.556 billion has grown by 6 per cent or R586.3 million for the 2025/26 financial year when compared to the 2024/25 Adjustments Budget. For the two outer years, operational revenue will increase by 4.65 percent (R 486.5 million) and 4.23 per cent (R 443 million) respectively.

Total operating expenditure for the 2025/26 financial year has been appropriated at R8.4 billion and results to a budgeted operating surplus of R1.079 Billion. When compared to the 2024/25 Adjustments Budget, operational expenditure has grown overall by 7,64 per cent in the 2025/26 budget and an average of 4.73 per cent in the two outer years of the MTREF.

The capital budget of R 653.8 million (R378 million grant funding, R 98 million internal funding and R177 million Borrowings).

1.3 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure a 100 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

While the municipality is optimistic about growth prospects in the next few year, there is no provision of such a growth in the municipality's revenue budget. Ordinarily, the municipality is expected to reflect such a growth in the revenue budget; however, the municipality chose to be cautious and conservative in this case. Taking into account, the MFMA provision that the budget must be funded from realistically anticipated revenue for collection, the municipality opted to use the current revenue base for the purposes of the MTREF but adjustments will be done in future when such a growth in the revenue base materialises.

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

Table 2 Summary of revenue classified by main revenue source

KZN225 Msunduzi - 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
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	2,676,489	2,724,540	2,858,084	4,297,825	4,224,358	4,229,823	-	4,702,555	4,932,981	5,174,697
Service charges - Water	2	860,676	824,369	902,755	1,009,760	1,009,760	1,009,760	739,196	1,161,224	1,218,124	1,277,812
Service charges - Waste Water Management	2	193,119	197,960	198,617	220,725	220,725	220,725	159,960	250,523	262,798	275,675
Service charges - Waste Management	2	116,022	123,629	127,307	155,391	155,391	155,391	96,611	166,268	174,415	182,962
Sale of Goods and Rendering of Services		11,477	10,982	14,955	42,043	42,043	42,043		23,403	24,550	25,753
Agency services		2,139	2,599	2,667	765	765	765		5,508	5,777	6,061
Interest		-	-	-	19,135	19,135	19,135		-	-	-
Interest earned from Receivables		167,310	158,697	325,984	230,682	230,682	230,682		256,057	268,604	281,765
Interest earned from Current and Non Current Assets		10,445	16,957	44,118	59,562	59,562	59,562		19,996	20,976	22,004
Dividends		-	-	-	-	-	-		-	-	-
Rent on Land		-	-	-	-	-	-		-	-	-
Rental from Fixed Assets		26,117	20,071	33,590	113,962	113,962	113,962		44,672	46,861	49,157
Licence and permits		984	2,415	2,021	-	-	-		3,097	3,248	3,408
Special rating levies		-	-	-	-	-	-		-	-	-
Operational Revenue		54,548	57,523	53,626	204,124	204,124	204,124		102,112	107,115	112,364
Non-Exchange Revenue											
Property rates	2	1,212,773	1,370,173	1,359,087	1,649,353	1,649,352	1,649,352	1,197,657	1,721,665	1,799,140	1,844,118
Surcharges and Taxes		-	-	-	-	-	-		-	-	-
Fines, penalties and forfeits		14,489	20,129	34,247	11,687	11,687	11,687		12,213	12,812	13,439
Licences or permits		-	-	-	2,547	2,547	2,547		-	-	-
Transfer and subsidies - Operational		681,678	801,751	824,545	946,343	1,026,395	1,026,395		1,017,129	1,092,163	1,140,473
Interest		55,783	63,181	106,729	-	-	-		66,114	69,354	72,752
Fuel Levy		-	-	-	-	-	-		-	-	-
Operational Revenue		-	-	-	-	-	-		-	-	-
Gains on disposal of Assets		5,195	2,660	465	-	-	-		4,277	4,486	4,706
Other Gains		27,140	29,425	38,741	-	-	-		-	-	-
Discontinued Operations		-	-	-	-	-	-		-	-	-
Total Revenue (excluding capital transfers and contributions)		6,116,383	6,427,061	6,927,537	8,963,903	8,970,488	8,975,953	2,193,424	9,556,811	10,043,404	10,487,145

Table 3 Percentage growth in revenue by main revenue source**KZN225 Msunduzi - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework					2027/28 %Increase/decrease
		Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	2025/26 %Increase/decrease	Budget Year +1 2026/27	2026/27 %Increase/decrease	Budget Year +2 2027/28	
R thousand	1									
Revenue										
Exchange Revenue										
Service charges - Electricity	2	4,224,358	4,229,823	-	4,702,555	11%	4,932,981	5%	5,174,697	5%
Service charges - Water	2	1,009,760	1,009,760	739,196	1,161,224	15%	1,218,124	5%	1,277,812	5%
Service charges - Waste Water Management	2	220,725	220,725	159,960	250,523	13%	262,798	5%	275,675	5%
Service charges - Waste Management	2	155,391	155,391	96,611	166,268	7%	174,415	5%	182,962	5%
Sale of Goods and Rendering of Services		42,043	42,043		23,403	-44%	24,550	5%	25,753	5%
Agency services		765	765		5,508	620%	5,777	5%	6,061	5%
Interest earned from Receivables		230,682	230,682		256,057	11%	268,604	5%	281,765	5%
Interest earned from Current and Non Current Assets		59,562	59,562		19,996	-66%	20,976	5%	22,004	5%
Rental from Fixed Assets		113,962	113,962		44,672	-61%	46,861	5%	49,157	5%
Licence and permits		-	-		3,097		3,248	5%	3,408	5%
Special rating levies					-		-		-	
Operational Revenue		204,124	204,124		102,112	-50%	107,115	5%	112,364	5%
Non-Exchange Revenue										
Property rates	2	1,649,352	1,649,352	1,197,657	1,721,665	4%	1,799,140	5%	1,844,118	2%
Surcharges and Taxes					-		-		-	
Fines, penalties and forfeits		11,687	11,687		12,213	5%	12,812	5%	13,439	5%
Licences or permits		2,547	2,547		-	-100%	-		-	
Transfer and subsidies - Operational		1,026,395	1,026,395		1,017,129	-1%	1,092,163	7%	1,140,473	4%
Interest					66,114		69,354	5%	72,752	5%
Gains on disposal of Assets					4,277		4,486	5%	4,706	5%
Total Revenue (excluding capital transfers and contributions)		8,970,488	8,975,953	2,193,424	9,556,811	7%	10,043,404	5%	10,487,145	4%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2025/26 financial year, revenue from rates and services charges totalled to R7.9 billion or 84 per cent. A notable trend is the increase in the total percentage revenue generated from rates and services charges. The table above excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates are the second largest revenue source totalling 18 per cent or R1, 7 billion. Other revenue consists of various items such as fines, licences and permits, agency services, sale of produce, training recoveries, landing fees, passenger levy etc.

Operating grants and transfers totals R 1,017 billion in the 2025/26 financial year and increase to R 1,092 billion by 2026/27, R1.140 billion by 2027/28. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts

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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		647,795	765,767	795,277	895,184	953,644	953,644	966,680	1,038,866	1,084,327
Equitable Share		616,262	696,056	767,222	822,072	822,072	822,072	877,312	926,722	968,645
Energy Efficiency and Demand Side Management						700	700		70	70
Expanded Public Works Programme Integrated Grant		3,474	5,228	4,634	2,092	2,092	2,092	2,624		
Local Government Financial Management Grant		1,900	1,950	1,950	1,900	1,900	1,900	2,000	2,200	2,300
Municipal Infrastructure Grant		6,108	6,977	7,456	9,120	8,077	8,077	9,744	9,874	9,937
Municipal Systems Improvement Grant		42		67						
Municipal Water Infrastructure Grant [Schedule 5B]		19,986	55,555	13,948	30,000	60,000	60,000	25,000	25,000	25,000
Public Transport Network Grant		23			30,000	30,000	30,000	50,000	75,000	78,375
Regional Bulk Infrastructure Grant						28,802	28,802			
Provincial Government:		33,882	35,985	26,321	51,159	72,751	72,751	50,448	53,297	56,146
Infrastructure		33,882	35,817	24,658	51,159	70,551	70,551	50,448	53,297	56,146
Capacity Building and Other			168	1,663		2,200	2,200			
Total Operating Transfers and Grants	5	681,678	801,751	821,598	946,343	1,026,395	1,026,395	1,017,129	1,092,163	1,140,473

1.3.1 Property Rates

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.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. The regulations prescribing the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1 came into effect on 1 July 2009, whilst the rate ratio for Public Benefit Organizations came into effect on 1 July 2010. The Property Rates Policy of the Municipality has been amended accordingly.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2024/25 financial year based on a 3.50 per cent increase from 1 July 2024 is contained below:

The following stipulations in the Property Rates Policy are highlighted:

- 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 100% rebate is granted on property values between R15 001 and R 100 000 is granted in terms of the City's own Property Rates Policy;
- For pensioners, disability grantees and child headed households, a maximum/total rebate of 40 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to **R 3 700**.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2025/26 financial year based on a 2.00 per cent increase from 1 July 2025 is contained in the tariffs of charges. The rate randage is bases on the new valuation roll. Rates randages are as follows:

BUDGET AND TREASURY OFFICE							
Revenue Management							
<u>Rates</u>							
	2024/25	2025/26		2026/27		2027/28	
	R	R	% Incr	% Incr	Excl.Vat	% Incr	Excl.Vat
1. The Rate Randages assessed in terms of the Local Government: Municipal Property Rates Act 6 of 2004 are as follows:							
(a) <u>Vacant Land</u> - no rebate granted	0.0291	0.0297	2.0%	0.0311	4.9%	0.0327	4.9%
(b) <u>Unauthorised Use</u> (Inclusive of surcharges)	0.0500	0.0510	2.0%	0.0535	4.9%	0.0561	4.9%
(c) <u>Residential Property</u>	0.0161	0.0164	2.0%	0.0172	4.9%	0.0181	4.9%
(d) <u>Commercial Property</u>	0.0282	0.0288	2.0%	0.0302	4.9%	0.0317	4.9%
(e) <u>Industrial Property</u>	0.0282	0.0288	2.0%	0.0302	4.9%	0.0317	4.9%
(f) <u>Specialised Property</u>	0.0282	0.0288	2.0%	0.0302	4.9%	0.0317	4.9%
(g) <u>Agricultural Property</u>	0.0039	0.0040	2.0%	0.0042	4.9%	0.0044	4.9%
(h) <u>Public Service Infrastructure</u>	0.0039	0.0040	2.0%	0.0042	4.9%	0.0044	4.9%
(i) <u>Rural Communal Property</u> Tariff removed - properties categorised as COMM, RES and VAC	NIL						
(j) <u>Sectional Title Garages - Separately Registered</u>	0.0161	0.0164	2.0%	0.0172	4.9%	0.0181	4.9%
(k) <u>Mining Property</u>	0.0282	0.0288	2.0%	0.0302	4.9%	0.0317	4.9%
(l) <u>Public Benefit Organisations</u> Additional Rebate	0.0039 100%	0.0040 100%	2.0%	0.0042 100%	4.9%	0.0044 100%	4.9%
(m) Public Service Property	0.0282	0.0288	2.0%	0.0302	4.9%	0.0317	4.9%
(n) Multipurpose Property Applicable tariff will be charged in respect of the combination of categories above.							
2. REBATES:							
<u>Impermissible and Free Value Based Rebates</u>							
(o) No rates shall be levied on the market value of the first R15,000 of Residential Property. A rebate of 100% will be granted on all Residential Property from a value of R15,001 to a value of R100,000.							
<u>Aged Persons (Pensioner Rebate) and Disability Grantees Rebate</u>							
(p) Aged Persons Occupier Owner Applicants: 60 years and over							
Total monthly income of all occupants and owners from all sources (p.m)	R6,108	R6,108	0.00%	R6,407.29	4.90%	R6,721.25	4.90%
%'tage Rebate –							
<u>Child Headed Households</u>							
(q) Maximum monthly income of all occupants and owners from all sources (p.m)							
%'tage Rebate –	R6,108	R6,108	0.00%	R6,407.29	4.90%	R6,721.25	4.90%
<u>Listed Buildings</u>							
(r) Rates Rebate on Listed Buildings (Maximum Percentage)	40%	40%		40%		40%	
<u>Developers Rebate</u>							
(s) Rates Rebate on Vacant Land Only, Subject to Council's Conditions							
Year 1	100%	100%					
Year 2	66%	66%					
Year 3	33%	33%					

Waste Management
Refuse Removal Tariff

COMMUNITY SERVICES WASTE MANAGEMENT <u>Refuse Removal Tariffs</u>			2024/25 Excl. Vat	2025/26 Excl. Vat	% Incr
Standard charges for Domestic and Commercial Refuse Removal Based on the relevant Electricity Scale					
<u>Refuse Removal Tariffs</u>					
1	Domestic				
		Single phase up to 80A	R147.17	R157.47	7.00%
		Three phase up to 100A	R147.17	R157.47	7.00%
		Prepayment Meter	R147.17	R157.47	7.00%
2	Multipurpose Property (Applicable to properties utilised for multiple purpose as per the rates category of property)				
		Single phase up to 80A	R223.09	R238.71	7.00%
		Three phase up to 100A	R223.09	R238.71	7.00%
		Prepayment Meter	R223.09	R238.71	7.00%
3	Small Power Users - Business/Commercial				
		Single phase up to 80A	R421.62	R451.13	7.00%
		Three phase up to 100A	R421.62	R451.13	7.00%
4	Large Power Users – Business/Commercial				
		Supply taken at 400V	R421.62	R451.13	7.00%
		Supply taken at 6.6 or 11kV	R421.62	R451.13	7.00%
5	Flats/Simplexes		R124.71	R133.44	7.00%
6	Previously PHB Housing and Informal Settlements (MASS HOUSING) - per household per month		R29.64	R31.72	7.00%
7	Central Business District Main cbd bordered by East(Massukwane), Winston/Victoria, Bulwer, Boschhoff, Alan Paton, Prince Alfred, Railway, Pine. Greytown Rd form East To Trichy, Balhambra Way from Greytown Road to Newholme Way, Khan Road from Greytown Road to Deccan Road, Mysore Road from Greytown Road to Bangalore Road, Alan Paton up till King Edward Ave.		R560.69	R599.94	7.00%
8	For areas not being billed but supplied with prepaid electricity meters to cover the cost of co-operative supplied refuse collection services.		R23.53	R25.17	7.00%
9	Qualifying indigent consumers will receive 100% rebate in respect of the applicable charge.				

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Council is working towards ensuring that water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The municipality has applied an increase of 15%.

Umgeni Water has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that Umgeni Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise funds for infrastructure upgrades, hence the above inflation increase in the bulk cost of water.

An average tariff increase of 15% as from 1 July 2025 for water is proposed. The specific increases for different categories are detailed in the tariffs of charges and in the extract below.

Waste Water Management

INFRASTRUCTURE SERVICES

Waste Water Management

		INFRASTRUCTURE SERVICES WATER DISTRIBUTION AND SANITATION MANAGEMENT <u>Sewerage Tariffs</u>		
		2024/25 Excl.Vat	2025/26 Excl.Vat	% Incr
Based on the relevant Water Scale <u>Sewerage Tariffs</u>				
1	Scale 2 – Domestic/House	R234.54	R266.21	13.50%
2	Multipurpose Property (Applicable to properties utilised for multiple purpose as per the rates category of property)	R264.45	R300.15	13.50%
3	Scale 3A – Flats/Simplexes per kl (From 2018/19 ALL Flats/Simplexes on Scale 3A will be charged on 80% of water consumed)	R12.44	R14.12	13.50%
4	Scale 4A – Business/Commercial per kl 0 - 400	R12.72	R14.43	13.50%
	401 - 1000	R11.87	R13.47	13.50%
	Greater than 1000	R9.81	R11.13	13.50%
NOTE: The Maximum Tariff is no Longer Applicable from 2018/19				
5	Vacant Land	R234.54	R266.21	13.50%
6	Scale 6 – Worship Places	R447.45	R507.86	13.50%
7	Scale 8M – Municipal Departments per kl	R12.72	R14.43	13.50%
8	Scale 3c, 4c, 7c – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council. per kl	R12.72	R14.43	13.50%
9	Qualifying indigent consumers will receive 100% rebate in respect of the applicable charge.			
INTEREST RATE				
1	Interest rate per annum (calculated on daily outstanding balance)	11.75%	11.25%	
BULK CAPITAL SEWERAGE CONTRIBUTION COST				
Cost based upon future sewer produced by Developer		R16893.00/kl/day	19173.55/kl/day	13.50

INFRASTRUCTURE SERVICES WATER DISTRIBUTION AND SANITATION MANAGEMENT <u>Water Management</u>					
			2024/25 Excl.Vat	2025/26 Excl.Vat	% Incr
<u>Water Supply Tariffs</u>					
1	Scale 2 (1) – Domestic	Basic Charge 0kl to 6kl	R32.72 R116.58	R37.62 R134.07	15.00% 15.00%
	2 (2) – Domestic	7kl to 30kl per kl	R39.22	R45.10	15.00%
	2 (3) – Domestic	31kl to 60kl per kl	R67.79	R77.96	15.00%
	2 (4) _Domestic	61kl and over per kl	R79.13	R91.00	15.00%
	2 (5) _Domestic	Flat rate (unmetered households)	R174.28	R200.42	15.00%
<u>Indigent Benefit - Domestic Water supply only</u>					
Qualifying indigent consumers will receive the first 6kl's of water free					
2	Scale 3A – Flats, Simplexes	Basic Charge Unit	R32.72 R36.98	R37.62 R42.52	15.00% 15.00%
3	Scale 3B – Flats (Non-Rateable)	Basic Charge Unit	R32.72 R50.88	R37.62 R58.51	15.00% 15.00%
4	Scale 4A (1) – Commercial	Basic Charge 0 - 30 kl per kl	R54.53 R41.39	R62.71 R47.60	15.00% 15.00%
	4A (2) – Commercial	31kl to 60kl per kl	R46.13	R53.05	15.00%
	4A (3) – Commercial	61kl to 100kl per kl	R54.12	R62.24	15.00%
	4A (4) – Commercial	101kl and over per kl	R41.39	R47.60	15.00%
5	Scale 4B – Commercial (Non-Rateable)	Basic Charge Unit	R54.53 R51.06	R62.71 R58.72	15.00% 15.00%
6	Scale 5 – Builders, Construction Sites	Basic Charge Unit	R54.53 R51.76	R62.71 R59.52	15.00% 15.00%
		Flat Rate - Unmetered Fire Mains	R435.69	R501.05	15.00%
7	Scale 6 – Religious Organisations	Basic Charge Unit	R54.53 R41.05	R62.71 R47.20	15.00% 15.00%
8	Scale 7 – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council.	Basic Charge Unit	R54.53 R41.05	R62.71 R47.20	15.00% 15.00%
9	Scale 8 – Municipal Departments	Unit	R39.19	R45.07	15.00%
10	Scale 9– Farmers (Privately owned Land)	Basic Charge 0 - 30 kl per kl 31kl to 60kl per kl 61kl to 100kl per kl 101kl and over per kl	R53.55 R40.65 R45.31 R53.16 R40.65	R61.59 R46.75 R52.10 R61.13 R46.75	15.00% 15.00% 15.00% 15.00% 15.00%
11	Rates that will be applied for the supply and delivery of potable water per km as per any written agreement: Vehicle Capacity				
	6kl	Rate per km	R22.18	R25.50	15.00%
	12kl	Rate per km	R25.49	R29.32	15.00%
	18kl	Rate per km	R28.82	R33.15	15.00%
12	The invoice will include the rates for the supply of potable water as reflected in 10 above. In addition, the invoice will be inclusive of the billing for water based on the applicable scale of water delivered during the relevant billing cycle.				
INTEREST RATE					
1	Interest rate per annum (calculated on daily outstanding balance)		11.75%	11.25%	
BULK CAPITAL WATER CONTRIBUTION COST					
Cost based upon future water demand by Developer			R18225.00/kl/day	R20.685.38	13.50%

INFRASTRUCTURE SERVICES
Electricity Management

		2024/25 Excl. Vat	2025/26 Excl. Vat	% Incr
Key Tariff Rules applicable to Domestic Tariffs				
1.	Customer is allowed one free MCB change per 12 months period, however a customer who is reducing the MCB needs to understand that any future request for MCB size increase may attract MCB size increase fees and shall be subject to availability of such demand in that network.			
2.	Customer are allowed to migrate from credit to prepaid but if the customer has chosen to do so, the same customer will not be allowed to migrate back to credit - this is due to the fact that the Municipality is intending to phase out credit system and migrate all customers to prepaid system. Therefore the customer should do their analysis properly before an application to migrate is lodged with the Municipality.			
3.	The supply provided as per the application for new supply or for an upgrade will only be changed after 12 months of taking supply, the application for a downgrade of MCB within the first 12 months of taking supply may not be entertained.			
4.	The act of scratching the MCB, replacing Municipal MCB with other MCBs and any other interference with the MCB is regarded as tampering, any customer whose MCB has been found to be scratched, replaced with other MCBs, or interfered with in any way will be dealt with in terms of Debt collection and Credit control Policy and Electricity			
5.	Any domestic supply that takes supply greater than 70 kVA shall be classified as large power user and be charged a standard tariff of either C Scale or TOU. There shall be no concession on this matter			
6.	ADDITIONAL METERS			
6.1	Application for additional meters will be up to 1 only, a request for a further additional meter will result in an application for a 3 phase supply with one 3 phase 4 wire meter.			
6.2	Application for additional 3 phase meters will be processed, if the combined load exceeds 100A per phase, the application will be treated as a business and the appropriate tariff will apply			
Scale A: Domestic (Credit Metered Supply)				
1	A.1 Single-Phase Supplies from 20A up to 80A –			
	Basic Charge per month	R51.10	R57.91	13.32%
	Access/Availability per amp per phase per month	R18.92	R21.44	13.32%
	Energy Charge per kWh (cents)	187.06	R211.98	13.32%
2	Scale A.3 Three Phase Supplies from 5A up to 100A			
	Basic Charge per month	R 85.16	R96.50	13.32%
	Access/Availability per amp per phase per month	R13.94	R15.80	13.32%
	Energy Charge per kWh (cents)	187.06	211.98	13.32%

INFRASTRUCTURE SERVICES
Electricity Management

INFRASTRUCTURE SERVICES				
Electricity Management				
		2024/25 Excl.Vat	2025/26 Excl.Vat	% Incr
Scale S: Domestic (Prepaid metered supply)				
Scale S0: Domestic Indigent 20 Amp				
Qualifying Indigent consumers will receive the first 70kWh of electricity free.				
Conditional on being on Prepaid with 20 Amps Current limiting breaker				
3	Energy Charge only (cents) No Basic Charge	224.30	254.18	13.32%
Scale S1: Domestic Life Line Tariff 20 Amp				
4	Energy Charge only (cents) No Basic Charge	259.12	293.63	13.32%
Scale S2: Domestic Straight Line Tariff - 40 Amps 1 phase				
5.1	Energy Charge only (cents) Basic Charge (Included in the Municipal Bill/or deducted by Vending System) per month	259.12 R0.00	293.63 R0.00	13.32%
Scale S3.1: Domestic Straight Line Tariff - 60 Amps 1 phase				
5.2	Energy Charge only (cents) Basic Charge (Included in the Municipal Bill/or deducted by Vending System) per month	298.22 R0.00	337.94 R0.00	13.32%
Scale S3.2: High End Two Part Tariff - 60 to 100 Amps 1 phase				
5.3	Energy Charge only (cents) Low End - Basic Charge - 20 to 40 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per Medium End - Basic Charge - 60 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per High End - Basic Charge - 80 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month	339.95 R212.30 R265.39 R331.72	385.23 R240.58 R300.74 R375.90	13.32% 13.32% 13.32% 13.32%
COMMERCIAL PREPAID SINGLE PHASE				
Scale S3.3: High End Two Part Tariff - 60 to 100 Amps 1 phase				
5.4	Energy Charge only (cents) Low End - Basic Charge - 20 - 40 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month Medium End - Basic Charge - 60 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month High End - Basic Charge - 80 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month	339.95 R212.30 R265.39 R331.72	385.23 R240.58 R300.74 R375.90	13.32% 13.32% 13.32% 13.32%
Scale S4: 3 Phase Two Part Tariff - 100 Amps 3 phase				
5.5	Energy Charge only (cents) Low End - Basic Charge - 20 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month Medium End - Basic Charge - 40 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month High End - Basic Charge - 60 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month	339.95 R318.44 R623.19 R995.15	385.23 R360.86 R706.20 R1,127.70	13.32% 13.32% 13.32% 13.32%
TARIFF - COMMERCIAL PREPAID THREE PHASE				
Scale S5: High End Two Part Tariff - 60 to 100 Amps per phase				
5.6	Energy Charge only (cents) Low End - Basic Charge - 20 - 40 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month Medium End - Basic Charge - 60 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month High End - Basic Charge - 80 Amps Supply (Included in the Municipal Bill/or deducted by Vending System) per month	339.95 R212.30 R265.40 R331.72	385.23 R240.58 R300.75 R375.90	13.32% 13.32% 13.32% 13.32%
Scale TD1: Time Of Use Domestic Single Phase				
Supply Metered by a Smart Meter (Conditional on Municipality rolling out Smart Meters to Community)				
6	Scale TD.1 Time Of Use Domestic Single Phase			
	Basic Charge per month	R102.90	R116.61	13.32%
	Capacity charge per kVA per month	R18.93	R21.45	13.32%
	Energy charge c/kWh (Periods as per shown in table below - public holidays treated as normal day)			
	High Demand: (June, July, August)			
	Peak	658.70	746.43	13.32%
	Standard	215.37	244.06	13.32%
	Off Peak	128.78	145.93	13.32%
	Low Demand: (Other Months)			
	Peak	231.35	262.17	13.32%
	Standard	166.86	189.09	13.32%
	Off Peak	114.81	130.10	13.32%

NB: MEGAFLEX 1 & 2 tariffs are subject to ESKOM tariffs structure which may change from year to year triggering reviews to these tariffs year on year. Furthermore these tariffs are extensively negotiated from time to time, therefore these tariffs are not automatic in terms of their applications. Some aspects are based on written agreements in terms of sharing cost of replacement and maintenance.

Date	Day	Actual day of the week	TD1,TD2,T2	T1
			TOU day treated as normal day	TOU day treated as
09 August 2025	National Women's Day	Saturday	Saturday	Saturday
24 September 2025	Heritage Day	Wednesday	Wednesday	Saturday
16 December 2025	Day of Reconciliation	Tuesday	Tuesday	Saturday
25 December 2025	Christmas Day	Thursday	Thursday	Sunday
26 December 2025	Day of Goodwill	Friday	Friday	Sunday
01 January 2026	New year's Day	Thursday	Thursday	Sunday
21 March 2026	Human Rights Day	Saturday	Saturday	Saturday
03 April 2026	Good Friday	Friday	Friday	Sunday
06 April 2026	Family Day	Monday	Monday	Sunday
27 April 2026	Freedom Day	Monday	Monday	Sunday
01 May 2026	Worker's Day	Friday	Friday	Saturday
16 June 2026	Youth Day	Tuesday	Tuesday	Saturday

LOW DEMAND SEASON TIME PERIODS			
DAY	PEAK	STANDARD	OFF-PEAK
WEEK DAY			00:00 - 05:00
		6:00	
	07:00 - 08:00	09:00 - 17:00	
	18:00 - 20:00	21:00	22:00 - 24:00
SATURDAY			00:00 - 06:00
		07:00 - 12:00	12:00 - 17:00
		18:00 - 19:00	20:00 - 24:00
SUNDAY			00:00 - 17:00
		18:00-19:00	20:00-24:00
HIGH DEMAND SEASON TIME PERIODS			
DAY	PEAK	STANDARD	OFF-PEAK
WEEK DAY			00:00 - 05:00
	06:00 - 07:00	09:00 - 16:00	
	17:00 - 19:00	20:00 - 21:00	22:00 - 24:00
SATURDAY			00:00 - 06:00
		07:00 - 11:00	12:00 - 16:00
		17:00 - 18:00	19:00 - 24:00
SUNDAY			00:00 - 16:00
		17:00-18:00	19:00 - 24:00

1.3.2 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 6 MBRR Table SA14 – Household bills

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		667,80	697,85	791,36	846,76	846,76	846,76	3,5%	876,39	915,83	957,05
Electricity: Basic levy		35,53	37,13	44,14	53,86	53,86	53,86	17,0%	63,01	65,85	68,81
Electricity: Consumption		949,06	991,77	1 178,98	1 438,36	1 438,36	1 438,36	17,0%	1 682,88	1 758,61	1 837,75
Water: Basic levy		21,07	22,02	27,29	30,02	30,02	30,02	12,0%	33,62	35,13	36,71
Water: Consumption		554,55	579,51	718,10	789,91	789,91	789,91	12,0%	884,70	924,51	966,11
Sanitation		153,35	160,25	181,72	210,80	210,80	210,80	9,0%	229,77	240,11	250,92
Refuse removal		99,18	103,65	117,54	125,76	125,76	125,76	12,0%	140,86	147,19	153,82
Other											
sub-total		2 480,55	2 592,18	3 059,14	3 495,46	3 495,46	3 495,46	11,9%	3 911,23	4 087,23	4 271,16
VAT on Services		222,62	232,64	278,50	325,28	325,28	325,28	0,10	372,70	389,47	407,00
Total large household bill:		2 703,17	2 824,81	3 337,63	3 820,74	3 820,74	3 820,74	12,1%	4 283,93	4 476,70	4 678,16
% increase/-decrease		-	4,5%	18,2%	14,5%	-	-	(16,2%)	12,1%	4,5%	4,5%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		445,91	465,98	528,42	565,41	565,41	565,41	3,5%	585,20	611,53	639,05
Electricity: Basic levy		35,53	37,13	44,14	53,86	53,86	53,86	17,0%	63,01	65,85	68,81
Electricity: Consumption		474,37	495,72	589,29	718,94	718,94	718,94	17,0%	841,16	879,01	918,56
Water: Basic levy		21,07	22,02	27,29	30,02	30,02	30,02	12,0%	33,62	35,13	36,71
Water: Consumption		388,61	406,10	503,22	553,54	553,54	553,54	12,0%	619,97	647,87	677,02
Sanitation		153,35	160,25	181,72	210,80	210,80	210,80	9,0%	229,77	240,11	250,92
Refuse removal		99,18	103,65	117,54	125,76	125,76	125,76	12,0%	140,86	147,19	153,82
Other											
sub-total		1 618,03	1 690,84	1 991,62	2 258,32	2 258,32	2 258,32	11,3%	2 513,57	2 626,69	2 744,89
VAT on Services		143,94	150,42	179,69	207,90	207,90	207,90	9,7%	236,82	247,48	258,61
Total small household bill:		1 761,98	1 841,27	2 171,31	2 466,22	2 466,22	2 466,22	11,5%	2 750,39	2 874,16	3 003,50
% increase/-decrease		-	4,5%	17,9%	13,6%	-	-	(15,2%)	11,5%	4,5%	4,5%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		222,60	232,62	263,79	282,25	282,25	282,25	3,5%	292,13	305,28	319,02
Electricity: Basic levy		-	-	-	-	-	-		-	-	-
Electricity: Consumption		284,71	297,52	353,68	431,49	431,49	431,49	17,0%	504,85	527,56	551,30
Water: Basic levy		21,07	22,02	27,29	30,02	30,02	30,02	12,0%	33,62	35,13	36,71
Water: Consumption		332,52	347,49	430,59	473,65	473,65	473,65	12,0%	530,49	554,36	579,30
Sanitation					-	-	-		-	-	-
Refuse removal					-	-	-		-	-	-
Other					-	-	-		-	-	-
sub-total		860,90	899,64	1 075,35	1 217,41	1 217,41	1 217,41	11,8%	1 361,08	1 422,33	1 486,33
VAT on Services		78,39	81,92	99,67	114,84	114,84	114,84	5,0%	131,27	137,18	143,35
Total small household bill:		939,29	981,56	1 175,01	1 332,25	1 332,25	1 332,25	12,0%	1 492,36	1 559,51	1 629,69
% increase/-decrease		-	4,5%	19,7%	13,4%	-	-	(10,2%)	12,0%	4,5%	4,5%

1.4 Operating Expenditure Framework

The City'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;
- Funded budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Low debt collection ratio which impacts negatively on budgeting for service delivery
- 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 plans 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 type

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										
Expenditure											
Employee related costs	2	1,468,961	1,466,856	1,612,918	1,847,017	1,772,841	1,772,841	1,077,584	1,905,951	2,014,342	2,169,515
Remuneration of councillors		49,439	51,818	63,542	66,462	66,462	66,462		70,450	73,902	77,523
Bulk purchases - electricity	2	2,212,725	2,350,401	2,714,396	3,145,119	3,145,119	3,145,119	2,088,947	3,522,533	3,695,137	3,876,199
Inventory consumed	8	821,790	739,336	877,663	993,409	755,385	755,385	796,004	994,747	1,055,110	1,109,216
Debt impairment	3	776,533	71,196	1,143,098	636,000	636,000	636,000		420,000	438,900	458,651
Depreciation and amortisation		372,611	350,684	361,848	362,179	362,179	362,179	263,172	390,012	386,503	282,368
Interest		33,596	150,814	86,051	42,825	42,825	42,825		56,180	58,708	62,231
Contracted services		694,851	799,399	904,134	1,023,282	817,090	817,090	574,987	806,209	932,209	1,003,477
Transfers and subsidies		32,413	29,562	25,240	69,670	69,670	69,670	40,290	72,457	76,007	79,732
Irrecoverable debts written off		75,248	26,721	22,524							
Operational costs		153,847	178,599	208,326	194,308	207,870	207,870	102,617	238,637	244,211	277,409
Losses on disposal of Assets		833	2,160	14,049							
Other Losses		29,522	8,157	327							
Total Expenditure		6,722,368	6,225,702	8,034,116	8,380,271	7,875,440	7,875,440	4,943,599	8,477,175	8,975,029	9,396,320

The budgeted allocation for employee related costs for the 2025/26 financial year totals R1,905 billion, which equals to 22 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2025/26 and 4.90 per cent the two outer years. In

addition, expenditure against overtime was critically reviewed for inefficiencies and significantly streamlined with provisions against this budget item only being provided for emergency services and other critical functions.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs (COGTA) in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The provision of debt impairment was determined based on an annual collection rate of 87 per cent, the results of the previous year risk profiling of debtors and the Debt Write-off Policy of the City. For the 2025/26 financial year this amount equates to R420 million for two outer years it is R438 million and R458 million respectively. While this expenditure is considered a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

The Municipality's Asset Management Policy has informed provision for depreciation and asset impairment. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 362 million for the 2024/25 financial year, which equates to 5 per cent of the total operating expenditure. The asset register, the recent conditional assessment of assets, the current year's capital budget and the new year's proposed capital budget have been taken into account in determining the depreciation budget.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent (R56.8 million) of operating expenditure excluding annual redemption for 2025/26 and increase to R 58 million by 2026/27. .

Bulk purchases are informed by the purchase of electricity from Eskom. The annual price increase have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Inventory consumed includes Water Bulk purchases and the increase projected is 13 % as per the directive from Department of Water. The other portion included related to Other material which comprises of amongst others the purchase of fuel (R60 million), diesel. In line with the City's repairs and maintenance plan, this group of expenditure has been prioritised to ensure sustainability of the City's infrastructure. Aligned to the priority being given to preserving and maintaining the City'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 City. 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.

Contracted Services and Other Material have been largely affected by Darvil sewer R290 million, Security R66.8 million as well as repairs and maintenance R435.5 million. Repairs and Maintenance has also contributed to these items. Other contracted services that contributes to significant increase are services that are outsourced to assist with the collection of revenue, Implementation of the valuation roll as well as services that require experts (actuarial services.)

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 which is why it has decreased quite substantially. The highest contributor are SALGA fees, audit fees, ICT Fees and municipal service fees.

1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City'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 City. 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. The provision for repairs and maintenance is below the norm due to a huge provision on capital budget being towards infrastructure renewal.

Over the years, operational repairs and maintenance has been identified as a strategic imperative owing to the aging of the City's infrastructure and historic deferred maintenance. To this end, repairs and maintenance has been continually increasing in the municipality's budget over the past few years.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 8 Repairs and maintenance per asset class**Msunduzi(KZN225) - Table SA34c Repairs and Maintenance Expenditure 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 2026/27	Budget Year 2027/28
R thousands										
Repairs and Maintenance Expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	520,223	377,345	377,345	419,381	464,676	497,249
Roads Infrastructure		-	-	-	155,467	118,567	118,567	44,921	60,213	65,348
Roads					148,240	113,279	113,279	41,794	56,773	61,565
Road Structures					3,401	2,401	2,401	1,401	1,541	1,695
Road Furniture					3,826	2,887	2,887	1,726	1,898	2,088
Electrical Infrastructure		-	-	-	27,650	26,200	26,200	20,665	27,154	29,598
LV Networks					300	24,900	24,900	19,472	25,586	27,889
Capital Spares						1,300	1,300	1,193	1,568	1,709
Water Supply Infrastructure		-	-	-	25,675	15,897	15,897	38,080	41,888	46,077
Bulk Mains					600	100	100	1,000	1,100	1,210
Distribution					25,075	15,797	15,797	37,080	40,788	44,867
Sanitation Infrastructure		-	-	-	311,176	214,976	214,976	311,582	330,917	351,476
Pump Station										
Reticulation					10,000	3,800	3,800	16,000	17,600	19,360
Toilet Facilities					301,176	211,176	211,176	295,582	313,317	332,116
Capital Spares										
Solid Waste Infrastructure		-	-	-	255	255	255	3,470	3,633	3,800
Landfill Sites					255	255	255	3,470	3,633	3,800
Coastal Infrastructure		-	-	-	-	1,450	1,450	663	871	950
Capital Spares						1,450	1,450	663	871	950
Community Assets		-	-	-	30,550	27,820	27,820	10,670	11,189	11,724
Community Facilities		-	-	-	29,292	26,613	26,613	9,244	9,696	10,162
Halls					23,032	19,953	19,953	8,505	8,909	9,325
Public Ablution Facilities					850	850	850	500	524	548
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals					239	639	639	239	263	290
Capital Spares										
Sport and Recreation Facilities		-	-	-	1,258	1,207	1,207	1,426	1,493	1,562
Indoor Facilities										
Outdoor Facilities					1,258	1,207	1,207	1,426	1,493	1,562
Capital Spares										
Other assets		-	-	-	37,809	37,540	37,540	18,400	18,764	20,105
Operational Buildings		-	-	-	33,773	14,186	14,186	17,950	18,287	19,599
Municipal Offices					32,688	13,501	13,501	16,860	16,937	18,166
Pay/Enquiry Points										
Building Plan Offices					1,000	600	600	1,000	1,272	1,348
Stores					85	85	85	90	78	85
Housing		-	-	-	4,036	23,354	23,354	450	477	506
Staff Housing										
Social Housing					4,036	23,354	23,354	450	477	506
Intangible Assets		-	-	-	-	140	140	148	157	167
Unspecified						140	140	148	157	167
Machinery and Equipment		-	-	-	14,367	11,880	11,880	14,540	16,231	17,418
Machinery and Equipment					14,367	11,880	11,880	14,540	16,231	17,418
Transport Assets		-	-	-	21,411	19,908	19,908	32,426	34,926	38,009
Transport Assets					21,411	19,908	19,908	32,426	34,926	38,009
Total+A1:K175 Capital Expenditure on new assets		-	-	-	624,360	474,632	474,632	495,564	545,944	584,671

For the 2025/26 financial year. The total amount allocated to Repairs and Maintenance is R 495 million.

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 City's Indigent Policy. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 44.

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.

1.5 Capital expenditure

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

Table 9 2024/25 Medium-term capital budget per vote

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										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - City Manager		1,614	27	–	37,445	850	850	–	–	–	–
Vote 2 - City Finance		4,936	9,153	10,485	25,000	25,000	25,000	–	45,000	41,800	43,681
Vote 3 - Corporate Services		2,273	938	5,072	6,585	6,835	6,835	–	10,000	10,450	10,920
Vote 4 - Community Services and Social Equity		33,154	48,934	70,000	42,143	34,601	34,601	–	15,967	16,844	16,602
Vote 5 - Infrastructure Services		308,960	268,923	291,474	284,464	349,088	349,088	–	346,701	383,109	410,077
Vote 6 - Sustainable Development and City Enterprises		51,772	133,279	168,625	153,599	155,162	155,162	–	30,000	33,000	40,000
Vote 7 - Electricity		98,800	71,071	116,839	237,331	198,158	198,158	–	196,988	30,809	32,133
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	501,510	532,326	662,496	786,566	769,693	769,693	–	644,656	516,012	553,414
Single-year expenditure to be appropriated	2										
Vote 1 - City Manager		2,151	944	6,003	5,000	6,400	6,400	–	–	–	–
Vote 2 - City Finance		6,345	3,084	5,571	–	1,300	1,300	–	8,000	5,225	5,460
Vote 3 - Corporate Services		2,270	3,796	15,256	7,615	11,871	11,871	–	–	–	–
Vote 4 - Community Services and Social Equity		3,553	4,980	8,052	8,690	9,090	9,090	–	1,200	1,200	1,260
Vote 5 - Infrastructure Services		3,549	793	15,179	10,000	10,092	10,092	–	–	–	–
Vote 6 - Sustainable Development and City Enterprises		2,059	1,035	843	2,140	2,502	2,502	–	–	–	–
Vote 7 - Electricity		–	831	12,909	4,000	5,600	5,600	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		19,927	15,464	63,814	37,445	46,856	46,856	–	9,200	6,425	6,720
Total Capital Expenditure - Vote		521,437	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	560,134
Capital Expenditure - Functional											
Governance and administration		19,336	18,773	43,055	45,300	37,948	37,948	–	63,000	57,475	60,061
Executive and council		2,639	750	6,003	5,100	7,650	7,650	–	–	–	–
Finance and administration		16,697	18,024	37,052	40,200	30,298	30,298	–	63,000	57,475	60,061
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		36,891	57,141	117,916	168,351	149,294	149,294	–	17,167	18,044	17,862
Community and social services		33,969	43,937	39,760	24,745	16,970	16,970	–	17,167	18,044	17,862
Sport and recreation		1,041	922	5,256	11,933	12,166	12,166	–	–	–	–
Public safety		94	148	724	2,100	2,100	2,100	–	–	–	–
Housing		1,786	12,135	72,176	129,574	118,058	118,058	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		239,009	277,382	247,500	139,974	187,682	187,682	–	155,584	169,782	189,770
Planning and development		37,474	118,612	92,996	23,150	36,591	36,591	–	30,000	33,000	40,000
Road transport		201,377	158,749	154,504	116,824	151,091	151,091	–	125,584	136,782	149,770
Environmental protection		158	22	–	–	–	–	–	–	–	–
Trading services		226,176	191,140	314,321	467,535	438,774	438,774	–	418,105	277,136	292,440
Energy sources		98,800	64,942	129,749	260,054	243,758	243,758	–	196,988	30,809	32,133
Water management		58,052	67,842	78,803	100,375	82,258	82,258	–	108,900	127,377	134,220
Waste water management		54,322	48,192	78,088	97,047	102,698	102,698	–	112,217	118,950	126,088
Waste management		15,002	10,165	27,681	10,060	10,060	10,060	–	–	–	–
Other		415	3,353	3,518	2,850	2,850	2,850	–	–	–	–
Total Capital Expenditure - Functional	3	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	560,134
Funded by:											
National Government		291,413	251,840	302,791	325,817	345,980	345,980	–	376,127	430,017	457,432
Provincial Government		21,308	111,490	92,791	131,158	131,946	131,946	–	2,550	2,550	2,787
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov)		–	–	–	–	–	–	–	–	–	–
Departm Agencies, Households, Non-profit Institutions, Private		–	–	–	–	–	–	–	–	–	–
Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	312,721	363,330	395,582	456,975	477,926	477,926	–	378,677	432,567	460,220
Borrowing	6	49,401	–	72,310	234,316	206,616	206,616	–	177,180	–	–
Internally generated funds		159,705	184,460	258,418	132,720	132,007	132,007	–	98,000	89,870	94,454
Total Capital Funding	7	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	554,674

The capital budget of R 653.8 million (R 378 million grant funding, R 98 million internal funding and R177 million Borrowings) for 2025/26. About 40.9% of the total capital budget will go towards renewal of existing assets while 59.1.6 % is going to be spent on new assets.

Further details relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 36. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

1.5.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35 on page 91. It needs to be noted that as part of the 2025/26 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.6 Annual Budget Tables - Parent Municipality

The following 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 2025/26 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 10 MBRR Table A1 -

KZN225 Msunduzi - 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
R thousands										
Financial Performance										
Property rates	1,212,773	1,370,173	1,359,087	1,649,353	1,649,352	1,649,352	1,197,657	1,721,665	1,799,140	1,844,118
Service charges	3,846,305	3,870,497	4,086,762	5,683,701	5,610,234	5,615,699	995,768	6,280,570	6,588,318	6,911,146
Investment revenue	10,445	16,957	44,118	59,562	59,562	59,562	–	19,996	20,976	22,004
Transfer and subsidies - Operational	681,678	801,751	824,545	946,343	1,026,395	1,026,395	–	1,017,129	1,092,163	1,140,473
Other own revenue	365,182	367,682	613,025	624,944	624,944	624,944	–	517,452	542,807	569,404
Total Revenue (excluding capital transfers and contributions)	6,116,383	6,427,061	6,927,537	8,963,903	8,970,488	8,975,953	2,193,424	9,556,811	10,043,404	10,487,145
Employee costs	1,468,961	1,466,856	1,612,918	1,847,017	1,772,841	1,772,841	1,077,584	1,905,951	2,014,342	2,169,515
Remuneration of councillors	49,439	51,818	63,542	66,462	66,462	66,462	–	70,450	73,902	77,523
Depreciation and amortisation	372,611	350,684	361,848	362,179	362,179	362,179	263,172	390,012	386,503	282,368
Interest	33,596	150,814	86,051	42,825	42,825	42,825	–	56,180	58,708	62,231
Inventory consumed and bulk purchases	3,034,515	3,089,737	3,592,059	4,138,528	3,900,504	3,900,504	2,884,950	4,517,280	4,750,247	4,985,415
Transfers and subsidies	32,413	29,562	25,240	69,670	69,670	69,670	40,290	72,457	76,007	79,732
Other expenditure	1,730,834	1,086,231	2,292,457	1,853,590	1,660,959	1,660,959	677,603	1,464,847	1,615,320	1,739,536
Total Expenditure	6,722,368	6,225,702	8,034,116	8,380,271	7,875,440	7,875,440	4,943,599	8,477,175	8,975,029	9,396,320
Surplus/(Deficit)	(605,986)	201,359	(1,106,579)	583,632	1,095,048	1,100,513	(2,750,175)	1,079,636	1,068,374	1,090,825
Transfers and subsidies - capital (monetary allocations)	368,725	324,319	427,923	456,975	488,696	488,696	–	379,300	433,098	460,834
Transfers and subsidies - capital (in-kind)	60	2	199	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659
Capital expenditure & funds sources										
Capital expenditure	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	560,134
Transfers recognised - capital	312,721	363,330	395,582	456,975	477,926	477,926	–	378,677	432,567	460,220
Borrowing	49,401	–	72,310	234,316	206,616	206,616	–	177,180	–	–
Internally generated funds	159,705	184,460	258,418	132,720	132,007	132,007	–	98,000	89,870	94,454
Total sources of capital funds	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	554,674
Financial position										
Total current assets	4,080,619	5,707,118	4,640,380	6,404,674	6,635,536	6,635,536	2,858,454	3,039,062	3,162,498	3,295,732
Total non current assets	18,543,283	19,908,757	20,194,981	10,127,020	10,127,787	10,127,787	–	9,232,081	9,511,387	9,952,165
Total current liabilities	2,526,034	2,982,163	2,735,922	2,372,667	2,412,667	2,412,667	–	2,157,958	2,131,999	2,157,120
Total non current liabilities	775,015	1,204,462	2,230,666	1,806,942	1,806,942	1,806,942	–	3,413,769	3,567,389	3,727,921
Community wealth/Equity	8,048,052	7,700,429	6,753,859	10,645,376	10,956,970	10,956,970	(1,469)	6,699,416	6,974,497	7,362,856
Cash flows										
Net cash from (used) operating	535,139	752,871	611,952	946,378	776,440	776,440	–	649,684	634,385	721,359
Net cash from (used) investing	(524,932)	(451,459)	(674,404)	(768,501)	(824,011)	(824,011)	–	(653,856)	(522,437)	(554,674)
Net cash from (used) financing	(81,573)	(79,163)	42,005	177,000	184,316	184,316	–	71,524	(90,000)	(90,000)
Cash/cash equivalents at the year end	288,153	511,402	490,955	644,030	632,738	632,738	–	433,712	455,660	532,345
Cash backing/surplus reconciliation										
Cash and investments available	289,153	511,402	490,955	211,783	372,824	372,824	(666,355)	395,446	394,390	401,219
Application of cash and investments	1,304,294	2,277,038	3,194,179	800,655	275,890	276,353	(68,908)	100,757	(26,473)	(103,676)
Balance - surplus (shortfall)	(1,015,141)	(1,765,636)	(2,703,225)	(588,872)	96,933	96,470	(597,447)	294,690	420,863	504,895
Asset management										
Asset register summary (WDV)	6,763,544	7,128,088	7,784,729	9,389,757	9,412,891	9,412,891	–	7,807,004	8,151,004	8,545,100
Depreciation	365,699	337,452	359,060	362,179	362,179	362,179	–	390,260	386,743	282,527
Renewal and Upgrading of Existing Assets	–	–	11,937	126,776	242,727	268,259	–	585,538	436,727	394,561
Repairs and Maintenance	–	–	–	624,615	430,115	430,115	–	499,034	549,577	588,471
Free services										
Cost of Free Basic Services provided	–	–	–	282,387	254,768	249,303	–	302,249	317,059	332,595
Revenue cost of free services provided	–	–	–	120,844	120,844	120,866	–	258,775	270,420	277,180
Households below minimum service level										
Water:	9	9	9	9	9	9	–	9	10	10
Sanitation/sewerage:	1	1	1	1	1	1	–	1	1	1
Energy:	8	8	8	8	8	8	–	9	9	10
Refuse:	41	41	42	41	41	43	–	45	47	49

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City'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)

KZN225 Msunduzi - 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
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		1,695,856	1,955,757	2,042,708	2,688,151	2,687,713	2,687,713	2,802,817	2,939,444	3,036,382
Executive and council		3,530	5,213	4,701	—	—	—	—	—	—
Finance and administration		1,692,323	1,950,544	2,038,007	2,688,151	2,687,713	2,687,713	2,802,817	2,939,444	3,036,382
Internal audit		2	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		134,306	142,629	225,252	525,429	322,789	322,789	63,190	62,953	66,181
Community and social services		45,793	61,499	63,389	307,323	106,951	106,951	25,185	22,970	24,117
Sport and recreation		345	589	4,912	23,527	30,479	30,479	1,224	1,284	1,347
Public safety		18,186	24,640	25,017	9,173	9,173	9,173	16,851	17,677	18,543
Housing		69,983	55,901	131,933	185,406	176,187	176,187	19,930	21,022	22,175
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		207,366	200,051	167,412	86,692	150,008	150,008	146,237	200,033	214,617
Planning and development		55,781	152,415	118,230	31,697	44,121	44,121	40,665	44,187	51,735
Road transport		151,377	47,242	48,423	50,000	100,893	100,893	100,000	150,000	156,750
Environmental protection		208	395	758	4,994	4,994	4,994	5,573	5,846	6,132
<i>Trading services</i>		4,158,681	4,410,211	4,506,844	5,997,734	6,174,882	6,174,882	6,867,828	7,215,287	7,569,133
Energy sources		2,569,653	2,724,540	2,671,690	4,347,604	4,286,092	4,286,092	4,767,610	5,012,134	5,257,719
Water management		1,156,790	1,249,069	1,308,377	1,219,122	1,282,859	1,282,859	1,365,916	1,435,396	1,507,035
Waste water management		281,762	286,349	332,250	262,027	436,950	436,950	552,950	577,520	604,819
Waste management		150,476	150,253	194,527	168,980	168,980	168,980	181,351	190,238	199,559
<i>Other</i>	4	26,228	39,274	52,357	122,873	123,792	123,792	56,039	58,785	61,665
Total Revenue - Functional	2	6,222,437	6,747,922	6,994,572	9,420,878	9,459,184	9,459,184	9,936,111	10,476,501	10,947,979
Expenditure - Functional										
<i>Governance and administration</i>		1,191,049	1,085,322	1,394,784	1,659,708	2,374,519	2,374,519	2,319,911	2,479,163	2,616,800
Executive and council		117,809	115,687	154,336	165,981	825,525	825,525	871,977	1,003,250	1,058,342
Finance and administration		1,053,698	950,235	1,215,285	1,465,568	1,534,968	1,534,968	1,415,040	1,440,490	1,520,303
Internal audit		19,543	19,401	25,163	28,159	14,026	14,026	32,894	35,423	38,155
<i>Community and public safety</i>		551,440	624,012	639,573	706,899	552,041	552,041	547,653	572,186	594,667
Community and social services		141,394	147,223	154,233	250,699	143,956	143,956	132,144	137,090	140,344
Sport and recreation		115,888	140,507	152,619	121,147	111,821	111,821	116,559	121,529	125,810
Public safety		216,194	232,288	221,231	244,183	184,250	184,250	197,872	207,397	217,176
Housing		68,394	94,435	101,531	81,137	103,330	103,330	91,953	96,600	101,298
Health		9,570	9,559	9,958	9,734	8,683	8,683	9,124	9,571	10,039
<i>Economic and environmental services</i>		393,095	378,225	478,065	640,339	546,110	546,110	408,407	462,233	459,253
Planning and development		87,743	93,766	97,778	161,556	137,355	137,355	149,408	158,045	165,764
Road transport		282,415	259,799	354,437	449,622	376,935	376,935	225,132	268,636	256,186
Environmental protection		22,937	24,661	25,850	29,161	31,820	31,820	33,867	35,552	37,303
<i>Trading services</i>		4,733,194	4,061,495	5,346,287	5,278,294	4,640,260	4,640,260	5,128,545	5,398,606	5,661,075
Energy sources		2,982,828	2,621,122	3,298,296	3,749,119	3,285,426	3,285,426	3,480,858	3,654,294	3,839,474
Water management		1,280,896	952,916	1,422,632	1,010,945	895,759	895,759	1,107,383	1,165,500	1,211,259
Waste water management		325,212	348,154	434,826	369,521	341,345	341,345	414,857	447,531	473,184
Waste management		144,257	139,303	190,532	148,709	117,730	117,730	125,447	131,282	137,158
<i>Other</i>	4	80,641	73,188	77,737	95,029	62,534	62,534	60,158	62,841	64,525
Total Expenditure - Functional	3	6,949,419	6,222,242	7,936,445	8,380,270	8,175,464	8,175,464	8,464,675	8,975,029	9,396,320
Surplus/(Deficit) for the year		(726,982)	525,680	(941,874)	1,040,608	1,283,720	1,283,720	1,471,436	1,501,472	1,551,659

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 15 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. The table highlights that this is the case for Electricity, however this is not the case for Water, Wastewater and the Waste management functions, as already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Budget and Treasury Office.

Table 12 MBRR 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		
		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										
Revenue by Vote	1									
Vote 1 - City Manager		22	(15)	–	–	–	–	–	–	–
Vote 2 - City Finance		1,692,708	1,855,452	2,025,042	2,675,603	2,675,603	2,675,603	2,789,050	2,925,325	3,021,943
Vote 3 - Corporate Services		3,543	8,603	2,110	5,258	2,578	2,578	1,906	2,000	2,098
Vote 4 - Community Services and Social Equity		215,035	235,448	292,947	490,386	323,834	323,834	265,344	289,823	271,592
Vote 5 - Infrastructure Services		1,596,046	1,628,015	1,696,701	1,540,531	1,803,806	1,803,806	2,007,035	2,149,916	2,254,291
Vote 6 - Sustainable Development and City Enterprises		144,082	248,423	304,119	366,567	354,076	354,076	97,217	102,103	115,236
Vote 7 - Electricity		2,571,002	2,771,995	2,673,652	4,342,533	3,810,591	3,810,591	4,763,308	4,985,898	5,290,069
Total Revenue by Vote	2	6,222,437	6,747,922	6,994,572	9,420,878	8,970,488	8,970,488	9,923,860	10,455,065	10,955,229
Expenditure by Vote to be appropriated	1									
Vote 1 - City Manager		155,044	151,982	195,836	191,820	157,226	157,226	228,590	241,141	254,016
Vote 2 - City Finance		611,784	362,345	722,564	1,166,932	1,110,450	1,110,450	1,199,140	1,234,176	1,290,052
Vote 3 - Corporate Services		69,616	163,339	201,261	212,747	185,426	185,426	207,252	198,151	229,549
Vote 4 - Community Services and Social Equity		864,837	904,577	970,678	844,627	796,597	796,597	845,155	872,797	934,892
Vote 5 - Infrastructure Services		2,026,076	1,565,729	2,239,448	1,881,447	1,926,440	1,926,440	1,880,935	2,019,303	2,078,905
Vote 6 - Sustainable Development and City Enterprises		271,856	295,042	308,983	331,869	342,802	342,802	339,956	357,731	373,729
Vote 7 - Electricity		2,950,207	2,779,228	3,297,675	3,750,828	3,167,829	3,167,829	4,123,803	4,416,705	4,638,933
Total Expenditure by Vote	2	6,949,419	6,222,242	7,936,445	8,380,270	7,686,768	7,686,768	8,824,831	9,340,005	9,800,076
Surplus/(Deficit) for the year	2	(726,982)	525,680	(941,874)	1,040,608	1,283,720	1,283,720	1,099,029	1,115,060	1,155,153

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

- 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 City. 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 City's trading services.

Table 13 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**KZN225 Msunduzi - 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
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	2,676,489	2,724,540	2,858,084	4,297,825	4,224,358	4,229,823	-	4,702,555	4,932,981	5,174,697
Service charges - Water	2	860,676	824,369	902,755	1,009,760	1,009,760	1,009,760	739,196	1,161,224	1,218,124	1,277,812
Service charges - Waste Water Management	2	193,119	197,960	198,617	220,725	220,725	220,725	159,960	250,523	262,798	275,675
Service charges - Waste Management	2	116,022	123,629	127,307	155,391	155,391	155,391	96,611	166,268	174,415	182,962
Sale of Goods and Rendering of Services		11,477	10,982	14,955	42,043	42,043	42,043		23,403	24,550	25,753
Agency services		2,139	2,599	2,667	765	765	765		5,508	5,777	6,061
Interest		-	-	-	19,135	19,135	19,135		-	-	-
Interest earned from Receivables		167,310	158,697	325,984	230,682	230,682	230,682		256,057	268,604	281,765
Interest earned from Current and Non Current Assets		10,445	16,957	44,118	59,562	59,562	59,562		19,996	20,976	22,004
Dividends		-	-	-	-	-	-		-	-	-
Rent on Land		-	-	-	-	-	-		-	-	-
Rental from Fixed Assets		26,117	20,071	33,590	113,962	113,962	113,962		44,672	46,861	49,157
Licence and permits		984	2,415	2,021	-	-	-		3,097	3,248	3,408
Special rating levies		-	-	-	-	-	-		-	-	-
Operational Revenue		54,548	57,523	53,626	204,124	204,124	204,124		102,112	107,115	112,364
Non-Exchange Revenue											
Property rates	2	1,212,773	1,370,173	1,359,087	1,649,353	1,649,352	1,649,352	1,197,657	1,721,665	1,799,140	1,844,118
Surcharges and Taxes				-					-	-	-
Fines, penalties and forfeits		14,489	20,129	34,247	11,687	11,687	11,687		12,213	12,812	13,439
Licences or permits		-	-	-	2,547	2,547	2,547		-	-	-
Transfer and subsidies - Operational		681,678	801,751	824,545	946,343	1,026,395	1,026,395		1,017,129	1,092,163	1,140,473
Interest		55,783	63,181	106,729					66,114	69,354	72,752
Fuel Levy		-	-	-					-	-	-
Operational Revenue		-	-	-					-	-	-
Gains on disposal of Assets		5,195	2,660	465					4,277	4,486	4,706
Other Gains		27,140	29,425	38,741					-	-	-
Discontinued Operations				-					-	-	-
Total Revenue (excluding capital transfers and contributions)		6,116,383	6,427,061	6,927,537	8,963,903	8,970,488	8,975,953	2,193,424	9,556,811	10,043,404	10,487,145
Expenditure											
Employee related costs	2	1,468,961	1,466,856	1,612,918	1,847,017	1,772,841	1,772,841	1,077,584	1,905,951	2,014,342	2,169,515
Remuneration of councillors		49,439	51,818	63,542	66,462	66,462	66,462		70,450	73,902	77,523
Bulk purchases - electricity	2	2,212,725	2,350,401	2,714,396	3,145,119	3,145,119	3,145,119	2,088,947	3,522,533	3,695,137	3,876,199
Inventory consumed	8	821,790	739,336	877,663	993,409	755,385	755,385	796,004	994,747	1,055,110	1,109,216
Debt impairment	3	776,533	71,196	1,143,098	636,000	636,000	636,000		420,000	438,900	458,651
Depreciation and amortisation		372,611	350,684	361,848	362,179	362,179	362,179	263,172	390,012	386,503	282,368
Interest		33,596	150,814	86,051	42,825	42,825	42,825		56,180	58,708	62,231
Contracted services		694,851	799,399	904,134	1,023,282	817,090	817,090	574,987	806,209	932,209	1,003,477
Transfers and subsidies		32,413	29,562	25,240	69,670	69,670	69,670	40,290	72,457	76,007	79,732
Irrecoverable debts written off		75,248	26,721	22,524							
Operational costs		153,847	178,599	208,326	194,308	207,870	207,870	102,617	238,637	244,211	277,409
Losses on disposal of Assets		833	2,160	14,049							
Other Losses		29,522	8,157	327							
Total Expenditure		6,722,368	6,225,702	8,034,116	8,380,271	7,875,440	7,875,440	4,943,599	8,477,175	8,975,029	9,396,320
Surplus/(Deficit)		(605,986)	201,359	(1,106,579)	583,632	1,095,048	1,100,513	(2,750,175)	1,079,636	1,068,374	1,090,825
Transfers and subsidies - capital (monetary allocations)	6	368,725	324,319	427,923	456,975	488,696	488,696		379,300	433,098	460,834
Transfers and subsidies - capital (in-kind)	6	60	2	199							
Surplus/(Deficit) after capital transfers & contributions		(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659
Income Tax											
Surplus/(Deficit) after income tax		(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year	1	(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659

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

1. Total revenue is R8.9 billion in 2024/25 and escalates to R9.5 billion by 2025/26.
2. Revenue to be generated from property rates is R1.649 billion in the 2024/25 financial year and increases to R1.721 billion by 2025/26 which represents a 18 % per cent of the operating revenue base of the City and therefore remains a significant funding source for the municipality.
3. Service charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R5.610 billion for the 2024/25 financial year and increasing to R6. 259 billion by 2025/26. For the 2025/26 financial year, services charges amount to 66 % of the total revenue base and remains at an average of 66 % over the entire MTREF. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
4. Bulk purchases have increased over the 2024/25 and 2025/26 period escalating from R2, 714 billion to R3, 145 billion. This increase can be attributed to high annual increase in the cost of bulk electricity from Eskom.
5. Employee related costs and bulk purchases 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 and bulk tariff 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										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - City Manager		1,614	27	–	37,445	850	850	–	–	–	–
Vote 2 - City Finance		4,936	9,153	10,485	25,000	25,000	25,000	–	45,000	41,800	43,681
Vote 3 - Corporate Services		2,273	938	5,072	6,585	6,835	6,835	–	10,000	10,450	10,920
Vote 4 - Community Services and Social Equity		33,154	48,934	70,000	42,143	34,601	34,601	–	15,967	16,844	16,602
Vote 5 - Infrastructure Services		308,960	268,923	291,474	284,464	349,088	349,088	–	346,701	383,109	410,077
Vote 6 - Sustainable Development and City Enterprises		51,772	133,279	168,625	153,599	155,162	155,162	–	30,000	33,000	40,000
Vote 7 - Electricity		98,800	71,071	116,839	237,331	198,158	198,158	–	196,988	30,809	32,133
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	501,510	532,326	662,496	786,566	769,693	769,693	–	644,656	516,012	553,414
Single-year expenditure to be appropriated	2										
Vote 1 - City Manager		2,151	944	6,003	5,000	6,400	6,400	–	–	–	–
Vote 2 - City Finance		6,345	3,084	5,571	–	1,300	1,300	–	8,000	5,225	5,460
Vote 3 - Corporate Services		2,270	3,796	15,256	7,615	11,871	11,871	–	–	–	–
Vote 4 - Community Services and Social Equity		3,553	4,980	8,052	8,690	9,090	9,090	–	1,200	1,200	1,260
Vote 5 - Infrastructure Services		3,549	793	15,179	10,000	10,092	10,092	–	–	–	–
Vote 6 - Sustainable Development and City Enterprises		2,059	1,035	843	2,140	2,502	2,502	–	–	–	–
Vote 7 - Electricity		–	831	12,909	4,000	5,600	5,600	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		19,927	15,464	63,814	37,445	46,856	46,856	–	9,200	6,425	6,720
Total Capital Expenditure - Vote		521,437	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	560,134
Capital Expenditure - Functional											
Governance and administration		19,336	18,773	43,055	45,300	37,948	37,948	–	63,000	57,475	60,061
Executive and council		2,639	750	6,003	5,100	7,650	7,650	–	–	–	–
Finance and administration		16,697	18,024	37,052	40,200	30,298	30,298	–	63,000	57,475	60,061
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		36,891	57,141	117,916	168,351	149,294	149,294	–	17,167	18,044	17,862
Community and social services		33,969	43,937	39,760	24,745	16,970	16,970	–	17,167	18,044	17,862
Sport and recreation		1,041	922	5,256	11,933	12,166	12,166	–	–	–	–
Public safety		94	148	724	2,100	2,100	2,100	–	–	–	–
Housing		1,786	12,135	72,176	129,574	118,058	118,058	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		239,009	277,382	247,500	139,974	187,682	187,682	–	155,584	169,782	189,770
Planning and development		37,474	118,612	92,996	23,150	36,591	36,591	–	30,000	33,000	40,000
Road transport		201,377	158,749	154,504	116,824	151,091	151,091	–	125,584	136,782	149,770
Environmental protection		158	22	–	–	–	–	–	–	–	–
Trading services		226,176	191,140	314,321	467,535	438,774	438,774	–	418,105	277,136	292,440
Energy sources		98,800	64,942	129,749	260,054	243,758	243,758	–	196,988	30,809	32,133
Water management		58,052	67,842	78,803	100,375	82,258	82,258	–	108,900	127,377	134,220
Waste water management		54,322	48,192	78,088	97,047	102,698	102,698	–	112,217	118,950	126,088
Waste management		15,002	10,165	27,681	10,060	10,060	10,060	–	–	–	–
Other		415	3,353	3,518	2,850	2,850	2,850	–	–	–	–
Total Capital Expenditure - Functional	3	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	560,134
Funded by:											
National Government		291,413	251,840	302,791	325,817	345,980	345,980	–	376,127	430,017	457,432
Provincial Government		21,308	111,490	92,791	131,158	131,946	131,946	–	2,550	2,550	2,787
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov)		–	–	–	–	–	–	–	–	–	–
Departm Agencies, Households, Non-profit Institutions, Private		–	–	–	–	–	–	–	–	–	–
Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	312,721	363,330	395,582	456,975	477,926	477,926	–	378,677	432,567	460,220
Borrowing	6	49,401	–	72,310	234,316	206,616	206,616	–	177,180	–	–
Internally generated funds	7	159,705	184,460	258,418	132,720	132,007	132,007	–	98,000	89,870	94,454
Total Capital Funding	7	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	554,674

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 (multi-year and 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 capital programme is mainly grant dependent on both National and Provincial transfers. The insignificant portion being Council funding, which comprises 16 percent of the total Capital budget. For 2025/26, capital transfers totals R 378 million, internal funding of R 98 million whilst Borrowings amount to R177 million.

Table 15 MBRR Table A6 - Budgeted Financial Position

Msunduzi (KZN225) - Table A6 Budgeted Financial Position (All)

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 2026/27	Budget Year 2027/28
R thousands	1										
ASSETS											
Current assets											
Cash and cash equivalents		321,845	482,433	456,935	211,783	372,824	372,824	(666,355)	395,446	394,390	401,219
Trade and other receivables from exchange transactions	1	1,792,394	2,233,301	737,164	2,649,262	2,649,262	2,649,262	588,056	1,677,177	1,758,178	1,843,096
Receivables from non-exchange transactions	1	624,384	765,104	277,660	811,010	811,010	811,010	235,087	467,188	488,211	506,223
Current portion of non-current receivables		90	93	29	-	-	-	(13)	29	30	31
Inventory	2	368,555	420,123	498,281	442,453	512,740	512,740	2,088	498,281	520,703	544,135
VAT		193,752	246,824	326,424	-	-	-	175,104	-	-	-
Other current assets		639	21,011	942	-	-	-	976	942	985	1,029
Total current assets		3,301,660	4,168,889	2,297,435	4,114,508	4,345,836	4,345,836	334,943	3,039,062	3,162,498	3,295,732
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		891,299	924,805	922,392	974,256	974,256	974,256	-	922,392	963,899	1,007,275
Property, plant and equipment	3	6,942,287	7,624,937	7,250,806	8,754,770	8,754,737	8,754,737	191,398	7,878,182	8,096,562	8,473,674
Biological assets		80,896	76,376	83,234	80,958	80,958	80,958	(33)	83,234	86,980	90,894
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		273,094	274,718	323,520	291,270	291,270	291,270	-	323,520	338,078	353,292
Intangible assets		18,426	23,913	24,478	25,766	26,566	26,566	(4,365)	24,753	25,867	27,031
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	(1,090)	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		8,206,003	8,924,750	8,604,430	10,127,020	10,127,787	10,127,787	185,909	9,232,081	9,511,387	9,952,165
TOTAL ASSETS		11,507,663	13,093,639	10,901,865	14,241,528	14,473,622	14,473,622	520,852	12,271,143	12,673,885	13,247,897
LIABILITIES											
Current liabilities											
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		79,163	74,271	50,311	(11,273)	28,727	28,727	(82,960)	76,586	84,083	91,916
Consumer deposits		133,072	142,188	152,357	150,719	150,719	150,719	9,040	152,357	159,214	166,378
Trade and other payables from exchange transactions	4	1,949,231	3,003,317	3,158,414	1,713,734	1,644,234	1,644,234	684,823	1,713,734	1,663,734	1,663,734
Trade and other payables from non-exchange transactions	5	136,088	175,933	189,532	-	-	-	(19,419)	-	-	-
Provision		49,118	58,245	53,143	61,739	61,739	61,739	(60)	53,143	55,535	58,034
VAT		371,840	431,837	500,430	457,747	-	-	107,725	162,137	169,434	177,058
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		2,718,511	3,885,790	4,104,188	2,372,667	1,885,420	1,885,420	699,149	2,157,958	2,131,999	2,157,120
Non current liabilities											
Financial liabilities	6	124,582	50,311	116,275	559,919	559,919	559,919	-	-	-	-
Provision	7	133,244	130,248	117,456	80,111	80,111	80,111	-	117,456	122,742	128,265
Long term portion of trade payables		-	-	-	-	-	-	-	2,796,914	2,922,775	3,054,300
Other non-current liabilities		517,190	477,915	499,399	583,456	583,456	583,456	-	499,399	521,872	545,356
Total non current liabilities		775,015	658,474	733,130	1,223,486	1,223,486	1,223,486	-	3,413,769	3,567,389	3,727,921
TOTAL LIABILITIES		3,493,527	4,544,264	4,837,318	3,596,153	3,108,906	3,108,906	699,149	5,571,727	5,699,387	5,885,042
NET ASSETS	10	8,014,136	8,549,376	6,064,547	10,645,376	11,364,717	11,364,717	(178,298)	6,699,416	6,974,497	7,362,856
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	8,015,925	7,773,527	6,490,080	10,645,376	11,294,430	11,294,430	(51,891)	6,699,416	6,974,497	7,362,856
Reserves and funds	9	235,413	250,168	252,924	-	-	-	(1,469)	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	8,251,338	8,023,695	6,743,004	10,645,376	11,294,430	11,294,430	(53,359)	6,699,416	6,974,497	7,362,856

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.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
 4. 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.
 5. 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. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 16 MBRR Table A7 - Budgeted Cash Flow Statement

Msunduzi (KZN225) - 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 2026/27	Budget Year 2027/28
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	1,337,835	-	1,484,417	1,484,417	1,484,417	107,996	1,532,282	1,601,234	1,641,265
Service charges		-	3,549,237	-	4,717,472	4,717,472	4,717,472	10,126	5,220,730	5,476,546	5,744,897
Other revenue		-	-	-	765,832	765,832	765,832	834,294	194,260	203,779	213,764
Transfers and Subsidies - Operational	1	-	814,489	-	946,343	1,008,752	1,008,752	14,123	992,232	1,065,081	1,111,920
Transfers and Subsidies - Capital	1	-	351,427	-	456,975	477,926	477,926	35,665	376,127	429,887	457,347
Interest		-	16,708	-	19,135	19,135	19,135	(6,143,760)	19,996	20,976	22,004
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(5,260,181)	-	(7,709,596)	(7,584,599)	(7,584,599)	964	(7,621,777)	(8,041,356)	(8,400,743)
Finance charges		-	(18,837)	-	(42,825)	(42,825)	(42,825)	-	(56,180)	(58,708)	(62,231)
Transfers and Subsidies	1	-	-	-	(69,670)	(69,670)	(69,670)	-	(72,457)	(76,007)	(79,732)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	790,678	-	568,083	776,440	776,440	(5,140,593)	585,213	621,431	648,490
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	3,343	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	1,090	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(502,024)	-	(824,011)	(824,011)	(824,011)	-	(627,651)	(519,887)	(557,347)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(498,681)	-	(824,011)	(824,011)	(824,011)	1,090	(627,651)	(519,887)	(557,347)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	234,316	234,316	234,316	-	161,524	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	(79,163)	-	(90,000)	(50,000)	(50,000)	-	(90,000)	(90,000)	(90,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(79,163)	-	144,316	184,316	184,316	-	71,524	(90,000)	(90,000)
NET INCREASE/ (DECREASE) IN CASH HELD		-	212,834	-	(111,612)	136,745	136,745	(5,139,503)	29,086	11,544	1,144
Cash/cash equivalents at the year begin:	2	56,302	482,433	366,360	301,783	495,993	495,993	-	366,360	382,846	400,075
Cash/cash equivalents at the year end:	2	56,302	695,267	366,360	190,172	632,738	632,738	(5,139,503)	395,446	394,390	401,219

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.
3. The cash levels of the City are stable over the MTREF period.
4. The City has embarked on an extensive debt collection drive to reduce the already high debtor's book.
5. The 2025/26 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Projected cash and cash equivalents totals to R395.4million as at the end of the 2025/26 financial year and increases to R394.3 million by 2026/27.

7. A collection rate of 87% was used for Property rates and 83 percent for Service charges (Inclusive of VAT for Service charges).
8. 100 percent of Operating and capital grants as per the Provincial Gazette and DoRA allocations.
9. Interest from Investments at 100 percent.
10. Payment to suppliers and employees include the following
 - 100 % of Employee related costs as per Table A4
 - 100% of Remuneration of Councillors as per Table A4
 - 100% of Bulk Purchases as per Table A4 including Vat
 - 100% of Inventory consumed as per table A4 including VAT, however fuel amounting to R60 million has been excluded from VAT.
 - 100% of Contracted Services as per Table A4 including VAT.
 - 100% of Other expenditure as per Table A4 however an amount of R18 million relating to SALGA fees has been exempt from VAT
 - The portion relating to Umngeni repayments and Eskom
 - An amount R213 million for accruals relating to 2024 that will be paid in the 2025 financial year, R200 million that will be paid in 2026 financial year.
11. Finance Charges as per Table A4.
12. Transfers and subsidies as per Table A4.
13. Capital projects as per Table A5 were allocated 100 percent including VAT, however
14. The municipality anticipate to obtain a loan from DBSA of R161.5 million.
15. Repayment of Borrowings are projected at R90 million

table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**Msunduzi (KZN225) - Table A8 Cash backed reserves/accumulated surplus reconciliation**

WINDWARD (KELZ) - Table A6 Cash-backed User-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 2026/27	Budget Year 2027/28
R thousands											
Cash and investments available											
Cash/cash equivalents at the year end	1	56,302	695,267	366,360	190,172	632,738	632,738	(5,139,503)	395,446	394,390	401,219
Other current investments > 90 days		265,544	(212,834)	90,575	21,612	(259,914)	(259,914)	4,473,147	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		321,845	482,433	456,935	211,783	372,824	372,824	(666,355)	395,446	394,390	401,219
Application of cash and investments											
Unspent conditional transfers		136,088	175,933	189,531	-	-	-	(19,419)	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	178,089	185,013	174,006	457,747	-	-	(67,379)	162,137	169,434	177,058
Other working capital requirements	3	1,949,231	256,223	3,158,414	(1,461,077)	(1,561,591)	(1,561,591)	512,946	(114,524)	(251,441)	(338,768)
Other provisions		49,118	58,245	53,143	61,739	61,739	61,739	(60)	53,143	55,535	58,034
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	140,062	145,592	148,348	-	-	-	(1,469)	-	-	-
Total Application of cash and investments:		2,452,587	821,005	3,723,444	(941,591)	(1,499,851)	(1,499,851)	424,619	100,757	(26,473)	(103,676)
Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Re		(2,130,742)	(338,572)	(3,266,508)	1,153,374	1,872,675	1,872,675	(1,090,974)	294,690	420,863	504,894
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Re		(2,130,742)	(338,572)	(3,266,508)	1,153,374	1,872,675	1,872,675	(1,090,974)	294,690	420,863	504,894

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 be either 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 88[assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the MTREF period 2025/6 to 2027/28 the budgeted surplus gradually increases. Adequate control and management of budget implementation shall ensure that projections are realised come the end of the budget year.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2025/26 MTREF is sufficiently funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As it can be seen the budget has been modelled to retain a surplus throughout the MTREF period.

Table 18 MBRR Table A9 - Asset Management**Msunduzi (KZN225) - Table A9 Asset Management**

Description	Ref	2021/22	2022/23	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	N	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	12,565,964	552,514	870,151	715,673	554,322	554,322	368,664	228,906	329,347
Roads Infrastructure					41,070	44,271	44,271	13,214	1,045	79,467
Storm water Infrastructure										
Electrical Infrastructure		12,565,964	552,514	819,701	222,418	226,691	226,691	181,333	30,809	31,863
Water Supply Infrastructure					87,986	37,499	37,499	37,500	53,063	46,650
Sanitation Infrastructure					97,047	70,470	70,470	68,217	72,310	79,139
Infrastructure		12,565,964	552,514	819,701	448,520	378,932	378,932	300,264	157,227	237,119
Community Facilities					24,280	19,786	19,786	13,400	14,204	42,547
Sport and Recreation Facilities					6,953	10,086	10,086			
Community Assets		-	-	-	31,233	29,871	29,871	13,400	14,204	42,547
Licences and Rights					25,650	3,400	3,400	40,000	41,800	6,000
Intangible Assets		-	-	-	25,650	3,400	3,400	40,000	41,800	6,000
Computer Equipment					5,400	23,408	23,408			
Furniture and Office Equipment					5,205	4,698	4,698	5,000	5,225	43,681
Machinery and Equipment					53,273	13,574	13,574	10,000	10,450	
Transport Assets					18,800	21,400	21,400			
<u>Total Renewal of Existing Assets</u>	2	-	-	11,937	34,908	86,483	86,483	94,000	121,640	100,176
Roads Infrastructure					22,264	53,815	53,815	50,000	75,000	50,530
Storm water Infrastructure						14,200	14,200			
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure						15,708	15,708	44,000	46,640	49,646
Solid Waste Infrastructure										
Rail Infrastructure					500					
Coastal Infrastructure										
Information and Communication Infrastructure				11,937						

Msunduzi (KZN225) - Table A9 Asset Management

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 2026/27	Budget Year 2027/28
R thousands	N									
Infrastructure		-	-	11,937	22,764	83,723	83,723	94,000	121,640	100,176
<u>Total Upgrading of Existing Assets</u>	6	-	-	-	73,400	156,244	156,244	164,987	169,211	126,389
Roads Infrastructure					52,080	93,465	93,465	82,370	60,737	73,715
Storm water Infrastructure						500	500			
Electrical Infrastructure					3,000					
Water Supply Infrastructure					8,320	41,186	41,186	71,400	74,184	37,000
Sanitation Infrastructure						13,793	13,793			
Solid Waste Infrastructure					10,000	7,000	7,000			
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	-	-	73,400	155,944	155,944	153,770	134,921	110,715
Community Facilities								10,000	33,000	10,000
Sport and Recreation Facilities								1,217	1,290	5,674
Community Assets		-	-	-	-	-	-	11,217	34,290	15,674
<u>Total Capital Expenditure</u>	4	12,565,964	552,514	882,088	823,982	797,049	797,049	627,651	519,757	555,912
Roads Infrastructure					115,414	191,551	191,551	145,584	136,782	203,713
Storm water Infrastructure						14,700	14,700			
Electrical Infrastructure		12,565,964	552,514	819,701	225,418	226,691	226,691	181,333	30,809	31,863
Water Supply Infrastructure					96,306	78,685	78,685	108,900	127,247	83,650
Sanitation Infrastructure					97,047	99,971	99,971	112,217	118,950	128,784
Solid Waste Infrastructure					10,000	7,000	7,000			
Rail Infrastructure					500					
Coastal Infrastructure										
Information and Communication Infrastructure				11,937						
Infrastructure		12,565,964	552,514	831,638	544,684	618,598	618,598	548,034	413,789	448,010
Community Facilities					26,780	19,786	19,786	23,400	47,204	52,547
Sport and Recreation Facilities					6,953	10,086	10,086	1,217	1,290	5,674
Community Assets		-	-	-	33,733	29,871	29,871	24,617	48,494	58,221
Heritage Assets				50,450						
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings						3,410	3,410			
Housing					127,593	78,389	78,389			
Other Assets		-	-	-	127,593	81,799	81,799	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights					25,650	3,400	3,400	40,000	41,800	6,000
Intangible Assets		-	-	-	25,650	3,400	3,400	40,000	41,800	6,000
Computer Equipment					15,044	23,408	23,408			
Furniture and Office Equipment					5,205	4,998	4,998	5,000	5,225	43,681
Machinery and Equipment					53,273	13,574	13,574	10,000	10,450	
Transport Assets					18,800	21,400	21,400			
Land										
Zoo's, Marine and Non-biological Animals										
Mature										
Immature										
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset Class		12,565,964	552,514	882,088	823,982	797,049	797,049	627,651	519,757	555,912

Msunduzi (KZN225) - Table A9 Asset Management

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 2026/27	Budget Year 2027/28
R thousands	N									
ASSET REGISTER SUMMARY - PPE (WDV)	5	6,763,544	7,128,088	7,784,729	9,389,757	9,412,891	9,412,891	7,807,004	8,151,004	8,545,100
<i>Roads Infrastructure</i>		1,499,584	1,749,611	1,977,697				1,977,697	2,066,693	2,159,695
<i>Storm water Infrastructure</i>		527,358	594,163	655,306				655,306	684,795	715,611
<i>Electrical Infrastructure</i>		1,053,749	1,036,798	1,069,982	7,968,095	7,970,785	7,970,785	1,069,982	1,118,132	1,168,448
<i>Water Supply Infrastructure</i>		536,655	500,351	574,009				574,009	599,839	626,832
<i>Sanitation Infrastructure</i>		399,228	462,955	620,336				620,336	648,251	677,422
<i>Solid Waste Infrastructure</i>		22,538	28,916	27,410				27,410	28,643	29,932
<i>Rail Infrastructure</i>		783	669	556				556	581	607
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>				4,221				4,221	4,411	4,609
Infrastructure		4,039,895	4,373,463	4,929,517	7,968,095	7,970,785	7,970,785	4,929,517	5,151,345	5,383,155
Community Assets		299,648	307,151	301,412				301,412	314,975	329,149
Heritage Assets		273,094	274,718	323,520	291,270	291,270	291,270	323,520	338,078	353,292
Investment properties		891,299	924,805	922,392	974,256	974,256	974,256	922,392	963,899	1,007,275
Other Assets		256,089	250,980	260,774				213,035	222,621	232,639
Biological or Cultivated Assets		80,896	76,376	83,234	80,958	80,958	80,958	83,234	86,980	90,894
Intangible Assets		18,426	23,913	24,478	25,766	26,566	26,566	24,753	25,867	27,031
Computer Equipment		25,792	23,594	33,536	9,934	22,169	22,169	33,536	35,045	36,622
Furniture and Office Equipment		11,788	12,603	12,095	5,405	5,063	5,063	17,095	17,865	56,889
Machinery and Equipment		69,823	69,501	76,989	15,273	20,424	20,424	128,406	126,869	121,658
Transport Assets		84,367	78,557	104,447	18,800	21,400	21,400	117,769	123,069	128,607
Land		712,427	712,427	712,336				712,336	744,391	777,888
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		6,763,544	7,128,088	7,784,729	9,389,757	9,412,891	9,412,891	7,807,004	8,151,004	8,545,100

Msunduzi (KZN225) - Table A9 Asset Management

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 2026/27	Budget Year 2027/28
R thousands	N									
EXPENDITURE OTHER ITEMS										
<u>Depreciation</u>	7	365,699	337,452	359,060	362,179	362,179	362,179	390,260	386,743	282,527
<u>Repairs and Maintenance by Asset Class</u>	3	-	-	-	624,360	429,860	429,860	495,564	545,944	584,671
Roads Infrastructure					155,467	82,867	82,867	44,921	60,213	65,348
Storm water Infrastructure										
Electrical Infrastructure					27,650	23,400	23,400	20,665	27,154	29,598
Water Supply Infrastructure					25,675	23,725	23,725	38,080	41,888	46,077
Sanitation Infrastructure					311,176	209,476	209,476	311,582	330,917	351,476
Solid Waste Infrastructure					255	255	255	3,470	3,633	3,800
Rail Infrastructure										
Coastal Infrastructure						1,350	1,350	663	871	950
Information and Communication Infrastructure										
Infrastructure		-	-	-	520,223	341,073	341,073	419,381	464,676	497,249
Community Facilities					29,292	22,613	22,613	9,244	9,696	10,162
Sport and Recreation Facilities					1,258	1,207	1,207	1,426	1,493	1,562
Community Assets		-	-	-	30,550	23,820	23,820	10,670	11,189	11,724
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings					33,773	12,686	12,686	17,950	18,287	19,599
Housing					4,036	23,354	23,354	450	477	506
Other Assets		-	-	-	37,809	36,040	36,040	18,400	18,764	20,105
Biological or Cultivated Assets										
Servitudes										
Licences and Rights						140	140	148	157	167
Intangible Assets		-	-	-	-	140	140	148	157	167
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment					14,367	10,380	10,380	14,540	16,231	17,418
Transport Assets					21,411	18,408	18,408	32,426	34,926	38,009
Land										
Zoo's, Marine and Non-biological Animals										
Mature										
Immature										
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		365,699	337,452	359,060	986,539	792,039	792,039	885,824	932,686	867,198
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.0%	0.0%	1.4%	13.1%	30.5%	30.5%	41.3%	56.0%	40.8%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.0%	0.0%	3.3%	29.9%	67.0%	67.0%	66.4%	75.2%	80.2%
<i>R&M as a % of PPE & Investment Property</i>		0.0%	0.0%	0.0%	6.9%	4.8%	4.8%	6.7%	7.1%	7.2%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Pr</i>		0.0%	0.0%	0.2%	8.1%	7.5%	7.5%	10.2%	10.9%	10.0%

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The City has allocated 41.3 % of the total capital budget to the renewal and upgrading of existing assets however budget for repairs and maintenance has gone down which can be attributed to fiscal constraints. Repairs and Maintenance alone as a percentage of PPE has

amounts to 6.7 % in 2025/26. The primary target is to increase this provision in order to be in line with stated requirements.

Table 19 MBRR Table A10 - Basic Service Delivery Measurement

Kwazulu-Natal: Msunduzi (KZN225) - Table A10 Basic Service Delivery Measurement for 4th Quarter ended 30 June 2025

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 2026/27	Budget Year 2027/28
R thousands										
Household service targets	1									
Water:										
Piped water inside dwelling		81,977	81,977	81,977	85,289	85,289	85,289	90,406	94,475	98,726
Piped water inside yard (but not in dwelling)		63,907	63,907	63,907	66,489	66,489	66,489	70,478	73,650	76,964
Using public tap (at least min.service level)	2	6,663	6,663	6,663	6,932	6,932	6,932	7,348	7,679	8,024
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		152,547	152,547	152,547	158,710	158,710	158,710	168,232	175,804	183,714
Using public tap (< min.service level)	3	6,396	6,396	6,396	6,654	6,654	6,654	7,053	7,371	7,702
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		6,396	6,396	6,396	6,654	6,654	6,654	7,053	7,371	7,702
Total number of households	5	158,943	158,943	158,943	165,364	165,364	165,364	175,285	183,175	191,416
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		82,970	82,970	82,970	86,322	86,322	86,322	91,501	95,619	99,922
Flush toilet (with septic tank)		3,160	3,160	3,160	3,288	3,288	3,288	3,485	3,642	3,806
Chemical toilet		96	96	96	100	100	100	106	111	116
Pit toilet (ventilated)		6,240	6,240	6,240	6,492	6,492	6,492	6,882	7,191	7,515
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		92,466	92,466	92,466	96,202	96,202	96,202	101,974	106,563	111,359
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions		71,527	71,527	71,527	74,417	74,417	74,417	78,882	82,432	86,141
Below Minimum Service Level sub-total		71,527	71,527	71,527	74,417	74,417	74,417	78,882	82,432	86,141
Total number of households	5	163,993	163,993	163,993	170,619	170,619	170,619	180,856	188,995	197,500
Energy:										
Electricity (at least min.service level)		135,271	135,271	135,271	140,682	140,682	140,682	149,123	155,833	162,846
Electricity - prepaid (min.service level)		27,347	27,347	27,347	28,441	28,441	28,441	30,147	31,504	32,922
Minimum Service Level and Above sub-total		162,618	162,618	162,618	169,123	169,123	169,123	179,270	187,337	195,768
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)		8,000	8,000	8,000	8,320	8,320	8,320	8,819	9,216	9,631
Other energy sources										
Below Minimum Service Level sub-total		8,000	8,000	8,000	8,320	8,320	8,320	8,819	9,216	9,631
Total number of households	5	170,618	170,618	170,618	177,443	177,443	177,443	188,089	196,553	205,399
Refuse:										
Removed at least once a week		129,848	129,848	129,848	135,042	135,042	135,042	143,145	149,586	156,317
Minimum Service Level and Above sub-total		129,848	129,848	129,848	135,042	135,042	135,042	143,145	149,586	156,317
Removed less frequently than once a week		40,770	40,770	40,770	42,401	42,401	42,401	44,945	46,968	49,081
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total		40,770	40,770	40,770	42,401	42,401	42,401	44,945	46,968	49,081
Total number of households	5	170,618	170,618	170,618	177,443	177,443	177,443	188,090	196,554	205,398
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Informal Settlements										
Cost of Free Basic Services provided - Formal Settlements										
Water (6 kilolitres per indigent household per month)					249,303	249,303	3,551	286,699	300,747	315,483
Sanitation (free sanitation service to indigent households)					18,772		12,835			
Electricity/other energy (50kwh per indigent household per month)					5,465	5,465	2,507	6,084	6,382	6,695
Refuse (removed once a week for indigent households)					8,847		573	9,466	9,930	10,417
Cost of Free Basic Services provided - Informal Formal Settlements										
Total cost of FBS provided	8	-	-	-	282,387	254,768	19,466	302,249	317,059	332,595
Highest level of free service provided per household										
Property rates (R value threshold)		78,039,000	93,094,880	93,094,880	222,592,035	222,592,035	222,592,035	235,947,557	246,565,197	257,660,631
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)					4,671,015	4,671,015	4,671,015	4,951,276	5,174,083	5,406,917
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided	9									
Property rates (tariff adjustment) (impermissible values per section)										
Prop. rates exempt., reduct., rebates and imperm. values in excess					120,844	120,844	31	258,775	270,420	277,180
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)										
Refuse (in excess of one removal a week for indigent households)										
Municipal Housing - rental rebates							23			
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	-	-	-	120,844	120,844	53	258,775	270,420	277,180

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. The City continues to make steady progress with the eradication of backlogs:
 - a) Water services – backlog reduction households as from 2025/26 to 2027/28. These households are largely found in reception areas and will need to be moved to formal areas so that they can receive services.
 - b) Sanitation services – backlog will be reduced by over 2000 households over the MTREF. The number of households with no toilet provision projects a decline as from 2012/13 up to 2020/21.
 - a. Sanitation services – backlog will be reduced by over 2000 households over the MTREF. The number of households with no toilet provision projects a decline as from 2012/13 up to 2027/28.
 - b. Electricity services – backlog reduction of households without the supply. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritised
 - c. Refuse services – backlog projects a downward trend of households without a service as from 2013/14 up to 2027/28..

Consolidated Budget Tables

KZN225 Msunduzi - 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
R thousands										
Financial Performance										
Property rates	1,212,773	1,370,173	1,359,087	1,649,353	1,649,352	1,649,352	1,197,657	1,721,665	1,799,140	1,844,118
Service charges	3,846,305	3,870,497	4,086,762	5,683,701	5,610,234	5,615,699	995,768	6,280,570	6,588,318	6,911,146
Investment revenue	10,445	16,957	44,118	59,562	59,562	59,562	–	19,996	20,976	22,004
Transfer and subsidies - Operational	681,678	801,751	824,545	946,343	1,026,395	1,026,395	–	1,017,129	1,092,163	1,140,473
Other own revenue	365,182	367,682	613,025	624,944	624,944	624,944	–	517,452	542,807	569,404
Total Revenue (excluding capital transfers and contributions)	6,116,383	6,427,061	6,927,537	8,963,903	8,970,488	8,975,953	2,193,424	9,556,811	10,043,404	10,487,145
Employee costs	1,468,961	1,466,856	1,612,918	1,847,017	1,772,841	1,772,841	1,077,584	1,905,951	2,014,342	2,169,515
Remuneration of councillors	49,439	51,818	63,542	66,462	66,462	66,462	–	70,450	73,902	77,523
Depreciation and amortisation	372,611	350,684	361,848	362,179	362,179	362,179	263,172	390,012	386,503	282,368
Interest	33,596	150,814	86,051	42,825	42,825	42,825	–	56,180	58,708	62,231
Inventory consumed and bulk purchases	3,034,515	3,089,737	3,592,059	4,138,528	3,900,504	3,900,504	2,884,950	4,517,280	4,750,247	4,985,415
Transfers and subsidies	32,413	29,562	25,240	69,670	69,670	69,670	40,290	72,457	76,007	79,732
Other expenditure	1,730,834	1,086,231	2,292,457	1,853,590	1,660,959	1,660,959	677,603	1,464,847	1,615,320	1,739,536
Total Expenditure	6,722,368	6,225,702	8,034,116	8,380,271	7,875,440	7,875,440	4,943,599	8,477,175	8,975,029	9,396,320
Surplus/(Deficit)	(605,986)	201,359	(1,106,579)	583,632	1,095,048	1,100,513	(2,750,175)	1,079,636	1,068,374	1,090,825
Transfers and subsidies - capital (monetary allocations)	368,725	324,319	427,923	456,975	488,696	488,696	–	379,300	433,098	460,834
Transfers and subsidies - capital (in-kind)	60	2	199	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(237,201)	525,680	(678,457)	1,040,607	1,583,744	1,589,210	(2,750,175)	1,458,936	1,501,472	1,551,659
Capital expenditure & funds sources										
Capital expenditure	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	560,134
Transfers recognised - capital	312,721	363,330	395,582	456,975	477,926	477,926	–	378,677	432,567	460,220
Borrowing	49,401	–	72,310	234,316	206,616	206,616	–	177,180	–	–
Internally generated funds	159,705	184,460	258,418	132,720	132,007	132,007	–	98,000	89,870	94,454
Total sources of capital funds	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	554,674
Financial position										
Total current assets	4,080,619	5,707,118	4,640,380	6,404,674	6,635,536	6,635,536	2,858,454	3,039,062	3,162,498	3,295,732
Total non current assets	18,543,283	19,908,757	20,194,981	10,127,020	10,127,787	10,127,787	–	9,232,081	9,511,387	9,952,165
Total current liabilities	2,526,034	2,982,163	2,735,922	2,372,667	2,412,667	2,412,667	–	2,157,958	2,131,999	2,157,120
Total non current liabilities	775,015	1,204,462	2,230,666	1,806,942	1,806,942	1,806,942	–	3,413,769	3,567,389	3,727,921
Community wealth/Equity	8,048,052	7,700,429	6,753,859	10,645,376	10,956,970	10,956,970	(1,469)	6,699,416	6,974,497	7,362,856
Cash flows										
Net cash from (used) operating	535,139	752,871	611,952	946,378	776,440	776,440	–	649,684	634,385	721,359
Net cash from (used) investing	(524,932)	(451,459)	(674,404)	(768,501)	(824,011)	(824,011)	–	(653,856)	(522,437)	(554,674)
Net cash from (used) financing	(81,573)	(79,163)	42,005	177,000	184,316	184,316	–	71,524	(90,000)	(90,000)
Cash/cash equivalents at the year end	288,153	511,402	490,955	644,030	632,738	632,738	–	433,712	455,660	532,345
Cash backing/surplus reconciliation										
Cash and investments available	289,153	511,402	490,955	211,783	372,824	372,824	(666,355)	395,446	394,390	401,219
Application of cash and investments	1,304,294	2,277,038	3,194,179	800,655	275,890	276,353	(68,908)	100,757	(26,473)	(103,676)
Balance - surplus (shortfall)	(1,015,141)	(1,765,636)	(2,703,225)	(588,872)	96,933	96,470	(597,447)	294,690	420,863	504,895
Asset management										
Asset register summary (WDV)	6,763,544	7,128,088	7,784,729	9,389,757	9,412,891	9,412,891	–	7,807,004	8,151,004	8,545,100
Depreciation	365,699	337,452	359,060	362,179	362,179	362,179	–	390,260	386,743	282,527
Renewal and Upgrading of Existing Assets	–	–	11,937	126,776	242,727	268,259	–	585,538	436,727	394,561
Repairs and Maintenance	–	–	–	624,615	430,115	430,115	–	499,034	549,577	588,471
Free services										
Cost of Free Basic Services provided	–	–	–	282,387	254,768	249,303	–	302,249	317,059	332,595
Revenue cost of free services provided	–	–	–	120,844	120,844	120,866	–	258,775	270,420	277,180
Households below minimum service level										
Water:	9	9	9	9	9	9	–	9	10	10
Sanitation/sewerage:	1	1	1	1	1	1	–	1	1	1
Energy:	8	8	8	8	8	8	–	9	9	10
Refuse:	41	41	42	41	41	43	–	45	47	49

Msunduzi (KZN225) - Consolidated Table A2 Budgeted Financial Performance by 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 2026/27	Budget Year 2027/28
R thousands	1									
Revenue - Functional										
<i>Municipal governance and administration</i>		6,485,167	6,751,382	7,355,659	2,688,151	2,687,713	2,687,713	2,802,817	2,939,444	3,036,382
Executive and council										
Finance and administration		6,485,167	6,751,382	7,355,659	2,688,151	2,687,713	2,687,713	2,802,817	2,939,444	3,036,382
Internal audit										
<i>Community and public safety</i>		-	-	-	525,429	322,789	322,789	63,190	62,953	66,181
Community and social services					307,323	106,951	106,951	25,185	22,970	24,117
Sport and recreation					23,527	30,479	30,479	1,224	1,284	1,347
Public safety					9,173	9,173	9,173	16,851	17,677	18,543
Housing					185,406	176,187	176,187	19,930	21,022	22,175
Health										
<i>Economic and environmental services</i>		-	-	-	86,692	150,008	150,008	146,237	200,033	214,617
Planning and development					31,697	44,121	44,121	40,665	44,187	51,735
Road transport					50,000	100,893	100,893	100,000	150,000	156,750
Environmental protection					4,994	4,994	4,994	5,573	5,846	6,132
<i>Trading services</i>		-	-	-	5,997,734	6,174,882	6,174,882	6,840,723	7,186,014	7,538,212
Energy sources					4,347,604	4,286,092	4,286,092	4,740,506	4,982,861	5,226,798
Water management					1,219,122	1,282,859	1,282,859	1,365,916	1,435,396	1,507,035
Waste water management					262,027	436,950	436,950	552,950	577,520	604,819
Waste management					168,980	168,980	168,980	181,351	190,238	199,559
<i>Other</i>	4				122,873	123,792	123,792	56,039	58,785	61,665
Total Revenue - Functional	2	6,485,167	6,751,382	7,355,659	9,420,878	9,459,184	9,459,184	9,909,007	10,447,228	10,917,058
Expenditure - Functional										
<i>Municipal governance and administration</i>		3,772,161	3,246,201	4,600,265	1,698,538	2,921,933	2,921,933	2,319,911	2,479,163	2,616,800
Executive and council		49,439	51,818	63,542	170,182	770,175	770,175	871,977	1,003,250	1,058,342
Finance and administration		3,722,722	3,194,383	4,536,723	1,500,384	2,137,732	2,137,732	1,415,040	1,440,490	1,520,303
Internal audit					27,972	14,026	14,026	32,894	35,423	38,155
<i>Community and public safety</i>		-	-	-	643,153	544,341	544,341	547,653	572,186	594,667
Community and social services					273,423	139,956	139,956	132,144	137,090	140,344
Sport and recreation					109,113	111,321	111,321	116,559	121,529	125,810
Public safety					185,537	182,050	182,050	197,872	207,397	217,176
Housing					75,079	102,330	102,330	91,953	96,600	101,298
Health						8,683	8,683	9,124	9,571	10,039
<i>Economic and environmental services</i>		-	-	-	661,832	504,260	504,260	456,968	509,996	502,934
Planning and development					229,215	135,355	135,355	149,408	158,045	165,764
Road transport					400,547	337,085	337,085	273,693	316,399	299,867
Environmental protection					32,070	31,820	31,820	33,867	35,552	37,303
<i>Trading services</i>		2,950,207	2,979,501	3,433,851	5,319,349	3,839,022	3,839,022	5,177,106	5,446,370	5,704,756
Energy sources		2,212,725	2,350,401	2,714,396	3,775,631	3,151,352	3,151,352	3,529,419	3,702,057	3,883,155
Water management		737,483	629,100	719,454	1,042,193	238,395	238,395	1,107,383	1,165,500	1,211,259
Waste water management					376,546	334,845	334,845	414,857	447,531	473,184
Waste management					124,980	114,430	114,430	125,447	131,282	137,158
<i>Other</i>	4				57,398	60,884	60,884	60,158	62,841	64,525
Total Expenditure - Functional	3	6,722,368	6,225,702	8,034,116	8,380,271	7,870,440	7,870,440	8,561,797	9,070,557	9,483,682
Surplus/(Deficit)		(237,201)	525,680	(678,457)	1,040,607	1,588,744	1,588,744	1,347,210	1,376,672	1,433,377

Msunduzi (KZN225) - Table A4 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 2026/27	Budget Year 2027/28
R thousands	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	2,676,489	2,724,540	2,858,084	4,297,825	4,224,358	4,224,358	2,296,947	4,702,555	4,932,981	5,174,697
Service charges - Water	2	860,676	824,369	902,755	1,009,760	1,009,760	1,009,760	739,196	1,161,224	1,218,124	1,277,812
Service charges - Waste Water Management	2	193,119	197,960	198,617	220,725	220,725	220,725	159,960	250,523	262,798	275,675
Service charges - Waste Management	2	116,022	123,629	127,307	155,391	155,391	155,391	96,611	166,268	174,415	182,962
Sale of Goods and Rendering of Services		11,477	10,982	14,955	42,043	42,043	42,043	10,791	23,403	24,550	25,753
Agency services		2,139	2,599	2,667	765	765	765	1,754	5,508	5,777	6,061
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		167,310	158,697	325,984	230,682	230,682	230,682	233,994	256,057	268,604	281,765
Interest earned from Current and Non Current Assets		10,445	16,957	44,118	19,135	19,135	19,135	17,027	19,996	20,976	22,004
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		26,117	20,071	33,590	113,962	113,962	113,962	21,145	44,672	46,861	49,157
Licence and permits		984	2,415	2,021	2,547	2,547	2,547	1,387	3,097	3,248	3,408
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		54,548	57,523	53,626	204,124	204,124	204,124	42,911	102,112	107,115	112,364
Non-Exchange Revenue											
Property rates	2	1,212,773	1,370,173	1,359,087	1,649,353	1,649,352	1,649,352	1,197,657	1,721,665	1,799,140	1,844,118
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		14,489	20,129	34,247	11,687	11,687	11,687	7,932	12,213	12,812	13,439
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		681,678	801,751	824,545	946,343	1,026,395	1,026,395	1,277,833	993,197	1,066,101	1,113,040
Interest		55,783	63,181	106,729	59,562	59,562	59,562	78,204	66,114	69,354	72,752
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		5,195	2,660	465	-	-	-	1,697	4,277	4,486	4,706
Other Gains		27,140	29,425	38,741	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		6,116,383	6,427,061	6,927,537	8,963,903	8,970,488	8,970,488	6,185,049	9,532,880	10,017,341	10,459,712
Expenditure											
Employee related costs	2	1,468,961	1,466,856	1,612,918	1,847,017	1,772,841	1,772,841	1,077,584	1,922,439	2,059,216	2,204,702
Remuneration of councillors		49,439	51,818	63,542	66,462	66,462	66,462	38,162	70,450	73,902	77,523
Bulk purchases - electricity	2	2,212,725	2,350,401	2,714,396	3,145,119	3,145,119	3,145,119	2,088,947	3,522,533	3,695,137	3,876,199
Inventory consumed	8	821,790	739,336	877,663	993,409	755,385	755,385	796,004	1,013,606	1,068,601	1,123,752
Debt impairment	3	776,533	71,196	1,143,098	636,000	636,000	636,000	-	420,000	438,900	458,651
Depreciation and amortisation		372,611	350,684	361,848	362,179	362,179	362,179	263,172	390,260	386,743	282,527
Interest		33,596	150,814	86,051	42,825	37,825	37,825	13,115	56,180	58,708	62,231
Contracted services		694,851	799,399	904,134	1,023,282	817,090	817,090	574,987	855,830	970,844	1,041,669
Transfers and subsidies		32,413	29,562	25,240	69,670	69,670	69,670	40,290	72,457	76,007	79,732
Irrecoverable debts written off		75,248	26,721	22,524	-	-	-	6,141	-	-	-
Operational costs		153,847	178,599	208,326	194,308	207,870	207,870	102,617	238,041	242,498	276,698
Losses on disposal of Assets		833	2,160	14,049	-	-	-	-	-	-	-
Other Losses		29,522	8,157	327	-	-	-	(799)	-	-	-
Total Expenditure		6,722,368	6,225,702	8,034,116	8,380,271	7,870,440	7,870,440	5,000,218	8,561,797	9,070,557	9,483,682
Surplus/(Deficit)		(605,986)	201,359	(1,106,579)	583,632	1,100,048	1,100,048	1,184,831	971,084	946,785	976,030
Transfers and subsidies - capital (monetary allocations)	6	368,725	324,319	427,923	456,975	488,696	488,696	250,947	376,127	429,887	457,347
Transfers and subsidies - capital (in-kind)	6	60	2	199	-	-	-	(1,528,149)	-	-	-
Surplus/(Deficit) after capital transfers and contributions		(237,201)	525,680	(678,457)	1,040,607	1,588,744	1,588,744	(92,371)	1,347,210	1,376,672	1,433,377
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(237,201)	525,680	(678,457)	1,040,607	1,588,744	1,588,744	(92,371)	1,347,210	1,376,672	1,433,377
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(237,201)	525,680	(678,457)	1,040,607	1,588,744	1,588,744	(92,371)	1,347,210	1,376,672	1,433,377
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(237,201)	525,680	(678,457)	1,040,607	1,588,744	1,588,744	(92,371)	1,347,210	1,376,672	1,433,377

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										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - City Manager		1,614	27	–	37,445	850	850	–	–	–	–
Vote 2 - City Finance		4,936	9,153	10,485	25,000	25,000	25,000	–	45,000	41,800	43,681
Vote 3 - Corporate Services		2,273	938	5,072	6,585	6,835	6,835	–	10,000	10,450	10,920
Vote 4 - Community Services and Social Equity		33,154	48,934	70,000	42,143	34,601	34,601	–	15,967	16,844	16,602
Vote 5 - Infrastructure Services		308,960	268,923	291,474	284,464	349,088	349,088	–	346,701	383,109	410,077
Vote 6 - Sustainable Development and City Enterprises		51,772	133,279	168,625	153,599	155,162	155,162	–	30,000	33,000	40,000
Vote 7 - Electricity		98,800	71,071	116,839	237,331	198,158	198,158	–	196,988	30,809	32,133
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	501,510	532,326	662,496	786,566	769,693	769,693	–	644,656	516,012	553,414
Single-year expenditure to be appropriated	2										
Vote 1 - City Manager		2,151	944	6,003	5,000	6,400	6,400	–	–	–	–
Vote 2 - City Finance		6,345	3,084	5,571	–	1,300	1,300	–	8,000	5,225	5,460
Vote 3 - Corporate Services		2,270	3,796	15,256	7,615	11,871	11,871	–	–	–	–
Vote 4 - Community Services and Social Equity		3,553	4,980	8,052	8,690	9,090	9,090	–	1,200	1,200	1,260
Vote 5 - Infrastructure Services		3,549	793	15,179	10,000	10,092	10,092	–	–	–	–
Vote 6 - Sustainable Development and City Enterprises		2,059	1,035	843	2,140	2,502	2,502	–	–	–	–
Vote 7 - Electricity		–	831	12,909	4,000	5,600	5,600	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		19,927	15,464	63,814	37,445	46,856	46,856	–	9,200	6,425	6,720
Total Capital Expenditure - Vote		521,437	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	560,134
Capital Expenditure - Functional											
Governance and administration		19,336	18,773	43,055	45,300	37,948	37,948	–	63,000	57,475	60,061
Executive and council		2,639	750	6,003	5,100	7,650	7,650	–	–	–	–
Finance and administration		16,697	18,024	37,052	40,200	30,298	30,298	–	63,000	57,475	60,061
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		36,891	57,141	117,916	168,351	149,294	149,294	–	17,167	18,044	17,862
Community and social services		33,969	43,937	39,760	24,745	16,970	16,970	–	17,167	18,044	17,862
Sport and recreation		1,041	922	5,256	11,933	12,166	12,166	–	–	–	–
Public safety		94	148	724	2,100	2,100	2,100	–	–	–	–
Housing		1,786	12,135	72,176	129,574	118,058	118,058	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		239,009	277,382	247,500	139,974	187,682	187,682	–	155,584	169,782	189,770
Planning and development		37,474	118,612	92,996	23,150	36,591	36,591	–	30,000	33,000	40,000
Road transport		201,377	158,749	154,504	116,824	151,091	151,091	–	125,584	136,782	149,770
Environmental protection		158	22	–	–	–	–	–	–	–	–
Trading services		226,176	191,140	314,321	467,535	438,774	438,774	–	418,105	277,136	292,440
Energy sources		98,800	64,942	129,749	260,054	243,758	243,758	–	196,988	30,809	32,133
Water management		58,052	67,842	78,803	100,375	82,258	82,258	–	108,900	127,377	134,220
Waste water management		54,322	48,192	78,088	97,047	102,698	102,698	–	112,217	118,950	126,088
Waste management		15,002	10,165	27,681	10,060	10,060	10,060	–	–	–	–
Other		415	3,353	3,518	2,850	2,850	2,850	–	–	–	–
Total Capital Expenditure - Functional	3	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	560,134
Funded by:											
National Government		291,413	251,840	302,791	325,817	345,980	345,980	–	376,127	430,017	457,432
Provincial Government		21,308	111,490	92,791	131,158	131,946	131,946	–	2,550	2,550	2,787
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov)		–	–	–	–	–	–	–	–	–	–
Departments Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	312,721	363,330	395,582	456,975	477,926	477,926	–	378,677	432,567	460,220
Borrowing	6	49,401	–	72,310	234,316	206,616	206,616	–	177,180	–	–
Internally generated funds		159,705	184,460	258,418	132,720	132,007	132,007	–	98,000	89,870	94,454
Total Capital Funding	7	521,827	547,790	726,310	824,011	816,549	816,549	–	653,856	522,437	554,674

Msunduzi (KZN225) - Table A6 Budgeted Financial Position (All)

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 2026/27	Budget Year 2027/28
R thousands	1										
ASSETS											
Current assets											
Cash and cash equivalents		321,845	482,433	456,935	211,783	372,824	372,824	(666,355)	395,446	394,390	401,219
Trade and other receivables from exchange transactions	1	1,792,394	2,233,301	737,164	2,649,262	2,649,262	2,649,262	588,056	1,677,177	1,758,178	1,843,096
Receivables from non-exchange transactions	1	624,384	765,104	277,660	811,010	811,010	811,010	235,087	467,188	488,211	506,223
Current portion of non-current receivables		90	93	29	-	-	-	(13)	29	30	31
Inventory	2	368,555	420,123	498,281	442,453	512,740	512,740	2,088	498,281	520,703	544,135
VAT		193,752	246,824	326,424	-	-	-	175,104	-	-	-
Other current assets		639	21,011	942	-	-	-	976	942	985	1,029
Total current assets		3,301,660	4,168,889	2,297,435	4,114,508	4,345,836	4,345,836	334,943	3,039,062	3,162,498	3,295,732
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		891,299	924,805	922,392	974,256	974,256	974,256	-	922,392	963,899	1,007,275
Property, plant and equipment	3	6,942,287	7,624,937	7,250,806	8,754,770	8,754,737	8,754,737	191,398	7,878,182	8,096,562	8,473,674
Biological assets		80,896	76,376	83,234	80,958	80,958	80,958	(33)	83,234	86,980	90,894
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		273,094	274,718	323,520	291,270	291,270	291,270	-	323,520	338,078	353,292
Intangible assets		18,426	23,913	24,478	25,766	26,566	26,566	(4,365)	24,753	25,867	27,031
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	(1,090)	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		8,206,003	8,924,750	8,604,430	10,127,020	10,127,787	10,127,787	185,909	9,232,081	9,511,387	9,952,165
TOTAL ASSETS		11,507,663	13,093,639	10,901,865	14,241,528	14,473,622	14,473,622	520,852	12,271,143	12,673,885	13,247,897
LIABILITIES											
Current liabilities											
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		79,163	74,271	50,311	(11,273)	28,727	28,727	(82,960)	76,586	84,083	91,916
Consumer deposits		133,072	142,188	152,357	150,719	150,719	150,719	9,040	152,357	159,214	166,378
Trade and other payables from exchange transactions	4	1,949,231	3,003,317	3,158,414	1,713,734	1,644,234	1,644,234	684,823	1,713,734	1,663,734	1,663,734
Trade and other payables from non-exchange transactions	5	136,088	175,933	189,532	-	-	-	(19,419)	-	-	-
Provision		49,118	58,245	53,143	61,739	61,739	61,739	(60)	53,143	55,535	58,034
VAT		371,840	431,837	500,430	457,747	-	-	107,725	162,137	169,434	177,058
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		2,718,511	3,885,790	4,104,188	2,372,667	1,885,420	1,885,420	699,149	2,157,958	2,131,999	2,157,120
Non current liabilities											
Financial liabilities	6	124,582	50,311	116,275	559,919	559,919	559,919	-	-	-	-
Provision	7	133,244	130,248	117,456	80,111	80,111	80,111	-	117,456	122,742	128,265
Long term portion of trade payables		-	-	-	-	-	-	-	2,796,914	2,922,775	3,054,300
Other non-current liabilities		517,190	477,915	499,399	583,456	583,456	583,456	-	499,399	521,872	545,356
Total non current liabilities		775,015	658,474	733,130	1,223,486	1,223,486	1,223,486	-	3,413,769	3,567,389	3,727,921
TOTAL LIABILITIES		3,493,527	4,544,264	4,837,318	3,596,153	3,108,906	3,108,906	699,149	5,571,727	5,699,387	5,885,042
NET ASSETS	10	8,014,136	8,549,376	6,064,547	10,645,376	11,364,717	11,364,717	(178,298)	6,699,416	6,974,497	7,362,856
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	8,015,925	7,773,527	6,490,080	10,645,376	11,294,430	11,294,430	(51,891)	6,699,416	6,974,497	7,362,856
Reserves and funds	9	235,413	250,168	252,924	-	-	-	(1,469)	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	8,251,338	8,023,695	6,743,004	10,645,376	11,294,430	11,294,430	(53,359)	6,699,416	6,974,497	7,362,856

Msunduzi (KZN225) - Table A7 Budgeted Cash Flows

MSUNDUZI (KZN23) - Table A/ 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 2026/27	Budget Year 2027/28
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	1,337,835	-	1,484,417	1,484,417	1,484,417	107,996	1,532,282	1,601,234	1,641,265
Service charges		-	3,549,237	-	4,717,472	4,717,472	4,717,472	10,126	5,220,730	5,476,546	5,744,897
Other revenue		-	-	-	765,832	765,832	765,832	834,294	194,260	203,779	213,764
Transfers and Subsidies - Operational	1	-	814,489	-	946,343	1,008,752	1,008,752	14,123	992,232	1,065,081	1,111,920
Transfers and Subsidies - Capital	1	-	351,427	-	456,975	477,926	477,926	35,665	376,127	429,887	457,347
Interest		-	16,708	-	19,135	19,135	19,135	(6,143,760)	19,996	20,976	22,004
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(5,260,181)	-	(7,709,596)	(7,584,599)	(7,584,599)	964	(7,621,777)	(8,041,356)	(8,400,743)
Finance charges		-	(18,837)	-	(42,825)	(42,825)	(42,825)	-	(56,180)	(58,708)	(62,231)
Transfers and Subsidies	1	-	-	-	(69,670)	(69,670)	(69,670)	-	(72,457)	(76,007)	(79,732)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	790,678	-	568,083	776,440	776,440	(5,140,593)	585,213	621,431	648,490
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	3,343	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	1,090	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(502,024)	-	(824,011)	(824,011)	(824,011)	-	(627,651)	(519,887)	(557,347)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(498,681)	-	(824,011)	(824,011)	(824,011)	1,090	(627,651)	(519,887)	(557,347)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	234,316	234,316	234,316	-	161,524	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	(79,163)	-	(90,000)	(50,000)	(50,000)	-	(90,000)	(90,000)	(90,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(79,163)	-	144,316	184,316	184,316	-	71,524	(90,000)	(90,000)
NET INCREASE/ (DECREASE) IN CASH HELD											
	2	-	212,834	-	(111,612)	136,745	136,745	(5,139,503)	29,086	11,544	1,144
Cash/cash equivalents at the year begin:	2	56,302	482,433	366,360	301,783	495,993	495,993	-	366,360	382,846	400,075
Cash/cash equivalents at the year end:	2	56,302	695,267	366,360	190,172	632,738	632,738	(5,139,503)	395,446	394,390	401,219

Msunduzi (KZN225) - Table A8 Cash backed reserves/accumulated surplus reconciliation

WSURDUDZ (RZNRZS) - Table A0 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 2026/27	Budget Year 2027/28
R thousands											
Cash and investments available											
Cash/cash equivalents at the year end	1	56,302	695,267	366,360	190,172	632,738	632,738	(5,139,503)	395,446	394,390	401,219
Other current investments > 90 days		265,544	(212,834)	90,575	21,612	(259,914)	(259,914)	4,473,147	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		321,845	482,433	456,935	211,783	372,824	372,824	(666,355)	395,446	394,390	401,219
Application of cash and investments											
Unspent conditional transfers		136,088	175,933	189,531	-	-	-	(19,419)	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	178,089	185,013	174,006	457,747	-	-	(67,379)	162,137	169,434	177,058
Other working capital requirements	3	1,949,231	256,223	3,158,414	(1,461,077)	(1,561,591)	(1,561,591)	512,946	(114,524)	(251,441)	(338,768)
Other provisions		49,118	58,245	53,143	61,739	61,739	61,739	(60)	53,143	55,535	58,034
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	140,062	145,592	148,348	-	-	-	(1,469)	-	-	-
Total Application of cash and investments:		2,452,587	821,005	3,723,444	(941,591)	(1,499,851)	(1,499,851)	424,619	100,757	(26,473)	(103,676)
Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief		(2,130,742)	(338,572)	(3,266,508)	1,153,374	1,872,675	1,872,675	(1,090,974)	294,690	420,863	504,894
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Relief		(2,130,742)	(338,572)	(3,266,508)	1,153,374	1,872,675	1,872,675	(1,090,974)	294,690	420,863	504,894

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.

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

The primary aims of the Budget Steering Committee are 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 City'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 (i.e. in August 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2024. Key dates applicable to the process were:

- **30 August 2024** Annual Performance Report submitted to Auditor-General as per S46 MSA
- **10 October 2024** the first sitting of the IDP representative forum
- **05 to 07 May 2025** Zonal IDP/ Budget Izimbizo convened by the Mayor
- **21 March 2025** conducted public hearings on proposed rates and tariffs for 2024/25 budget year.
- **28 May 2025** Approval of the Budget

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The City'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 fourth 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.

With the compilation of the 2025/26 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2025/26 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning and essentially informed the detail operating budget appropriations and three-year capital programme.

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:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2023/24 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 74, 98 and 99,126 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

Ward Committees were utilised to facilitate the community consultation process, which included open public briefing sessions. The applicable dates and venues were published in all the local newspapers. Sessions were scheduled with organised business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the submission to EXCO for finalisation of the 2025/26 MTREF. Feedback and responses to the

1submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The City is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;

2.2 Overview of alignment of annual budget with IDP

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

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

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

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

therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

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

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

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Spatial Planning and Land Use Management Act (SPLUMA);
- Provincial Growth and Development Strategy (PGDS);
- State of the Province address 2025
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- National Development Plan (Vision 2030)
- The National 14 Government Outcomes

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner, which is consistent with its IDP. The following table highlights the IDP's strategic Goals for the 2025/26 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Goals

- a) A well-serviced city;
- b) An accessible, connected city;
- c) A clean, green city;
- d) A friendly, safe city, and
- e) An economically prosperous city.
- f) A financially viable and well-governed city

In order to ensure integrated and focused service delivery between all spheres of government it was important for the City 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 six strategic goals:

1. Basic Service Delivery:

- Provide electricity;
- Provide water;
- Provide sanitation;
- Provide waste removal;
- Provide housing;
- Provide roads and storm water;
- Provide public transport;
- Provide city planning services; and
- Maintaining the infrastructure of the City.

2. Local Economic Development:

- Ensuring there is a clear structural plan for the City;
- 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. Cross cutting issues:

- 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 city 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.
4. Good Governance and Public Participation:
- 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
 - Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
4. Financial Viability and Financial Management:
- Publishing the outcomes of all tender processes on the municipal website
 - Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
5. Municipal Transformation and Organisational Development:
- 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 City. The five-year programme responds to the development challenges and opportunities faced by the City by identifying the key performance areas to achieve the six the strategic goals mentioned above.

In addition to the five-year IDP, the City 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 City 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 City's IDP, associated sectoral plans and strategies, and the allocation of resources of the City and other service delivery partners.

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

- Building a Capable and developmental Municipality
- Back-to-Basics: cleaning, Repairing , enforcing and Responding
- Improved Infrastructure Efficiency-Planning, Budgeting, Spending, Implementing, Maintaining
- Financial Sustainability
- Growing the Regional Economy
- Serving as a Provincial Capital
- Creating a Learning City and City of Learning
- Spatial Effectiveness and Justice: Increasing Densities and Improving Mobility

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

- Strengthening the analysis and strategic planning processes of the City;
- 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.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	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												
Financial Viability and Management	Financially viable and well governed City			1,733,327	1,917,566	2,013,445	2,114,117	2,219,823	2,330,814	2,447,355	2,569,722	2,698,209
Basic Service Delivery	Improved the state of municipal infrastructure			4,278,004	4,509,055	4,734,508	4,971,233	5,219,795	5,480,784	5,754,824	6,042,565	6,344,693
Local Economic Development	An economically prosperous city			28,276	31,613	33,194	34,853	36,596	38,426	40,347	42,364	44,483
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities living in a variety of friendly.			360,441	402,972	423,121	444,277	466,490	489,815	514,306	540,021	567,022
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories.			(484,957)	592,273	621,887	652,981	685,630	719,911	755,907	793,702	833,388
Municipal Transformation and Institutional Development	Improved customer experience & public participation			93,028	104,005	109,206	114,666	120,399	126,419	132,740	139,377	146,346

Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	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													
Financial Viability and Management	Financially viable and well governed City			526,628	601,730	651,385	680,698	711,329	743,339	776,789	811,745	848,273	
Basic Service Delivery	Improved the state of municipal infrastructure			1,242,699	1,419,918	1,537,091	1,606,260	1,678,542	1,754,076	1,833,010	1,915,495	2,001,692	
Local Economic Development	An economically prosperous city			492,897	563,189	609,664	637,099	665,768	695,728	727,035	759,752	793,941	
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities living in a variety of friendly.			152,527	174,279	188,660	197,150	206,022	215,293	224,981	235,105	245,685	
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories.			3,299,254	3,629,446	3,974,249	4,153,090	4,339,979	4,535,278	4,739,366	4,952,637	5,175,506	
Municipal Transformation and Institutional Development	Improved customer experience & public participation			12,753	14,572	15,775	16,484	17,226	18,001	18,811	19,658	20,543	
Total Expenditure				1	5,726,758	6,403,133	6,976,824	7,290,781	7,618,866	7,961,715	8,319,992	8,694,392	9,085,640

Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	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												
Financial Viability and Management	Financially viable and well governed City	A				122,778	128,917	135,363	142,131	149,237	156,699	164,534
Basic Service Delivery	Improved the state of municipal infrastructure	B		1,568,361	1,765,096	2,518,315	2,644,231	2,776,443	2,915,265	3,061,028	3,214,080	3,374,784
Local Economic Development	An economically prosperous city	C		(1,611,111)	(1,563,710)	(2,280,664)	(2,394,697)	(2,514,432)	(2,640,153)	(2,772,161)	(2,910,769)	(3,056,307)
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities living in a variety of friendly.	D		25,585	28,276	31,613	33,194	34,853	36,596	38,426	40,347	42,364
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories.	E		326,137	360,441	402,972	423,121	444,277	466,490	489,815	514,306	540,021
Municipal Transformation and Institutional Development	Improved customer experience & public participation	F		86,708	95,828	102,635	107,767	113,155	118,813	124,754	130,992	137,541
Allocations to other priorities			3									
Total Capital Expenditure			1	395,681	685,931	897,650	942,533	989,659	1,039,142	1,091,099	1,145,654	1,202,937

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 City has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess 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:

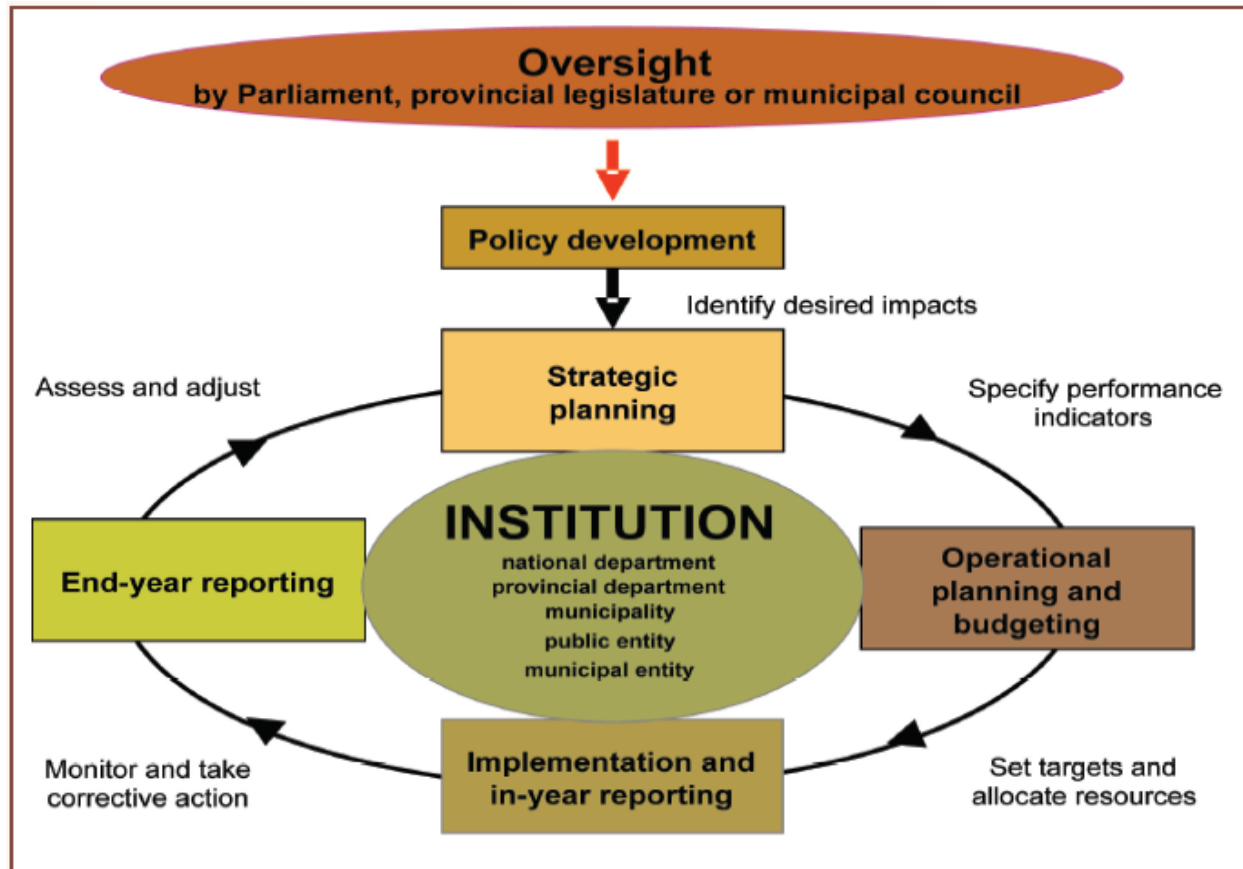


Figure 1 Planning, budgeting and reporting cycle

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



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The following table sets out the municipalities main performance objectives and benchmarks for the 2025/26 MTREF.

Table 23 MBRR 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
Borrowing Management											
Credit Rating	Interest & Principal Paid /Operating Expenditure	3.8%	4.1%	2.2%	0.8%	1.2%	1.3%	0.0%	1.5%	1.5%	1.6%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	3.7%	3.5%	2.2%	0.7%	1.0%	1.0%	0.0%	1.5%	1.5%	1.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	45.0%	150.7%	177.5%	177.5%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	365.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.6	1.7	1.1	1.6	2.0	2.2	(9.6)	1.1	1.1	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.7	1.1	1.6	2.0	2.2	(9.6)	1.1	1.1	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.8	0.9	0.4	1.2	1.3	1.3	(7.1)	1.0	1.0	1.0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	111.9%	125.4%	122.6%	103.1%	109.7%	109.7%	0.0%	107.0%	106.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		111.9%	125.7%	122.7%	103.1%	109.7%	109.7%	0.0%	107.0%	106.9%	106.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	36.9%	44.0%	36.2%	22.0%	30.2%	37.4%	4.7%	13.3%	12.3%	20.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators											
	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)	24.2%	22.8%	23.2%	20.6%	19.8%	19.8%	24.0%	20.2%	20.6%	21.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	22.6%	22.5%	21.7%	17.2%	17.9%	17.0%	36.0%	17.0%	16.9%	16.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.9%	3.9%	6.1%	7.1%	4.9%	4.9%	11.5%	5.4%	5.7%	5.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.5%	7.7%	6.3%	4.5%	4.5%	4.5%	5.9%	4.7%	4.4%	3.3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	49.7	46.4	169.5	129.7	129.8	—	28.8	59.8	61.5	64.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	34.2%	48.4%	38.8%	17.4%	30.7%	42.1%	6.4%	5.4%	4.1%	16.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.6	1.3	0.9	1.1	1.1	1.2	—	(0.6)	(2.0)	(2.2)

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital grants, own-source revenue and long-term borrowing can fund capital expenditure in local government. The ability of a municipality to raise long-term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Batho Pele City's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the City's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2025/26 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the MTREF from 0.82 per cent to 0.74 per cent in 2021/22, it needs to be noted that the increased capital grants and transfers has contributed to the decrease and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.

2.3.1.2 Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the non-current borrowings as a percentage of funds and reserves. The s This ratio decreases in the medium term as the municipality repays its debts and improves on its equity as contributions to the reserves increase.

- *The gearing ratio* is a measure of the total long-term borrowings over funds and reserves. Between 2018/19 and 2020/21 the gearing ratio peaked at 100.6 per cent. This was primarily a result of the increased borrowing levels and decreasing funds and reserves.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the City has set a limit of 1, hence at no point in time should this ratio be less than 1.
- 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.
- Revenue Management
- As part of the financial sustainability strategy, an aggressive revenue management framework has been 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.

2.3.1.4 Creditors Management

- The City has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the City, which is expected to benefit the City in the form of more competitive pricing of tenders, as suppliers compete for the City's business.

2.3.1.5 Other Indicators

- The electricity distribution losses have been managed downwards from 15,30 per cent in the 2017/18 financial year to 14 per cent in 2018/19 the expectation is the decrease on these losses. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.

- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue has a slight increase owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the City's strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the City. With the exception of water, only registered indigents qualify for the free basic services.

For the 2025/26 budget year the registered indigents are provided for in the budget. In terms of the Municipality's indigent policy indigent households are entitled to 6kl free water, 70 kwh of electricity, sanitation and free waste removal equivalent to 85% once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 24 MBRR A10 (Basic Service Delivery Measurement) on page 41.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The City is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. All of the City's bulk water needs are provided directly by Umgeni Water in the form of purified water.

The following is briefly the main challenges facing the City in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard.

2.4 Overview of budget related-policies

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The Credit control and debt Collection Policy was approved by Council in 30 May 2014 and is reviewed every year. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money, there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2025/26 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 87 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the City's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the City's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Policy

The changes to the Budget policy are mainly to ensure effective budgeting in terms of chapter 4 of the MFMA to a large extent.

2.4.4

2.4.5 Supply Chain Management Policy

The above policy incorporates the recent changes regarding procurement procedures

2.4.6 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the City's system of delegations. The Virement Policy was approved by Council.

2.4.7 Cash Management and Investment Policy

The City's Cash Management and Investment Policy was approved by Council. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

2.4.8 Tariff Policy

The changes to the tariff policy specify the change in terminology of the indigent tariff. The policy has been amended to apply the indigent tariffs as specified in the tariff register whereas previously this was referred to as a lifeline tariff.

2.4.9 Funding & reserves policy

Basically this policy is meant to guide the use reserves and other funding that may become available. This policy is necessary since R55 million of our capital budget will be funded from municipal own sources of income.

2.4.10 Indigent policy

The changes to the Indigent Policy are in terms of National Treasury recommendations and major feature of the policy is the re-introduction of automatic indigent and related controls. The lifeline relief in terms of water 6kl is the acceptable level nationally and that declared indigent should have 20amps in terms electricity supply.

2.4.11 Rates policy

The changes to the Rates policy are in terms of the Municipal Property Rates Act and accommodate the introduction of a rebate for developers and child headed households as outlined in the tariff register. The new valuation roll and supplementary roll are included.

2.4.12 Insurance policy

Mainly addresses issues to be considered when handling municipal insurance

2.4.13 Grants policy

Mainly treatment and disclosure of grant funding on municipal books

2.4.14 Borrowing policy

Emphasise importance of compliance with MFMA when borrowing has to take place.

2.5 Overview of budget assumptions

2.5.1 External factors

During the preparation of our tariffs which is informed by national norms and standards and our utility prices for electricity and water are always dictated by NERSA and Umgeni Water Board. The council approved 36 percent increase for Electricity which is subject to approval by NERSA, while for Umgeni the 13 percent recommended by Department of water affairs. It should be noted that public participation is still taking place to ensure consumers comments are taken into consideration. General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2024/25 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on City's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 22 per cent of total operating expenditure in the 2025/26 MTREF.

2.5.2 Credit rating outlook

Table 5 Credit rating outlook remove this table and not replace

			145	
Short term	Rand	A2	Annually	A3

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : A3
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2025/26 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (89 per cent for Property rates and 83 per cent for service charges) of annual billings. Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.6 Salary increases

A salary increase of 6% has been provided for while waiting for the approval from the bargaining council.

2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2025/26 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 24 Breakdown of the operating revenue over the medium-term

Msunduzi (KZN225) - Table A1 Budget Summary

Description R thousands	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<u>Financial Performance</u>			
Property rates	1,721,665	1,799,140	1,844,118
Service charges	6,280,570	6,588,318	6,911,146
Investment revenue	19,996	20,976	22,004
Transfer and subsidies - Operational	993,197	1,066,101	1,113,040
Other own revenue	517,452	542,807	569,404
Total Revenue (excluding capital transfers and contributions)	9,532,880	10,017,341	10,459,712

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;

- Revenue management and enhancement;
- Achievement of more than 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2025/26 MTREF on the different revenue categories are:

Table 25 Analysis of estimated revenue projections**Msunduzi (KZN225) - Table A4 Budgeted Financial Performance**

Description	Ref	2025/26 Medium Term Revenue & Expenditure Framework					
		Budget Year 2025/26		Budget Year 2026/27		Budget Year 2027/28	
R thousands	1						
Revenue							
Exchange Revenue							
Service charges - Electricity	2	4,702,555	49%	4,932,981	49%	5,174,697	49%
Service charges - Water	2	1,161,224	12%	1,218,124	12%	1,277,812	12%
Service charges - Waste Water Management	2	250,523	3%	262,798	3%	275,675	3%
Service charges - Waste Management	2	166,268	2%	174,415	2%	182,962	2%
Sale of Goods and Rendering of Services		23,403	0%	24,550	0%	25,753	0%
Agency services		5,508	0%	5,777	0%	6,061	0%
Interest earned from Receivables		256,057	3%	268,604	3%	281,765	3%
Interest earned from Current and Non Current Assets		19,996	0%	20,976	0%	22,004	0%
Rental from Fixed Assets		44,672	0%	46,861	0%	49,157	0%
Licence and permits		3,097	0%	3,248	0%	3,408	0%
Operational Revenue		102,112	1%	107,115	1%	112,364	1%
Non-Exchange Revenue			0%				
Property rates	2	1,721,665	18%	1,799,140	18%	1,844,118	18%
Fines, penalties and forfeits		12,213	0%	12,812	0%	13,439	0%
Transfer and subsidies - Operational		993,197	10%	1,066,101	11%	1,113,040	11%
Interest		66,114	7%	69,354	1%	72,752	1%
Gains on disposal of Assets		4,277		4,486	0%	4,706	0%
Total Revenue (excluding capital transfers and contributions)		9,532,880		10,017,341		10,459,712	

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the City. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2025/26 budget year, revenue from rates and services charges totalled to R8.002 billion or 84 per cent. This increased to R8.2 billion and R8.3 billion for 2026/27 and 2027/28 respectively. A notable trend is the increase in the total percentage revenue generated from rates and services charges. This growth can be mainly attributed to the increased sale of electricity, which contributes to the total revenue mix, which in turn is due to an increase in the Eskom and

anticipated uMngeni tariffs for water, and electricity. The table above excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates are the second largest revenue source totalling 18 per cent or R1.721 billion. Other revenue consists of various items such as fines, licences and permits, agency services, sale of produce, training recoveries, landing fees, passenger levy etc.

Operating grants and transfers totals R993 million in the 2025/26 budget year and increased to R1.060 million in 2026/27 and R113million by 2027/28.

Investment revenue contributes marginally to the revenue base of the City with a budget allocation of R19.9 million, R20.9 million and R22 million for the respective three financial years of the 2025/26 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget

The tables below provide detail investment information and investment particulars by maturity.

Table 26 MBRR SA15 – Detail Investment Information

Investment type	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										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank								100,000	150,000	200,000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	100,000	150,000	200,000
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	100,000	150,000	200,000

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2025/26 medium-term capital programme:

Table 27 Sources of capital revenue over the MTREF

Msunduzi (KZN225) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding

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 2026/27	Budget Year 2027/28
R thousands	1										
Funded by	-										
National Government			287,092		325,817	345,980	345,980	135,681	376,127	429,887	455,998
Provincial Government			36,822		131,158	131,946	131,946	54,915			
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat/											
Transfers recognised - capital	4	-	323,914	-	456,975	477,926	477,926	190,596	376,127	429,887	455,998
Borrowing	6				234,316	206,616	206,616	20,730	161,524		5,460
Internally generated funds			228,600	819,701	132,691	112,507	112,507	3,797	90,000	89,870	94,454
Total Capital Funding	7	-	552,514	819,701	823,982	797,049	797,049	215,123	627,651	519,757	555,912

Figure 2 Sources of capital revenue for the 2025/6 Financial year

Capital grants and receipts equates to 60 per cent of the total funding source which represents R376 million for the 2025/26 financial year and shows An increase to R429.8 million by 2026/27 and a slight increase to R455.9 million in the 2027/28. Internal funding contributes R90 million in the MTREF.

Details of borrowings

Table 6 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type R thousand	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
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)								161,524		
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	161,524	-	-
Entities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	161,524	-	-

Table 28 MBRR Table SA 18 - Capital transfers and grant receipts

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										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		647,795	765,767	795,277	895,184	953,644	953,644	966,680	1,038,866	1,084,327
Equitable Share		616,262	696,056	767,222	822,072	822,072	822,072	877,312	926,722	968,645
Energy Efficiency and Demand Side Management						700	700		70	70
Expanded Public Works Programme Integrated Gra		3,474	5,228	4,634	2,092	2,092	2,092	2,624		
Local Government Financial Management Grant		1,900	1,950	1,950	1,900	1,900	1,900	2,000	2,200	2,300
Municipal Infrastructure Grant		6,108	6,977	7,456	9,120	8,077	8,077	9,744	9,874	9,937
Municipal Systems Improvement Grant		42		67						
Municipal Water Infrastructure Grant [Schedule 5B]		19,986	55,555	13,948	30,000	60,000	60,000	25,000	25,000	25,000
Public Transport Network Grant		23			30,000	30,000	30,000	50,000	75,000	78,375
Regional Bulk Infrastructure Grant						28,802	28,802			
Provincial Government:		33,882	35,985	26,321	51,159	72,751	72,751	26,517	27,235	28,713
Infrastructure		33,882	35,817	24,658	51,159	70,551	70,551	26,517	27,235	28,713
Capacity Building and Other			168	1,663		2,200	2,200			
District Municipality:		-	-	-	-	-	-	-	-	-
Capacity Building and Other										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	681,678	801,751	821,598	946,343	1,026,395	1,026,395	993,197	1,066,101	1,113,040
Capital Transfers and Grants										
National Government:		331,771	286,531	260,810	325,817	373,708	373,708	376,127	429,887	457,347
Energy Efficiency and Demand Side Management Grant				5,000	4,950	5,600	5,600		4,000	4,000
Integrated National Electrification Programme (Municipal G		11,230	27,380	12,219	4,971	4,971	4,971		6,000	6,271
Municipal Disaster Recovery Grant						73,020	73,020	13,214		
Municipal Disaster Relief Grant					13,214					
Municipal Infrastructure Grant		203,223	220,208	205,413	222,682	225,609	225,609	232,913	256,887	269,701
Neighbourhood Development Partnership Grant		35,000	34,499	12,973	20,000	20,000	20,000	30,000	33,000	40,000
Public Transport Network Grant		62,323			20,000	20,000	20,000	50,000	75,000	78,375
Water Services Infrastructure Grant		19,995	4,444	25,204	40,000	24,507	24,507	50,000	55,000	59,000
Provincial Government:		27,734	20,972	163,695	131,158	114,988	114,988	-	-	-
Infrastructure		27,734	20,972	163,695	131,158	114,988	114,988			
District Municipality:		-	-	-	-	-	-	-	-	-
Infrastructure										
Other grant providers:		9,219	16,816	3,418	-	-	-	-	-	-
Traditional Affairs		9,219	16,816	3,418						
Total Capital Transfers and Grants	5	368,725	324,319	427,923	456,975	488,696	488,696	376,127	429,887	457,347
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1,050,402	1,126,071	1,249,521	1,403,318	1,515,091	1,515,091	1,369,324	1,495,988	1,570,386

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for political oversight and management. Some specific features include: Clear separation of receipts and payments within each cash flow category; Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue., and Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 29 MBRR Table A7 - Budget cash flow statement

Msunduzi (KZN225) - 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 2026/27	Budget Year 2027/28
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	1,337,835	-	1,484,417	1,484,417	1,484,417	107,996	1,532,282	1,601,234	1,641,265
Service charges		-	3,549,237	-	4,717,472	4,717,472	4,717,472	10,126	5,220,730	5,476,546	5,744,897
Other revenue		-	-	-	765,832	765,832	765,832	834,294	194,260	203,779	213,764
Transfers and Subsidies - Operational	1	-	814,489	-	946,343	1,008,752	1,008,752	14,123	992,232	1,065,081	1,111,920
Transfers and Subsidies - Capital	1	-	351,427	-	456,975	477,926	477,926	35,665	376,127	429,887	457,347
Interest		-	16,708	-	19,135	19,135	19,135	(6,143,760)	19,996	20,976	22,004
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(5,260,181)	-	(7,709,596)	(7,584,599)	(7,584,599)	964	(7,621,777)	(8,041,356)	(8,400,743)
Finance charges		-	(18,837)	-	(42,825)	(42,825)	(42,825)	-	(56,180)	(58,708)	(62,231)
Transfers and Subsidies	1	-	-	-	(69,670)	(69,670)	(69,670)	-	(72,457)	(76,007)	(79,732)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	790,678	-	568,083	776,440	776,440	(5,140,593)	585,213	621,431	648,490
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	3,343	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	1,090	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(502,024)	-	(824,011)	(824,011)	(824,011)	-	(627,651)	(519,887)	(557,347)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(498,681)	-	(824,011)	(824,011)	(824,011)	1,090	(627,651)	(519,887)	(557,347)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	234,316	234,316	234,316	-	161,524	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	(79,163)	-	(90,000)	(50,000)	(50,000)	-	(90,000)	(90,000)	(90,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(79,163)	-	144,316	184,316	184,316	-	71,524	(90,000)	(90,000)
NET INCREASE/ (DECREASE) IN CASH HELD			212,834	-	(111,612)	136,745	136,745	(5,139,503)	29,086	11,544	1,144
Cash/cash equivalents at the year begin:	2	56,302	482,433	366,360	301,783	495,993	495,993	-	366,360	382,846	400,075
Cash/cash equivalents at the year end:	2	56,302	695,267	366,360	190,172	632,738	632,738	(5,139,503)	395,446	394,390	401,219

The above table shows that projected cash and cash equivalents of the City since 2021/22 has been positive and it is slightly growing the 2023/24 being R 1,1 million two outer years being R1.213 Billion and R1.8 billion respectively. Of utmost importance is to ensure that actual results do match or surpass the projections unfortunately over the years this has been very difficult to achieve considering the AFS results over the past financial periods. Despite the actual results over years the 2024/25 MTREF is always prepared to ensure high levels of liquidity.

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 30 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**Msunduzi (KZN225) - 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 2026/27	Budget Year 2027/28
R thousands											
Cash and investments available											
Cash/cash equivalents at the year end	1	56,302	695,267	366,360	190,172	632,738	632,738	(5,139,503)	395,446	394,390	401,219
Other current investments > 90 days		265,544	(212,834)	90,575	21,612	(259,914)	(259,914)	4,473,147	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		321,845	482,433	456,935	211,783	372,824	372,824	(666,355)	395,446	394,390	401,219
Application of cash and investments											
Unspent conditional transfers		136,088	175,933	189,531	-	-	-	(19,419)	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	178,089	185,013	174,006	457,747	-	-	(67,379)	162,137	169,434	177,058
Other working capital requirements	3	1,949,231	256,223	3,158,414	(1,461,077)	(1,561,591)	(1,561,591)	512,946	(114,524)	(251,441)	(338,768)
Other provisions		49,118	58,245	53,143	61,739	61,739	61,739	(60)	53,143	55,535	58,034
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	140,062	145,592	148,348	-	-	-	(1,469)	-	-	-
Total Application of cash and investments:		2,452,587	821,005	3,723,444	(941,591)	(1,499,851)	(1,499,851)	424,619	100,757	(26,473)	(103,676)
Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief		(2,130,742)	(338,572)	(3,266,508)	1,153,374	1,872,675	1,872,675	(1,090,974)	294,690	420,863	504,894
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Relief		(2,130,742)	(338,572)	(3,266,508)	1,153,374	1,872,675	1,872,675	(1,090,974)	294,690	420,863	504,894

From the above table it can be seen that the cash and investments available total to R294.6 million in the adjusted 2025/26 budget year and will increase to R 420 million in 2025/26, thereafter increase in 2027/28 to R 504 million. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. The City has received the necessary roll-over approval from the National Treasury as the funding appropriation relating to the unspent conditional grants could be motivated as part of existing projects.

- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, Any underperformance in relation to collections could place upward pressure on the ability of the City to meet its creditor obligations.
-

It can be concluded that the city has a surplus against the cash backed and accumulated surpluses reconciliation.

2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 31 MBRR SA10 – Funding compliance 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
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	288,153	511,402	490,955	644,030	632,738	632,738	–	395,446	406,990	406,786
Cash + investments at the yr end less applications - R'000	18(1)b	2	1,301,348	1,620,920	830,685	1,644,348	1,802,907	1,802,907	19,419	347,833	488,998	568,496
Cash year end/monthly employee/supplier payments	18(1)b	3	0.6	1.3	0.9	1.1	1.1	1.2	–	0.6	0.6	0.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	554,077	1,315,580	411,166	1,391,652	1,696,766	2,339,130	(536,891)	1,343,660	1,372,948	1,433,377
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(2.4%)	(2.1%)	28.7%	(7.0%)	(6.0%)	(44.1%)	4.2%	(1.2%)	(1.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	38.0%	38.5%	40.9%	41.4%	41.3%	41.3%	0.0%	85.3%	85.3%	85.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	19.8%	1.4%	18.8%	8.7%	8.8%	8.8%	0.0%	5.2%	5.2%	5.2%
Capital payments % of capital expenditure	18(1)c,19	8	101.6%	82.5%	92.0%	93.3%	100.9%	100.9%	0.0%	100.0%	100.0%	100.3%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	54.5%	69.2%	69.2%	0.0%	64.2%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	10.5%	(61.3%)	167.7%	0.0%	0.0%	(76.2%)	160.5%	4.8%	4.6%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	3.7%	3.7%	5.8%	5.1%	4.9%	4.9%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	39.9%	21.1%	16.4%	10.9%	17.2%	18.6%	0.0%	23.4%	38.4%	18.2%

2.6.4.1 Cash/cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the budget year. The forecasted cash and cash equivalents for the 2024/25 MTREF shows R733 million, R1.213 billion and R 1.203 billion for each respective budget year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 48. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the City to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As part of the 2024 /25 MTREF, the municipalities cash position is currently below 1 month.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2024/25 MTREF the indicative outcome is a surplus of R 1,017 million, R 1,232 million and R 1.681 billion.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 3.50 per cent, with the increase in water at 12.0 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen

that the outcome is at per 95 cent for all budget years. Given that the assumed collection rate was based on a 90 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Considering the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 63.8 per cent of own funded capital. Further details relating to the borrowing strategy of the City can be found on page 68.

2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The City has budgeted for all transfers.

2.6.4.11 Consumer debtors change (Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the City's policy of settling debtors accounts within 30 days.

2.6.4.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the City's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C on page 103.

2.6.4.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b on page 90.

2.7 Table 32 MBRR SA19 - Expenditure on transfers and grant programmes

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										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		621,678	758,789	787,679	72,212	94,692	94,692	78,659	101,880	105,255
Equitable Share		616,262	696,056	767,222		700	700		700	700
Energy Efficiency and Demand Side Management		1,900	1,950	1,807	2,092	2,092	2,092	2,624		
Expanded Public Works Programme Integrated Grant				-	1,900	1,900	1,900	1,035	1,180	1,180
Local Government Financial Management Grant		3,516	5,228	4,701	8,220					
Municipal Infrastructure Grant			55,555	13,948	30,000	60,000	60,000	25,000	25,000	25,000
Municipal Water Infrastructure Grant				-	30,000	30,000	30,000	50,000	75,000	78,375
Public Transport Network Grant				-						
Provincial Government:		-	-	-	56,659	65,336	65,336	47,440	49,393	52,179
Infrastructure					56,659	65,336	65,336	47,440	49,393	52,179
Capacity Building and Other										
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants:		621,678	758,789	787,679	128,871	160,028	160,028	126,099	151,273	157,434
Capital expenditure of Transfers and Grants										
National Government:		-	287,092	-	325,817	345,980	345,980	376,127	429,887	455,998
Energy Efficiency and Demand Side Management Grant					4,950	4,300	4,300		4,000	3,271
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]					4,971	4,971	4,971		6,000	8,212
Municipal Disaster Recovery Grant					13,214	46,592	46,592	13,214		78,375
Municipal Infrastructure Grant			287,092		222,682	225,609	225,609	232,913	256,887	265,702
Neighbourhood Development Partnership Grant					20,000	20,000	20,000	30,000	33,000	40,000
Public Transport Network Grant					20,000	20,000	20,000	50,000	75,000	49,438
Water Services Infrastructure Grant					40,000	24,507	24,507	50,000	55,000	11,000
Provincial Government:		-	36,822	-	131,158	130,883	130,883	-	-	-
Infrastructure			36,822		131,158	130,883	130,883			
Capacity Building and Other						1,062	1,062			
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<i>Other capital transfers/grants [insert description]</i>										
Total capital expenditure of Transfers and Grants		-	323,914	-	456,975	476,864	476,864	376,127	429,887	455,998
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		621,678	1,082,703	787,679	585,846	636,891	636,891	502,226	581,160	613,432

2.8 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	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		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		12,778	13,174		12,983	12,983	12,983	16,343	15,016	15,917
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance					281	281	281	292	295	313
Cellphone Allowance		1,867	2,069		1,475	1,475	1,475	1,639	1,209	1,281
Housing Allowances					184	184	184	260	270	282
Other benefits and allowances					19	19	19	174		
Sub Total - Councillors		14,645	15,242	—	14,942	14,942	14,942	18,708	16,790	17,793
% increase	4		4.1%	(100.0%)	—	—	—	25.2%	(10.3%)	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		9,448	10,218		9,508	9,508	9,508	9,564	9,741	9,741
Pension and UIF Contributions		834	1,026		828	828	828			
Medical Aid Contributions					62	62	62		54	54
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3	1,196	1,400		1,209	1,209	1,209	1,322	1,221	1,221
Cellphone Allowance	3	118	104		20	20	20	13	21	21
Housing Allowances	3	439	1,637		1,649	1,649	1,649	1,674	1,665	1,665
Other benefits and allowances	3	20	171		28	28	28	29	57	57
Payments in lieu of leave			225							
Long service awards					636	636	636	646	836	836
Post-retirement benefit obligations	6							15,030	21,983	21,984
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		12,055	14,782	—	13,941	13,941	13,941	28,279	35,579	35,579
% increase	4		22.6%	(100.0%)	—	—	—	102.8%	25.8%	0.0%
Other Municipal Staff										
Basic Salaries and Wages		740,833	834,266	834,687	919,050	898,822	898,822	952,751	995,625	1,040,428
Pension and UIF Contributions		160,019	165,853	168,035	193,655	273,709	273,709	290,132	303,188	316,831
Medical Aid Contributions		59,601	63,734	65,721	97,380	114,989	114,989	121,888	127,373	133,105
Overtime		109,898	97,740	110,789	104,445	95,136	95,136	100,844	105,382	110,124
Performance Bonus		60,827	64,175	67,214	81,379	83,370				
Motor Vehicle Allowance	3	26,856	28,743	28,706	35,361	34,331	34,331	36,391	38,029	39,740
Cellphone Allowance	3	7,568	4,244	(79)	4,917	4,867	4,867	5,159	5,391	5,634
Housing Allowances	3	4,128	4,326	4,245	4,628	4,708	4,708	4,991	5,215	5,450
Other benefits and allowances	3	59,512	141,401	82,853	37,582	37,687	37,687	39,948	41,746	43,624
Payments in lieu of leave		18,611		19,775						
Long service awards		27,903	13,952	27,795	18,382	17,411	17,411	18,456	19,286	20,154
Post-retirement benefit obligations	6	60,781		62,450						
Entertainment										
Scarcity				7,385						
Acting and post related allowance				17,962						
In kind benefits										
Sub Total - Other Municipal Staff		1,336,537	1,418,435	1,497,538	1,496,777	1,565,031	1,481,661	1,570,561	1,641,236	1,715,092
% increase	4		6.1%	5.6%	(0.1%)	4.6%	(5.3%)	6.0%	4.5%	4.5%
Total Parent Municipality		1,363,237	1,448,459	1,497,538	1,525,660	1,593,914	1,510,544	1,617,547	1,693,605	1,768,464
			6.3%	3.4%	1.9%	4.5%	(5.2%)	7.1%	4.7%	4.4%

Table 34 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		51,889	177,660	1,101,073			1,330,622
Chief Whip			32,704	24,073	1,024,707			1,081,484
Executive Mayor			55,002	1,110,146	192,039			1,357,188
Deputy Executive Mayor			1,304,525	47,929				1,352,454
Executive Committee			261,633					261,633
Total for all other councillors			2,125,775	10,613,854	48,335,806			61,075,435
Total Councillors	8	-	3,831,529	11,973,662	50,653,625			66,458,817
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,366,552		509,412			1,798,612
Chief Finance Officer			1,325,209		708,012			1,958,209
								-
								-
								-
								-
<i>List of each official with packages >= senior manager</i>								
GM Sustainable			1,528,756		183,170			1,625,393
GM Community services			1,528,756		137,009			1,579,232
GM Infrastructure			1,480,653		541,470			1,938,312
GM Corporate Services			1,636,640					1,544,000
GM Electricity			7,256,711		1,402,872			8,248,826
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	16,123,277	-	3,481,945	-		18,692,584

Table 35 MBRR 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
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		81		81	81		81	81	81	81
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	2	4	6	2	4	6	2	4
Other Managers	7	25	23	1	25	23	1	25	23	1
Professionals		411	208	1	411	208	1	1,335	1,214	123
Finance		31	16	1	31	16	1	277	228	50
Spatial/town planning		11	9		11	9		21	20	1
Information Technology		4	3		4	3		29	17	12
Roads		107	41		107	41		278	274	4
Electricity		26	6		26	6		134	114	21
Water		77	23		77	23		2	1	1
Sanitation		1	2		1	2		295	265	30
Refuse		4	3		4	3		299	295	4
Other		150	105		150	105				
Technicians		1,377	820	17	1,377	820	17	961	810	152
Finance		131	80	6	131	80	6	205	172	33
Spatial/town planning		45	21		45	21		284	249	35
Information Technology		21	15		21	15		148	134	14
Roads		23	21		23	21		89	63	26
Electricity		218	73		218	73		134	114	21
Water		58	37		58	37		1	1	
Sanitation		32	5		32	5		50	30	20
Refuse		19	9		19	9		50	47	3
Other		830	559	11	830	559	11			
Clerks (Clerical and administrative)		554	441	87	554	441	87	135	100	35
Service and sales workers		383	149		383	149		72	37	30
Skilled agricultural and fishery workers		23	19		23	19		62	20	52
Craft and related trades		167	63		167	63		72	37	30
Plant and Machine Operators		365	121		365	121		330	306	24
Elementary Occupations		2,571	1,276		2,571	1,276		1,000	983	17
TOTAL PERSONNEL NUMBERS	9	5,963	3,122	191	5,963	3,122	191	4,079	3,613	549
% increase					-	-	-	(31.6%)	15.7%	187.4%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10	673	425	24	673	425	24	513	423	90
Human Resources personnel headcount	8, 10	150	78	2	150	78	2	89	80	9

2.9 Monthly targets for revenue, expenditure and cash flow

2.9.1 Table 36 MBRR SA25 - Budgeted monthly revenue and expenditure

Kwazulu-Natal: Msunduzi (KZN225) - Table SA25 Budgeted Monthly Revenue and Expenditure

Description	Ref	2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
		M01 July	M02 Aug	M03 Sept	M04 Oct	M05 Nov	M06 Dec	M07 Jan	M08 Feb	M09 Mar	M10 Apr	M11 May	M12 June	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1															
Revenue																
Exchange Revenue																
Service charges - Electricity		391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	4,702,555	4,932,981	5,174,697
Service charges - Water		96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	1,161,224	1,215,124	1,277,812
Service charges - Waste Water Management		20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	250,523	262,798	275,675
Service charges - Waste Management		13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	166,268	174,415	182,962
Sale of Goods and Rendering of Services		1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	23,403	24,550	25,753
Agency services		459	459	459	459	459	459	459	459	459	459	459	459	5,508	5,777	6,061
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	256,057	268,604	281,765
Interest earned from Current and Non Current A		1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	19,996	20,976	22,004
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	44,672	46,861	49,157
Licence and permits		258	258	258	258	258	258	258	258	258	258	258	258	3,097	3,248	3,408
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	102,112	107,115	112,364
Non-Exchange Revenue																
Property rates		143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	1,721,665	1,799,140	1,844,118
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	12,213	12,812	13,439
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	993,197	1,066,101	1,113,040
Interest		5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	66,114	69,354	72,752
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		356	356	356	356	356	356	356	356	356	356	356	356	4,277	4,486	4,706
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	9,532,880	10,017,341	10,459,712
Expenditure																
Employee related costs		160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	1,922,439	2,059,216	2,204,702
Remuneration of councillors		5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	70,450	73,902	77,523
Bulk purchases - electricity		293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	3,522,533	3,695,137	3,876,199
Inventory consumed		84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	1,013,606	1,068,601	1,123,752
Debt impairment		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000	438,900	458,651
Depreciation and amortisation		32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	390,260	386,743	282,527
Interest		4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	56,180	58,708	62,231
Contracted services		71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	855,830	970,844	1,041,669
Transfer and subsidies		6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	72,457	76,007	79,732
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	238,041	242,498	276,698
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	8,561,797	9,070,557	9,483,682
Surplus/(Deficit)		80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	971,084	946,785	976,030
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	376,127	429,887	457,347
Surplus/(Deficit) after capital transfers and contributions		112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	1,347,210	1,376,672	1,433,377
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	1,347,210	1,376,672	1,433,377
Share of Surplus/Deficit attributable to Joint Vent		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	1,347,210	1,376,672	1,433,377
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	1,347,210	1,376,672	1,433,377

2.9.2 Table 37 MBRR 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
R thousand																
Revenue by Vote																
Vote 1 - City Manager													-	-	-	-
Vote 2 - City Finance		232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	2,789,050	2,925,325	3,021,943
Vote 3 - Corporate Services		159	159	159	159	159	159	159	159	159	159	159	159	1,906	2,000	2,098
Vote 4 - Community Services and Social Equity		22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	265,344	289,823	271,592
Vote 5 - Infrastructure Services		167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	2,007,035	2,149,916	2,254,291
Vote 6 - Sustainable Development and City Enterprises		8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	97,217	102,103	115,236
Vote 7 - Electricity		396,942	396,942	396,942	396,942	396,942	396,942	396,942	396,942	396,942	396,942	396,942	382,089	4,748,454	4,978,061	5,251,898
Total Revenue by Vote		826,988	826,988	826,988	826,988	826,988	826,988	826,988	826,988	826,988	826,988	826,988	812,135	9,909,007	10,447,228	10,917,058
Expenditure by Vote to be appropriated																
Vote 1 - City Manager		19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	228,590	241,141	254,016
Vote 2 - City Finance		99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	1,199,140	1,234,176	1,290,052
Vote 3 - Corporate Services		17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	207,252	198,151	229,549
Vote 4 - Community Services and Social Equity		70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	845,155	872,797	934,892
Vote 5 - Infrastructure Services		156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	1,880,935	2,019,303	2,078,905
Vote 6 - Sustainable Development and City Enterprises		28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	339,956	357,731	373,729
Vote 7 - Electricity		343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650	80,615	3,860,768	4,147,257	4,322,539
Total Expenditure by Vote		735,403	735,403	735,403	735,403	735,403	735,403	735,403	735,403	735,403	735,403	735,403	472,368	8,561,797	9,070,557	9,483,682
Surplus/(Deficit) before assoc.		91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	339,767	1,347,210	1,376,672	1,433,377
Income Tax													-	-	-	-
Share of Surplus/Deficit attributable to Minorities													-	-	-	-
Intercompany/Parent subsidiary transactions													-	-	-	-
Surplus/(Deficit)	1	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	339,767	1,347,210	1,376,672	1,433,377

2.9.3 Table 38 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Kwazulu-Natal: Msunduzi (KZN225) - Table SA27 Budgeted Monthly Revenue and Expenditure by Functional Classification

Description	Ref	2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
		M01 July	M02 Aug	M03 Sept	M04 Oct	M05 Nov	M06 Dec	M07 Jan	M08 Feb	M09 Mar	M10 Apr	M11 May	M12 June	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
Revenue - Functional																
<i>Municipal governance and administration</i>		233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	2,802,817	2,939,444	3,036,382
Executive and council																
Finance and administration		233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	233,568	2,802,817	2,939,444	3,036,382
Internal audit																
<i>Community and public safety</i>		5,266	5,266	5,266	5,266	5,266	5,266	5,266	5,266	5,266	5,266	5,266	5,266	63,190	62,953	66,181
Community and social services		2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	2,099	25,185	22,970	24,117
Sport and recreation		102	102	102	102	102	102	102	102	102	102	102	102	1,224	1,284	1,347
Public safety		1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	16,851	17,677	18,543
Housing		1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	19,930	21,022	22,175
Health																
<i>Economic and environmental services</i>		12,186	12,186	12,186	12,186	12,186	12,186	12,186	12,186	12,186	12,186	12,186	12,186	146,237	200,033	214,617
Planning and development		3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	3,389	40,665	44,187	51,735
Road transport		8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000	150,000	156,750
Environmental protection		464	464	464	464	464	464	464	464	464	464	464	464	5,573	5,846	6,132
<i>Trading services</i>		570,060	570,060	570,060	570,060	570,060	570,060	570,060	570,060	570,060	570,060	570,060	570,060	6,840,723	7,186,014	7,538,212
Energy sources		395,042	395,042	395,042	395,042	395,042	395,042	395,042	395,042	395,042	395,042	395,042	395,042	4,740,506	4,982,861	5,226,798
Water management		113,826	113,826	113,826	113,826	113,826	113,826	113,826	113,826	113,826	113,826	113,826	113,826	1,365,916	1,435,396	1,507,035
Waste water management		46,079	46,079	46,079	46,079	46,079	46,079	46,079	46,079	46,079	46,079	46,079	46,079	552,950	577,520	604,819
Waste management		15,113	15,113	15,113	15,113	15,113	15,113	15,113	15,113	15,113	15,113	15,113	15,113	181,351	190,238	199,559
<i>Other</i>		4,670	4,670	4,670	4,670	4,670	4,670	4,670	4,670	4,670	4,670	4,670	4,670	56,039	58,785	61,665
Total Revenue - Functional		825,751	825,751	825,751	825,751	825,751	825,751	825,751	825,751	825,751	825,751	825,751	825,751	9,909,007	10,447,228	10,917,058
Expenditure - Functional																
<i>Municipal governance and administration</i>		193,326	193,326	193,326	193,326	193,326	193,326	193,326	193,326	193,326	193,326	193,326	193,326	2,319,911	2,479,163	2,616,800
Executive and council		72,665	72,665	72,665	72,665	72,665	72,665	72,665	72,665	72,665	72,665	72,665	72,665	871,977	1,003,250	1,058,342
Finance and administration		117,920	117,920	117,920	117,920	117,920	117,920	117,920	117,920	117,920	117,920	117,920	117,920	1,415,040	1,440,490	1,520,303
Internal audit		2,741	2,741	2,741	2,741	2,741	2,741	2,741	2,741	2,741	2,741	2,741	2,741	32,894	35,423	38,155
<i>Community and public safety</i>		45,638	45,638	45,638	45,638	45,638	45,638	45,638	45,638	45,638	45,638	45,638	45,638	547,653	572,186	594,667
Community and social services		11,012	11,012	11,012	11,012	11,012	11,012	11,012	11,012	11,012	11,012	11,012	11,012	132,144	137,090	140,344
Sport and recreation		9,713	9,713	9,713	9,713	9,713	9,713	9,713	9,713	9,713	9,713	9,713	9,713	116,559	121,529	125,810
Public safety		16,489	16,489	16,489	16,489	16,489	16,489	16,489	16,489	16,489	16,489	16,489	16,489	197,872	207,397	217,176
Housing		7,663	7,663	7,663	7,663	7,663	7,663	7,663	7,663	7,663	7,663	7,663	7,663	91,953	96,600	101,298
Health		760	760	760	760	760	760	760	760	760	760	760	760	9,124	9,571	10,039
<i>Economic and environmental services</i>		38,081	38,081	38,081	38,081	38,081	38,081	38,081	38,081	38,081	38,081	38,081	38,081	456,968	509,996	502,934
Planning and development		12,451	12,451	12,451	12,451	12,451	12,451	12,451	12,451	12,451	12,451	12,451	12,451	149,408	158,045	165,764
Road transport		22,808	22,808	22,808	22,808	22,808	22,808	22,808	22,808	22,808	22,808	22,808	22,808	273,693	316,399	299,867
Environmental protection		2,822	2,822	2,822	2,822	2,822	2,822	2,822	2,822	2,822	2,822	2,822	2,822	33,867	35,552	37,303
<i>Trading services</i>		431,426	431,426	431,426	431,426	431,426	431,426	431,426	431,426	431,426	431,426	431,426	431,426	5,177,106	5,446,370	5,704,756
Energy sources		294,118	294,118	294,118	294,118	294,118	294,118	294,118	294,118	294,118	294,118	294,118	294,118	3,529,419	3,702,057	3,883,155
Water management		92,282	92,282	92,282	92,282	92,282	92,282	92,282	92,282	92,282	92,282	92,282	92,282	1,107,383	1,165,500	1,211,259
Waste water management		34,571	34,571	34,571	34,571	34,571	34,571	34,571	34,571	34,571	34,571	34,571	34,571	414,857	447,531	473,184
Waste management		10,454	10,454	10,454	10,454	10,454	10,454	10,454	10,454	10,454	10,454	10,454	10,454	125,447	131,282	137,158
<i>Other</i>		5,013	5,013	5,013	5,013	5,013	5,013	5,013	5,013	5,013	5,013	5,013	5,013	60,158	62,841	64,525
Total Expenditure - Functional		713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	8,561,797	9,070,557	9,483,682
Surplus/(Deficit)	1	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	112,267	1,347,210	1,376,672	1,433,377

2.9.4 Table 39 MBRR 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
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - City Manager																
Vote 2 - City Finance		3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	45,000	50,000
Vote 3 - Corporate Services		833	833	833	833	833	833	833	833	833	833	833	833	10,000	10,000	10,000
Vote 4 - Community Services and Social Equity		2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	34,617	18,494	18,423
Vote 5 - Infrastructure Services		28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	346,701	386,017	408,006
Vote 6 - Sustainable Development and City Enterprises		—	—	—	—	—	—	—	—	—	—	—	—	—	—	8,000
Vote 7 - Electricity		15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	181,333	30,247	31,483
Capital multi-year expenditure sub-total	2	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	617,651	489,757	525,912
Single-year expenditure to be appropriated																
Vote 1 - City Manager														—	—	—
Vote 2 - City Finance														—	—	—
Vote 3 - Corporate Services														—	—	—
Vote 4 - Community Services and Social Equity		833	833	833	833	833	833	833	833	833	833	833	833	10,000	30,000	30,000
Vote 5 - Infrastructure Services														—	—	—
Vote 6 - Sustainable Development and City Enterprises														—	—	—
Vote 7 - Electricity														—	—	—
Capital single-year expenditure sub-total	2	833	833	833	833	833	833	833	833	833	833	833	833	10,000	30,000	30,000
Total Capital Expenditure	2	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	627,651	519,757	555,912

2.9.5 Table 40 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

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
R thousand																
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000	57,475	49,681
Executive and council														-	-	-
Finance and administration		4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000	57,475	49,681
Internal audit														-	-	-
<i>Community and public safety</i>		1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	14,617	15,494	48,221
Community and social services		1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	14,617	15,494	48,221
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	155,584	169,782	213,713
Planning and development		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	33,000	40,000
Road transport		10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	125,584	136,782	173,713
Environmental protection														-	-	-
<i>Trading services</i>		33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	402,450	277,006	244,298
Energy sources		15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	181,333	30,809	31,863
Water management		9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	108,900	127,247	83,650
Waste water management		9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	112,217	118,950	128,784
Waste management														-	-	-
<i>Other</i>														-	-	-
Total Capital Expenditure - Functional	2	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	627,651	519,757	555,912
Funded by:																
National Government		31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	376,127	429,887	455,998
Provincial Government														-	-	-
District Municipality														-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)														-	-	-
Transfers recognised - capital		31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	376,127	429,887	455,998
Borrowing		13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	161,524	-	5,460
Internally generated funds		7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	89,870	94,454
Total Capital Funding		52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	627,651	519,757	555,912

2.9.6 Table 41 MBRR 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
Cash Receipts By Source															
Property rates	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	1,532,282	1,601,234	1,641,265
Service charges - electricity revenue	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	3,903,121	4,094,374	4,294,998
Service charges - water revenue	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	963,816	1,011,043	1,060,584
Service charges - sanitation revenue	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	207,934	218,123	228,811
Service charges - refuse revenue	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	145,860	153,007	160,504
Rental of facilities and equipment	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	44,566	46,750	49,041
Interest earned - external investments	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	19,996	20,976	22,004
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	12,213	12,812	13,439
Licences and permits	258	258	258	258	258	258	258	258	258	258	258	258	3,097	3,248	3,408
Agency services	459	459	459	459	459	459	459	459	459	459	459	459	5,508	5,777	6,061
Transfers and Subsidies - Operational	85,091	85,091	85,091	85,091	85,091	85,091	85,091	85,091	85,091	85,091	85,091	85,091	992,232	1,065,081	1,111,920
Other revenue	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	128,876	135,191	141,816
Cash Receipts by Source	665,697	665,697	665,697	665,697	665,697	665,697	665,697	665,697	665,697	665,697	665,697	636,833	7,959,500	8,367,616	8,733,849
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	376,127	429,887	457,347
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												161,524	161,524	-	-
Increase (decrease) in consumer deposits													-	-	-
VAT Control (receipts)													-	-	-
Decrease (increase) in non-current receivables													-	-	-
Decrease (increase) in non-current investments													-	-	-
Total Cash Receipts by Source	697,041	697,041	697,041	697,041	697,041	697,041	697,041	697,041	697,041	697,041	697,041	829,701	8,497,151	8,797,503	9,191,196
Cash Payments by Type															
Employee related costs	160,058	160,058	160,058	160,058	160,058	160,058	160,058	160,058	160,058	160,058	160,058	160,058	1,920,695	2,059,216	2,204,702
Remuneration of councillors	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	70,450	73,902	77,523
Interest	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	56,180	58,708	62,231
Bulk purchases - electricity	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	3,522,533	3,695,137	3,776,199
Acquisitions - water & other inventory	84,461	84,461	84,461	84,461	84,461	84,461	84,461	84,461	84,461	84,461	84,461	84,461	1,013,526	1,068,601	1,023,752
Contracted services	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	855,830	970,844	1,041,669
Transfers and subsidies - other municipalities	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	72,457	76,007	79,732
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Payments by Type	625,973	625,973	625,973	625,973	625,973	625,973	625,973	625,973	625,973	625,973	625,973	625,973	7,511,671	8,002,416	8,265,807
Other Cash Flows/Payments by Type															
Capital assets	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	627,651	519,887	557,347
Repayment of borrowing	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	90,000	90,000
Other Cash Flows/Payments	19,895	19,895	19,895	19,895	19,895	19,895	19,895	19,895	19,895	19,895	19,895	19,895	238,743	173,656	276,899
Total Cash Payments by Type	705,672	705,672	705,672	705,672	705,672	705,672	705,672	705,672	705,672	705,672	705,672	705,672	8,468,065	8,785,959	9,190,052
NET INCREASE/(DECREASE) IN CASH HELD	(8,631)	(8,631)	(8,631)	(8,631)	(8,631)	(8,631)	(8,631)	(8,631)	(8,631)	(8,631)	(8,631)	124,029	29,086	11,544	1,144
Cash/cash equivalents at the month/year begin:	366,360	357,729	349,098	340,467	331,835	323,204	314,573	305,942	297,311	288,679	280,048	271,417	366,360	395,446	406,990
Cash/cash equivalents at the month/year end:	357,729	349,098	340,467	331,835	323,204	314,573	305,942	297,311	288,679	280,048	271,417	395,446	395,446	406,990	408,134

2.10 Annual budgets and SDBIPs – internal departments

These are discussed fully in the IDP and SDBIP documents

2.11 Contracts having future budgetary implications

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

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

Table 42 MBRR SA 34a - 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		12,565,964	552,514	819,701	448,520	378,932	378,932	300,264	157,227	237,119
Roads Infrastructure		–	–	–	41,070	44,271	44,271	13,214	1,045	79,467
Roads					5,550	43,471	43,471	13,214	1,045	79,467
Road Structures					35,420					
Road Furniture					100	800	800			
Electrical Infrastructure		12,565,964	552,514	819,701	222,418	226,691	226,691	181,333	30,809	31,863
Power Plants										
HV Substations					40,007	172,316	172,316	126,524		5,460
MV Networks						14,300	14,300	5,000		
LV Networks					182,411	9,571	9,571	30,308	13,747	12,212
Capital Spares						30,504	30,504	19,500	17,063	14,191
Water Supply Infrastructure		–	–	–	87,986	37,499	37,499	37,500	53,063	46,650
Dams and Weirs										
Boreholes										
Reservoirs					18,805	9,320	9,320	12,500	13,063	13,650
Pump Stations						2,727	2,727			
Water Treatment Works										
Bulk Mains										
Distribution					64,181	10,000	10,000	25,000	30,000	3,000
Distribution Points						15,452	15,452		10,000	30,000
PRV Stations										
Capital Spares					5,000					
Sanitation Infrastructure		–	–	–	97,047	70,470	70,470	68,217	72,310	79,139
Pump Station										
Reticulation					97,047	3,000	3,000	44,184	46,836	27,003
Waste Water Treatment Works										
Outfall Sewers						67,470	67,470	24,033	25,475	52,135
Toilet Facilities										
Capital Spares										
Community Assets		–	–	–	31,233	29,871	29,871	13,400	14,204	42,547
Community Facilities		–	–	–	24,280	19,786	19,786	13,400	14,204	42,547
Halls					13,905	17,723	17,723	13,400	14,204	42,547
Intangible Assets		–	–	–	25,650	3,400	3,400	40,000	41,800	6,000
Servitudes										
Licences and Rights		–	–	–	25,650	3,400	3,400	40,000	41,800	6,000
Computer Software and Applications					25,000	3,400	3,400	40,000	41,800	6,000
Furniture and Office Equipment		–	–	–	5,205	4,698	4,698	5,000	5,225	43,681
Furniture and Office Equipment					5,205	4,698	4,698	5,000	5,225	43,681
Machinery and Equipment		41,032	7,760	46,679	53,273	13,574	13,574	10,000	10,450	–
Machinery and Equipment		41,032	7,760	46,679	53,273	13,574	13,574	10,000	10,450	
Transport Assets		–	–	–	53,273	13,574	13,574	10,000	10,450	–
Transport Assets					53,273	13,574	13,574	10,000	10,450	
Land		–	–	–	18,800	21,400	21,400	–	–	–
Land					18,800	21,400	21,400			
Total Capital Expenditure on new assets	1	12,606,996	560,274	916,830	768,946	567,897	567,897	378,664	239,356	329,347

Table 43 MBRR SA34b - Capital expenditure on the renewal of existing 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 renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	11,937	38,472	83,723	112,015	96,640	124,646	50,530
Roads Infrastructure		-	-	-	22,264	53,815	53,815	50,000	75,000	50,530
Roads					22,264	29,665	29,665			
Road Structures						24,150	24,150	50,000	75,000	50,530
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	14,200	14,200	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation						14,200	14,200			
Sanitation Infrastructure		-	-	-	15,708	15,708	44,000	46,640	49,646	-
Pump Station										
Reticulation					15,708	15,708	44,000	46,640	49,646	
Total Capital Expenditure on renewal of existing assets	1	-	-	11,937	53,376	86,483	112,015	96,640	124,646	50,530
Renewal of Existing Assets as % of total capex		0.0%	0.0%	1.3%	6.0%	10.7%	13.4%	15.1%	23.4%	10.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	3.3%	14.7%	23.9%	30.9%	24.8%	32.2%	17.9%

Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		—	—	—	520,478	341,328	341,328	422,851	468,309	501,049
Roads Infrastructure		—	—	—	155,467	82,867	82,867	44,921	60,213	65,348
Roads					148,240	77,579	77,579	41,794	56,773	61,565
Road Structures					3,401	2,401	2,401	1,401	1,541	1,695
Road Furniture					3,826	2,887	2,887	1,726	1,898	2,088
Capital Spares										
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		—	—	—	27,650	23,400	23,400	20,665	27,154	29,598
Power Plants					3,350					
HV Substations										
HV Switching Station										
HV Transmission Conductors					24,000					
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks					300	22,100	22,100	19,472	25,586	27,889
Capital Spares						1,300	1,300	1,193	1,568	1,709
Water Supply Infrastructure		—	—	—	25,675	23,725	23,725	38,080	41,888	46,077
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains					600	100	100	1,000	1,100	1,210
Distribution					25,075	23,625	23,625	37,080	40,788	44,867
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		—	—	—	311,176	209,476	209,476	311,582	330,917	351,476
Pump Station										
Reticulation					10,000	3,300	3,300	16,000	17,600	19,360
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities					301,176	206,176	206,176	295,582	313,317	332,116
Capital Spares										
Solid Waste Infrastructure		—	—	—	255	1,605	1,605	4,133	4,504	4,750
Landfill Sites					255	255	255	3,470	3,633	3,800
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares						1,350	1,350	663	871	950
Rail Infrastructure		—	—	—	255	255	255	3,470	3,633	3,800
Rail Lines					255	255	255	3,470	3,633	3,800
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		—	—	—	30,550	23,820	23,820	10,670	11,189	11,722

Table 45 MBRR SA36 - Detailed capital budget per municipal vote

R thousand													2025/26 Medium Term Revenue & Expenditure Framework						
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28			
Parent municipality: List of capital projects grouped by Function																			
Community Halls and Facilities	STRUCTURE OF MULTI-PURPOSE SPORTS HALL	202002020002002	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Sport and Recreation Facilities	Outdoor Facilities	Whole of the Municipality	31.35	-29.25			1,217	1,290	5,674			
Community Halls and Facilities	MID-21 WARD 8 COMMUNITY HALL	20200202001001_04	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Community Facilities	Halls	Ward 8 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25								
Community Halls and Facilities	MID-24 WARD 3 COMMUNITY HALL	20200202001001_04	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Community Facilities	Halls	Ward 3 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	9,201	1,200	1,272	2,747				
Community Halls and Facilities	MID-23 MADISA COMMUNITY HALL	20200202001001_04	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Community Facilities	Halls	Ward 23 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	708	2,000	2,120	5,287				
Community Halls and Facilities	21 WARD 8 COMMUNITY HALL LANDS	20200202001001_04	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Community Facilities	Halls	Ward 8 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	3,000	5,190	5,459	1,307				
Community Halls and Facilities	MID-21 COMMUNITY HALL WARD 5	20200202001001_04	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Community Facilities	Halls	Ward 5 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	81							
Economic Development/Planning	MDP OL DENDALE ROAD UPGRADE	201002020002004	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Road Structures	Ward 2: Edendale (Ward 18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	20,000	20,000						
Economic Development/Planning	DEVELOPMENT OF EMATHEN PHASE 1	202002020001014	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Community Facilities	Public Open Space	Whole of the Municipality	31.35	-29.25			5,000	7,000	2,000			
Economic Development/Planning	PO EDENDALE STREET REHABILITATION	202002020001014	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Community Facilities	Public Open Space	Whole of the Municipality	31.35	-29.25			3,000	3,000	8,000			
Economic Development/Planning	MDP EDENDALE TOWN CENTRE CIVIC	202002020001014	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Community Facilities	Public Open Space	Whole of the Municipality	31.35	-29.25			5,000	23,000				
Electricity	9.21 HILTON INFRASTRUCTURE UPGRADE	2010020201002_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	HV Substations	Whole of the Municipality	31.35	-29.25	10,000	11,031						
Electricity	MID-21 Madisa Village Network Upgrade	2010020201002_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	HV Substations	Whole of the Municipality	31.35	-29.25	87,900	32,878						
Electricity	1.24 EDWOOD PRIMARY 132KV INSTAL	2010020201002_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	HV Substations	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	40,000	21,338						
Electricity	1.24 MASONS 13211V PRIMARY SUBS	2010020201002_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	HV Substations	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	60,916	61,479			5,460			
Electricity	9.2A ALABASTER SWITCHGEAR REPL	2010020201002_055	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	HV Substations	Whole of the Municipality	31.35	-29.25	3,000							
Electricity	8.21 MID-BLOCK SERVICES RELOCATION	2010020201007_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	MV Networks	Whole of the Municipality	31.35	-29.25	14,300	5,000						
Electricity	MSU11/74062.003	2010020201008_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	LV Networks	Whole of the Municipality	31.35	-29.25	3,271	7,308	2,590	8,212				
Electricity	21.10W BAST LIGHTS-VUL & GREAT	2010020201008_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	LV Networks	Ward 21 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25			7,741	4,000				
Electricity	1.24 HESMET PRIMARY NETWORK UPGRADE	2010020201008_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	LV Networks	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	3,000	23,000						
Electricity	1.24 ELECTRIC METER AUDIT & REPLACE	2010020201008_053	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	LV Networks	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	1,000							
Electricity	INEP-21 PHATHINI INFILLS (TYPE 1)	2010020201008_053	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	LV Networks	Ward 21 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25		3,500						
Electricity	1.24 NEW MACHINERY & EQUIPMENT	2010020201008_051	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	Capital Spares	Whole of the Municipality	31.35	-29.25	16,500	7,000						
Electricity	LEVS-AH NEW MACHINERY & EQUIPMENT	2010020201008_053	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	Capital Spares	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	2,899							
Electricity	ESM-24 RETROFIT OF MPS FITTINGS	2010020201008_053	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	Capital Spares	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	12,000	9,400	4,000	3,271				
Electricity	1.24 SWITCH GEARS AND TRANSFORMERS	2010020201008_054	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Electrical Infrastructure	Capital Spares	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	7,007	12,000	13,063	10,000				
Finance	VAH-AH NEW FURNITURE & OFFICE EQUIPMENT	202002020003055_03748	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Furniture and Office Equipment	Other Assets	Whole of the Municipality	31.35	-29.25	1,025	5,000	5,225	43,881				
Finance	202002020003055_030	202002020003055_030	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Furniture and Office Equipment	Other Assets	Whole of the Municipality	31.35	-29.25		50,450						
Finance	21 FINANCIAL MANAGEMENT SYSTEM	202002020003055_041	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Information Technology	Computer Software and Applications	Whole of the Municipality	31.35	-29.25	2,500	40,000	41,800	6,000				
Information Technology	LEVS-AH NEW MACHINERY & EQUIPMENT	202002020003055_04261	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Information Technology	Hardware and Equipment	Office (Including Satellite Offices) Whole of the Municipality	31.35	-29.25	382	10,000	10,440	1,000				
Roads	LEVS-24 ROAD REPAIR - PMS	2010020200001_01	Renewal	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Road Structures	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	1,100							
Roads	710-24 PUBLIC TRANSPORT INFRASTRUCTURE	2010020200001_01	Renewal	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Road Structures	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	20,000	50,000	75,000	49,438				
Roads	2 UPO GRV RD-EDD-DAMBUZA MJ SWO	2010020200001_01	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 2 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	2,300	29,000	31,270	21,483				
Roads	11 UPO GRV RD-EDD-DAMBUZA MJ SWO	2010020200001_01	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 11 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	3,000							
Roads	MID-21 UPO GRV RD-EDD-DAMBUZA MJ SWO	2010020200001_01	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 21 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	16,342	12,000	12,720	5,618				
Roads	MID-21 UPO GRV RD-EDD-DAMBUZA MJ SWO	2010020200001_01	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 21 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	1,000	1,000	1,210	1,483				
Roads	11 REPAIR OF ELDEN ROAD SWEETEN	2010020200001_04	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 11 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	8,052	1,970	2,088	4,382				
Roads	118-22 Cancellation of Etna Bank	2010020200001_04	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 11 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	2,000							
Roads	22 UPO GRV RD-EDD-DAMBUZA MJ SWO	2010020200001_05	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 22 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	12,000	5,000						
Roads	21 UPO GRV RD-EDD-DAMBUZA MJ SWO	2010020200001_05	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 21 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	4,000		1,045	1,052				
Roads	LEVS-21 WARD	2010020200001_05	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 21 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	2,000		1,045	1,052				
Roads	LEVS-21 WARD	2010020200001_05	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 21 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	4,000		1,045	1,052				
Roads	MID-21 UPO GRV RD-EDD-DAMBUZA MJ SWO	2010020200001_05	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 21 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	4,000		1,045	1,052				
Roads	LEVS-24 TORWATER UPGRADE	2010020200001_05	Upgrading	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Road Structures	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25	5,402	3,000	4,134					
Roads	MORO-24 LOWER BACK STREET	2010020200001_090	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Road Structures	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25			13,214	78,375				
Roads	LEVS-24 ROAD REPAIR - PMS	2010020200001_012	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,34,35,36)	31.35	-29.25								
Roads	EVIS-24 PUBLIC TRANSPORT INFRASTRUCTURE	2010020200001_053	New	competitive and responsive economic infrastructure	Inclusion and access	revised state of Municipal Infrastructure	Roads Infrastructure	Roads	Ward 24 (Ward 1,2,3,4,5,6,7,8,9,10,11,12,13,14,										

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 City's website.

2. Internship programme

The City is participating in the Municipal Financial Management Internship programme and has employed a number of interns who undergoing training in various divisions of the Financial Services Department, as well as other sector departments especially in the technical and services sector.

3. Budget and Treasury Office

The Budget and Treasury Office is in place and established in accordance with the MFMA.

4. Audit Committee

An Audit Committee is in place and is fully functional.

5. Service Delivery Budget and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2025/26 MTREF in June 2025 directly aligned and informed by the MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements

Table SA3 – Supporting detail to Statement of Financial Position

Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 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 2026/27	Budget Year 2027/28
R thousands											
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		856,324	875,490	993,689	1,130,409	1,130,409	1,130,409	(463)	1,793,123	1,877,012	1,964,832
Water		2,710,354	3,130,817	3,629,930	3,318,667	3,318,667	3,318,667	485,339	3,827,338	4,000,358	4,181,203
Waste		238,123	258,155	293,655	273,644	273,644	273,644	34,024	314,058	328,272	343,130
Waste Water		444,133	479,709	544,199	508,492	508,492	508,492	64,635	564,689	590,271	617,012
Other trade receivables from exchange transactions		360,606	422,435	355,441	527,355	527,355	527,355	4,522	677,718	709,504	742,784
Gross: Trade and other receivables from exchange transactions		4,609,539	5,166,607	5,816,914	5,758,566	5,758,566	5,758,566	588,056	7,176,926	7,505,416	7,848,960
Less: Impairment for debt		(2,817,144)	(2,933,306)	(5,079,750)	(3,109,304)	(3,109,304)	(3,109,304)	-	(5,499,750)	(5,747,238)	(6,005,864)
Impairment for Electricity		(255,543)	(259,045)	(517,768)	(274,588)	(274,588)	(274,588)	-	(517,768)	(541,068)	(565,416)
Impairment for Water		(1,872,482)	(2,034,857)	(3,464,023)	(2,156,949)	(2,156,949)	(2,156,949)	-	(3,464,023)	(3,619,904)	(3,782,800)
Impairment for Waste		(159,099)	(155,952)	(270,417)	(165,309)	(165,309)	(165,309)	-	(270,417)	(282,586)	(295,302)
Impairment for Waste Water		(277,255)	(274,605)	(492,164)	(291,081)	(291,081)	(291,081)	-	(492,164)	(514,311)	(537,455)
Impairment for other trade receivables from exchange transactions		(252,764)	(208,846)	(335,378)	(221,377)	(221,377)	(221,377)	-	(755,378)	(789,370)	(824,892)
Total net Trade and other receivables from Exchange Transactions		1,792,394	2,233,301	737,164	2,649,262	2,649,262	2,649,262	588,056	1,677,177	1,758,178	1,843,096
Receivables from non-exchange transactions											
Property rates		670,949	1,469,919	1,612,356	1,558,114	1,558,114	1,558,114	235,087	1,801,739	1,882,817	1,963,586
Less: Impairment of Property rates		(69,163)	(706,279)	(1,336,383)	(748,656)	(748,656)	(748,656)	-	(1,336,383)	(1,396,521)	(1,459,364)
Net Property rates		601,786	763,640	275,972	809,458	809,458	809,458	235,087	465,356	486,297	504,222
Other receivables from non-exchange transactions		126,804	124,300	139,661	131,758	131,758	131,758	-	139,806	146,097	152,671
Impairment for other receivables from non-exchange transactions		(104,206)	(122,836)	(137,973)	(130,206)	(130,206)	(130,206)	-	(137,973)	(144,182)	(150,670)
Net other receivables from non-exchange transactions		22,598	1,464	1,688	1,552	1,552	1,552	-	1,832	1,915	2,001
Total net Receivables from non-exchange transactions		624,384	765,104	277,660	811,010	811,010	811,010	235,087	467,188	488,211	506,223
Inventory											
Water											
Opening Balance		6,519	1,348	1,814	-	-	-	-	1,814	1,896	1,981
System Input Volume		(4,899)	-	-	-	712,651	712,651	799	847,500	885,638	925,491
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		(4,899)	-	-	-	712,651	712,651	799	847,500	885,638	925,491
Natural Sources		-	-	-	-	-	-	-	-	-	-

Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 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 2026/27	Budget Year 2027/28
R thousands											
Authorised Consumption	6	-	-	-	-	(642,364)	(642,364)	-	(847,500)	(885,638)	(925,491)
Billed Authorised Consumption		-	-	-	-	(642,364)	(642,364)	-	(847,500)	(885,638)	(925,491)
Billed Metered Consumption		-	-	-	-	(642,364)	(642,364)	-	(847,500)	(885,638)	(925,491)
Revenue Water		-	-	-	-	(642,364)	(642,364)	-	(847,500)	(885,638)	(925,491)
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		1,620	1,348	1,814	-	70,287	70,287	799	1,814	1,896	1,981
Opening Balance		33,620	54,897	54,950	-	-	-	-	54,950	57,422	60,006
Closing balance - Consumables Standard Rated		33,620	54,897	54,950	-	-	-	7,280	54,950	57,422	60,006
Zero Rated											
Opening Balance		-	57,002	67,858	-	-	-	-	67,858	70,912	74,103
Closing balance - Materials and Supplies		41,311	57,002	67,858	-	-	-	(7,842)	67,858	70,912	74,103
Opening Balance		-	306,876	373,658	-	-	-	-	373,658	390,473	408,044
Closing Balance - Housing Stock		292,004	306,876	373,658	-	-	-	1,851	373,658	390,473	408,044
Closing Balance - Inventory and Consumables		368,555	420,123	498,281	442,453	512,740	512,740	2,088	498,281	520,703	544,135
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)	-	12,093,558	13,077,137	13,045,944	8,754,770	8,754,737	8,754,737	450,171	13,673,320	14,152,481	14,802,109
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		(5,151,271)	(5,452,199)	(5,795,138)	-	-	-	(258,773)	(5,795,138)	(6,055,919)	(6,328,435)
Total Property, plant and equipment (PPE)	2	6,942,287	7,624,937	7,250,806	8,754,770	8,754,737	8,754,737	191,398	7,878,182	8,096,562	8,473,674
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	(90,000)	(50,000)	(50,000)	-	26,275	31,507	36,975
Current portion of long-term liabilities		79,163	74,271	50,311	78,727	78,727	78,727	(82,960)	50,311	52,575	54,941
Total Current liabilities - Borrowing		79,163	74,271	50,311	(11,273)	28,727	28,727	(82,960)	76,586	84,083	91,916
Trade and other payables											
Trade and other payables from exchange transactions	5	1,949,231	3,003,317	3,158,414	1,713,734	1,644,234	1,644,234	684,823	1,713,734	1,663,734	1,663,734
Other trade payables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactions: Unspent conditional Grants		136,088	175,933	189,531	-	-	-	(19,419)	-	-	-
Trade payables from Non-exchange transactions: Other		-	-	0	-	-	-	-	-	-	-
VAT		371,840	431,837	500,430	457,747	-	-	107,725	162,137	169,434	177,058
Total Trade and other payables	2	2,457,159	3,611,086	3,848,376	2,171,481	1,644,234	1,644,234	773,129	1,875,871	1,833,168	1,840,792
Non current liabilities - Financial liabilities		-	-	-	-	-	-	-	-	-	-
Borrowing	4	124,582	50,311	116,275	559,919	559,919	559,919	-	-	-	-
Other financial liabilities		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Financial liabilities		124,582	50,311	116,275	559,919	559,919	559,919	-	-	-	-

Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 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 2026/27	Budget Year 2027/28
R thousands											
<u>Non current liabilities - Long Term portion of trade payables</u>		-	-	-	-	-	-	-	-	-	-
Electricity Bulk Purchases		-	-	-	-	-	-	-	166,379	173,866	181,690
Payables and Accruals - General		-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases		-	-	-	-	-	-	-	2,630,535	2,748,909	2,872,610
Municipal Debt Relief		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Long Term portion of trade payables		-	-	-	-	-	-	-	2,796,914	2,922,775	3,054,300
<u>Provisions - non-current</u>											
Retirement benefits		517,190	477,915	499,399	583,456	583,456	583,456	-	499,399	521,872	545,356
Refuse landfill site rehabilitation		61,114	62,175	44,650	80,111	80,111	80,111	-	44,650	46,659	48,759
Other		72,130	68,073	72,806	-	-	-	-	72,806	76,082	79,506
Total Provisions - non-current		650,434	608,163	616,855	663,567	663,567	663,567	-	616,855	644,614	673,621
CHANGES IN NET ASSETS		-	-	-	-	-	-	-	-	-	-
<u>Accumulated Surplus/(Deficit)</u>		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit) - opening balance		7,155,078	7,773,527	6,490,080	10,645,376	11,294,430	11,294,430	-	6,699,416	6,974,497	7,362,856
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		7,155,078	7,773,527	6,490,080	10,645,376	11,294,430	11,294,430	-	6,699,416	6,974,497	7,362,856
Accumulated Surplus/(Deficit)		8,015,925	7,773,527	6,490,080	10,645,376	11,294,430	11,294,430	(51,891)	6,699,416	6,974,497	7,362,856
<u>Reserves</u>		-	-	-	-	-	-	-	-	-	-
Housing Development Fund		105,694	110,558	108,869	-	-	-	(1,469)	-	-	-
Capital replacement		786	4,605	4,629	-	-	-	-	-	-	-
Self-insurance		553	7,174	7,248	-	-	-	-	-	-	-
Other reserves		33,029	23,255	27,602	-	-	-	-	-	-	-
Revaluation	2	95,351	104,576	104,576	-	-	-	-	-	-	-
Total Reserves	2	235,413	250,168	252,924	-	-	-	(1,469)	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		8,251,338	8,023,695	6,743,004	10,645,376	11,294,430	11,294,430	(53,359)	6,699,416	6,974,497	7,362,856

2.13 Overview of budget funding

2.13.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 48 Breakdown of the operating revenue over the medium-term**Msunduzi (KZN225) - Table A4 Budgeted Financial Performance**

Description	Ref	2025/26 Medium Term Revenue & Expenditure Framework					
		Budget Year 2025/26		Budget Year 2026/27		Budget Year 2027/28	
R thousands	1						
Revenue							
Exchange Revenue							
Service charges - Electricity	2	4,702,555	49%	4,932,981	49%	5,174,697	49%
Service charges - Water	2	1,161,224	12%	1,218,124	12%	1,277,812	12%
Service charges - Waste Water Management	2	250,523	3%	262,798	3%	275,675	3%
Service charges - Waste Management	2	166,268	2%	174,415	2%	182,962	2%
Sale of Goods and Rendering of Services		23,403	0%	24,550	0%	25,753	0%
Agency services		5,508	0%	5,777	0%	6,061	0%
Interest earned from Receivables		256,057	3%	268,604	3%	281,765	3%
Interest earned from Current and Non Current Assets		19,996	0%	20,976	0%	22,004	0%
Rental from Fixed Assets		44,672	0%	46,861	0%	49,157	0%
Licence and permits		3,097	0%	3,248	0%	3,408	0%
Operational Revenue		102,112	1%	107,115	1%	112,364	1%
Non-Exchange Revenue			0%				
Property rates	2	1,721,665	18%	1,799,140	18%	1,844,118	18%
Fines, penalties and forfeits		12,213	0%	12,812	0%	13,439	0%
Transfer and subsidies - Operational		993,197	10%	1,066,101	11%	1,113,040	11%
Interest		66,114	7%	69,354	1%	72,752	1%
Gains on disposal of Assets		4,277		4,486	0%	4,706	0%
Total Revenue (excluding capital transfers and contributions)		9,532,880		10,017,341		10,459,712	

Figure 3 Breakdown of operating revenue over the 2024/25 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and

solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses etc).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2025/26 MTREF on the different revenue categories are:

Table 49 Analysis of estimated revenue projections**Msunduzi (KZN225) - Table A1 Budget Summary**

Description	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands			
<u>Financial Performance</u>			
Property rates	1,721,665	1,799,140	1,844,118
Service charges	6,280,570	6,588,318	6,911,146
Investment revenue	19,996	20,976	22,004
Transfer and subsidies - Operational	993,197	1,066,101	1,113,040
Other own revenue	517,452	542,807	569,404
Total Revenue (excluding capital transfers and contributions)	9,532,880	10,017,341	10,459,712

The tables below provide detail investment information and investment particulars by maturity.

Table 50 MBRR SA15 – Detail Investment Information

Investment type	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										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

2.13.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2025/26 medium-term capital programme:

Table 51 Sources of capital revenue over the MTREF

Msunduzi (KZN225) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding

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 2026/27	Budget Year 2027/28
R thousands	1										
Funded by	-										
National Government			287,092		325,817	345,980	345,980	135,681	376,127	429,887	455,998
Provincial Government			36,822		131,158	131,946	131,946	54,915			
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat/											
Transfers recognised - capital	4	-	323,914	-	456,975	477,926	477,926	190,596	376,127	429,887	455,998
Borrowing	6				234,316	206,616	206,616	20,730	161,524		5,460
Internally generated funds			228,600	819,701	132,691	112,507	112,507	3,797	90,000	89,870	94,454
Total Capital Funding	7	-	552,514	819,701	823,982	797,049	797,049	215,123	627,651	519,757	555,912

Capital grants and receipts equates to 60 per cent of the total funding source which represents R376 million for the 2025/26 budget year and shows an decrease to R 429 million and R 455 million respectively for two outer years. An amount of R90 million has been set aside for internal funding while R161.4 million is budgeted from Borrowings.

Details of borrowings

Table 52 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type	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										
Parent municipality										
Annuity and Bullet Loans								161,524		
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	161,524	-	-
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	161,524	-	-

Table 53 MBRR Table SA 18 - Capital transfers and grant receipts

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										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		647,795	765,767	795,277	895,184	953,644	953,644	966,680	1,038,866	1,084,327
Equitable Share		616,262	696,056	767,222	822,072	822,072	822,072	877,312	926,722	968,645
Energy Efficiency and Demand Side Management						700	700		70	70
Expanded Public Works Programme Integrated Grant		3,474	5,228	4,634	2,092	2,092	2,092	2,624		
Local Government Financial Management Grant		1,900	1,950	1,950	1,900	1,900	1,900		2,200	2,300
Municipal Infrastructure Grant		6,108	6,977	7,456	9,120	8,077	8,077	9,744	9,874	9,937
Municipal Systems Improvement Grant		42		67						
Municipal Water Infrastructure Grant [Schedule 5B]		19,986	55,555	13,948	30,000	60,000	60,000	25,000	25,000	25,000
Public Transport Network Grant		23			30,000	30,000	30,000	50,000	75,000	78,375
Regional Bulk Infrastructure Grant						28,802	28,802			
Provincial Government:		33,882	35,985	26,321	51,159	72,751	72,751	26,517	27,235	28,713
Infrastructure		33,882	35,817	24,658	51,159	70,551	70,551	26,517	27,235	28,713
Capacity Building and Other			168	1,663		2,200	2,200			
District Municipality:		-	-	-	-	-	-	-	-	-
Capacity Building and Other										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	681,678	801,751	821,598	946,343	1,026,395	1,026,395	993,197	1,066,101	1,113,040
Capital Transfers and Grants										
National Government:		331,771	286,531	260,810	325,817	373,708	373,708	376,127	429,887	457,347
Energy Efficiency and Demand Side Management Grant				5,000	4,950	5,600	5,600		4,000	4,000
Integrated National Electrification Programme (Municipal G		11,230	27,380	12,219	4,971	4,971	4,971		6,000	6,271
Municipal Disaster Recovery Grant						73,020	73,020	13,214		
Municipal Disaster Relief Grant					13,214					
Municipal Infrastructure Grant		203,223	220,208	205,413	222,682	225,609	225,609	232,913	256,887	269,701
Neighbourhood Development Partnership Grant		35,000	34,499	12,973	20,000	20,000	20,000	30,000	33,000	40,000
Public Transport Network Grant		62,323			20,000	20,000	20,000	50,000	75,000	78,375
Water Services Infrastructure Grant		19,995	4,444	25,204	40,000	24,507	24,507	50,000	55,000	59,000
Provincial Government:		27,734	20,972	163,695	131,158	114,988	114,988	-	-	-
Infrastructure		27,734	20,972	163,695	131,158	114,988	114,988			
District Municipality:		-	-	-	-	-	-	-	-	-
Infrastructure										
Other grant providers:		9,219	16,816	3,418	-	-	-	-	-	-
Traditional Affairs		9,219	16,816	3,418						
Total Capital Transfers and Grants	5	368,725	324,319	427,923	456,975	488,696	488,696	376,127	429,887	457,347
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1,050,402	1,126,071	1,249,521	1,403,318	1,515,091	1,515,091	1,369,324	1,495,988	1,570,386

2.13.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 51 MBRR Table A7 –Budget cash flow statement

Msunduzi (KZN225) - 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 2026/27	Budget Year 2027/28
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	1,337,835	-	1,484,417	1,484,417	1,484,417	107,996	1,532,282	1,601,234	1,641,265
Service charges		-	3,549,237	-	4,717,472	4,717,472	4,717,472	10,126	5,220,730	5,476,546	5,744,897
Other revenue		-	-	-	765,832	765,832	765,832	834,294	194,260	203,779	213,764
Transfers and Subsidies - Operational	1	-	814,489	-	946,343	1,008,752	1,008,752	14,123	992,232	1,065,081	1,111,920
Transfers and Subsidies - Capital	1	-	351,427	-	456,975	477,926	477,926	35,665	376,127	429,887	457,347
Interest		-	16,708	-	19,135	19,135	19,135	(6,143,760)	19,996	20,976	22,004
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(5,260,181)	-	(7,709,596)	(7,584,599)	(7,584,599)	964	(7,621,777)	(8,041,356)	(8,400,743)
Finance charges		-	(18,837)	-	(42,825)	(42,825)	(42,825)	-	(56,180)	(58,708)	(62,231)
Transfers and Subsidies	1	-	-	-	(69,670)	(69,670)	(69,670)	-	(72,457)	(76,007)	(79,732)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	790,678	-	568,083	776,440	776,440	(5,140,593)	585,213	621,431	648,490
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	3,343	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	1,090	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(502,024)	-	(824,011)	(824,011)	(824,011)	-	(627,651)	(519,887)	(557,347)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(498,681)	-	(824,011)	(824,011)	(824,011)	1,090	(627,651)	(519,887)	(557,347)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	234,316	234,316	234,316	-	161,524	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	(79,163)	-	(90,000)	(50,000)	(50,000)	-	(90,000)	(90,000)	(90,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(79,163)	-	144,316	184,316	184,316	-	71,524	(90,000)	(90,000)
NET INCREASE/ (DECREASE) IN CASH HELD		-	212,834	-	(111,612)	136,745	136,745	(5,139,503)	29,086	11,544	1,144
Cash/cash equivalents at the year begin:	2	56,302	482,433	366,360	301,783	495,993	495,993	-	366,360	382,846	400,075
Cash/cash equivalents at the year end:	2	56,302	695,267	366,360	190,172	632,738	632,738	(5,139,503)	395,446	394,390	401,219

Projected cash & cash equivalents from 2025/26 up to 2027/28 is projected to increase gradually from R 459,3 million, R584 million to R999 ,illion respectively. For the 2025/26 MTREF the budget has been prepared to ensure high levels of cash backed reserves/accumulated surplus.

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 7 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**Msunduzi (KZN225) - 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 2026/27	Budget Year 2027/28
R thousands											
Cash and investments available											
Cash/cash equivalents at the year end	1	56,302	695,267	366,360	190,172	632,738	632,738	(5,139,503)	395,446	394,390	401,219
Other current investments > 90 days	1	265,544	(212,834)	90,575	21,612	(259,914)	(259,914)	4,473,147	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		321,845	482,433	456,935	211,783	372,824	372,824	(666,355)	395,446	394,390	401,219
Application of cash and investments											
Unspent conditional transfers		136,088	175,933	189,531	-	-	-	(19,419)	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	178,089	185,013	174,006	457,747	-	-	(67,379)	162,137	169,434	177,058
Other working capital requirements	3	1,949,231	256,223	3,158,414	(1,461,077)	(1,561,591)	(1,561,591)	512,946	(114,524)	(251,441)	(338,768)
Other provisions	4	49,118	58,245	53,143	61,739	61,739	61,739	(60)	53,143	55,535	58,034
Long term investments committed	5	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	140,062	145,592	148,348	-	-	-	(1,469)	-	-	-
Total Application of cash and investments:		2,452,587	821,005	3,723,444	(941,591)	(1,499,851)	(1,499,851)	424,619	100,757	(26,473)	(103,676)
Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Re		(2,130,742)	(338,572)	(3,266,508)	1,153,374	1,872,675	1,872,675	(1,090,974)	294,690	420,863	504,894
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Re		(2,130,742)	(338,572)	(3,266,508)	1,153,374	1,872,675	1,872,675	(1,090,974)	294,690	420,863	504,894

From the above table it can be seen that the cash and investments available total to R733, 7 million in the 2024/25 budget year and will increase to R1.213 billion in 2025/26 and R 1,203 billion in 2026/27. thus it becomes important to closely monitor budget implementation in order to ensure that these projected cash & cash equivalents are realized at the end of budget year. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.

- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, Any underperformance in relation to collections could place upward pressure on the ability of the City to meet its creditor obligations.

It can be concluded that the City has a surplus against the cash backed and accumulated surpluses reconciliation.

2.13.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 8 MBRR SA10 – Funding compliance 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
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	288,153	511,402	490,955	644,030	632,738	632,738	–	395,446	406,990	408,134
Cash + investments at the yr end less applications - R'000	18(1)b	2	(1,015,151)	(1,771,246)	(2,703,227)	(588,872)	96,933	241,504	(597,447)	831,890	574,969	744,139
Cash year end/monthly employee/supplier payments	18(1)b	3	0.6	1.2	0.9	1.1	1.1	1.1	–	0.6	0.6	0.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(444,531)	525,115	(544,654)	1,040,607	1,583,744	35,875	(28,142)	(503,345)	740,600	481,809
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(2.4%)	(2.1%)	28.7%	(7.0%)	(27.3%)	(19.9%)	(21.3%)	20.0%	(5.3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	38.0%	38.5%	40.9%	41.4%	41.3%	45.5%	0.0%	110.3%	92.1%	95.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	19.8%	1.4%	18.8%	8.7%	8.8%	11.1%	0.0%	6.8%	5.7%	5.9%
Capital payments % of capital expenditure	18(1)c;19	8	101.6%	82.5%	92.0%	93.3%	100.9%	100.9%	0.0%	100.0%	100.0%	100.3%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	54.5%	69.2%	69.2%	0.0%	64.2%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	10.5%	(61.3%)	167.7%	0.0%	0.0%	(69.4%)	102.6%	4.8%	4.6%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	6.9%	4.8%	4.8%	6.8%	7.1%	7.3%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	1.6%	6.5%	10.6%	13.7%	0.0%	15.4%	24.0%	9.1%

2.13.4.1 Cash/cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short-term debt at the end of the financial year. The forecasted cash and cash equivalents for the is projected at R 733,7 million for 2024/25, and for 2025/26 and 2026/27 R1,213 million to R1.203 billion respectively.

2.13.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 48. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.13.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the City to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As part of the 2024/25 MTREF the cash coverage amounts to 1,6.

2.13.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that

the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2024/25 MTREF the indicative outcome is a surplus of R1,017 million, R 1.232 billion and R 1.681 billion.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.13.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.13.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 87 percent for respective financial years. Given that the assumed collection rate was based on a 90 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed.

2.13.4.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 4.7, 4.4 and 4.1 per cent over the MTREF. Considering the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.13.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.13.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)h7

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

2.13.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The City has budgeted for all transfers.

2.13.4.11 Consumer debtors change (Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the City's policy of settling debtors accounts within 30 days.

2.13.4.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long

term because the revenue budget is not being protected. Details of the City's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C on page 103.

2.13.4.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b on page 90.

2.14 Table 9 MBRR SA19 - Expenditure on transfers and grant programmes

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										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		621,678	758,789	787,679	72,212	94,692	94,692	78,659	101,880	105,255
Equitable Share		616,262	696,056	767,222		700	700		700	700
Energy Efficiency and Demand Side Management		1,900	1,950	1,807	2,092	2,092	2,092	2,624		
Expanded Public Works Programme Integrated Grant				-	1,900	1,900	1,900	1,035	1,180	1,180
Local Government Financial Management Grant		3,516	5,228	4,701		8,220				
Municipal Infrastructure Grant			55,555	13,948	30,000	60,000	60,000	25,000	25,000	25,000
Municipal Water Infrastructure Grant				-	30,000	30,000	30,000	50,000	75,000	78,375
Public Transport Network Grant				-						
Provincial Government:		-	-	-	56,659	65,336	65,336	47,440	49,393	52,179
Infrastructure					56,659	65,336	65,336	47,440	49,393	52,179
Capacity Building and Other										
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants:		621,678	758,789	787,679	128,871	160,028	160,028	126,099	151,273	157,434
Capital expenditure of Transfers and Grants										
National Government:		-	287,092	-	325,817	345,980	345,980	376,127	429,887	455,998
Energy Efficiency and Demand Side Management Grant					4,950	4,300	4,300		4,000	3,271
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]					4,971	4,971	4,971		6,000	8,212
Municipal Disaster Recovery Grant					13,214	46,592	46,592	13,214		78,375
Municipal Infrastructure Grant			287,092		222,682	225,609	225,609	232,913	256,887	265,702
Neighbourhood Development Partnership Grant					20,000	20,000	20,000	30,000	33,000	40,000
Public Transport Network Grant					20,000	20,000	20,000	50,000	75,000	49,438
Water Services Infrastructure Grant					40,000	24,507	24,507	50,000	55,000	11,000
Provincial Government:		-	36,822	-	131,158	130,883	130,883	-	-	-
Infrastructure			36,822		131,158	130,883	130,883			
Capacity Building and Other						1,062	1,062			
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<i>Other capital transfers/grants [insert description]</i>										
Total capital expenditure of Transfers and Grants		-	323,914	-	456,975	476,864	476,864	376,127	429,887	455,998
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		621,678	1,082,703	787,679	585,846	636,891	636,891	502,226	581,160	613,432

2.15 Councillor and employee benefits

Table 10 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor Remuneration R thousands	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 2026/27	Budget Year 2027/28
		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>	1									
Basic Salaries and Wages		8,877	35,266	38,472	3,290	3,290	3,618	3,835	3,780	3,950
Pension and UIF Contributions		4,016	4,619	3,050	3,123	3,123	3,295	3,493	3,443	3,598
Medical Aid Contributions		1,691	1,885	1,645	7,584	7,584	8,001	8,481	8,361	8,737
Motor Vehicle Allowance		5,588	6,323	3,551	37,225	37,225	39,273	41,629	41,040	42,887
Cellphone Allowance		2,068	3,416	2,712	847	847	747	792	780	816
Housing Allowances		135	133	100	7,362	7,362	7,767	8,233	8,116	8,482
Other benefits and allowances		21,385								
Sub Total - Councillors		43,759	51,641	49,529	59,431	59,431	62,700	66,462	65,521	68,470
% increase	4		18.01%	-4.09%	19.99%		5.50%	6.00%	-1.42%	4.50%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		6,260	6,340	7,688	9,757	54,757	58,043	61,525	64,294	67,187
Pension and UIF Contributions		1	711	805	898	645	684	725	757	791
Medical Aid Contributions		758	138	79	100	100	106	112	117	123
Overtime			7							
Performance Bonus		640	448	250						
Motor Vehicle Allowance		816	393	2,004	839	839	890	943	985	1,030
Cellphone Allowance		88	40	97	88	160	170	180	188	197
Housing Allowances		261	206	192	24	24	26	27	29	30
Other benefits and allowances		73	595	28						
Payments in lieu of leave		54								
Long service awards			(139)							
Post-retirement benefit obligations										
Entertainment										
Scarcity										
Acting and postrelated allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		8,950	8,739	11,143	11,706	56,526	56,526	59,918	148,678	155,368
% increase	4		-2.36%	27.51%	5.06%	382.87%		6.00%	148.14%	4.50%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		740,833	834,266	834,687	919,050	898,822	898,822	952,751	995,625	1,040,428
Pension and UIF Contributions		160,019	165,853	168,035	193,655	273,709	273,709	290,132	303,188	316,831
Medical Aid Contributions		59,601	63,734	65,721	97,380	114,989	114,989	121,888	127,373	133,105
Overtime		109,898	97,740	110,789	104,445	95,136	95,136	100,844	105,382	110,124
Performance Bonus		60,827	64,175	67,214	81,379	83,370				
Motor Vehicle Allowance		26,856	28,743	28,706	35,361	34,331	34,331	36,391	38,029	39,740
Cellphone Allowance		7,568	4,244	(79)	4,917	4,867	4,867	5,159	5,391	5,634
Housing Allowances		4,128	4,326	4,245	4,628	4,708	4,708	4,991	5,215	5,450
Other benefits and allowances		59,512	141,401	82,853	37,582	37,687	37,687	39,948	41,746	43,624
Payments in lieu of leave		18,611		19,775						
Long service awards		27,903	13,952	27,795	18,382	17,411	17,411	18,456	19,286	20,154
Post-retirement benefit obligations		60,781		62,450						
Entertainment										
Scarcity				7,385						
Acting and postrelated allowance				17,962						
In kind benefits										
Sub Total - Other Municipal Staff		740,793	721,842		772,916	772,916	772,916	819,291	856,159	894,687
% increase	4		-2.56%	-100.00%				6.00%	4.50%	4.50%

Table 11 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances and Benefits	Ref	Number	Salary	Contributions	Allowances	Performance Bonuses	In-kind Benefits	Total package
Rand per Annum	10			1			2	3
Councillors	4							
Speaker	5		51,889	167,604	1,038,748			1,258,241
Chief Whip			30,853	22,710	966,705			1,020,268
Executive Mayor			51,889	1,047,308	181,169			1,280,366
Deputy Executive Mayor			1,230,684	45,216				1,275,900
Executive Committee			246,824					246,824
Total for all other councillors			2,005,448	10,013,070	45,599,817			57,618,336
Total Councillors	9		3,617,588	11,295,907	47,786,440			62,699,935
Senior Managers of the Municipality	6		1,289,200		509,412			1,798,612
Municipal Manager (MM)			1,250,197		708,012			1,958,209
Chief Finance Officer								
List of each official with packages >= senior manager			1,020,667		541,223			1,561,889
GM Sustainable			1,442,223		183,170			1,625,393
GM Community services			1,442,223		137,009			1,579,232
GM Infrastructure			1,396,842		541,470			1,938,312
GM Corporate Services			1,544,000					1,544,000
GM Electricity			6,845,954		1,402,872			8,248,826
Total for all other Senior managers of the Municipality			9,385,352		2,620,296			12,005,648
Total Senior Managers of the Municipality	9							

Table 12 MBRR 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
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		81		81	81		81	81	81	81
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	2	4	6	2	4	6	2	4
Other Managers	7	25	23	1	25	23	1	25	23	1
Professionals		411	208	1	411	208	1	1,335	1,214	123
<i>Finance</i>		31	16	1	31	16	1	277	228	50
<i>Spatial/town planning</i>		11	9		11	9		21	20	1
<i>Information Technology</i>		4	3		4	3		29	17	12
<i>Roads</i>		107	41		107	41		278	274	4
<i>Electricity</i>		26	6		26	6		134	114	21
<i>Water</i>		77	23		77	23		2	1	1
<i>Sanitation</i>		1	2		1	2		295	265	30
<i>Refuse</i>		4	3		4	3		299	295	4
<i>Other</i>		150	105		150	105				
Technicians		1,377	820	17	1,377	820	17	961	810	152
<i>Finance</i>		131	80	6	131	80	6	205	172	33
<i>Spatial/town planning</i>		45	21		45	21		284	249	35
<i>Information Technology</i>		21	15		21	15		148	134	14
<i>Roads</i>		23	21		23	21		89	63	26
<i>Electricity</i>		218	73		218	73		134	114	21
<i>Water</i>		58	37		58	37		1	1	
<i>Sanitation</i>		32	5		32	5		50	30	20
<i>Refuse</i>		19	9		19	9		50	47	3
<i>Other</i>		830	559	11	830	559	11			
Clerks (Clerical and administrative)		554	441	87	554	441	87	135	100	35
Service and sales workers		383	149		383	149		72	37	30
Skilled agricultural and fishery workers		23	19		23	19		62	20	52
Craft and related trades		167	63		167	63		72	37	30
Plant and Machine Operators		365	121		365	121		330	306	24
Elementary Occupations		2,571	1,276		2,571	1,276		1,000	983	17
TOTAL PERSONNEL NUMBERS	9	5,963	3,122	191	5,963	3,122	191	4,079	3,613	549
% increase					–	–	–	(31.6%)	15.7%	187.4%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10	673	425	24	673	425	24	513	423	90
Human Resources personnel headcount	8, 10	150	78	2	150	78	2	89	80	9

2.16 Monthly targets for revenue, expenditure and cash flow

2.9.1 Table 13 MBRR SA25 - Budgeted monthly revenue and expenditure

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

Description	Ref	Budget Year 2025/26											
		July	August	Sept.	October	November	December	January	February	March	April	May	June
Revenue													
Exchange Revenue													
Service charges - Electricity		391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	391,880	(1,458,675)
Service charges - Water		96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769	96,769
Service charges - Waste Water Management		20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877	20,877
Service charges - Waste Management		13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856	13,856
Sale of Goods and Rendering of Services		1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Agency services		459	459	459	459	459	459	459	459	459	459	459	459
Interest		—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338	21,338
Interest earned from Current and Non Current Assets		1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666
Dividends		—	—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723	3,723
Licence and permits		258	258	258	258	258	258	258	258	258	258	258	258
Special rating levies		—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509	8,509
Non-Exchange Revenue													
Property rates		143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472	143,472
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018
Licences or permits		—	—	—	—	—	—	—	—	—	—	—	—
Transfer and subsidies - Operational		82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766	82,766
Interest		5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510	5,510
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		356	356	356	356	356	356	356	356	356	356	356	356
Other Gains		—	—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and cont		794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	794,407	(1,056,148)
Expenditure													
Employee related costs		160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203	160,203
Remuneration of councillors		5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871
Bulk purchases - electricity		293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544	293,544
Inventory consumed		84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467	84,467
Debt impairment		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Depreciation and amortisation		32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522	32,522
Interest		4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682
Contracted services		71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319	71,319
Transfers and subsidies		6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038	6,038
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—	—	—	—
Operational costs		19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837	19,837
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483	713,483
Surplus/(Deficit)		80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	80,924	(1,769,631)
Transfers and subsidies - capital (monetary allocations)		31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	(1,738,287)
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	(1,738,287)
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	(1,738,287)
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	112,268	(1,738,287)

Description	Ref	2024/25												2024/25 Medium Term Revenue & Expenditure Framework		
		M01 July	M02 Aug	M03 Sept	M04 Oct	M05 Nov	M06 Dec	M07 Jan	M08 Feb	M09 Mar	M10 Apr	M11 May	M12 June	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands	1															
Revenue																
Exchange Revenue																
Service charges - Electricity		358 152	358 152	358 152	358 152	358 152	358 152	358 152	358 152	358 152	358 152	358 152	358 152	4 297 825	5 115 199	6 087 087
Service charges - Water		84 147	84 147	84 147	84 147	84 147	84 147	84 147	84 147	84 147	84 147	84 147	84 147	1 009 760	1 056 209	1 103 738
Service charges - Waste Water Management		18 394	18 394	18 394	18 394	18 394	18 394	18 394	18 394	18 394	18 394	18 394	18 394	220 725	230 878	241 268
Service charges - Waste Management		12 949	12 949	12 949	12 949	12 949	12 949	12 949	12 949	12 949	12 949	12 949	12 949	155 391	162 539	169 853
Sale of Goods and Rendering of Services		3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	42 043	43 977	45 956
Agency services		64	64	64	64	64	64	64	64	64	64	64	64	765	800	836
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		19 223	19 223	19 223	19 223	19 223	19 223	19 223	19 223	19 223	19 223	19 223	19 223	230 682	241 293	252 151
Interest earned from Current and Non Current Assets		1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	19 135	20 015	20 916
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		9 497	9 497	9 497	9 497	9 497	9 497	9 497	9 497	9 497	9 497	9 497	9 497	113 962	119 204	124 568
Licence and permits		212	212	212	212	212	212	212	212	212	212	212	212	2 547	2 664	2 784
Operational Revenue		17 010	17 010	17 010	17 010	17 010	17 010	17 010	17 010	17 010	17 010	17 010	17 010	204 124	213 514	223 122
Non-Exchange Revenue																
Property rates		137 446	137 446	137 446	137 446	137 446	137 446	137 446	137 446	137 446	137 446	137 446	137 446	1 649 353	1 725 223	1 802 858
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		974	974	974	974	974	974	974	974	974	974	974	974	11 687	12 225	12 640
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		78 862	78 862	78 862	78 862	78 862	78 862	78 862	78 862	78 862	78 862	78 862	78 862	946 343	950 218	1 017 329
Interest		4 964	4 964	4 964	4 964	4 964	4 964	4 964	4 964	4 964	4 964	4 964	4 964	59 562	62 302	65 106
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		746 992	746 992	746 992	746 992	746 992	746 992	746 992	746 992	746 992	746 992	746 992	746 992	8 963 903	9 956 259	11 170 212
Expenditure																
Employee related costs		153 918	153 918	153 918	153 918	153 918	153 918	153 918	153 918	153 918	153 918	153 918	153 918	1 847 016	1 932 272	2 020 336
Remuneration of councillors		5 538	5 538	5 538	5 538	5 538	5 538	5 538	5 538	5 538	5 538	5 538	5 538	66 462	69 519	72 648
Bulk purchases - electricity		262 093	262 093	262 093	262 093	262 093	262 093	262 093	262 093	262 093	262 093	262 093	262 093	3 145 119	3 638 903	4 210 210
Inventory consumed		82 784	82 784	82 784	82 784	82 784	82 784	82 784	82 784	82 784	82 784	82 784	82 784	993 409	1 033 520	1 097 025
Debt impairment		53 000	53 000	53 000	53 000	53 000	53 000	53 000	53 000	53 000	53 000	53 000	53 000	636 000	665 256	695 193
Depreciation and amortisation		30 182	30 182	30 182	30 182	30 182	30 182	30 182	30 182	30 182	30 182	30 182	30 182	362 179	349 782	345 694
Interest		3 569	3 569	3 569	3 569	3 569	3 569	3 569	3 569	3 569	3 569	3 569	3 569	42 825	44 795	46 811
Contracted services		85 274	85 274	85 274	85 274	85 274	85 274	85 274	85 274	85 274	85 274	85 274	85 274	1 023 282	1 103 978	1 178 097
Transfers and subsidies		5 806	5 806	5 806	5 806	5 806	5 806	5 806	5 806	5 806	5 806	5 806	5 806	69 670	72 875	76 154
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		16 192	16 192	16 192	16 192	16 192	16 192	16 192	16 192	16 192	16 192	16 192	16 192	194 308	228 319	244 548
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		698 356	698 356	698 356	698 356	698 356	698 356	698 356	698 356	698 356	698 356	698 356	698 356	8 380 270	9 139 219	9 986 716
Surplus/(Deficit)		48 636	48 636	48 636	48 636	48 636	48 636	48 636	48 636	48 636	48 636	48 636	48 636	583 633	817 040	1 183 496
Transfers and subsidies - capital (monetary allocations)		38 081	38 081	38 081	38 081	38 081	38 081	38 081	38 081	38 081	38 081	38 081	38 081	456 975	389 975	473 993
Transfers and subsidies - capital (n-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions		86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	1 040 608	1 207 015	1 657 489
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	1 040 608	1 207 015	1 657 489
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	1 040 608	1 207 015	1 657 489
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	86 717	1 040 608	1 207 015	1 657 489

2.9.2 Table 14 MBRR 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
R thousand																
Revenue by Vote																
Vote 1 - City Manager													-	-	-	-
Vote 2 - City Finance		232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	232,421	2,789,050	2,925,325	3,021,943
Vote 3 - Corporate Services		159	159	159	159	159	159	159	159	159	159	159	159	1,906	2,000	2,098
Vote 4 - Community Services and Social Equity		22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	22,112	265,344	289,823	271,592
Vote 5 - Infrastructure Services		167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	167,253	2,007,035	2,149,916	2,254,291
Vote 6 - Sustainable Development and City Enterprises		8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101	97,217	102,103	115,236
Vote 7 - Electricity		396,942	396,942	396,942	396,942	396,942	396,942	396,942	396,942	396,942	396,942	396,942	382,089	4,748,454	4,978,061	5,251,898
Total Revenue by Vote		826,988	826,988	826,988	826,988	826,988	826,988	826,988	826,988	826,988	826,988	826,988	812,135	9,909,007	10,447,228	10,917,058
Expenditure by Vote to be appropriated																
Vote 1 - City Manager		19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	19,049	228,590	241,141	254,016
Vote 2 - City Finance		99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	99,928	1,199,140	1,234,176	1,290,052
Vote 3 - Corporate Services		17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	17,271	207,252	198,151	229,549
Vote 4 - Community Services and Social Equity		70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	70,430	845,155	872,797	934,892
Vote 5 - Infrastructure Services		156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	156,745	1,880,935	2,019,303	2,078,905
Vote 6 - Sustainable Development and City Enterprises		28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	28,330	339,956	357,731	373,729
Vote 7 - Electricity		343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650	80,615	3,860,768	4,147,257	4,322,539
Total Expenditure by Vote		735,403	735,403	735,403	735,403	735,403	735,403	735,403	735,403	735,403	735,403	735,403	472,368	8,561,797	9,070,557	9,483,682
Surplus/(Deficit) before assoc.		91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	339,767	1,347,210	1,376,672	1,433,377
Income Tax													-	-	-	-
Share of Surplus/Deficit attributable to Minorities													-	-	-	-
Intercompany/Parent subsidiary transactions													-	-	-	-
Surplus/(Deficit)	1	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	91,586	339,767	1,347,210	1,376,672	1,433,377

2.9.3 Table 15 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

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
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - City Manager														-	-	-
Vote 2 - City Finance		3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	45,000	50,000
Vote 3 - Corporate Services		833	833	833	833	833	833	833	833	833	833	833	833	10,000	10,000	10,000
Vote 4 - Community Services and Social Equity		2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	34,617	18,494	18,423
Vote 5 - Infrastructure Services		28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	346,701	386,017	408,006
Vote 6 - Sustainable Development and City Enterprises		-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,000
Vote 7 - Electricity		15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	181,333	30,247	31,483
Capital multi-year expenditure sub-total	2	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	617,651	489,757	525,912
Single-year expenditure to be appropriated																
Vote 1 - City Manager														-	-	-
Vote 2 - City Finance														-	-	-
Vote 3 - Corporate Services														-	-	-
Vote 4 - Community Services and Social Equity		833	833	833	833	833	833	833	833	833	833	833	833	10,000	30,000	30,000
Vote 5 - Infrastructure Services														-	-	-
Capital single-year expenditure sub-total	2	833	833	833	833	833	833	833	833	833	833	833	833	10,000	30,000	30,000
Total Capital Expenditure	2	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	627,651	519,757	555,912

2.9.4 Table 16 MBRR 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
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - City Manager														-	-	-
Vote 2 - City Finance		3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	45,000	50,000
Vote 3 - Corporate Services		833	833	833	833	833	833	833	833	833	833	833	833	10,000	10,000	10,000
Vote 4 - Community Services and Social Equity		2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	2,885	34,617	18,494	18,423
Vote 5 - Infrastructure Services		28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892	346,701	386,017	408,006
Vote 6 - Sustainable Development and City Enterprises		-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,000
Vote 7 - Electricity		15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	181,333	30,247	31,483
Capital multi-year expenditure sub-total	2	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	51,471	617,651	489,757	525,912
Single-year expenditure to be appropriated																
Vote 1 - City Manager														-	-	-
Vote 2 - City Finance														-	-	-
Vote 3 - Corporate Services														-	-	-
Vote 4 - Community Services and Social Equity		833	833	833	833	833	833	833	833	833	833	833	833	10,000	30,000	30,000
Vote 5 - Infrastructure Services														-	-	-
Capital single-year expenditure sub-total	2	833	833	833	833	833	833	833	833	833	833	833	833	10,000	30,000	30,000
Total Capital Expenditure	2	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	627,651	519,757	555,912

2.9.5 Table 17 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Msunduzi (KZN225) - Table SA29 Budgeted Monthly Capital Expenditure by Functional Classification and Funding

Description	Ref	2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
		M01 July	M02 Aug	M03 Sept	M04 Oct	M05 Nov	M06 Dec	M07 Jan	M08 Feb	M09 Mar	M10 Apr	M11 May	M12 June	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands	1															
Capital Expenditure - Functional																
<i>Municipal governance and administration</i>		4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000	57,475	49,681
Executive and council																
Finance and administration		4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000	57,475	49,681
Internal audit																
<i>Community and public safety</i>		1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	14,617	15,494	48,221
Community and social services		1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	1,218	14,617	15,494	48,221
Sport and recreation																
Public safety																
Housing																
Health																
<i>Economic and environmental services</i>		12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	12,965	155,584	169,782	213,713
Planning and development		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	33,000	40,000
Road transport		10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	10,465	125,584	136,782	173,713
Environmental protection																
<i>Trading services</i>		33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	33,538	402,450	277,006	244,298
Energy sources		15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	15,111	181,333	30,809	31,863
Water management		9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	108,900	127,247	83,650
Waste water management		9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	9,351	112,217	118,950	128,784
Waste management																
<i>Other</i>																
Total Capital Expenditure - Functional	2	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	627,651	519,757	555,912
Funded by	-															
National Government		31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	376,127	429,887	455,998
Provincial Government																
District Municipality																
Transfers and subsidies - capital (monetary allocations) (Nat/																
Transfers recognised - capital		31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	376,127	429,887	455,998
Borrowing		13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	161,524		5,460
Internally generated funds		7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000	89,870	94,454
Total Capital Funding		52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	52,304	627,651	519,757	555,912

2.9.6 Table 18 MBRR SA30 - Budgeted monthly cash flow

Kwazulu-Natal: Msunduzi (KZN225) - Table SA30 Budgeted Monthly Cash Flows (All) for 4th Quarter ended 30 June 2025

Description	2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
	M01 July	M02 Aug	M03 Sept	M04 Oct	M05 Nov	M06 Dec	M07 Jan	M08 Feb	M09 Mar	M10 Apr	M11 May	M12 June	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands															
Cash Receipts By Source															
Property rates	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	127,690	1,532,282	1,601,234	1,641,265
Service charges - electricity revenue	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	325,260	3,903,121	4,094,374	4,294,998
Service charges - water revenue	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	80,318	963,816	1,011,043	1,060,584
Service charges - sanitation revenue	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	17,328	207,934	218,123	228,811
Service charges - refuse revenue	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	12,155	145,860	153,007	160,504
Rental of facilities and equipment	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	3,714	44,566	46,750	49,041
Interest earned - external investments	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	19,996	20,976	22,004
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	12,213	12,812	13,439
Licences and permits	258	258	258	258	258	258	258	258	258	258	258	258	3,097	3,248	3,408
Agency services	459	459	459	459	459	459	459	459	459	459	459	459	5,508	5,777	6,061
Transfers and Subsidies - Operational	82,686	82,686	82,686	82,686	82,686	82,686	82,686	82,686	82,686	82,686	82,686	82,686	992,232	1,065,081	1,111,920
Other revenue	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	10,740	128,876	135,191	141,816
Cash Receipts by Source	663,292	663,292	663,292	663,292	663,292	663,292	663,292	663,292	663,292	663,292	663,292	663,292	7,959,500	8,367,616	8,733,849
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344	376,127	429,887	457,347
Transfers and subsidies - capital (monetary allocations) (Nat/ Pro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	161,524	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vat Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	708,096	708,096	708,096	708,096	708,096	708,096	708,096	708,096	708,096	708,096	708,096	708,096	8,497,151	8,797,503	9,191,196
Cash Payments by Type															
Employee related costs	(160,058)	(160,058)	(160,058)	(160,058)	(160,058)	(160,058)	(160,058)	(160,058)	(160,058)	(160,058)	(160,058)	(160,058)	(1,920,695)	(2,059,216)	(2,204,702)
Remuneration of councillors	(5,871)	(5,871)	(5,871)	(5,871)	(5,871)	(5,871)	(5,871)	(5,871)	(5,871)	(5,871)	(5,871)	(5,871)	(70,450)	(73,902)	(77,523)
Finance charges	(4,682)	(4,682)	(4,682)	(4,682)	(4,682)	(4,682)	(4,682)	(4,682)	(4,682)	(4,682)	(4,682)	(4,682)	(56,180)	(58,708)	(62,231)
Bulk purchases - Electricity	(293,544)	(293,544)	(293,544)	(293,544)	(293,544)	(293,544)	(293,544)	(293,544)	(293,544)	(293,544)	(293,544)	(293,544)	(3,522,533)	(3,695,137)	(3,776,199)
Acquisition inventory - water and other inventory	(84,461)	(84,461)	(84,461)	(84,461)	(84,461)	(84,461)	(84,461)	(84,461)	(84,461)	(84,461)	(84,461)	(84,461)	(1,013,526)	(1,068,601)	(1,023,752)
Contracted services	(71,319)	(71,319)	(71,319)	(71,319)	(71,319)	(71,319)	(71,319)	(71,319)	(71,319)	(71,319)	(71,319)	(71,319)	(855,830)	(970,844)	(1,041,669)
Transfers and subsidies - other municipalities	(6,038)	(6,038)	(6,038)	(6,038)	(6,038)	(6,038)	(6,038)	(6,038)	(6,038)	(6,038)	(6,038)	(6,038)	(72,457)	(76,007)	(79,732)
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Payments by Type	(625,973)	(625,973)	(625,973)	(625,973)	(625,973)	(625,973)	(625,973)	(625,973)	(625,973)	(625,973)	(625,973)	(625,973)	(7,511,671)	(8,002,416)	(8,265,807)
Other Cash Flows/Payments by Type															
Capital assets	(52,304)	(52,304)	(52,304)	(52,304)	(52,304)	(52,304)	(52,304)	(52,304)	(52,304)	(52,304)	(52,304)	(52,304)	(627,651)	(519,887)	(557,347)
Repayment of borrowing	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(90,000)	(90,000)	(90,000)
Other Cash Flows/Payments	(19,895)	(19,895)	(19,895)	(19,895)	(19,895)	(19,895)	(19,895)	(19,895)	(19,895)	(19,895)	(19,895)	(19,895)	(238,743)	(173,656)	(276,899)
Total Cash Payments by Type	(705,672)	(705,672)	(705,672)	(705,672)	(705,672)	(705,672)	(705,672)	(705,672)	(705,672)	(705,672)	(705,672)	(705,672)	(8,468,065)	(8,785,959)	(9,190,052)
NET INCREASE/(DECREASE) IN CASH HELD	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	29,086	11,544	1,144
Cash/cash equivalents at the month/year begin:	30,530	32,954	35,378	37,802	40,225	42,649	45,073	47,497	49,921	52,345	54,768	57,192	366,360	382,846	400,075
Cash/cash equivalents at the month/year end:	32,954	35,378	37,802	40,225	42,649	45,073	47,497	49,921	52,345	54,768	57,192	59,616	395,446	394,390	401,219

2.17 Annual budgets and SDBIPs – internal departments

These are discussed fully in the IDP and SDBIP documents

2.18 Contracts having future budgetary implications

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.19 Capital expenditure details

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

Table 19 MBRR SA 34a - Capital expenditure on new assets by asset class**Msunduzi (KZN225) - 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 2026/27	Budget Year 2027/28
R thousands										
Capital Expenditure on new assets by Asset Class/Sub-class										
Infrastructure		12,565,964								
Roads Infrastructure		-								
Roads					5,550	43,471	43,471	13,214	1,045	79,467
HV Substations					40,007	172,316	172,316	126,524		5,460
MV Networks		12,565,964	552,514	819,701		14,300	14,300	5,000		
LV Networks					182,411	9,571	9,571	30,308	13,747	12,212
Capital Spares						30,504	30,504	19,500	17,063	14,191
Reservoirs					18,805	9,320	9,320	12,500	13,063	13,650
Distribution					64,181	10,000	10,000	25,000	30,000	3,000
Distribution Points						15,452	15,452		10,000	30,000
Reticulation					97,047	3,000	3,000	44,184	46,836	27,003
Waste Water Treatment Works										
Outfall Sewers						67,470	67,470	24,033	25,475	52,135
Community Facilities		-								
Halls					13,905	17,723	17,723	13,400	14,204	42,547
Computer Software and Applications					25,000	3,400	3,400	40,000	41,800	6,000
Furniture and Office Equipment					5,205	4,698	4,698	5,000	5,225	43,681
Machinery and Equipment		-								
Machinery and Equipment					53,273	13,574	13,574	10,000	10,450	

Table 20 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**Kwazulu-Natal: Msunduzi(KZN225) - Table SA34b Capital Expenditure on Renewal of existing 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 2026/27	Budget Year 2027/28
R thousands										
Capital Expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	11,937	22,764	83,723	83,723	94,000	121,640	100,176
Roads Infrastructure		-	-	-	22,264	53,815	53,815	50,000	75,000	50,530
Roads					22,264	29,665	29,665			
Road Structures						24,150	24,150	50,000	75,000	50,530
Sanitation Infrastructure		-	-	-	-	15,708	15,708	44,000	46,640	49,646
Pump Station										
Reticulation						15,708	15,708	44,000	46,640	49,646
Waste Water Treatment Works										
Total Capital Expenditure on new assets		-	-	11,937	34,908	86,483	86,483	94,000	121,640	100,176

Table 21 MBRR SA34c - Repairs and maintenance expenditure by asset class

Msunduzi(KZN225) - Table SA34c Repairs and Maintenance Expenditure by Asset Class

Msimunduzi (KEN223) - Table SA34c: Repairs and Maintenance Expenditure 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 2026/27	Budget Year 2027/28
R thousands										
Repairs and Maintenance Expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	520,223	341,073	341,073	419,381	464,676	497,249
Roads Infrastructure		-	-	-	155,467	82,867	82,867	44,921	60,213	65,348
Roads					148,240	77,579	77,579	41,794	56,773	61,565
Road Structures					3,401	2,401	2,401	1,401	1,541	1,695
Road Furniture					3,826	2,887	2,887	1,726	1,898	2,088
Electrical Infrastructure		-	-	-	27,650	23,400	23,400	20,665	27,154	29,598
LV Networks					300	22,100	22,100	19,472	25,586	27,889
Capital Spares						1,300	1,300	1,193	1,568	1,709
Water Supply Infrastructure		-	-	-	25,675	23,725	23,725	38,080	41,888	46,077
Bulk Mains					600	100	100	1,000	1,100	1,210
Distribution					25,075	23,625	23,625	37,080	40,788	44,867
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	311,176	209,476	209,476	311,582	330,917	351,476
Pump Station										
Reticulation					10,000	3,300	3,300	16,000	17,600	19,360
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities					301,176	206,176	206,176	295,582	313,317	332,116
Capital Spares										
Solid Waste Infrastructure		-	-	-	255	255	255	3,470	3,633	3,800
Landfill Sites					255	255	255	3,470	3,633	3,800
Coastal Infrastructure		-	-	-	-	1,350	1,350	663	871	950
Capital Spares						1,350	1,350	663	871	950
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	30,550	23,820	23,820	10,670	11,189	11,724
Community Facilities		-	-	-	29,292	22,613	22,613	9,244	9,696	10,162
Halls					23,032	15,953	15,953	8,505	8,909	9,325
Public Ablution Facilities					850	850	850	500	524	548
Taxi Ranks/Bus Terminals					239	639	639	239	263	290
Capital Spares										
Sport and Recreation Facilities		-	-	-	1,258	1,207	1,207	1,426	1,493	1,562
Indoor Facilities										
Outdoor Facilities					1,258	1,207	1,207	1,426	1,493	1,562
Other assets		-	-	-	37,809	36,040	36,040	18,400	18,764	20,105
Operational Buildings		-	-	-	33,773	12,686	12,686	17,950	18,287	19,599
Municipal Offices					32,688	12,001	12,001	16,860	16,937	18,166
Pay/Enquiry Points										
Building Plan Offices					1,000	600	600	1,000	1,272	1,348
Workshops										
Yards										
Stores					85	85	85	90	78	85
Housing		-	-	-	4,036	23,354	23,354	450	477	506
Staff Housing										
Social Housing					4,036	23,354	23,354	450	477	506
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	140	140	148	157	167
Servitudes										
Licences and Rights		-	-	-	-	140	140	148	157	167
Unspecified						140	140	148	157	167
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	14,367	10,380	10,380	14,540	16,231	17,418
Machinery and Equipment					14,367	10,380	10,380	14,540	16,231	17,418
Transport Assets		-	-	-	21,411	18,408	18,408	32,426	34,926	38,009
Transport Assets					21,411	18,408	18,408	32,426	34,926	38,009
Total Capital Expenditure on new assets		-	-	-	624,360	429,860	429,860	495,564	545,944	584,671

Table 22 MBRR SA36 - Detailed capital budget per municipal vote

R thousand	Function	Project Description	Project Number	Type	Asset Class	Asset Sub-Class	Ward Location	Current Year 2024/25 Full Year Forecast	2025/26 Medium Term Revenue & Expenditure Framework		
									Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality: List all capital projects grouped by Function											
Community Halls and Facilities	STRUCTURE OF MULTI-PURPOSE SPOR	PC002002002002002002, 05017	Upgrading	Sport and Recreation Facilities	Outdoor Facilities	Whole of the Municipality			1,217	1,290	5,674
Community Halls and Facilities	MIG.24:WARD 24 COMMUNITY HALL	PC002003002001001, 04363	New	Community Facilities	Halls	Whole of the Municipality,Zone 4:Centr	9,201	1,200	1,272	2,247	
Community Halls and Facilities	MIG.21:WARD 8 COMMUNITY HALL	PC002003002001001, 04364	New	Community Facilities	Halls	Whole of the Municipality,Zone 1: Vulin	708	2,000	2,120	5,787	
Community Halls and Facilities	MIG.25:MADIBA COMMUNITY HALL	PC002003002001001, 04374	New	Community Facilities	Halls	Whole of the Municipality,Zone 5: North	3,000	5,150	5,459	1,367	
Community Halls and Facilities	21:WARD 8 COMMUNITY HALL LANDS	PC002003002001001, 05506	New	Community Facilities	Halls	Whole of the Municipality	914	5,050	5,353	33,146	
Community Halls and Facilities	MIG.21:COMMUNITY HALL WARD 5	PC002003002001001, 05508	New	Community Facilities	Halls	Whole of the Municipality	81				
Economic Development/Planning	NDPG: OLD EDEDALE ROAD UPGRADE	PC001001002006002, 04686	Upgrading	Roads Infrastructure	Road Structures	Whole of the Municipality,Zone 2: Eden	20,000	20,000		30,000	
Economic Development/Planning	DEVELOPMENT OF EMATSHENI PHASE	PC002002002002001014, 00001	Upgrading	Community Facilities	Public Open Space	Whole of the Municipality		5,000	7,000	2,000	
Economic Development/Planning	EDENDALE STREAM REHABILITATION	PC002002002002001014, 00002	Upgrading	Community Facilities	Public Open Space	Whole of the Municipality			3,000	8,000	
Economic Development/Planning	EDENDALE TOWN CENTRE: CIVIC ZI	PC002002002002001014, 04693	Upgrading	Community Facilities	Public Open Space	Whole of the Municipality					
Economic Development/Planning	NDPG,CBD REGENERATION PHASE 1	PC002002002002001014, 05486	Upgrading	Community Facilities	Public Open Space	Whole of the Municipality		5,000	23,000		
Electricity	S.21: HILTON INFRASTRUCTURE UPGRA	PC001002001002, 05177	New	Electrical Infrastructure	HV Substations	Whole of the Municipality	10,000	11,031			
Electricity	NS.21:Medium Voltage Network Upgrd	PC001002001002, 05178	New	Electrical Infrastructure	HV Substations	Whole of the Municipality	57,900	32,678			
Electricity	24:ERWOOD PRIMARY 132KV INSTALL	PC001002001002, 05184	New	Electrical Infrastructure	HV Substations	Whole of the Municipality,Zone 4:Centr	40,000	21,336			
Electricity	S.24:MASON'S 13211w PRIMARY SUBS	PC001002001002, 05189	New	Electrical Infrastructure	HV Substations	Whole of the Municipality	60,916	61,479		5,460	
Electricity	S.2A:ALABASTER SWITCHGEAR REPLA	PC001002001002, 05543	New	Electrical Infrastructure	HV Substations	Whole of the Municipality	3,500				
Electricity	S.21:MID-BLOCK SERVICES RELOCAT	PC001002001007, 05179	New	Electrical Infrastructure	MV Networks	Whole of the Municipality	14,300	5,000			
Electricity	MSU1/0704062.003	PC001002001008, 05173	New	Electrical Infrastructure	LV Networks	Whole of the Municipality	3,271		2,500	8,212	
Electricity	21:HIGH MAST LIGHTS-VUL & GREAT	PC001002001008, 05176	New	Electrical Infrastructure	LV Networks	Whole of the Municipality,Zone 1: Vulindlela (Ward 1,2,3		7,308	7,747	4,000	
Electricity	24:HEKKEK PRIMARY NETWORK UPGRA	PC001002001008, 05186	New	Electrical Infrastructure	LV Networks	Whole of the Municipality	3,000	23,000			
Electricity	24:ELECTR METER AUDIT & REPLACE	PC001002001008, 05316	New	Electrical Infrastructure	LV Networks	Whole of the Municipality	1,600				
Electricity	INEP.21:PHAYAPHINI INFILLS (TYPE 1)	PC001002001008, 05345	New	Electrical Infrastructure	LV Networks	Whole of the Municipality	1,700		3,500		
Electricity	LS.2A:NEW MACHINERY & EQUIPMEN	PC001002001009, 05196	New	Electrical Infrastructure	Capital Spares	Whole of the Municipality	16,500	7,000			
Electricity	LEVS:AH-NEW MACHINERY & EQUIPM	PC001002001009, 05325	New	Electrical Infrastructure	Capital Spares	Whole of the Municipality	2,697				
Electricity	DSM.2A:RETROFIT OF HPS FITTINGS L	PC001002001009, 05343	New	Electrical Infrastructure	Capital Spares	Whole of the Municipality	4,300		4,000	3,271	
Electricity	2A:SWITCH GEARS AND TRANSFORM	PC001002001009, 05447	New	Electrical Infrastructure	Capital Spares	Whole of the Municipality	7,007	12,500	13,063	10,920	
Finance	VS.2A:NEW-FURNITURE & OFFICE EQ	PC002003005, 03748	New	Furniture and Office Equipment		Whole of the Municipality	125	5,000	5,225	43,681	
Finance		PC002003006005, 00099	New	Heritage Assets	Other Heritage	Whole of the Municipality					
Finance	2A:FINANCIAL MANAGEMENT SYSTEM	PC002003007002004, 01237	New	Licenses and Rights	Computer Software and Applications	Whole of the Municipality	2,500	40,000	41,800	6,000	
Information Technology	LEVS:AH-NEW MACHINERY & EQUIPM	PC002003009, 04263	New	Machinery and Equipment		Administrative or Head Office (Including	282	10,000	10,450		
Roads	LEVS.24:ROAD REHAB - PMS	PC001001001006002, 01204	Renewal	Roads Infrastructure	Road Structures	Whole of the Municipality	4,150			1,092	
Roads	710:2A:PUBLIC TRANSPORT INFRASTR	PC001001001006002, 04327	Renewal	Roads Infrastructure	Road Structures	Whole of the Municipality	20,000	50,000	75,000	49,438	
Roads	2:UPGR GRV RD-EDN-DAMBUZA MJ SWI	PC001001002006001, 01302	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality,Zone 2: Eden	7,300	29,500	31,270	13,483	
Roads	21:UPGR GRV ROADS-VULINDELA-WA	PC001001002006001, 01317	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality,Zone 1: Vulin	3,000				
Roads	MIG.21:UPGR GRV ROADS-VUL-WARD 1	PC001001002006001, 03721	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality,Zone 1: Vulin	16,342	12,000	12,720	5,618	
Roads	MIG.21:UPGR GRV ROADS-VUL-WARD 5	PC001001002006001, 03722	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality,Zone 1: Vulin	12,000	5,000	5,300	2,213	
Roads	21: REHAB OF BALENI ROAD SWEETW	PC001001002006001, 04873	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality	8,002	1,970	2,088	4,382	
Roads	EVS.22:Canalisation of Streams/bank pr	PC001001002006001, 04895	Upgrading	Roads Infrastructure	Roads	Administrative or Head Office (Including	2,000		1,045	13,650	
Roads	2:2:UPGR GRV RD-EDN-DAMBUZA S.WI	PC001001002006001, 05338	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality	475		1,045	1,092	

R thousand									2025/26 Medium Term Revenue & Expenditure Framework		
	Function	Project Description	Project Number	Type	Asset Class	Asset Sub-Class	Ward Location	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality: <i>List all capital projects grouped by Function</i>											
Roads		Z1:UPGR GRV ROADS-VULINDELA-WA	PC001001002006001, 05339	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality	475		1,045	1,092
Roads		LEVS.21:ward	PC001001002006001, 05540	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality	475		1,045	1,092
Roads		LEVS.2A:Ward 27 CBD	PC001001002006001, 05541	Upgrading	Roads Infrastructure	Roads	Whole of the Municipality	475	10,000	1,045	1,092
Roads		MIG.21: UPGR GRV ROADS MISSION	PC001001002006002, 05507	Upgrading	Roads Infrastructure	Road Structures	Whole of the Municipality	5,402	3,900	4,134	
Roads		LEVS.2A:STORMWATER UPGRADE	PC001001002007001, 05508	Upgrading	Storm water Infrastructure	Drainage Collection	Whole of the Municipality	500			
Roads		MDRG.24:LOWER BACK STREET	PC001002006001, 00001	New	Roads Infrastructure	Roads	Whole of the Municipality		13,214		78,375
Roads		LEVS.24:ROAD REHAB - PMS	PC001002006001, 01294	New	Roads Infrastructure	Roads	Zone 4:Central (Ward 24,25,26,27,33,36,37)				
Roads		EVS.24:PUBLIC TRANSPORT INFRASTR	PC001002006001, 05383	New	Roads Infrastructure	Roads	Whole of the Municipality	11,170			
Roads		LEVS.2A:SMALL PLANT	PC001002006001, 05510	New	Roads Infrastructure	Roads	Whole of the Municipality			1,045	1,092
Sewerage		Z3:SHENSTONE AMBLETON SANIT SYS	PC001001001005002, 04706	Renewal	Sanitation Infrastructure	Reliculation	Whole of the Municipality	15,708	44,000	46,640	49,646
Sewerage		Z2:EDENDALE-SEWER RETICULATION-	PC001002005002, 04864	New	Sanitation Infrastructure	Reliculation	Whole of the Municipality	3,000	44,184	46,836	27,003
Sewerage		MIG.2A:DARVIL SEWER OUTFALL	PC001002005002, 05269	New	Sanitation Infrastructure	Reliculation	Whole of the Municipality				
Sewerage		MIG.2A:DARVIL SEWER OUTFALL	PC001002005004, 05269	New	Sanitation Infrastructure	Outfall Sewers	Whole of the Municipality	67,470	24,033	25,475	52,135
Water Distribution		MIG.25:COPEVILLE RESERVOIR	PC001001002004007, 04866	Upgrading	Water Supply Infrastructure	Distribution	Whole of the Municipality	26,679	46,400	49,184	29,000
Water Distribution		MIG.21:NCWADI PHASE 2A	PC001001002004007, 04963	Upgrading	Water Supply Infrastructure	Distribution	Zone 1: Vulindlela (Ward 1,2,3,4,5,6,7,8,9,39)				
Water Distribution		IG.21:VULINDELA PHASE 3 (Planning	PC001001002004007, 05071	Upgrading	Water Supply Infrastructure	Distribution	Whole of the Municipality	14,507	25,000	25,000	8,000
Water Distribution		MIG.25:COPEVILLE RESERVOIR	PC001002004003, 04866	New	Water Supply Infrastructure	Reservoirs	Zone 5: Northern (Ward 28,29,30,31,32,34,35,38)				
Water Distribution		MIG.21:NCWADI PHASE 2A	PC001002004003, 04963	New	Water Supply Infrastructure	Reservoirs	Whole of the Municipality	5,320			
Water Distribution		LEVS.2A:WATER METER REPLACEMENT	PC001002004003, 05390	New	Water Supply Infrastructure	Reservoirs	Whole of the Municipality	4,000	12,500	13,063	13,650
Water Distribution		WSIG.21:VULINDELA PHASE 3B	PC001002004007, 00001	New	Water Supply Infrastructure	Distribution	Whole of the Municipality,Zone 2: Edendale (Ward 10,11,12,16,20,21,22,23)...				
Water Distribution		IG.21:VULINDELA PHASE 3 (Planning	PC001002004007, 05071	New	Water Supply Infrastructure	Distribution	Whole of the Municipality				
Water Distribution		WSIG.21:VULINDELA PHASE 3B	PC001002004007, 05515	New	Water Supply Infrastructure	Distribution	Whole of the Municipality	2,000	25,000	30,000	3,000
Water Distribution		WSIG.21:WILLOWFONTEIN PH1	PC001002004007, 05516	New	Water Supply Infrastructure	Distribution	Whole of the Municipality	8,000			
Water Distribution		MIG.21:NCWADI PHASE 1	PC001002004008, 05513	New	Water Supply Infrastructure	Distribution Points	Whole of the Municipality	15,452		10,000	30,000
Parent Capital expenditure								797,049	627,651	519,757	555,912
Entities: <i>List all capital projects grouped by Entity</i>											
Entity Capital expenditure											
Total Capital expenditure								797,049	627,651	519,757	555,912

Legislation compliance status

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

7. 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 City's website.

8. Internship programme

The City is participating in the Municipal Financial Management Internship programme and has employed a number of interns who undergoing training in various divisions of the Financial Services Department, as well as other sector departments especially in the technical and services sector.

9. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

10. Audit Committee

An Audit Committee has been established and is fully functional.

11. Service Delivery Budget Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2025/26 MTREF in June 2025 directly aligned and informed by the MTREF.

12. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.20 Other supporting documents

Table 23 MBRR Table SA1 - Supporting detail to budgeted financial performance

Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA1 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 2026/27	Budget Year 2027/28
REVENUE ITEMS:											
Non-exchange revenue by source											
Property rates											
Total Property Rates	6	1,212,773	1,370,170	1,359,087	1,770,196	1,770,196	1,770,196	1,197,687	1,980,439	2,069,569	2,121,298
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	(120,844)	(120,844)	(120,844)	(31)	(258,775)	(270,420)	(277,180)
Net Property Rates		1,212,773	1,370,170	1,359,087	1,649,353	1,649,352	1,649,352	1,197,657	1,721,665	1,799,140	1,844,118
Exchange revenue service charges											
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	2,676,489	2,724,540	2,858,084	4,303,290	4,229,823	4,229,823	2,299,454	4,708,639	4,939,362	5,181,391
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)		-	-	-	(5,465)	(5,465)	(5,465)	(2,507)	(6,084)	(6,382)	(6,695)
Net Service charges - electricity revenue		2,676,489	2,724,540	2,858,084	4,297,825	4,224,358	4,224,358	2,296,947	4,702,555	4,932,981	5,174,697
Service charges - water revenue											
Total Service charges - water revenue	6	860,676	824,369	902,755	1,259,063	1,259,063	1,259,063	742,748	1,447,923	1,518,871	1,593,296
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)		-	-	-	(249,303)	(249,303)	(249,303)	(3,551)	(286,699)	(300,747)	(315,483)
Net Service charges - water revenue		860,676	824,369	902,755	1,009,760	1,009,760	1,009,760	739,196	1,161,224	1,218,124	1,277,812
Service charges - sanitation revenue											
Total Service charges - sanitation revenue	6	193,119	197,960	198,617	239,497	220,725	220,725	171,622	250,523	262,798	275,675
less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	(18,772)	-	-	(11,661)	-	-	-
Net Service charges - sanitation revenue		193,119	197,960	198,617	220,725	220,725	220,725	159,960	250,523	262,798	275,675
Service charges - refuse revenue											
Total refuse removal revenue	6	116,022	123,629	127,307	164,238	155,391	155,391	98,358	175,734	184,345	193,378
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)		-	-	-	(8,847)	-	-	(1,747)	(9,486)	(9,930)	(10,417)
Net Service charges - refuse revenue		116,022	123,629	127,307	155,391	155,391	155,391	96,611	166,268	174,415	182,962

Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA1 Budgeted Financial Performance

Description		2021/22	2022/23	2023/24	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	843,906	912,620	951,529	1,248,434	1,158,758	1,158,758	656,405	1,257,596	1,361,814	1,473,127
Pension, UIF and Group life Contributions		168,730	180,880	187,833	196,951	214,606	214,606	128,269	220,641	231,434	242,774
Medical Aid Contributions		65,828	71,976	79,706	23,000	23,281	23,281	54,718	23,881	25,051	26,278
Overtime		110,789	119,913	123,315	111,896	79,538	79,538	85,493	117,190	122,932	128,956
Performance Bonus		66,813	67,058	74,504	80,591	86,086	86,086	76,095	88,255	92,580	97,116
Motor Vehicle Allowance		29,502	31,188	32,921	59,482	64,258	64,258	22,378	66,073	69,311	72,707
Cellphone Allowance		4,713	5,018	5,524	6,349	7,355	7,355	3,857	7,645	8,020	8,413
Housing Allowances		4,436	4,740	4,922	5,390	5,949	5,949	3,305	6,234	6,539	6,860
Other benefits and allowances		40,144	26,814	25,935	47,469	58,631	58,631	12,976	60,466	63,429	66,537
Payments in lieu of leave		19,834	6,458	20,174	15,279	16,041	16,041	7,314	16,595	17,408	18,261
Long service awards		20,583	21,077	21,030	25,423	26,853	26,853	16,543	27,039	28,364	29,754
Post-retirement benefit obligations	4	68,263	(3,268)	64,379	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		7,385	7,925	5,999	9,994	14,159	14,159	-	14,336	15,039	15,776
Acting and post related allowance		18,035	14,456	15,145	16,758	17,325	17,325	10,233	16,487	17,295	18,142
In kind benefits		-	-	-	-	-	-	-	-	-	-
sub-total	5	1,468,961	1,466,856	1,612,918	1,847,017	1,772,841	1,772,841	1,077,584	1,922,439	2,059,216	2,204,702
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	1,468,961	1,466,856	1,612,918	1,847,017	1,772,841	1,772,841	1,077,584	1,922,439	2,059,216	2,204,702
Depreciation and asset impairment											
Depreciation of Property, Plant and Equipment		359,662	332,295	353,807	356,930	356,930	356,930	258,806	383,783	380,270	279,213
Lease amortisation		6,037	5,157	5,253	5,248	5,248	5,248	4,365	6,477	6,472	3,314
Capital asset impairment		6,912	13,232	2,788	-	-	-	-	-	-	-
Total Depreciation and asset impairment	1	372,611	350,684	361,848	362,179	362,179	362,179	263,172	390,260	386,743	282,527
Bulk purchases - electricity											
Electricity Bulk Purchases		2,212,725	2,350,401	2,714,396	3,145,119	3,145,119	3,145,119	2,088,947	3,522,533	3,695,137	3,876,199
Total bulk purchases - electricity	1	2,212,725	2,350,401	2,714,396	3,145,119	3,145,119	3,145,119	2,088,947	3,522,533	3,695,137	3,876,199
Transfers and grants											
Cash transfers and grants		23,413	23,142	16,240	69,670	69,670	69,670	40,290	72,457	76,007	79,732
Non-cash transfers and grants		9,000	6,420	9,000	-	-	-	-	-	-	-
Total transfers and grants	1	32,413	29,562	25,240	69,670	69,670	69,670	40,290	72,457	76,007	79,732
Contracted services											
Outsourced Services		206,460	234,635	248,022	189,370	162,445	162,445	154,622	207,761	224,487	243,262
Consultants and Professional Services		49,234	74,067	51,716	83,972	101,390	101,390	27,608	83,010	105,776	112,512
Contractors		439,157	490,697	604,396	749,940	553,254	553,254	392,757	565,060	640,581	685,894
Total contracted services	1	694,851	799,399	904,134	1,023,282	817,090	817,090	574,987	855,830	970,844	1,041,669
Operational Costs											
Collection costs		14,155	14,221	16,673	9,484	9,484	9,484	10,162	10,619	10,263	11,180
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		12,136	15,094	18,731	11,000	11,000	11,000	21,335	13,000	12,310	13,618
Other Operational Costs		157,078	157,441	173,248	173,825	187,386	187,386	71,119	214,422	219,925	251,900
Total Operational Costs	1	183,369	186,756	208,653	194,308	207,870	207,870	102,617	238,041	242,498	276,698
Repairs and Maintenance by Expenditure Item											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		-	-	-	40,561	26,011	26,011	30,672	45,459	51,980	57,056
Contracted Services		-	-	-	569,190	392,408	392,408	325,731	435,502	477,901	510,831
Other Expenditure		-	-	-	14,609	11,442	11,442	1,718	14,602	16,063	16,783
Total Repairs and Maintenance Expenditure	9	-	-	-	624,360	429,860	429,860	358,121	495,564	545,944	584,671
Inventory Consumed											
Inventory Consumed - Water		737,483	629,100	719,454	822,651	642,364	642,364	709,338	847,500	885,638	925,491
Inventory Consumed - Other		84,308	110,236	158,209	170,758	113,021	113,021	86,666	166,106	182,964	198,261
Total Inventory Consumed and Other Material		821,790	739,336	877,663	993,409	755,385	755,385	796,004	1,013,606	1,068,601	1,123,752

Table 24 MBRR Table SA3 – Supporting detail to Statement of Financial Position**Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 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 2026/27	Budget Year 2027/28
R thousands											
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		856,324	875,490	993,689	1,130,409	1,130,409	1,130,409	(463)	1,793,123	1,877,012	1,964,832
Water		2,710,354	3,130,817	3,629,930	3,318,667	3,318,667	3,318,667	485,339	3,827,338	4,000,358	4,181,203
Waste		238,123	258,155	293,655	273,644	273,644	273,644	34,024	314,058	328,272	343,130
Waste Water		444,133	479,709	544,199	508,492	508,492	508,492	64,635	564,689	590,271	617,012
Other trade receivables from exchange transactions		360,606	422,435	355,441	527,355	527,355	527,355	4,522	677,718	709,504	742,784
Gross: Trade and other receivables from exchange transactions		4,609,539	5,166,607	5,816,914	5,758,566	5,758,566	5,758,566	588,056	7,176,926	7,505,416	7,848,960
Less: Impairment for debt		(2,817,144)	(2,933,306)	(5,079,750)	(3,109,304)	(3,109,304)	(3,109,304)	-	(5,499,750)	(5,747,238)	(6,005,864)
Impairment for Electricity		(255,543)	(259,045)	(517,768)	(274,588)	(274,588)	(274,588)	-	(517,768)	(541,068)	(565,416)
Impairment for Water		(1,872,482)	(2,034,857)	(3,464,023)	(2,156,949)	(2,156,949)	(2,156,949)	-	(3,464,023)	(3,619,904)	(3,782,800)
Impairment for Waste		(159,099)	(155,952)	(270,417)	(165,309)	(165,309)	(165,309)	-	(270,417)	(282,586)	(295,302)
Impairment for Waste Water		(277,255)	(274,605)	(492,164)	(291,081)	(291,081)	(291,081)	-	(492,164)	(514,311)	(537,455)
Impairment for other trade receivables from exchange transactions		(252,764)	(208,846)	(335,378)	(221,377)	(221,377)	(221,377)	-	(755,378)	(789,370)	(824,892)
Total net Trade and other receivables from Exchange Transactions		1,792,394	2,233,301	737,164	2,649,262	2,649,262	2,649,262	588,056	1,677,177	1,758,178	1,843,096
Receivables from non-exchange transactions											
Property rates		670,949	1,469,919	1,612,356	1,558,114	1,558,114	1,558,114	235,087	1,801,739	1,882,817	1,963,586
Less: Impairment of Property rates		(69,163)	(706,279)	(1,336,383)	(748,656)	(748,656)	(748,656)	-	(1,336,383)	(1,396,521)	(1,459,364)
Net Property rates		601,786	763,640	275,972	809,458	809,458	809,458	235,087	465,356	486,297	504,222
Other receivables from non-exchange transactions		126,804	124,300	139,661	131,758	131,758	131,758	-	139,806	146,097	152,671
Impairment for other receivables from non-exchange transactions		(104,206)	(122,836)	(137,973)	(130,206)	(130,206)	(130,206)	-	(137,973)	(144,182)	(150,670)
Net other receivables from non-exchange transactions		22,598	1,464	1,688	1,552	1,552	1,552	-	1,832	1,915	2,001
Total net Receivables from non-exchange transactions		624,384	765,104	277,660	811,010	811,010	811,010	235,087	467,188	488,211	506,223
Inventory											
Water											
Opening Balance		6,519	1,349	1,814	-	-	-	-	1,814	1,896	1,981
System Input Volume		(4,899)	-	-	-	712,651	712,651	799	847,500	885,638	925,491
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		(4,899)	-	-	-	712,651	712,651	799	847,500	885,638	925,491
Natural Sources		-	-	-	-	-	-	-	-	-	-

Kwazulu-Natal: Msunduzi (KZN225) - Supporting Table SA3 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 2026/27	Budget Year 2027/28
R thousands											
Authorised Consumption	6	-	-	-	-	(642,364)	(642,364)	-	(847,500)	(885,638)	(925,491)
Billed Authorised Consumption		-	-	-	-	(642,364)	(642,364)	-	(847,500)	(885,638)	(925,491)
Billed Metered Consumption		-	-	-	-	(642,364)	(642,364)	-	(847,500)	(885,638)	(925,491)
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	(642,364)	(642,364)	-	(847,500)	(885,638)	(925,491)
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		1,620	1,346	1,814	-	70,287	70,287	799	1,814	1,896	1,981
Opening Balance		33,620	54,897	54,950	-	-	-	-	54,950	57,422	60,006
Closing balance - Consumables Standard Rated Zero Rated		33,620	54,897	54,950	-	-	-	7,280	54,950	57,422	60,006
Opening Balance		-	57,000	67,858	-	-	-	-	67,858	70,912	74,103
Closing balance - Materials and Supplies		41,311	57,000	67,858	-	-	-	(7,842)	67,858	70,912	74,103
Opening Balance		-	306,876	373,658	-	-	-	-	373,658	390,473	408,044
Closing Balance - Housing Stock		292,004	306,876	373,658	-	-	-	1,851	373,658	390,473	408,044
Closing Balance - Inventory and Consumables		368,555	428,123	498,281	442,453	512,740	512,740	2,088	498,281	520,703	544,135
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)	-	12,093,558	13,077,137	13,045,944	8,754,770	8,754,737	8,754,737	450,171	13,673,320	14,152,481	14,802,109
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	(5,151,271)	(5,452,199)	(5,795,138)	-	-	-	(258,773)	(5,795,138)	(6,055,419)	(6,328,435)
Total Property, plant and equipment (PPE)	2	6,942,287	7,624,937	7,250,806	8,754,770	8,754,737	8,754,737	191,398	7,878,182	8,096,562	8,473,674
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	(90,000)	(50,000)	(50,000)	-	26,275	31,507	36,975
Current portion of long-term liabilities		79,163	74,271	50,311	78,727	78,727	78,727	(82,960)	50,311	52,575	54,941
Total Current liabilities - Borrowing		79,163	74,271	50,311	(11,273)	28,727	28,727	(82,960)	76,586	84,083	91,916
Trade and other payables											
Trade and other payables from exchange transactions	5	1,949,231	3,003,317	3,158,414	1,713,734	1,644,234	1,644,234	684,823	1,713,734	1,663,734	1,663,734
Other trade payables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Trade payables from Non-exchange transactions: Unspent conditional Grants		136,088	175,936	189,531	-	-	-	(19,419)	-	-	-
Trade payables from Non-exchange transactions: Other		-	-	0	-	-	-	-	-	-	-
VAT		371,840	431,837	500,430	457,747	-	-	107,725	162,137	169,434	177,058
Total Trade and other payables	2	2,457,159	3,611,086	3,848,376	2,171,481	1,644,234	1,644,234	773,129	1,875,871	1,833,168	1,840,792
Non current liabilities - Financial liabilities											
Borrowing	4	124,582	50,311	116,275	559,919	559,919	559,919	-	-	-	-
Other financial liabilities		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Financial liabilities		124,582	50,311	116,275	559,919	559,919	559,919	-	-	-	-
Non current liabilities - Long Term portion of trade payables											
Electricity Bulk Purchases		-	-	-	-	-	-	-	166,379	173,866	181,690
Payables and Accruals - General		-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases		-	-	-	-	-	-	-	2,630,535	2,748,909	2,872,610
Municipal Debt Relief		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Long Term portion of trade payables		-	-	-	-	-	-	-	2,796,914	2,922,775	3,054,300
Provisions - non-current											
Retirement benefits		517,190	477,915	499,399	583,456	583,456	583,456	499,399	521,072	545,356	
Refuse landfill site rehabilitation		61,114	62,177	44,650	80,111	80,111	80,111	-	44,650	46,659	48,759
Other		72,130	68,073	72,806	-	-	-	-	72,806	76,082	79,506
Total Provisions - non-current		650,434	608,165	616,855	663,567	663,567	663,567	-	616,855	644,614	673,621
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		7,155,078	7,773,527	6,490,080	10,645,376	11,294,430	11,294,430	-	6,699,416	6,974,497	7,362,856
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		7,155,078	7,773,527	6,490,080	10,645,376	11,294,430	11,294,430	-	6,699,416	6,974,497	7,362,856
Surplus/(Deficit)		(567,418)	-	-	-	-	-	-	-	-	-
Transfers to/from Reserves		192,177	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments	1	1,236,089	-	-	-	-	-	(51,891)	-	-	-
Accumulated Surplus/(Deficit)		8,015,925	7,773,527	6,490,080	10,645,376	11,294,430	11,294,430	(51,891)	6,699,416	6,974,497	7,362,856
Total Reserves	2	235,413	250,168	252,924	-	-	-	(1,469)	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		8,251,338	8,023,695	6,743,004	10,645,376	11,294,430	11,294,430	(53,359)	6,699,416	6,974,497	7,362,856

2.21 Municipal manager's quality certificate

I **Nelisiwe Ngcobo**, Acting Municipal Manager of Msunduzi Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name **N Ngcobo**

Acting Municipal manager of Msunduzi Municipality (KZN 225)

Signature: _____

Date: _____