

**CITY OF CHOICE**



**PIETERMARITZBURG  
MSUNDUZI**

**TABLED ANNUAL BUDGET OF**

**Msunduzi  
Municipality  
KZN225**

**2023/24 TO 2025/26**

**MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

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- **All public libraries within the municipality**
  - **At [www.msunduzi.gov.za](http://www.msunduzi.gov.za)**

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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. MOVE FOR THE IDP ADOPTION

#### IT IS RECOMMENDED THAT:

- 7.1 (a) That the Original Budget of the Municipality for the financial year 2023/24, multi-year and single-year capital appropriations as set out in Tables A2 – A5 of the budget report be APPROVED, as follows:
- (i) Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) as contained in Table A2.
  - (ii) Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) as contained in Table A3.
  - (iii) Budgeted Financial Performance (Revenue by Source and Expenditure by Type) as contained in Table A4; and
  - (iv) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
- (b) That the financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as set out in Tables A6 – A10 of the budget report be APPROVED, as follows:
- (i) Budgeted Financial Position as contained in Table A6.
  - (ii) Budgeted Cash Flows as contained in Table A7.
  - (iii) Cash Backed Reserves and Accumulated Surplus Reconciliation as contained in Table A8.
  - (iv) Asset Management as contained in Table A9; and
  - (v) Basic Service Delivery Measurement as contained in Table A10
  - (vi) Basic Service Delivery Measurement as contained in Table A10.
- (c) That the proposed property rates and taxes imposed for the budget year 2023/24 be approved as follows

	2022/23	2023/24	% Increase
	Cents in the R	Cents in the R	
(i) Vacant Land - No rebate granted	0.0252	0.0272	7,00%
(ii) Unauthorised Use (inclusive of surcharges)	0.0433	0.0467	7,00%
(iii) Residential Property	0.0139	0.0150	7,00%
(iv) Commercial Property (Previous Category: Other Property)	0.0244	0.0263	7,00%
(v) Industrial Property (Previous Category: Other Property)	0.0244	0.0263	7,00%
(vi) Specialised Property (Previous Category: Other Property)	0.0244	0.0263	7,00%
(vii) Agricultural Property	0.0034	0.0037	7,00%
(viii) Public Service Infrastructure	0.0034	0.0037	7,00%
(ix) Rural Communal Property	0.0189	0.0204	7,00%
(x) Sectional Title Garages – Separately Registered	0.0139	0.0150	7,00%
(xi) Mining	0.0244	0.0263	7,00%
(xii) Public Benefit Organisations	0.0244	0.0263	7,00%
(xiii) Additional Rebate	100%	100%	
(xiv) Public Service Property	0.0244	0.0264	7,00%

Multipurpose Property Applicable tariff will be charged in respect of the combination of categories above.

In terms of Section 26 and 27 of the Local Government: Municipal Property Rates Act 6 of 2004, the final date by which each monthly instalment is payable, has been fixed as follows:

<u>Instalment</u>	<u>Final Date</u>
<b>July 2023</b>	<b>31 August 2023</b>
<b>August 2023</b>	<b>30 September 2023</b>
<b>September 2023</b>	<b>31 October 2023</b>
<b>October 2023</b>	<b>30 November 2023</b>
<b>November 2023</b>	<b>31 December 2023</b>
<b>December 2023</b>	<b>31 January 2024</b>
<b>January 2024</b>	<b>29 February 2024</b>



<b>February 2024</b>	<b>31 March 2024</b>
<b>March 2024</b>	<b>30 April 2024</b>
<b>April 2024</b>	<b>31 May 2024</b>
<b>May 2024</b>	<b>30 June 2024</b>
<b>June 2024</b>	<b>31 July 2024</b>

(d) That with effect from 1 July 2023, the proposed tariffs of charges as contained in the tariffs of charges, be approved as follows as follows:

- i. The tariffs for electricity
- ii. The tariffs for the supply of water
- iii. The tariffs for sanitation services
- iv. The tariffs for solid waste services
- v. The tariffs for property rates
- vi. The tariffs for other revenue

(e) That proposed amendments to budget related policies in terms of Section 17(3)(e) of MFMA be approved, table of proposed amendments is attached as annexure (b) and

- i. Credit Control and Debt Collection policy
- ii. Impairment policy
- iii. Indigent policy
- iv. Assets Management policy
- v. Grants policy
- vi. Insurance policy
- vii. Borrowings policy
- viii. Petty Cash policy
- ix. Budget policy

(f) That following budget related policies remain unchanged are effectively applicable as from 1 July 2023

- i. Virement policy
- ii. Cash Management and Investment policy
- iii. Funding and Reserves policy
- iv. Tariff policy
- v. Supply Chain Management policy (Incorporating Preferential Procurement)
- vi. Rates policy
- vii. Unauthorised, irregular or fruitless and wasteful expenditure policy
- viii. Infrastructure Procurement and delivery management procedure manual
- ix. Contract management policy
- x. Inventory Management policy
- xi. Cost Containment policy
- xii. Debts write-off policy
- xiii. Impairment policy
- xiv. Lease policy

- (g) with effect from 1 July 2023 the proposed tariffs for other sundry services as Contained in the tariffs of charges be approved
- (h) Budget for Safe City (municipal entity) is part of 2023/24 municipal consolidated schedule, allocations thereof reflected on parent schedule is accordingly approved
- (i) That authority be granted to the Acting Municipal Manager to submit the final budget data strings and IDP data strings into National Treasury portal.
- (j) That authority be granted to the Muncipal Manager to publish the Original Medium term Revenue and Expenditure Framework 2023/24 to 2025/26 in terms of Chapter 4 of the Municipal Systems Act of 2000 (as amended).
- (k) That authority is granted to the Acting Municipal Manager to publish the budget related policies on the Internet and in all municipal buildings to comply with chapter 4 of Municipal Systems Act of 2000 (as amended).

***Ukukhombisa ukuzimisela kwethu njengezithunywa zomphakathi , Madam Speaker, allow me together with this house to enter into covenant with our community , this covenant will be a pact , social contract ,written commitment and agreement that establishes moral and political rules of behaviour for all of us .We will live according to a social contract, we will be obliged to live morally by our own choice by signing this covenant. Let us all sign it so that we are morally bound to live by it in pursuance of responsibilities ushered by our oath of public office.***

I thank you.

Ngiyabonga

Baie dankie

### 1.1.1 MUNICIPAL MANAGER'S FOREWORD 2023/24 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 2023/24 MTREF. The latest being circular number 123 issued on the 03<sup>rd</sup> March 2023.

The main challenges experienced during the compilation of the 2023/24 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;
- 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 2023/24 MTREF:

- The 2022/23 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2023/24 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 12% 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 decreased from R372.4 million to R491.2 million.

The above-mentioned cash surplus is based on a prevailing collection rate of 95% average debt collection.

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

**KZN225 Msunduzi -Table A4 Consolidated Budgeted Financial Performance (Revenue and Expenditure)**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>										
<b>Total Revenue (excluding capital transfers and cont</b>		5 487 114	5 540 356	5 853 713	7 050 770	6 995 637	6 995 637	8 110 480	8 981 466	10 038 339
<b>Total Expenditure</b>		5 693 447	5 984 003	6 949 419	6 454 947	6 623 210	6 623 210	7 619 249	8 206 412	8 901 743
<b>Surplus/(Deficit)</b>		(206 334)	(443 647)	(1 095 707)	595 823	372 427	372 427	491 231	775 054	1 136 596
Transfers and subsidies - capital (monetary allocations)	6	430 114	498 603	368 725	446 431	437 597	437 597	317 456	321 309	327 882
Transfers and subsidies - capital (in-kind)	6									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		223 780	54 956	(726 982)	1 042 254	810 024	810 024	808 687	1 096 363	1 464 478
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		223 780	54 956	(726 982)	1 042 254	810 024	810 024	808 687	1 096 363	1 464 478
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		223 780	54 956	(726 982)	1 042 254	810 024	810 024	808 687	1 096 363	1 464 478
Share of Surplus/Deficit attributable to Associate	7									
Intercompany/Parent subsidiary transactions										
<b>Surplus/(Deficit) for the year</b>	1	223 780	54 956	(726 982)	1 042 254	810 024	810 024	808 687	1 096 363	1 464 478

Total operating revenue of R 6.995 billion has grown by 15 per cent or R1.1 billion for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operational revenue will increase by 11 percent (R 870.9 million) and 12 per cent (R 1.056 billion) respectively.

Total operating expenditure for the 2023/24 financial year has been appropriated at R7.6 billion and results to a budgeted operating surplus of R491.2 million. When compared to the 2022/23 Adjustments Budget, operational expenditure has grown overall by 15 per cent in the 2023/24 budget and by 7.7 and 8.5 per cent for each of the respective outer years of the MTREF.

The capital budget of R 637.4 million (R317 million grant funding, R 120 million internal funding and R200 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 2023/24 MTREF (classified by main revenue source):

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

**KZN225 Msunduzi -Table A4 Consolidated Budgeted Financial Performance (Revenue and Expenditure)**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	2 159 758	2 152 783	2 549 653	3 183 150	3 183 150	3 183 150	3 892 818	4 515 669	5 328 489
Service charges - Water	2	662 849	773 169	773 657	819 610	819 610	819 610	901 572	945 749	990 199
Service charges - Waste Water Management	2	172 221	167 102	182 241	174 569	174 569	174 569	202 500	212 422	222 406
Service charges - Waste Management	2	109 639	113 697	114 119	129 665	129 665	129 665	138 742	145 540	152 380
Sale of Goods and Rendering of Services		23 620	9 320	11 474						
Agency services		1 090	1 931	2 139	668	668	668	715	750	785
Interest		14 259			17 030	17 030	17 030	18 052	19 225	20 494
Interest earned from Receivables		225 861	144 312	148 963	225 218	225 218	225 218	248 865	261 060	273 330
Interest earned from Current and Non Current Assets			8 456	10 535						
Dividends										
Rent on Land			14 559							
Rental from Fixed Assets		43 597	148	25 415	37 424	37 424	37 424	104 824	112 624	117 917
Licence and permits		604		984						
Operational Revenue		47 565	44 527	54 566				230 407	249 376	261 096
<b>Non-Exchange Revenue</b>										
Property rates	2	1 177 108	1 232 330	1 211 349	1 427 089	1 427 089	1 427 089	1 526 985	1 601 807	1 677 092
Surcharges and Taxes										
Fines, penalties and forfeits		13 273	16 062	14 489	2 005	2 005	2 005	14 660	8 468	8 866
Licences or permits			603		1 500	1 500	1 500	2 452	2 667	2 793
Transfer and subsidies - Operational		637 128	757 426	681 738	855 842	800 709	800 709	827 889	906 109	982 491
Interest		66 393	38 480	50 190						
Fuel Levy										
Operational Revenue					177 000	177 000	177 000			
Gains on disposal of Assets		130 714		4 179						
Other Gains		1 435	65 449	18 021						
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and cont</b>		<b>5 487 114</b>	<b>5 540 356</b>	<b>5 853 713</b>	<b>7 050 770</b>	<b>6 995 637</b>	<b>6 995 637</b>	<b>8 110 480</b>	<b>8 981 466</b>	<b>10 038 339</b>

**Table 3 Percentage growth in revenue by main revenue source****KZN255 Msunduzi Table A4 Consolidated Financial performance (Revenue and Expenditure)**

Description	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework				
		Original Budget	Adjusted Budget	%Increase/Decrease(2022/23 and 2024/24)	Budget Year 2023/24	%Increase/Decrease(2023/24 and 2023/25)	Budget Year +1 2024/25	%Increase/Decrease(2023/24 and 2023/25)	Budget Year +2 2025/26
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity	2	3 183 150	3 183 150	18%	3 892 818	16%	4 515 669	18%	5 328 489
Service charges - Water	2	819 610	819 610	9%	901 572	5%	945 749	5%	990 199
Service charges - Waste Water Management	2	174 569	174 569	14%	202 500	5%	212 422	5%	222 406
Service charges - Waste Management	2	129 665	129 665	7%	138 742	5%	145 540	5%	152 380
Sale of Goods and Rendering of Services									
Agency services		668	668	7%	715	5%	750	5%	785
Interest		17 030	17 030	6%	18 052	6%	19 225	7%	20 494
Interest earned from Receivables		225 218	225 218	10%	248 865	5%	261 060	5%	273 330
Interest earned from Current and Non Current Assets									
Dividends									
Rent on Land									
Rental from Fixed Assets		37 424	37 424	64%	104 824	7%	112 624	5%	117 917
Licence and permits									
Operational Revenue		177 000	177 000	23%	230 407	8%	249 376	5%	261 096
<b>Non-Exchange Revenue</b>									
Property rates	2	1 427 089	1 427 089	7%	1 526 985	5%	1 601 807	5%	1 677 092
Surcharges and Taxes									
Fines, penalties and forfeits		2 005	2 005	86%	14 660	-42%	8 468	5%	8 866
Licences or permits		1 500	1 500	39%	2 452	9%	2 667	5%	2 793
Transfer and subsidies - Operational		855 842	800 709	3%	827 889	9%	906 109	8%	982 491
Interest									
Fuel Levy									
Operational Revenue									
Gains on disposal of Assets									
Other Gains									
Discontinued Operations									
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>7 050 770</b>	<b>6 995 637</b>	<b>16%</b>	<b>8 110 480</b>	<b>11%</b>	<b>8 981 466</b>	<b>12%</b>	<b>10 038 339</b>

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 2022/23 financial year, revenue from rates and services charges totalled to R6,662 billion or 82 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 19 per cent or R1, 526 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 827.8 million in the 2023/24 financial year and increase to R 906.1 million by 2024/25, R982 million by 2025/26. 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**

**KZN255 Msunduzi Supporting Table SA18 Transfers and grants receipts**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		588 691	697 607	631 359	712 410	743 929	743 929	805 981	883 070	957 561
Local Government Equitable Share		546 052	682 403	616 262	696 056	696 056	696 056	767 222	836 664	910 446
Finance Management		1 700	1 700	1 900	1 950	1 950	1 950	1 950	1 950	2 088
Municipal Systems Improvement			4 388							
EPWP Incentive		4 200	9 116	3 516	5 231	5 231	5 231	4 979		
Water Services Operating Subsidy						30 000	30 000			
Public Transport Infrastructure	14 834									
Energy Efficiency and Demand Management										
Municipal Water Infrastructure Grant								22 000	35 405	34 595
Operating costs-MIG	21 904			9 681	9 173	10 692	10 692	9 830	9 051	10 432
<b>Provincial Government:</b>		48 437	41 305	26 247	138 064	56 610	56 610	28 778	28 972	30 931
Provincial Government										
Expanded Public Works Grant										
Sport and Recreation										
Human Settlements - Title Deeds Restoration						4 772	4 772			
Human Settlements - Accredited Municipalities			4 264	3 853	19 253	8 652	8 652	4 429	4 429	4 429
Human Settlements - Accredited Municipal RO			24 079		36 850	(0)	(0)			
Human Settlements - Housing Development	14 582			9 106	71 083	10 318	10 318	8 250	8 646	9 061
Arts and Culture- Community Library Services	27 665				10 070	16 458	16 458	870	908	949
Arts and Culture- Provincialisation			12 474	12 863				13 538	14 273	15 749
Arts and Culture-Museum Subsidies			488	425				571	596	623
Arts and Culture-Museum Subsidies - Tatham Art Gallery	243				809	164	164	120	120	120
COGTA	5 947					16 245	16 245			
Municipal Employment Initiative - OPERATING								1 000		
Informal Economy Infrastructure Development										
<b>District Municipality:</b> <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	637 128	738 911	657 606	850 474	800 539	800 539	834 759	912 042	988 492
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		352 860	337 738	305 550	341 634	310 115	310 115	312 535	320 133	326 679
Municipal Infrastructure Grant (MIG)		164 900	197 725	199 650	217 980	216 461	216 461	238 929	243 133	250 379
Public Transport and Systems		117 252	88 758	11 900						
Neighbourhood Development Partnership		9 957	18 000	34 000	34 500	34 500	34 500	33 606	30 000	30 000
Dept of Mineral/Electricity										
Integrated National Electrification Programme				20 000		29 154	29 154	7 000	7 000	7 314
Municipal Systems Improvement										
Municipal Water Infrastructure Grant		52 752	33 255	40 000	60 000	30 000	30 000	28 000	35 000	38 986
Energy Efficiency and Demand Management		7 999			29 154			5 000	5 000	
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		-	316 943	48 143	104 797	127 482	127 482	4 921	1 176	1 203
Airport Development Project						92 869	92 869			
Sport and Recreation						6 600	6 600			
KZNPA	5 557		4 000		6 000					
Economic development tourism			12 836	14 759						
Capital Provincial KZN Treasury			6 124							
Housing-Military Veterans			2 500			511	511			
Airport Grant			774	1 000	3 000	3 047	3 047			
Arts and Culture-Museum Subsidies			2 820							
COGTA	9 420		250 388	15 188		16 323	16 323			
Human Settlement	60 811		6 750		2 000					
Human Settlement - Housing Accreditation			22 465		93 797	2 200	2 200	700	700	700
Housing				12 986		5 591	5 591			
Provincial Government				620						
Arts and Culture- Community Library Services	1 065		8 285	3 500		341	341	421	476	503
Arts and Culture-Museum Subsidies - Tatham Art Gallery	400			90						
PMB Airport- CAPITAL								2 800		
Informal Economy Infrastructure Development								1 000		
<b>District Municipality:</b> <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> <i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	352 860	654 681	353 694	446 431	437 597	437 597	317 456	321 309	327 882
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		989 988	1 393 593	1 011 300	1 296 905	1 238 136	1 238 136	1 152 215	1 233 352	1 316 374

### 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 2023/24 financial year based on a 7.00 per cent increase from 1 July 2023 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 2023/24 financial year based on a 7.00 per cent increase from 1 July 2023 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 Rates							
	2021/22	2022/23	2023/24	2024/25		2025/26	
	R	R	R	% Incr	R % Incr	R	% Incr
<b>1. The Rate Randages</b> 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	0,0252	0,0272	0,0291	7,00%	0,0305 4,90%	0,0320	4,70%
(b) <u>Unauthorised Use</u> (Inclusive of surcharges)	0,0433	0,0467	0,0500	7,00%	0,0525 4,90%	0,0549	4,70%
(c) <u>Residential Property</u>	0,0139	0,0150	0,0161	7,00%	0,0169 4,90%	0,0176	4,70%
(d) <u>Commercial Property</u>	0,0244	0,0263	0,0281	7,00%	0,0295 4,90%	0,0309	4,70%
(e) <u>Industrial Property</u>	0,0244	0,0263	0,0281	7,00%	0,0295 4,90%	0,0309	4,70%
(f) <u>Specialised Property</u>	0,0244	0,0263	0,0281	7,00%	0,0295 4,90%	0,0309	4,70%
(g) <u>Agricultural Property</u>	0,0034	0,0037	0,0039	7,00%	0,0041 4,90%	0,0043	4,70%
(h) <u>Public Service Infrastructure</u>	0,0034	0,0037	0,0039	7,00%	0,0041 4,90%	0,0043	4,70%
(i) <u>Rural Communal Property</u> Tariff removed - properties categorised as COMM	0,0189	0,0204	NIL				
(j) <u>Sectional Title Garages - Separately Registered</u>	0,0139	0,0150	0,0161	7,00%	0,016851 4,90%	0,0176	4,70%
(k) <u>Mining Property</u>	0,0244	0,0263	0,0281	7,00%	0,029477 4,90%	0,0309	4,70%
(l) <u>Public Benefit Organisations</u>	0,0034	0,0037	0,0039	7,00%	0,004133 4,90%	0,0043	4,70%
Additional Rebate	100%	100%					
(m) Public Service Property	0,0244	0,0263	0,0281	7,00%	0,02952 4,90%	0,0309	4,70%
(n) Multipurpose Property							
	Applicable tariff will be charged in respect of the combination of categories above.						

<b>BUDGET AND TREASURY OFFICE</b>								
<b>Revenue Management</b>								
<u>Rates</u>								
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>			
	<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>% Incr</b>	<b>R % Incr</b>	<b>R</b>	<b>% Incr</b>	
<b>2. REBATES:</b>								
<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)	R 4 972	R5 369	R5 745	7,00%	R6 027	4,90%	R6 310	4,70%
%tage Rebate –	40%							
<u>Child Headed Households</u>								
(q) Maximum monthly income of all occupants and owners from all sources (p.m)	R 4 972	R5 369	R5 745	7,00%	R6 027	4,90%	R6 310	4,70%
%tage Rebate –	40%	40%						
<u>Listed Buildings</u>								
(r) Rates Rebate on Listed Buildings (Maximum Percentage)	40%	40%	40%		40%		40%	
<u>Developers Rebate</u>								
(s) Rates Rebate on Vacant Land Only, Subject to Council's Conditions								
Year 1	100%	100%	100%		100%		100%	
Year 2	66%	66%	66%		66%		66%	
Year 3	33%	33%	33%		33%		33%	
<b>3. MISCELLANEOUS CHARGES:</b>								
(a) i. Rates Clearance Certificate Application Fee	R 390	R420,75	R450,20	7,00%	R472,26	4,90%	R494,45	4,70%
ii. Duplicate Statement Fee	R 66	R71,07	R76,05	7,00%	R79,77	4,90%	R83,52	4,70%
iii. Duplicate Revenue Clearance Certificate	R 99	R106,61	R114,07	7,00%	R119,66	4,90%	R125,28	4,70%
iv. Fee for Letters of Undertaking	R 124	R133,59	R142,95	7,00%	R149,95	4,90%	R157,00	4,70%
(b) Deeds Search Fee-per search	R 49	R53,28	R57,00	7,00%	R59,80	4,90%	R62,61	4,70%
(c) To search for and prepare any reconciliation, for each hour, or part of an hour, excluding the first half hour, reasonably required for such search and preparation.	R 125	R134,67	R144,10	7,00%	R151,16	4,90%	R158,26	4,70%
<b>PLUS</b> Administration Fee	R 39	R42,08	R45,03	7,00%	R47,24	4,90%	R49,46	4,70%
(Excluding applications made in terms of the Promotion of Access to Information Act, No. 2 of 2000)								
<b>PLUS</b> all copies incidental to complete the reconciliation	R 5	R5,05	R5,40	7,00%	R5,66	4,90%	R5,93	4,70%

## Waste Management Refuse Removal Tariff

COMMUNITY SERVICES WASTE MANAGEMENT Refuse Removal Tariffs		2021/22 Excl. Vat	2022/23 Excl.Vat	2023/24 Excl.Vat	% Incr	2024/25 Excl.Vat	% Incr	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	R 116,07	R122,80	R131,40	7,00%	R137,84	4,90%	R144,31	4,70%
	Three phase up to 100A	R 116,07	R122,80	R131,40	7,00%	R137,84	4,90%	R144,31	4,70%
	Prepayment Meter	R 116,07	R122,80	R131,40	7,00%	R137,83	4,90%	R144,59	4,70%
2	Multipurpose Property (Applicable to properties utilised for multiple purpose as per the rates category of property)								
	Single phase up to 80A	R 175,95	R186,16	R199,19	7,00%	R208,95	4,90%	R219,19	4,70%
	Three phase up to 100A	R 175,95	R186,16	R199,19	7,00%	R208,95	4,90%	R219,19	4,70%
	Prepayment Meter	R 175,95	R186,16	R199,19	7,00%	R208,95	4,90%	R219,19	4,70%
3	Small Power Users - Business/Commercial								
	Single phase up to 80A	R 332,53	R351,82	R376,45	7,00%	R394,89	4,90%	R414,24	4,70%
	Three phase up to 100A	R 332,53	R351,82	R376,45	7,00%	R394,89	4,90%	R414,24	4,70%
4	Large Power Users – Business/Commercial								
	Supply taken at 400V	R 332,53	R351,82	R376,45	7,00%	R394,89	4,90%	R414,24	4,70%
	Supply taken at 6.6 or 11kV	R 332,53	R351,82	R376,45	7,00%	R394,89	4,90%	R414,24	4,70%
5	Flats/Simplexes	R 98,36	R104,06	R111,35	7,00%	R116,80	4,90%	R122,53	4,70%
6	Previously PHB Housing and Informal Settlements (MASS HOUSING) - per hc	R 23,38	R24,74	R26,47	7,00%	R27,76	4,90%	R29,13	4,70%
7	Central Business District Main cbd bordered by East(Massukwane), Winston/Victoria, Bulwer, Boschoff, 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.	R 442,22	R467,87	R500,62	7,00%	R525,15	4,90%	R550,88	4,70%
8	For areas not being billed but supplied with prepaid electricity meters to cover the cost of co-operative supplied refuse collection services.	R 18,55	R19,63	R21,01	7,00%	R22,03	4,90%	R23,11	4,70%
9	Qualifying indigent consumers will receive 100% rebate in respect of the applicable charge.								

<b>COMMUNITY SERVICES</b>									
<b>WASTE MANAGEMENT</b>									
<u>Refuse Removal Tariff</u>									
		2021/22	2022/23	2023/24		2024/25		2025/26	
		Excl. Vat	Excl.Vat	Excl.Vat	% Incr	Excl.Vat	% Incr	Excl.Vat	% Incr
Fees payable for the additional removal and clearance of refuse by arrangement from premises other than those applicable in item 1 are contained within this section.									
1. (a)	Removal of additional domestic refuse: Excluding Central Business District								
	Normal days per collection –								
	(i) 3 x 85l bins or part thereof	R 36,79	R38,92	R41,64	7,00%	R43,68	4,90%	R45,74	4,70%
	(ii) 240l wheeled bin or part thereof	R 36,79	R38,92	R41,64	7,00%	R43,68	4,90%	R45,74	4,70%
(b)	Other than normal removal days, per collection –								
	(i) 3 x 85l bins or part thereof	R 222,69	R235,61	R252,10	7,00%	R264,46	4,90%	R276,89	4,70%
(c)	Where Council refuse containers are used on high density residential developr (simplexes, duplexes, cluster homes etc). The charge for a 1,75m³ container for approx. 10 units, one clearance per week, subject to agreement with the Waste Management Division.	R 364,05	R385,16	R412,12	7,00%	R432,32	4,90%	R452,63	4,70%
2. (a)	Removal of additional domestic refuse: Central Business District								
	Normal days per collection –								
	(i) 3 x 85l bins or part thereof	R 36,92	R39,06	R41,80	7,00%	R43,85	4,90%	R45,91	4,70%
	(ii) 240l wheeled bin or part thereof	R 36,92	R39,06	R41,80	7,00%	R43,85	4,90%	R45,91	4,70%
(b)	Other than normal removal days, per collection –								
	(i) 3 x 85l bins or part thereof	R 226,84	R239,99	R256,79	7,00%	R269,38	4,90%	R282,04	4,70%
(c)	Where Council refuse containers are used on high density residential developments (simplexes, duplexes, cluster homes etc). The charge for a 1,75m³ container for approx. 10 units, one clearance per week, subject to agreement with the Waste Management Division.	R 370,76	R392,26	R419,72	7,00%	R440,29	4,90%	R460,98	4,70%
3. (a)	Removal of trade refuse [Industrial/Commercial]:								
	Normal days, per collection –								
	(i) 3 x 85l bins or part thereof	R 96,21	R101,79	R108,92	7,00%	R114,25	4,90%	R119,62	4,70%
	(ii) 210l drum or part thereof	R 96,21	R101,79	R108,92	7,00%	R114,25	4,90%	R119,62	4,70%
	(iii) 240l bin or part thereof	R 96,21	R101,79	R108,92	7,00%	R114,25	4,90%	R119,62	4,70%
	(iv) Removal of additional refuse as per 3(a)(i)-(iii)	R 96,21	R101,79	R108,92	7,00%	R114,25	4,90%	R119,62	4,70%
(b)	Other than normal removal days, per collection –								
	(i) 3 x 85l bins or part thereof	R 212,95	R225,30	R241,07	7,00%	R252,89	4,90%	R264,77	4,70%
	(ii) 210l drum or part thereof	R 212,95	R225,30	R241,07	7,00%	R252,89	4,90%	R264,77	4,70%
	(iii) 240l bin or part thereof	R 212,95	R225,30	R241,07	7,00%	R252,89	4,90%	R264,77	4,70%

<b>COMMUNITY SERVICES</b>									
<b>WASTE MANAGEMENT</b>									
<u>Refuse Removal Tariffs</u>									
		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>		<b>2024/25</b>		<b>2025/26</b>	
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>% Incr</b>	<b>Excl. Vat</b>	<b>% Incr</b>	<b>Excl. Vat</b>	<b>% Incr</b>
4	Removal of industrial refuse [Industrial/Commercial]:								
	(a) (i) per load or part thereof [maximum 15 m³] removed	R 3 657,31	R3 869,43	R4 140,29	7,00%	R4 343,17	4,90%	R4 547,29	4,70%
	(ii) bulk refuse containers [15 m³] hire thereof, including	R 2 753,05	R2 912,73	R3 116,62	7,00%	R3 269,33	4,90%	R3 422,99	4,70%
	(iii) bulk refuse containers [maximum 15 m³] hire thereof	R 2 665,85	R2 820,47	R3 017,91	7,00%	R3 165,78	4,90%	R3 314,58	4,70%
	(iv) second clearance	R 1 845,90	R1 952,96	R2 089,66	7,00%	R2 192,06	4,90%	R2 295,08	4,70%
	(v) each additional clearance	R 1 655,84	R1 751,88	R1 874,51	7,00%	R1 966,37	4,90%	R2 058,78	4,70%
	(b) small mobile refuse containers [approx. 0,24m³]								
	available in Otto Bin serviced areas only:								
	(i) hire thereof, including one clearance per week.	R 102,07	R107,99	R115,55	7,00%	R121,21	4,90%	R126,90	4,70%
	(ii) second clearance	R 77,06	R81,53	R87,23	7,00%	R91,51	4,90%	R95,81	4,70%
	(iii) each additional clearance	R 70,41	R74,50	R79,71	7,00%	R83,62	4,90%	R87,55	4,70%
	(c) small mobile refuse containers [approx. 1 m³]								
	available in Otto Bin serviced areas only:								
	(i) hire thereof, including one clearance per week.	R 408,60	R432,30	R462,56	7,00%	R485,22	4,90%	R508,03	4,70%
	(ii) second clearance	R 301,40	R318,88	R341,20	7,00%	R357,92	4,90%	R374,74	4,70%
	(iii) each additional clearance	R 263,36	R278,64	R298,14	7,00%	R312,75	4,90%	R327,45	4,70%
	(d) small mobile refuse containers [approx. 2 m³]:								
	(i) hire thereof as a once off clearance	R 664,39	R702,93	R752,13	7,00%	R788,98	4,90%	R826,07	4,70%
	(ii) hire per week, including one clearance	R 603,85	R638,87	R683,59	7,00%	R717,09	4,90%	R750,79	4,70%
	(iii) second clearance	R 313,51	R331,69	R354,91	7,00%	R372,30	4,90%	R389,80	4,70%
	(iv) each additional clearance	R 274,75	R290,68	R311,03	7,00%	R326,27	4,90%	R341,60	4,70%
	(e) 7 m³ refuse skips available in south-west area only:								
	(i) hire thereof, including one clearance per week.	R 1 334,24	R1 411,63	R1 510,44	7,00%	R1 584,46	4,90%	R1 658,92	4,70%
	(ii) second clearance	R 934,73	R988,94	R1 058,17	7,00%	R1 110,02	4,90%	R1 162,19	4,70%
	(iii) each additional clearance	R 795,68	R841,83	R900,75	7,00%	R944,89	4,90%	R989,30	4,70%
5	The tariff for the removal of refuse from properties owned by the State & Municipal Departments:								
	240l								
	(i) hire thereof, including one clearance per week.	R 103,05	R109,03	R116,66	7,00%	R122,38	4,90%	R128,13	4,70%
	(ii) second clearance	R 77,06	R81,53	R87,23	7,00%	R91,51	4,90%	R95,81	4,70%
	(iii) each additional clearance	R 70,61	R74,71	R79,94	7,00%	R83,86	4,90%	R87,80	4,70%
	1 100l								
	(i) hire thereof, including one clearance per week.	R 390,83	R413,50	R442,44	7,00%	R464,12	4,90%	R485,94	4,70%
	(ii) second clearance	R 288,17	R304,88	R326,23	7,00%	R342,21	4,90%	R358,30	4,70%
	(iii) each additional clearance	R 245,00	R259,21	R277,36	7,00%	R290,95	4,90%	R304,62	4,70%



COMMUNITY SERVICES WASTE MANAGEMENT <u>Refuse Removal Tariffs</u>		2021/22	2022/23	2023/24		2024/25		2025/26	
		Excl. Vat	Excl. Vat	Excl.Vat	% Incr	Excl.Vat	% Incr	Excl.Vat	% Incr
1,75m³									
(i)	hire thereof, including once off clearance	R 635,57	R672,43	R719,50	7,00%	R754,76	4,90%	R790,23	4,70%
(ii)	hire per week, including one clearance per week	R 577,72	R611,23	R654,02	7,00%	R686,06	4,90%	R718,31	4,70%
(iii)	second clearance	R 299,88	R317,28	R339,49	7,00%	R356,12	4,90%	R372,86	4,70%
(iv)	each additional clearance	R 262,83	R278,08	R297,54	7,00%	R312,12	4,90%	R326,79	4,70%
7m³									
(i)	hire thereof, including one clearance per week	R 1 276,00	R1 350,01	R1 444,51	7,00%	R1 515,29	4,90%	R1 586,51	4,70%
(ii)	Second clearance	R 902,35	R954,69	R1 021,51	7,00%	R1 071,57	4,90%	R1 121,93	4,70%
(iii)	Each additional clearance	R 761,26	R805,41	R861,79	7,00%	R904,02	4,90%	R946,51	4,70%
15m³									
(i)	per load or part thereof removed as a once off clea	R 3 657,31	R3 869,43	R4 140,29	7,00%	R4 343,17	4,90%	R4 547,29	4,70%
(ii)	hire thereof, including a once off clearance	R 2 753,05	R2 912,73	R3 116,62	7,00%	R3 269,33	4,90%	R3 422,99	4,70%
(iii)	hire thereof, including once off clearance per week	R 2 665,85	R2 820,47	R3 017,91	7,00%	R3 165,78	4,90%	R3 314,58	4,70%
(iv)	second clearance	R 1 845,90	R1 952,96	R2 089,66	7,00%	R2 192,06	4,90%	R2 295,08	4,70%
(v)	each additional clearance	R 1 655,84	R1 751,88	R1 874,51	7,00%	R1 966,37	4,90%	R2 058,78	4,70%
20m³									
(i)	per load or part thereof removed as a once off clea	R 4 876,12	R5 158,94	R5 520,07	7,00%	R5 790,55	4,90%	R6 062,70	4,70%
(ii)	hire thereof, including a once off clearance	R 3 670,40	R3 883,29	R4 155,12	7,00%	R4 358,72	4,90%	R4 563,58	4,70%
(iii)	hire thereof, including once off clearance per week	R 3 554,85	R3 761,03	R4 024,30	7,00%	R4 221,49	4,90%	R4 419,90	4,70%
(iv)	second clearance	R 2 493,77	R2 638,41	R2 823,10	7,00%	R2 961,43	4,90%	R3 100,61	4,70%
(v)	each additional clearance	R 2 208,30	R2 336,38	R2 499,92	7,00%	R2 622,42	4,90%	R2 745,67	4,70%
25m³									
(i)	per load or part thereof removed as a once off clea	R 6 095,34	R6 448,87	R6 900,29	7,00%	R7 238,40	4,90%	R7 578,61	4,70%
(ii)	hire thereof, including a once off clearance	R 4 588,35	R4 854,47	R5 194,29	7,00%	R5 448,81	4,90%	R5 704,90	4,70%
(iii)	hire thereof, including a once off clearance per wee	R 4 443,24	R4 700,95	R5 030,02	7,00%	R5 276,49	4,90%	R5 524,49	4,70%
(iv)	second clearance	R 3 116,90	R3 297,68	R3 528,52	7,00%	R3 701,41	4,90%	R3 875,38	4,70%
(v)	each additional clearance	R 2 760,62	R2 920,73	R3 125,18	7,00%	R3 278,32	4,90%	R3 432,40	4,70%
6	Removal and clearances from properties outside the refuse removal area:	Applicable Tariff plus 20%	Applicable Tariff plus 20%	Applicable Tariff plus 20%					

<b>COMMUNITY SERVICES</b>									
<b>WASTE MANAGEMENT</b>									
<u>Refuse Removal Tariffs</u>									
		2021/22	2022/23	2023/24		2024/25		2025/26	
		Excl. Vat	Excl. Vat	Excl. Vat	% Incr	Excl. Vat	% Incr	Excl. Vat	% Incr
7	Dead animals [per carcass] during working hours –								
	(a) (i) dog or cat	R 627,14	R663,52	R709,96	7,00%	R744,75	4,90%	R779,76	4,70%
	(ii) sheep, goat, calf or pig	R 940,65	R995,21	R1 064,87	7,00%	R1 117,05	4,90%	R1 169,55	4,70%
	(iii) ox, cow, bull, horse, mule or donkey	R 2 027,52	R2 145,12	R2 295,28	7,00%	R2 407,75	4,90%	R2 520,91	4,70%
	(b) outside working hours –								
	(i) dog or cat	R 700,26	R740,87	R792,73	7,00%	R831,58	4,90%	R870,66	4,70%
	(ii) sheep, goat, calf or pig	R 1 776,80	R1 879,85	R2 011,44	7,00%	R2 110,00	4,90%	R2 209,17	4,70%
	(iii) ox, cow, bull, horse, mule or donkey	R 3 553,60	R3 759,70	R4 022,88	7,00%	R4 220,00	4,90%	R4 418,34	4,70%
The fees specified in this item shall be payable upon demand or otherwise may be arranged with the Council.									
8	Euthanased animals [per carcass]:								
	(a) Removal of dog and cat carcasses from the premises owned or occupied by registered veterinary practitioners –								
	(i) during normal working hours	R 209,07	R221,20	R236,68	7,00%	R248,28	4,90%	R259,95	4,70%
	(ii) after normal working hours	R 752,51	R796,15	R851,88	7,00%	R893,62	4,90%	R935,63	4,70%
	(b) removal of carcasses other than dogs and cats shall be charged at the fees prescribed in items 3 and 4 as the case may be.								
	Recycling								
	(c) Supply of clear plastic bag and collection of recyclables thereof	R 7,61	R8,05	R8,61	7,00%	R9,03	4,90%	R9,46	4,70%

COMMUNITY SERVICES									
WASTE MANAGEMENT									
<u>Landfill Site Tariffs</u>									
		2021/22	2022/23	2023/24	% Incr				
		Excl. Vat	Excl. Vat	Excl. Vat					
1	The tariff for the disposal of refuse at the New England Road Landfill Site –								
	(a) general domestic refuse, inert trade refuse, per 250kg or part thereof	R 58,60	R65,87	R70,49	7,00%	R73,94	4,90%	R77,42	4,70%
	(b) mixed refuse (garden, domestic, trade refuse, including builder's rubble) per 250kg or part thereof	R 58,60	R65,87	R70,49	7,00%	R73,94	4,90%	R77,42	4,70%
	(c) industrial sludges, subject to agreement and approval by the Landfill Manager per 250kg or part thereof	R 252,68	R284,03	R303,92	7,00%	R318,81	4,90%	R333,79	4,70%
	(d) builder's rubble and excavated material per 250kg or part thereof	R 19,12	R21,49	R23,00	7,00%	R24,13	4,90%	R25,26	4,70%
	(e) bulk food waste and condemned food per 250kg or part thereof	R 132,61	R149,07	R159,51	7,00%	R167,32	4,90%	R175,19	4,70%
	(f) garden refuse, per 250kg or part thereof	R 19,12	R21,49	R23,00	7,00%	R24,13	4,90%	R25,26	4,70%
	(g) finely divided excavated material with the maximum stone content of 10% and maximum stone size of 100mm per 250kg or part thereof	R 8,80	R9,89	R10,59	7,00%	R11,11	4,90%	R11,63	4,70%
	(h) Sawdust and woodwaste, per 250kg or part thereof	R 89,28	R100,36	R107,39	7,00%	R112,65	4,90%	R117,94	4,70%
	Provided that no charge shall be payable for the disposal of –								
	(i) garden refuse by <u>bona fide</u> householders where such refuse is conveyed in motor cars, trailers with a nominal capacity not greater than 0,5 tonne and light delivery vehicles with a nominal capacity not greater than 1 tonne and deposited in the garden refuse containers.	Existing concession	Existing concession	Existing concession					
	(ii) builder's rubble by <u>bona fide</u> householders and casual builders where such rubble is conveyed in vehicles with a nominal capacity not greater than 1 tonne and deposited in the demarcated area on the Landfill site.	1 Tonne - limit	1 Tonne - limit	1 Tonne - limit					
	(iii) garden refuse by <u>bona fide</u> householders where such refuse is conveyed in vehicles with a nominal capacity not greater than 1 tonne and deposited in the demarcated area on the Landfill Site	1 Tonne - limit	1 Tonne - limit	1 Tonne - limit					
	(iv) soil, ash and sand which the Landfill Site Manager has agreed in advance is s cover material, delivered in trucks of minimum 5 tonne capacity.	No change to existing concession	No change to existing concession	No change to existing concession					
2	Tariff for the voluntary weighing of vehicles (per vehicle)	R 48,39	R54,39	R58,20	7,00%	R61,05	4,90%	R63,92	4,70%
3	That parking of a vehicle, trailer or container be not more than 8 hours at the New England Road Site, or on the road reserve adjacent to the site For each 8 hour period (per unit)	R 535,95	R602,46	R644,63	7,00%	R676,22	4,90%	R708,00	4,70%
4	Building Rubble: deposit payable when submitting a building plan for approval and refundable upon proof of disposal on the landfill site.	R 1 802,00	R2 025,63	R2 167,42	7,00%	R2 273,62	4,90%	R2 380,48	4,70%
5	Illegal Dumping: a collection and disposal fee per 1,75m³ container load for refuse or rubble dumped on a road verge in front of or next to a property. Vehicles may be impounded as deemed necessary.	R 12 369,80	R13 904,89	R14 878,23	7,00%	R15 607,26	4,90%	R16 340,81	4,70%
6	Florescent Tubes – complete tubes to be deposited in specialized containers located in the recycling area. Per 250 kgs or part thereof	R 116,00	R130,40	R139,53	7,00%	R146,36	4,90%	R153,24	4,70%

### 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 10%.

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 10% as from 1 July 2023 for water is proposed. The specific increases for different categories are detailed in the tariffs of charges and in the extract below.

## Water Management

INFRASTRUCTURE SERVICES WATER DISTRIBUTION AND SANITATION MANAGEMENT <u>Water Management</u>		2021/22	2022/23		2022/23		2022/23	
		Excl. Vat	Excl. Vat	% Incr	Excl. Vat	% Incr	Excl. Vat	% Incr
<u>Water Supply Tariffs</u>								
1	Scale 2 (1) – Domestic							
	Basic Charge	R 25,05	R26,56	6,00%	R27,72	4,40%	R40,20	4,50%
	0kl to 6kl	R 89,27	R94,63	6,00%	R98,79	4,40%	R143,25	4,50%
	2 (2) – Domestic							
	7kl to 30kl per kl	R 30,03	R31,84	6,00%	R33,24	4,40%	R48,19	4,50%
	2 (3) – Domestic							
	31kl to 60kl per kl	R 51,91	R55,03	6,00%	R57,45	4,40%	R83,30	4,50%
	2 (4) _Domestic							
	61kl and over per kl	R 60,59	R64,23	6,00%	R67,05	4,40%	R97,23	4,50%
	2 (5) _Domestic							
	Flat rate (unmetered households)	R 133,45	R141,46	6,00%	R147,68	4,40%	R214,14	4,50%
<u>Indigent Benefit - Domestic Water supply only</u>								
<i>Qualifying indigent consumers will receive the first 6kl's of water free</i>								
2	Scale 3A – Flats, Simplexes							
	Basic Charge	R 25,05	R26,56	6,00%	R27,72	4,40%	R40,20	4,50%
	Unit	R 28,31	R30,01	6,00%	R31,33	4,40%	R45,43	4,50%
3	Scale 3B – Flats (Non-Rateable)							
	Basic Charge	R 25,05	R26,56	6,00%	R27,72	4,40%	R40,20	4,50%
	Unit	R 38,96	R41,30	6,00%	R43,11	4,40%	R62,51	4,50%
4	Scale 4A (1) – Commercial							
	Basic Charge	R 41,75	R44,26	6,00%	R46,21	4,40%	R67,00	4,50%
	0 - 30 kl per kl	R 31,70	R33,60	6,00%	R35,08	4,40%	R50,86	4,50%
	4A (2) – Commercial							
	31kl to 60kl per kl	R 35,32	R37,44	6,00%	R39,09	4,40%	R56,68	4,50%
	4A (3) – Commercial							
	61kl to 100kl per kl	R 41,45	R43,93	6,00%	R45,87	4,40%	R66,51	4,50%
	4A (4) – Commercial							
	101kl and over per kl	R 31,70	R33,60	6,00%	R35,08	4,40%	R50,86	4,50%
5	Scale 4B – Commercial (Non-Rateable)							
	Basic Charge	R 41,75	R44,26	6,00%	R46,21	4,40%	R67,00	4,50%
	Unit	R 39,10	R41,45	6,00%	R43,27	4,40%	R62,74	4,50%
6	Scale 5 – Builders, Construction Sites							
	Basic Charge	R 41,75	R44,26	6,00%	R46,21	4,40%	R67,00	4,50%
	Unit	R 39,64	R42,01	6,00%	R43,86	4,40%	R63,60	4,50%
	Flat Rate - Unmetered Fire Mains	R 333,63	R353,65	6,00%	R369,21	4,40%	R535,35	4,50%
7	Scale 6 – Religious Organisations							
	Basic Charge	R 41,75	R44,26	6,00%	R46,21	4,40%	R67,00	4,50%
	Unit	R 31,43	R33,32	6,00%	R34,78	4,40%	R50,43	4,50%
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	R 41,75	R44,26	6,00%	R46,21	4,40%	R67,00	4,50%
	Unit	R 31,43	R33,32	6,00%	R34,78	4,40%	R50,43	4,50%
9	Scale 8 – Municipal Departments							
	Unit	R 30,01	R31,81	6,00%	R33,21	4,40%	R48,16	4,50%
10	Rates that will be applied for the supply and delivery of potable water per km as per any written agreement: <b>Vehicle Capacity</b>							
	6kl Rate per km	R 16,98	R18,00	6,00%	R18,79	4,40%	R27,25	4,50%
	12kl Rate per km	R 19,52	R20,69	6,00%	R21,60	4,40%	R31,32	4,50%
	18kl Rate per km	R 22,07	R23,40	6,00%	R24,42	4,40%	R35,42	4,50%
11	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.							

**INFRASTRUCTURE SERVICES**  
Electricity Management

INFRASTRUCTURE SERVICES <u>Electricity Management</u>		2022/23 Excl. Vat	2023/24 Excl. Vat	% Incr
<b>Key Tariff Rules applicable to Domestic Tariffs</b>				
1.	Customer is allowed one free MCB change per 12 months period, however a customer who is reducing the MCB			
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			
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.	<b>ADDITIONAL METERS</b>			
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			
<b>Scale A: Domestic (Credit Metered Supply)</b>				
1	A.I Single-Phase <b>Supplies from 20A</b> up to 80A –			
	Basic Charge per month	R38,61	R47,74	23,65%
	Net Ampere Charge per amp per phase <b>per month</b>	R14,30	R17,68	23,65%
	Energy Charge per kWh (cents)	141,32	174,74	23,65%
2	Scale A.3 Three Phase <b>Supplies from 5A</b> up to 100A			
	Basic Charge per month	R 64,34	R 79,56	23,65%
	Net Ampere Charge per amp per phase <b>per month</b>	R10,53	R13,02	23,65%
	Energy Charge per kWh (cents)	R141,32	R174,75	23,65%

**INFRASTRUCTURE SERVICES**  
Electricity Management

<b>INFRASTRUCTURE SERVICES</b>				
<u>Electricity Management</u>				
		<b>2022/23</b>	<b>2023/24</b>	
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	
			<b>% Incr</b>	
Scale S: Domestic (Prepaid metered supply)				
<b>Scale S0: Domestic Indigent 20 Amp</b>				
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	169,53	209,63	23,65%
<b>Scale S1: Domestic Life Line Tariff 20 Amp</b>				
4	Energy Charge only (cents) No Basic Charge	195,76	242,06	23,65%
<b>Scale S2: Domestic Straight Line Tariff - 40 Amps 1 phase</b>				
5.1	Energy Charge only (cents) Basic Charge (Included in the Municipal Bill/or deducted by Vending System) per month	195,76 R0,00	242,06 R0,00	23,65%
<b>Scale S3.1: Domestic Straight Line Tariff - 60 Amps 1 phase</b>				
5.2	Energy Charge only (cents) Basic Charge (Included in the Municipal Bill/or deducted by Vending System) per month	226,75 R0,00	280,38 R0,00	23,65%
<b>Scale S3.2: High End Two Part Tariff - 60 to 100 Amps 1 phase</b>				
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 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	256,83 R160,39 R200,50 R250,61	317,58 R198,32 R247,91 R309,88	23,65% 23,65% 23,65% 23,65%
<b>COMMERCIAL PREPAID SINGLE PHASE</b>				
<b>Scale S3.3: High End Two Part Tariff - 60 to 100 Amps 1 phase</b>				
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	256,83 R160,39 R200,50 R250,61	317,58 R198,32 R247,91 R309,88	23,65% 23,65% 23,65% 23,65%
<b>Scale S4: 3 Phase Two Part Tariff - 100 Amps 3 phase</b>				
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	256,83 R240,58 R481,17 R751,82	317,58 R297,48 R594,96 R929,63	23,65% 23,65% 23,65% 23,65%
<b>TARIFF - COMMERCIAL PREPAID THREE PHASE</b>				
<b>Scale S5: High End Two Part Tariff - 60 to 100 Amps per phase</b>				
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	256,83 R160,39 R200,50 R250,61	317,58 R198,32 R247,91 R309,88	23,65% 23,65% 23,65% 23,65%
<b>Scale TD1: Time Of Use Domestic Single Phase</b>				
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	R77,74	R96,13	23,65%
	Capacity charge per kVA per month	R14,30	R17,68	23,65%
	Energy charge c/kWh (Periods as per shown in table below - public holidays treated as normal day)			
	High Demand: (June, July, August)			
	Peak	497,64	615,33	23,65%
	Standard	163,65	202,35	23,65%
	Off Peak	97,29	120,30	23,65%
	Low Demand: (Other Months)			
	Peak	174,78	216,12	23,65%
	Standard	126,06	155,87	23,65%
	Off Peak	86,74	107,25	23,65%

**INFRASTRUCTURE SERVICES**  
Electricity Management

INFRASTRUCTURE SERVICES <u>Electricity Management</u>		2022/23 Excl. Vat	2023/24 Excl. Vat	% Incr
<b>Scale TD2: Time Of Use Domestic Three Phase</b>				
Supply Metered by a Smart Meter <b>(Conditional on Municipality rolling out Smart Meters to Community)</b>				
7	Scale TD.2 Time Of Use Domestic Three Phase			
	Basic Charge per month	R120,77	R149,33	23,65%
	Capacity charge per kVA per month	R10,34	R12,78	23,65%
	Energy charge c/kWh (Periods as per shown in table below - public holidays treated as normal day)			
	High Demand: (June, July, August)			
	Peak	497,64	615,33	23,65%
	Standard	163,65	202,35	23,65%
	Off Peak	97,29	120,30	23,65%
	Low Demand: (Other Months)			
	Peak	171,55	212,12	23,65%
	Standard	123,73	152,99	23,65%
	Off Peak	85,13	105,27	23,65%
<b>Key Tariff Rules applicable to Non Domestic Tariffs</b>				
1.	All customers who are on tariffs with Demand Charge, will only be allowed one Maximum Notified Demand [MND] change per 12 months period, however the peak demand recorded will run for 12 months.			
2.	The MND supplied with application for new supply or for an upgrade will only be changed after 12 months of taking supply, the application for a downgrade of MND within the first 12 months of taking supply shall not be entertained			
3.	The customer who is reducing the demand for longer than 12 months needs to understand that any future request for demand shall attract demand increase fees and will be subject to availability of such demand.			
4.	Each request for demand increase or decrease shall be investigated, upon receipt of written application from the customer, the response shall be given to the customer in writing with conditions for such change of scale, and where cost are applicable			
5.	Any Customer whose Maximum Notified Demand [MND] exceeds the contracted NMD for more than one month without making application to Electricity to upgrade the supply [to increase NMD], will be charged 20% more for the extra demand until the application is processed and electricity department offers to increase MND after all the relevant fees are paid and works where necessary. The Municipality reserves the right to cut the supply off after			
6.	The minimum demand charge per month payable by the consumer shall be an amount calculated as aforesaid on the basis of 70% of the highest of the previous twelve months highest maximum in kVA, whichever is the higher maximum demand in kVA notified to the City Electrical Engineer by the consumer or 70%			
7.	All customers will be allowed one tariff scale change for any 12 months period and such change will run for full 12 months before any tariff change is allowed. No tariff change will be allowed from TOU to any other tariffs.			
8.	Reactive energy charge: A charge for all reactive energy which exceed 30% of the real energy (kWh) per half hour period in the peak and standard periods only (c/kvarh)			

**INFRASTRUCTURE SERVICES**  
Electricity Management



<b>INFRASTRUCTURE SERVICES</b>				
<u>Electricity Management</u>				
		<b>2022/23</b>	<b>2023/24</b>	<b>% Incr</b>
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	
<b>Scale B: Small Power users ≤ 65 kVA</b>				
<b>(Low voltage supply from 0 Amps to 100 Amps/phase)</b>				
8	Scale B.1 Small Power Single-Phase ≤100A			
	Basic Charge per month	R99,03	R122,46	23,65%
	Net Ampere Charge per amp per phase p.m.	R30,06	R37,16	23,65%
	Energy Charge per kWh (cents)	155,14	191,83	23,65%
9	Scale B.3 Small Power Three-Phase ≤100A			
	Basic Charge per month	R177,58	R219,58	23,65%
	Net Ampere Charge per amp per phase p.m.	R25,35	R31,35	23,65%
	Energy Charge per kWh (cents)	155,14	191,83	23,65%
<b>Scale C: Large Power users (Load greater than 65 kVA - 500kVA)</b>				
<b>(Low voltage supply from 100 Amps to 750 Amps/phase)</b>				
10	Scale C.1 Large Power at LV			
	Basic Charge per month	R775,78	R959,25	23,65%
	Demand charge per kVA per month	R298,08	R368,58	23,65%
	Energy charge per kWh (cents)	142,04	175,64	23,65%
<b>Scale T1: Time Of Use Large customer - MV</b>				
<b>(11 000 Volts supply from 750 Amps/phase and above)</b>				
12	Scale T1: Time of use large customer at MV			
	Basic Charge per month	R3 878,85	R4 796,19	23,65%
	Demand charge per kVA (Peak and Standard periods only) per month.	R125,98	R155,77	23,65%
	Access charge per kVA per month.	R56,35	R69,67	23,65%
	Based on highest of notified or previous 12 months highest demand.			
	Energy charge c/kWh (Periods as per shown in table below - public holidays treated as per table)			
	High Demand: (June, July, August)			
	Peak	474,88	587,19	23,65%
	Standard	171,26	211,76	23,65%
	Off Peak	110,95	137,19	23,65%
	Low Demand: (Other Months)			
	Peak	181,36	224,26	23,65%
	Standard	137,09	169,52	23,65%
	Off Peak	101,34	125,30	23,65%
	Reactive energy charge.			
	A charge for all reactive energy which exceed 30% of the real energy (kWh) per half hour period in the peak and standard periods only (c/kvarh)	12,15	14,78	21,65%



**INFRASTRUCTURE SERVICES**  
Electricity Management

		<b>2022/23</b>	<b>2023/24</b>	
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>% Incr</b>
<b>INFRASTRUCTURE SERVICES</b>				
<u>Electricity Management</u>				
CHARGES FOR PUBLIC LIGHTING SERVICES TO NON-MUNICIPAL CUSTOMERS				
CHARGES FOR PUBLIC LIGHTING SERVICES TO MUNICIPAL APPLICATIONS				
L1	Lights: Whole Night (incl Maintenance)			
	Fixed-R /light/month	R56,44	R69,78	23,65%
	Energy charge per 100 Watt per month if not measured	R44,52	R55,05	23,65%
	Energy charge if measured (cents) per kWh	121,88	150,71	23,65%
L2	Lights: 24 hour (incl Maintenance)			
	Fixed-R /light/month	R56,44	R69,78	23,65%
	Energy charge per 100 Watt per month if not measured	R160,11	R197,97	23,65%
	Energy charge if measured (cents) per kWh	131,77	162,93	23,65%
L3	Lights: Whole Night High Mast (incl. Maintenance)			
	Fixed-R /light/month	R1 128,84	R1 395,81	23,65%
	Energy charge per 100 Watt per month if not measured	R130,70	R161,61	23,65%
	Energy charge if measured (cents) per kWh	121,88	150,71	23,65%
L4	Lights: 24 Hrs Traffic (Excl. Maintenance)			
	Maintenance charged at actual cost	Actual Cost	Actual Cost	
	Energy charge per 100 Watt per month if not measured	R160,11	R197,97	23,65%
	Energy charge if measured (cents) per kWh	131,77	162,93	23,65%
<b>INTEREST RATE</b>				
1	Interest rate per annum (calculated on daily outstanding balance)	7,75%	10,75%	

**INFRASTRUCTURE SERVICES**  
Electricity Management

		<b>INFRASTRUCTURE SERVICES</b>		
		<u>Electricity Management</u>		
		2022/23	2023/24	
		Excl. Vat	Excl. Vat	% Incr
<b>New Connection</b>				
1	Bylaw 27(12)(a)			
	(a) Normal domestic business premises:			
	(single phase service connection with a maximum capacity of 80A with a credit meter):			
	<b>Plus the cost of labour and material</b>	R5 284,68	R6 534,50	23,65%
	(single phase service connection with a maximum capacity of 80A with a prepayment meter):			
	<b>Plus the cost of labour and material</b>	R6 471,23	R8 001,68	23,65%
	Plus the cost of providing and laying or mounting the underground cable or overhead wiring, as the case may be, within the consumer's property boundary			
	Plus the cost of providing and laying or mounting the underground cable or overhead wiring, as the case may be, within the consumer's property boundary			
	(b) Surcharge raised for the <b>Tampering with</b> domestic services per meter			
	<b>This shall include any</b>			
	Plus cost of repair of reinstatement fee Plus cost of reinstatement fee Plus cost of	R7 008,49	R8 666,00	23,65%
		R9 636,68	R11 915,75	23,65%
		R12 264,86	R15 165,50	23,65%
	(c) Surcharge raised for the <b>Tampering with non</b> domestic services (Industrial, Commercial & Other Types of Customers) per meter			
	<b>This shall include any tampering with meter/MCB/meter</b>			
	Plus cost of repair of infrastructure damage where Second offence Plus - reinstatement fee Plus cost of repair of infrastructure damage where applicable	R35 042,46	R43 330,00	23,65%
		R61 324,30	R75 827,50	23,65%
	Third or subsequent offence - reinstatement fee Plus cost of repair of infrastructure damage where applicable plus full cost of technical solution	R87 606,15	R108 325,00	23,65%
	(d) Charges relating to administrative work in terms of arrear debt recovery and tampering with Electricity Meters or Metering Installations			
	<b>Attendance/Visitation Fee - All Customers</b>	R622,69	R769,95	23,65%
	<b>Disconnection Fee - Installations equal to or less than 100 Amps per phase</b>	R622,69	R769,95	23,65%
	<b>Disconnection Fee - Installations above 100 Amps per phase</b>	R1 657,56	R2 049,57	23,65%
	<b>Reconnection Fee where tamper fee is not applicable, or reconnection is made after 12 months of disconnection date</b>			
	- Installations equal to or less than 100 Amps per phase	R622,69	R769,95	23,65%
	- Installations above 100 Amps per phase	R1 657,56	R2 049,57	23,65%
	<b>Where the tamper fee is applicable, the reconnection fee will not be charged but Backdated consumption (calculated based on Estimated tampering period) will be billed</b>			

**INFRASTRUCTURE SERVICES**  
Electricity Management

<b>INFRASTRUCTURE SERVICES</b> <u>Electricity Management</u>		<b>2022/23</b>	<b>2023/24</b>	
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>% Incr</b>
<b>(e) <u>Surcharges: Illegal Connection and Reconnection</u></b>				
1	Copper Theft			
	Theft of Material	Immediate Arrest	Immediate Arrest	
	Buying of stolen material	Immediate Arrest	Immediate Arrest	
2	Illegal service connection - Cost recovered from the person found connecting illegally to the network			
3	Interference with other consumer's equipment	R6 995,24	R8 649,61	23,65%
4	Failure to comply with any issued notice	R399,27	R493,70	23,65%
5	Improper use of Electricity	R998,18	R1 234,26	23,65%
6	Refusal access to inspect/Work/Operate on electrical equipment - Plus Costs to re - route the electrical infrastructure where the customers continues to denied access to electrical infrastructure	R598,91	R740,56	23,65%
7	Refusing to provide information	R399,27	R493,70	23,65%
8	Rendering false information	R399,28	R493,70	23,65%
9	investigation where	R1 657,56	R2 049,57	23,65%
10	Restricted access to meter room - Plus cost to rectify the situation should the customer refuse to do so	R399,27	R493,70	23,65%
11	Resale of electricity without a license or approval	R399,28	R493,70	23,65%
12	Selling or supplying electricity without authority	R998,19	R1 234,26	23,65%
13	Standby Equipment connected to network without authority	R998,19	R1 234,26	23,65%
14	Administrative Fees	R622,69	R769,95	23,65%
15	Visitation Fee (All Customers)	R622,69	R769,95	23,65%
16	notice by the Peace	R996,29	R1 231,92	23,65%
17	premises/meter room/	R996,29	R1 231,92	23,65%
18	Visitation fee where the access was denied until the court application was made to gain access	R0,00	R0,00	
	Plus fees related to the court order if applied & Locks	R996,29	R1 231,92	23,65%
19	Visitation fee where the access was denied by installing non compliant lock			
	Broke the lock and reinstate with compliant lock + cost of lock	R996,29	R1 231,92	23,65%
20	Disconnection Fee - Installations equal to or less than 100 Amps per phase	R622,69	R769,95	23,65%
21	Disconnection Fee - Installations above 100 Amps per phase	R1 657,56	R2 049,57	23,65%
22	Cutting of trees where the customer has been notified and customer could not cut the trees within the specified time			
	Plus Cost of cutting trees	R622,69	R769,95	23,65%
(f)	Tampering with installed anti-tampering seals/equipment plus full cost of professionals used to investigate/prosecute	R3 992,74	R4 937,02	23,65%
(g)	Use of Electricity supply without a signed consumer agreement with the Municipality	R998,18	R1 234,26	23,65%
(h)	Unkept substation equipment accommodation room plus cost to rectify the situation should the customer refuse to do so within the prescribed period	R998,18	R1 234,26	23,65%
(i)	Unkept meter rooms plus cost to rectify the situation should the customer refuse to do so within the prescribed period	R998,18	R1 234,26	23,65%
(j)	Unlocked meter rooms plus cost to rectify the situation should the customer refuse to do so within the prescribed period	R998,18	R1 234,26	23,65%

**INFRASTRUCTURE SERVICES**  
Electricity Management

		INFRASTRUCTURE SERVICES		2022/23	2023/24	
		<u>Electricity Management</u>		Excl. Vat	Excl. Vat	% Incr
2	Bylaw 27 (12)(b) In all other cases, the connection charges shall be calculated on the basis of maximum demand required in accordance with the following:					
		<b>Maximum Demand</b>	<b>Basic Charge (Rands)</b>	<b>Basic Charge if no substation</b>		
		<b>(kVA)</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2023/24</b>
		0 – 25	R7 663	R9 475	R8 593	R10 625
		26 – 50	R14 368	R17 766	R16 112	R19 922
		51 – 65	R18 275	R22 597	R20 492	R25 338
		66 – 100	R27 509	R34 015	R30 850	R38 146
		101 – 130	R35 353	R43 714	R39 647	R49 024
		131 – 200	R53 942	R66 699	R60 496	R74 803
		201 – 315	R135 953	R168 106	R41 532	R51 354
		316 – 500	R160 558	R198 530	R90 552	R111 968
		501 – 800	R198 964	R246 019	R165 482	R204 618
		801 – 1 000	R235 499	R291 195	R223 433	R276 275
		More than 1000 kva				101*kva +2288.55
	Added to these charges will be the cost of providing and installing all cables and Council-owned equipment on the consumer's premises.					
3	Bylaw 27 (13)(a) Electrification projects (Low Cost Housing) Fee for the installation and connection, for domestic or small power users, of service cable or line, electricity dispenser and, where necessary, power distribution unit:					
	(a) For a single phase service up to 20A			R364,55	R450,77	23,65%
	(b) For a single phase service up to 60A			R2 430,33	R3 005,11	23,65%
1	Fee for attendance in connection with a failure of supply where the fault was found to be internal			R257,78	R318,75	23,65%
2	Fee for testing					
	(a) fee for testing and inspection of an installation (other than bona fide shock or fault of a serious nature)					
	(i) Single dwelling unit					
	First visit inspection			R1 239,68	R1 532,86	23,65%
	Subsequent visits/inspections			R617,85	R763,97	23,65%
	(ii) Any other installation			Actual Cost	Actual Cost	
	(b) fee for inspection of meter box upon certification by electrical contractor that a meter box is ready for inspection					
	(i) First inspection			No Charge	No Charge	
	(ii) Any subsequent inspection			R436,15	R539,30	23,65%
3	Fee for testing accuracy of meter					
	(a) insist on testing			R782,38	R967,41	23,65%
	(b) insist on testing			R1 098,67	R1 358,50	23,65%
	(c) Maximum demand Meter			R2 680,09	R3 313,93	23,65%
4	Fee for testing accuracy of tariff mcb					
	(a) Single-phase service (Where the discrepancy found is greater than 10%, the customer is not charged)			R667,24	R825,04	23,65%
	(b) Three-phase service (Where the discrepancy found is greater than 10%, the customer is not charged)			R947,77	R1 171,92	23,65%

**INFRASTRUCTURE SERVICES**  
Electricity Management

		<b>INFRASTRUCTURE SERVICES</b> <u>Electricity Management</u>		
		<b>2022/23</b>	<b>2023/24</b>	
		<b>Excl. Vat</b>	<b>Excl. Vat</b>	<b>% Incr</b>
5	Fee for change of tariff mcb			
(a)	Single-phase service (any one change within the 12 month period is free))	R208,58	R257,91	23,65%
(b)	Three-phase	R208,37	R257,65	23,65%
6	Fee for checking meter reading	R208,77	R258,15	23,65%
7	<b>Administration Fees</b>			
(a)	Accounting Fees	R246,38	R304,64	23,65%
(b)	*First stage disconnection of electricity by removal of jumper at the meter box as requested by customer			
(c)	*Second stage disconnection of electricity as requested by customer in the manner detailed below			
	Disconnection from Pole	R934,03	R1 154,93	23,65%
	Disconnection from CDU	R778,36	R962,44	23,65%
	Disconnection from Tee Joint	R1 868,06	R2 309,86	23,65%
(d)	**Final stage disconnection of electricity by removal of the whole Service as requested by customer			
	Disconnection by removal of overhead cables from pole to the house	R1 868,06	R2 309,86	23,65%
	Disconnection by cutting and removing the service cable from CDU to the boundary	R1 868,06	R2 309,86	23,65%
	Disconnection by cutting and removing the service cable from Tee Joint to the boundary	R1 868,06	R2 309,86	23,65%
(e)	*Reconnection of electricity (after first stage disconnection) by replacement of jumper as requested by customer			
(f)	*Reconnection of electricity (after 2nd stage disconnection) as requested by customer by doing the following			
	Reconnection from Pole	R1 245,38	R1 539,91	23,65%
	Reconnection from CDU	R1 089,70	R1 347,42	23,65%
	Reconnection from Tee Joint	R2 490,75	R3 079,82	23,65%
(g)	**Reconnection of electricity after the final stage disconnection -			
(h)	Electricity Service retention monthly fee			
	Single phase domestic	R144,01	R178,07	23,65%
	3 phase domestic	R225,02	R278,24	23,65%
	Single phase business	R159,44	R197,15	23,65%
	3 phase business	R294,98	R364,74	23,65%
	bulk account	R696,56	R861,29	23,65%
(i)	Installation audit as requested by the customer	R622,69	R769,95	23,65%
(j)	Special Reconnection Fee - To be executed within 3 hrs of request	R1 089,70	R1 347,42	23,65%
<b>Notes To Administration Fees</b>				
The disconnection all only be actioned after an application has been filled and the customer paid the fee upfront				
The disconnection shall be actioned after 48 hours of request being made and payment received				
The onus of ensuring that the meter, meter room, and or the property is accessible to conduct the work lies with the customer				
Should the official find the property inaccessible, the cost for the activity shall be charged and not returned				
Only the customer or his/her duly appointed representative can request and be afforded this service				
This service is not to be used to settle disputes and landlord's may not use this service for collecting unpaid rentals or evicting their tenants				
The customer or his/her duly authorised person shall indemnify the Municipality for any legal contraventions pertaining to Human settlement disputes				
Customers who request first and second stage disconnections shall still be liable for monthly electricity service retention fees				
first and second stage				
final stage disconnections				
The installation shall be				
and the customer will suffer for				
the time taken to reconnected				
disconnection or				
fee will be charged on				

**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**

**KZN225 Msunduzi Municipality Supporting Table SA14 – Household bills**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		707,87	667,80	697,85	791,36	791,36	791,36	7,0%	846,76	888,25	930,00
Electricity: Basic levy		38,88	35,53	37,13	44,14	44,14	44,14	22,0%	53,86	62,47	73,72
Electricity: Consumption		1 038,37	949,06	991,77	1 178,98	1 178,98	1 178,98	22,0%	1 438,36	1 668,50	1 968,82
Water: Basic levy		23,10	21,07	22,02	27,29	27,29	27,29	10,0%	30,02	31,49	32,97
Water: Consumption		607,79	554,55	579,51	718,10	718,10	718,10	10,0%	789,91	828,61	867,56
Sanitation		162,55	153,35	160,25	181,72	181,72	181,72	16,0%	210,80	221,13	231,52
Refuse removal		105,14	99,18	103,65	117,54	117,54	117,54	7,0%	125,76	131,93	138,13
Other											
<b>sub-total</b>		<b>2 683,68</b>	<b>2 480,55</b>	<b>2 592,18</b>	<b>3 059,14</b>	<b>3 059,14</b>	<b>3 059,14</b>	<b>(13,4%)</b>	<b>2 648,70</b>	<b>2 944,12</b>	<b>3 312,72</b>
VAT on Services		402,55	372,08	388,83	458,87	458,87	458,87	15,0%	397,31	441,62	496,91
<b>Total large household bill:</b>		<b>3 086,23</b>	<b>2 852,64</b>	<b>2 981,00</b>	<b>3 518,01</b>	<b>3 518,01</b>	<b>3 518,01</b>	<b>(13,4%)</b>	<b>3 046,01</b>	<b>3 385,74</b>	<b>3 809,63</b>
<b>% increase/-decrease</b>			(7,6%)	4,5%	18,0%	-	-		(13,4%)	11,2%	12,5%
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		472,66	445,91	465,98	528,42	528,42	528,42	7,0%	565,41	593,11	620,99
Electricity: Basic levy		38,88	35,53	37,13	44,14	44,14	44,14	22,0%	53,86	62,47	73,72
Electricity: Consumption		519,01	474,37	495,72	589,29	589,29	589,29	22,0%	718,94	833,97	984,08
Water: Basic levy		23,10	21,07	22,02	27,29	27,29	27,29	10,0%	30,02	31,49	32,97
Water: Consumption		425,92	388,61	406,10	503,22	503,22	503,22	10,0%	553,54	580,67	607,96
Sanitation		162,55	153,35	160,25	181,72	181,72	181,72	16,0%	210,80	221,13	231,52
Refuse removal		105,14	99,18	103,65	117,54	117,54	117,54	7,0%	125,76	131,93	138,13
Other											
<b>sub-total</b>		<b>1 747,25</b>	<b>1 618,03</b>	<b>1 690,84</b>	<b>1 991,62</b>	<b>1 991,62</b>	<b>1 991,62</b>	<b>13,4%</b>	<b>2 258,32</b>	<b>2 454,76</b>	<b>2 689,36</b>
VAT on Services		262,09	242,70		298,74	298,74	298,74	15,0%	338,75	368,21	403,40
<b>Total small household bill:</b>		<b>2 009,34</b>	<b>1 860,74</b>	<b>1 690,84</b>	<b>2 290,36</b>	<b>2 290,36</b>	<b>2 290,36</b>	<b>13,4%</b>	<b>2 597,07</b>	<b>2 822,97</b>	<b>3 092,76</b>
<b>% increase/-decrease</b>			(7,4%)	(9,1%)	35,5%	-	-		13,4%	8,7%	9,6%
				0,23	- 4,88	- 1,00	-				
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates		235,96	222,60	232,62	263,79	263,79	263,79	7,0%	282,25	296,08	310,00
Electricity: Basic levy		-	-	-	-	-	-	22,0%	-	-	-
Electricity: Consumption		311,50	284,71	297,52	353,68	353,68	353,68	22,0%	431,49	500,53	590,63
Water: Basic levy		23,10	21,07	22,02	27,29	27,29	27,29	10,0%	30,02	34,82	41,09
Water: Consumption		364,44	332,52	347,49	430,59	430,59	430,59	10,0%	473,65	496,86	520,21
Sanitation								16,0%	-	-	-
Refuse removal								7,0%	-	-	-
Other											
<b>sub-total</b>		<b>934,99</b>	<b>860,90</b>	<b>899,64</b>	<b>1 075,35</b>	<b>1 075,35</b>	<b>1 075,35</b>	<b>13,2%</b>	<b>1 217,41</b>	<b>1 328,29</b>	<b>1 461,92</b>
VAT on Services											
<b>Total small household bill:</b>		<b>934,99</b>	<b>860,90</b>	<b>899,64</b>	<b>1 075,35</b>	<b>1 075,35</b>	<b>1 075,35</b>	<b>13,2%</b>	<b>1 217,41</b>	<b>1 328,29</b>	<b>1 461,92</b>
<b>% increase/-decrease</b>			(7,9%)	4,5%	19,5%	-	-		13,2%	9,1%	10,1%



## 1.4 Operating Expenditure Framework

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

- The asset renewal strategy and the repairs and maintenance plan;
- 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 2023/24 budget and MTREF (classified per main type of operating expenditure):

**Table 7 Summary of operating expenditure by type**

**KZN255 Msunduzi Table A4 Consolidated Financial performance (Revenue and Expenditure)**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>										
Employee related costs	2	1 345 487	1 418 426	1 494 487	1 579 699	1 621 248	1 621 248	1 786 975	1 867 415	1 951 475
Remuneration of councillors		43 759	51 641	49 529	59 431	59 431	59 431	62 700	65 521	68 470
Bulk purchases - electricity	2	2 491 127	2 659 404	2 950 207	2 200 000	2 300 000	2 300 000	2 714 000	3 066 820	3 526 843
Inventory consumed	8	57 162	58 158	84 353	871 509	842 581	842 581	970 434	1 017 985	1 065 831
Debt impairment	3	567 919	236 404	1 003 763	300 000	300 000	300 000	313 500	327 608	342 350
Depreciation and amortisation		417 614	372 532	366 625	441 964	441 738	441 738	461 616	482 389	504 096
Interest		43 717	35 856	26 916	94 217	52 039	52 039	40 401	42 219	44 119
Contracted services		495 490	575 664	722 754	664 657	755 248	755 248	981 670	1 039 847	1 087 999
Transfers and subsidies		25 307	16 870	19 996	63 469	53 652	53 652	65 884	69 096	72 361
Irrecoverable debts written off		20 930	390 096	83 779						
Operational costs		136 748	128 892	121 312	180 000	197 273	197 273	222 139	227 585	238 276
Losses on disposal of Assets		14 646	10 483	16 100						
Other Losses		33 541	29 576	9 599						
<b>Total Expenditure</b>		<b>5 693 447</b>	<b>5 984 003</b>	<b>6 949 419</b>	<b>6 454 947</b>	<b>6 623 210</b>	<b>6 623 210</b>	<b>7 619 319</b>	<b>8 206 485</b>	<b>8 901 820</b>

The budgeted allocation for employee related costs for the 2023/24 financial year totals R1,786 billion, which equals to 23.4 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6.50 per cent for the 2022/24 and 4.90 per cent and 4.70 per cent for 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 most recent proclamation in this regard has been taken into account in compiling the City's budget. An increase of 5.5% has been provided for.

The provision of debt impairment was determined based on an annual collection rate of 95 per cent, the results of the previous year risk profiling of debtors and the Debt Write-off Policy of the City. For the 2023/24 financial year this amount equates to R313 million for two outer years it is R327 million and R342 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 461 million for the 2023/24 financial year, which equates to 6.06 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 (R40.4 million) of operating expenditure excluding annual redemption for 2023/24 and increase to R 42 million by 2023/24. As the capital portion of loans is repaid.

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 consumer includes Water Bulk purchases and the increase projected is 7 % 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 (R40 million), diesel, materials for maintenance R100.6 million, cleaning materials and consumables. 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 2023/24 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the 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 R255 million, Security R68 million as well as repairs and maintenance R452.2 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.

## **Figure 1 Main operational expenditure categories for the 2023/24 financial year**

### **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 2023/24 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the 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

Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		33 758	77 522	130 184	166 984	74 900	74 900	169 863	178 186	186 561
Electrical Infrastructure		33 758	77 522	130 184	87 166	63 501	63 501	161 182	169 080	177 027
Power Plants					53 999	63 501	63 501	161 182	169 080	177 027
HV Substations			21 483	33 532	33 167	0	0			
HV Switching Station		14 831								
HV Transmission Conductors										
MV Substations			8 626	2 821						
MV Switching Stations		236								
MV Networks										
LV Networks		18 691	47 413	93 831						
Capital Spares										
Water Supply Infrastructure		-	-	-	-	11 399	11 399	8 680	9 106	9 534
Dams and Weirs										
Boreholes										
Reservoirs						11 399	11 399	8 680	9 106	9 534
<b>Community Assets</b>		-	-	-	33 237	14	14	15	16	16
Community Facilities		-	-	-	33 237	14	14	15	16	16
Halls					35	11	11	15	16	16
<b>Other assets</b>		14 845	14 191	70 356	181 556	50 587	50 587	163 462	171 463	179 531
Operational Buildings		14 845	14 191	70 356	181 556	50 587	50 587	163 462	171 463	179 531
Municipal Offices		14 845	14 191	70 356	50 657	23 652	23 652	50 407	52 868	55 362
Pay/Enquiry Points						-	-			
Building Plan Offices						-	-			
Workshops					23 775	0	0			
Yards						-	-			
Stores					107 124	26 935	26 935	113 055	118 595	124 169
<b>Machinery and Equipment</b>		8 559	19 626	38 064	94 232	100 702	100 702	214 842	225 369	235 961
Machinery and Equipment		8 559	19 626	38 064	94 232	100 702	100 702	214 842	225 369	235 961
<b>Transport Assets</b>		-	-	-	29 959	20 495	20 495	25 105	25 553	27 978
Transport Assets					29 959	20 495	20 495	25 105	25 553	27 978
<b>Total Repairs and Maintenance Expenditure</b>	1	<b>57 162</b>	<b>111 340</b>	<b>238 604</b>	<b>505 967</b>	<b>246 698</b>	<b>246 698</b>	<b>573 286</b>	<b>600 587</b>	<b>630 047</b>
<b>R&amp;M as a % of PPE</b>		0,9%	40,8%	87,4%	0,0%	0,0%	0,0%	7,0%	7,4%	7,9%

For the 2023/24 financial year. The total amount allocated to Repairs and Maintenance is R 575.2 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 2023/24 Medium-term capital budget per vote**

**KZN225 Msunduzi Municipality Table A5 Medium-term capital budget per vote**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	2									
Vote 1 - City Manager		646	-	1 614	500	550	550	-	-	-
Vote 2 - City Finance		9 185	1 593	4 936	21 289	16 129	16 129	30 000	30 000	30 000
Vote 3 - Corporate Services		(6 913)	972	2 273	5 602	1 105	1 105	10 000	10 000	10 000
Vote 4 - Community Services and Social Equity		12 745	24 381	33 154	40 401	41 471	41 471	28 827	17 455	26 865
Vote 5 - Infrastructure Services		321 092	404 546	308 960	580 999	211 962	211 962	318 102	292 433	355 181
Vote 6 - Sustainable Development and City Enterprises		109 768	180 965	51 772	146 856	152 824	152 824	10 000	3 139	-
Vote 7 - Electricity		33 333	46 851	98 800	1 000	76 484	76 484	175 400	128 968	29 633
<b>Capital multi-year expenditure sub-total</b>	7	<b>479 855</b>	<b>659 308</b>	<b>501 510</b>	<b>796 646</b>	<b>500 525</b>	<b>500 525</b>	<b>572 329</b>	<b>481 995</b>	<b>451 679</b>
<b>Single-year expenditure to be appropriated</b>	2									
Vote 1 - City Manager		-	1 410	2 151	3 500	1 900	1 900	5 000	-	-
Vote 2 - City Finance		-	6 469	6 345	16 565	4 785	4 785	-	-	-
Vote 3 - Corporate Services		-	133	2 270	12 326	4 042	4 042	10 000	10 000	10 000
Vote 4 - Community Services and Social Equity		-	13 964	3 553	833	9 956	9 956	-	-	-
Vote 5 - Infrastructure Services		-	-	3 549	600	2 243	2 243	5 000	5 000	5 000
Vote 6 - Sustainable Development and City Enterprises		-	400	2 059	2 198	3 534	3 534	41 527	34 315	31 203
Vote 7 - Electricity		-	4 248	-	3 250	-	-	3 600	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>26 624</b>	<b>19 927</b>	<b>39 272</b>	<b>26 460</b>	<b>26 460</b>	<b>65 127</b>	<b>49 315</b>	<b>46 203</b>
<b>Total Capital Expenditure - Vote</b>		<b>479 855</b>	<b>685 931</b>	<b>521 437</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>531 309</b>	<b>497 882</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>2 918</b>	<b>10 576</b>	<b>19 336</b>	<b>49 638</b>	<b>29 461</b>	<b>29 461</b>	<b>51 000</b>	<b>50 000</b>	<b>50 000</b>
Executive and council		646	1 410	2 639	2 100	2 000	2 000	1 000	-	-
Finance and administration		2 272	9 166	16 697	47 538	27 461	27 461	50 000	50 000	50 000
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1 455</b>	<b>79 498</b>	<b>36 891</b>	<b>128 563</b>	<b>45 009</b>	<b>45 009</b>	<b>37 948</b>	<b>19 909</b>	<b>23 068</b>
Community and social services		-	14 121	33 969	24 132	28 543	28 543	24 248	12 931	22 368
Sport and recreation		3 374	2 415	1 041	2 150	2 200	2 200	-	-	-
Public safety		(1 919)	(299)	94	2 875	1 975	1 975	-	-	-
Housing		-	63 262	1 786	99 406	12 291	12 291	13 700	6 977	700
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>321 828</b>	<b>366 180</b>	<b>239 009</b>	<b>104 991</b>	<b>197 379</b>	<b>197 379</b>	<b>107 006</b>	<b>121 092</b>	<b>133 492</b>
Planning and development		23 845	115 787	37 474	44 830	137 288	137 288	38 606	30 000	30 000
Road transport		297 723	250 393	201 377	59 643	59 310	59 310	68 400	91 092	103 492
Environmental protection		260	-	158	518	781	781	-	-	-
<b>Trading services</b>		<b>153 654</b>	<b>227 504</b>	<b>226 176</b>	<b>548 106</b>	<b>250 528</b>	<b>250 528</b>	<b>438 702</b>	<b>390 309</b>	<b>241 321</b>
Energy sources		47 652	51 099	98 800	241 154	76 484	76 484	179 000	128 968	29 633
Water management		74 706	78 159	58 052	196 583	84 618	84 618	133 925	131 163	105 099
Waste water management		23 361	75 994	54 322	94 269	76 326	76 326	120 778	125 178	101 589
Waste management		7 935	22 252	15 002	16 100	13 100	13 100	5 000	5 000	5 000
<b>Other</b>		<b>-</b>	<b>2 173</b>	<b>415</b>	<b>4 620</b>	<b>4 607</b>	<b>4 607</b>	<b>2 800</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>
<b>Funded by:</b>										
National Government		312 944	397 217	291 413	344 634	310 626	310 626	312 535	320 133	326 679
Provincial Government		76 188	166 779	21 308	101 327	126 971	126 971	4 921	1 176	1 203
District Municipality Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>389 132</b>	<b>563 995</b>	<b>312 721</b>	<b>445 961</b>	<b>437 597</b>	<b>437 597</b>	<b>317 456</b>	<b>321 309</b>	<b>327 882</b>
<b>Borrowing</b>	6	<b>4 230</b>	<b>-</b>	<b>49 401</b>	<b>300 000</b>	<b>-</b>	<b>-</b>	<b>200 000</b>	<b>150 000</b>	<b>-</b>
<b>Internally generated funds</b>		<b>86 493</b>	<b>121 936</b>	<b>159 705</b>	<b>89 957</b>	<b>89 388</b>	<b>89 388</b>	<b>120 000</b>	<b>110 000</b>	<b>120 000</b>
<b>Total Capital Funding</b>	7	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>

The capital budget of R 637.4 million (R 317.4 million grant funding, R 120 million internal funding and R200 million Borrowings) for 2023/24. About 40.9% (R 260 million) of the total capital budget will go towards renewal of existing assets while 59.1.6 % (R 377 million) 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 2023/24 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 2023/24 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

KZN225 Msunduzi - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	930 980	1 177 108	1 204 676	1 321 379	1 321 379	1 321 379	-	1 427 089	1 512 714	1 603 477
Service charges	2 942 608	3 104 621	3 188 295	4 017 824	4 017 824	4 017 824	-	4 306 994	4 496 502	4 698 845
Investment revenue	20 379	14 116	8 456	16 077	16 077	16 077	-	17 030	18 057	19 141
Transfers recognised - operational	602 211	637 128	757 156	661 216	725 957	725 957	-	855 842	828 076	888 580
Other own revenue	350 358	585 086	350 790	401 919	401 919	401 919	-	443 815	476 320	347 806
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 846 536</b>	<b>5 518 060</b>	<b>5 509 374</b>	<b>6 418 414</b>	<b>6 483 155</b>	<b>6 483 155</b>	<b>-</b>	<b>7 050 770</b>	<b>7 331 670</b>	<b>7 557 848</b>
Employee costs	952 346	1 242 960	1 424 849	1 538 090	1 563 391	1 563 391	-	1 579 699	1 702 304	1 824 493
Remuneration of councillors	44 131	43 759	51 641	56 333	56 333	56 333	-	59 431	62 046	64 838
Depreciation & asset impairment	454 389	424 312	380 262	421 872	420 918	420 918	-	441 964	465 830	491 451
Finance charges	54 810	50 464	42 537	34 724	34 724	34 724	-	94 217	81 084	70 193
Inventory consumed and bulk purchases	2 188 610	2 548 288	2 717 561	3 015 913	3 023 110	3 023 110	-	3 071 509	3 198 203	3 347 223
Transfers and grants	26 091	25 307	16 870	45 863	61 220	61 220	-	63 469	66 128	69 104
Other expenditure	782 719	1 391 669	1 769 413	1 005 619	1 080 826	1 080 826	-	1 144 657	1 176 858	1 349 266
<b>Total Expenditure</b>	<b>4 503 095</b>	<b>5 726 758</b>	<b>6 403 133</b>	<b>6 118 414</b>	<b>6 240 523</b>	<b>6 240 523</b>	<b>-</b>	<b>6 454 947</b>	<b>6 752 453</b>	<b>7 216 568</b>
<b>Surplus/(Deficit)</b>	<b>343 441</b>	<b>(208 699)</b>	<b>(893 760)</b>	<b>300 000</b>	<b>242 632</b>	<b>242 632</b>	<b>-</b>	<b>595 823</b>	<b>579 216</b>	<b>341 281</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	446 431	472 680	485 916
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers	414 431	431 549	498 746	380 797	429 671	429 671	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>757 872</b>	<b>222 850</b>	<b>-</b>	<b>680 797</b>	<b>672 303</b>	<b>672 303</b>	<b>-</b>	<b>1 042 254</b>	<b>1 051 896</b>	<b>827 197</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>757 872</b>	<b>222 850</b>	<b>-</b>	<b>680 797</b>	<b>672 303</b>	<b>672 303</b>	<b>-</b>	<b>1 042 254</b>	<b>1 051 896</b>	<b>827 197</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>486 194</b>	<b>479 855</b>	<b>685 931</b>	<b>576 302</b>	<b>655 207</b>	<b>655 207</b>	<b>655 207</b>	<b>835 918</b>	<b>717 784</b>	<b>561 489</b>
Transfers recognised - capital	366 029	389 132	563 995	380 797	429 671	429 671	429 671	445 961	447 169	461 644
Borrowing	47 053	4 230	-	100 000	100 000	100 000	100 000	300 000	200 000	-
Internally generated funds	73 111	86 493	121 936	95 505	125 536	125 536	125 536	89 957	70 615	99 845
<b>Total sources of capital funds</b>	<b>486 194</b>	<b>479 855</b>	<b>685 931</b>	<b>576 302</b>	<b>655 207</b>	<b>655 207</b>	<b>655 207</b>	<b>835 918</b>	<b>717 784</b>	<b>561 489</b>
<b>Financial position</b>										
Total current assets	1 073 760	3 113 382	2 488 455	3 808 881	3 794 981	3 794 981	-	2 090 047	2 522 079	2 620 987
Total non current assets	7 822 828	7 787 362	8 068 662	7 969 427	8 048 332	8 048 332	-	8 339 501	8 635 417	8 677 076
Total current liabilities	1 476 199	1 893 328	2 037 746	1 295 697	1 475 071	1 475 071	-	1 463 352	1 453 735	1 427 939
Total non current liabilities	991 034	816 498	814 494	1 187 237	1 187 237	1 187 237	-	1 309 133	1 227 132	1 190 414
Community wealth/Equity	7 707 964	7 939 405	7 704 876	9 295 373	9 181 004	9 181 004	-	7 657 063	8 476 628	8 679 711
<b>Cash flows</b>										
Net cash from (used) operating	371 007	717 520	588 460	636 908	628 538	628 538	-	632 268	843 271	884 125
Net cash from (used) investing	(480 468)	(423 138)	(632 698)	(576 302)	(655 207)	(655 207)	-	(835 918)	(717 784)	(561 489)
Net cash from (used) financing	(94 966)	(83 601)	(113 418)	8 362	8 362	8 362	-	276 394	172 649	(31 690)
<b>Cash/cash equivalents at the year end</b>	<b>308 195</b>	<b>518 977</b>	<b>361 321</b>	<b>355 836</b>	<b>343 014</b>	<b>343 014</b>	<b>-</b>	<b>134 860</b>	<b>432 996</b>	<b>723 941</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	310 838	518 977	393 632	355 836	341 936	341 936	-	134 860	432 996	723 941
Application of cash and investments	709 893	(402 622)	(1 518 249)	(2 748 913)	(2 748 913)	(2 805 963)	-	(387 560)	(322 942)	(44 151)
<b>Balance - surplus (shortfall)</b>	<b>(399 055)</b>	<b>921 599</b>	<b>1 911 881</b>	<b>3 104 749</b>	<b>3 090 849</b>	<b>3 147 899</b>	<b>-</b>	<b>522 421</b>	<b>755 938</b>	<b>768 092</b>
<b>Asset management</b>										
Asset register summary (WDV)	7 343 364	8 114 943	7 776 759	8 299 933	7 330 583	7 278 296	7 278 296	7 195 684	7 421 599	7 463 259
Depreciation	460 955	302 561	380 262	421 872	420 918	420 918	420 918	441 964	465 830	491 451
Renewal and Upgrading of Existing Assets	427 390	458 747	277 988	373 120	373 120	373 120	373 120	640 005	654 459	518 974
Repairs and Maintenance	-	57 162	111 340	405 337	320 272	320 272	320 272	505 967	615 126	645 187
<b>Free services</b>										
Cost of Free Basic Services provided	1 837	-	-	214 698	214 698	214 698	228 089	228 089	242 071	256 930
Revenue cost of free services provided	411 553	15	-	105 678	105 678	105 678	345 201	345 201	352 376	377 519
<b>Households below minimum service level</b>										
Water:	9	9	9	9	9	9	9	9	9	9
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1	1
Energy:	8	8	8	8	8	8	8	8	8	8
Refuse:	41	41	41	41	41	41	41	41	41	41

## 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>	1									
<i>Governance and administration</i>		1 655 378	1 685 957	1 695 856	2 124 738	2 060 771	2 060 771	2 628 986	2 785 527	2 954 781
Executive and council		4 200	3 935	3 530	5 297	5 297	5 297	4 979	-	-
Finance and administration		1 651 178	1 682 019	1 692 323	2 119 441	2 055 474	2 055 474	2 624 007	2 785 527	2 954 781
Internal audit		0	3	2	-	-	-	-	-	-
<i>Community and public safety</i>		234 249	187 150	134 306	261 951	261 951	261 951	331 216	341 705	357 582
Community and social services		38 830	24 279	45 793	21 318	21 318	21 318	276 603	282 552	295 648
Sport and recreation		864	524	345	308	308	308	21 223	22 263	23 310
Public safety		15 025	19 852	18 186	4 191	4 191	4 191	8 569	8 989	9 411
Housing		179 531	142 494	69 983	236 134	236 134	236 134	24 821	27 901	29 213
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		279 315	271 667	207 366	64 129	64 129	64 129	55 601	47 167	47 974
Planning and development		33 596	37 507	55 781	56 731	56 731	56 731	47 685	45 826	46 570
Road transport		245 675	234 058	151 377	-	-	-	-	-	-
Environmental protection		44	103	208	7 398	7 398	7 398	7 916	1 342	1 405
<i>Trading services</i>		3 747 985	3 845 123	4 158 681	5 315 563	5 315 563	5 315 563	5 647 445	6 382 810	7 279 114
Energy sources		2 241 860	2 212 438	2 569 653	3 305 883	3 305 883	3 305 883	3 978 066	4 605 284	5 418 160
Water management		1 068 640	1 189 219	1 156 790	1 590 735	1 590 735	1 590 735	1 300 958	1 391 053	1 456 300
Waste water management		261 156	288 948	281 762	231 533	231 533	231 533	209 646	219 919	230 255
Waste management		176 329	154 519	150 476	187 411	187 411	187 411	158 774	166 554	174 399
<i>Other</i>	4	32 681	49 062	26 228	67 955	67 955	67 955	101 045	113 584	118 923
<b>Total Revenue - Functional</b>	2	<b>5 949 608</b>	<b>6 038 959</b>	<b>6 222 437</b>	<b>7 834 337</b>	<b>7 770 369</b>	<b>7 770 369</b>	<b>8 764 292</b>	<b>9 670 794</b>	<b>10 758 373</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		1 038 362	1 520 817	1 191 049	1 423 527	1 399 635	1 399 635	1 478 603	1 540 153	1 611 188
Executive and council		120 748	117 398	117 809	117 494	163 073	163 073	258 320	264 803	276 752
Finance and administration		898 977	1 386 457	1 053 698	1 285 221	1 216 920	1 216 920	1 191 828	1 245 547	1 303 257
Internal audit		18 638	16 962	19 543	20 812	19 642	19 642	28 455	29 803	31 179
<i>Community and public safety</i>		550 877	551 499	551 440	613 713	540 011	540 011	526 876	551 028	576 860
Community and social services		112 787	149 093	141 394	129 634	129 214	129 214	135 893	142 179	149 433
Sport and recreation		102 540	121 245	115 888	153 119	147 756	147 756	130 425	136 399	142 592
Public safety		193 214	196 809	216 194	207 854	207 622	207 622	217 995	227 910	238 246
Housing		136 868	74 912	68 394	110 226	42 564	42 564	29 046	30 413	31 825
Health		5 469	9 440	9 570	12 879	12 854	12 854	13 517	14 127	14 764
<i>Economic and environmental services</i>		332 744	313 305	393 095	375 462	403 531	403 531	513 621	536 410	560 926
Planning and development		83 510	69 072	87 743	78 767	96 727	96 727	84 863	87 699	91 678
Road transport		228 801	223 381	282 415	270 632	282 199	282 199	402 476	421 231	440 525
Environmental protection		20 433	20 852	22 937	26 063	24 605	24 605	26 283	27 479	28 723
<i>Trading services</i>		3 726 987	3 532 257	4 733 194	4 323 068	4 212 499	4 212 499	5 309 852	5 799 171	6 383 561
Energy sources		2 095 936	1 916 751	2 982 828	2 707 082	2 773 851	2 773 851	3 489 792	3 880 684	4 376 468
Water management		1 216 152	1 172 570	1 280 896	1 187 780	984 740	984 740	1 293 157	1 355 688	1 418 970
Waste water management		259 564	294 864	325 212	294 535	338 156	338 156	399 300	429 298	448 533
Waste management		155 335	148 071	144 257	133 672	115 752	115 752	127 604	133 501	139 589
<i>Other</i>	4	76 857	66 124	80 641	64 362	67 535	67 535	63 978	66 741	69 794
<b>Total Expenditure - Functional</b>	3	<b>5 725 828</b>	<b>5 984 003</b>	<b>6 949 419</b>	<b>6 800 133</b>	<b>6 623 210</b>	<b>6 623 210</b>	<b>7 892 931</b>	<b>8 493 504</b>	<b>9 202 328</b>
<b>Surplus/(Deficit) for the year</b>		<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 034 204</b>	<b>1 147 159</b>	<b>1 147 159</b>	<b>871 361</b>	<b>1 177 290</b>	<b>1 556 045</b>

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 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)****KZN225 Msunduzi -Table A3 Budgeted Financial Performance (Revenue and Expenditure by Vote)**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>	1									
Vote 1 - City Manager		0	317	22	66	66	66	-	-	-
Vote 2 - City Finance		1 641 524	1 673 385	1 692 708	2 098 137	2 034 169	2 034 169	2 596 141	2 757 845	2 925 208
Vote 3 - Corporate Services		4 201	3 959	3 543	5 519	7 947	7 947	7 980	3 148	3 296
Vote 4 - Community Services and Social Equity		233 841	198 750	215 035	221 410	221 410	221 410	497 013	513 913	537 993
Vote 5 - Infrastructure Services		1 584 762	1 719 142	1 596 046	1 831 866	1 831 866	1 831 866	1 520 657	1 620 256	1 696 742
Vote 6 - Sustainable Development and City Enterprises		243 419	229 818	144 082	369 028	369 028	369 028	192 629	200 193	208 099
Vote 7 - Electricity		2 241 860	2 213 589	2 571 002	3 305 883	3 305 883	3 305 883	3 949 871	4 575 439	5 387 036
<b>Total Revenue by Vote</b>	2	<b>5 949 608</b>	<b>6 038 959</b>	<b>6 222 437</b>	<b>7 831 908</b>	<b>7 770 369</b>	<b>7 770 369</b>	<b>8 764 292</b>	<b>9 670 794</b>	<b>10 758 373</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - City Manager		156 569	144 294	155 044	157 775	148 400	148 400	300 106	313 750	327 941
Vote 2 - City Finance		489 928	951 384	611 784	846 124	757 339	757 339	797 238	833 969	871 946
Vote 3 - Corporate Services		78 073	89 838	69 616	99 501	242 457	242 457	195 633	199 466	208 563
Vote 4 - Community Services and Social Equity		768 776	848 302	864 837	801 718	837 659	837 659	827 458	865 408	905 494
Vote 5 - Infrastructure Services		1 748 945	1 734 905	2 026 076	1 768 789	1 621 673	1 621 673	2 117 250	2 229 931	2 332 105
Vote 6 - Sustainable Development and City Enterprises		329 588	242 328	271 856	291 172	242 374	242 374	215 100	223 794	234 042
Vote 7 - Electricity		2 153 949	1 972 953	2 950 207	2 731 736	2 773 307	2 773 307	3 440 145	3 827 187	4 322 237
<b>Total Expenditure by Vote</b>	2	<b>5 725 828</b>	<b>5 984 003</b>	<b>6 949 419</b>	<b>6 696 815</b>	<b>6 623 210</b>	<b>6 623 210</b>	<b>7 892 931</b>	<b>8 493 504</b>	<b>9 202 328</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 135 094</b>	<b>1 147 159</b>	<b>1 147 159</b>	<b>871 361</b>	<b>1 177 290</b>	<b>1 556 045</b>

**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)**

**KZN255 Msunduzi Table A4 Financial performance (Revenue and Expenditure)**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	2 159 758	2 152 783	2 549 653	3 183 150	3 183 150	3 183 150	3 892 818	4 515 669	5 328 489
Service charges - Water	2	662 849	773 169	773 657	819 610	819 610	819 610	901 572	945 749	990 199
Service charges - Waste Water Management	2	172 221	167 102	182 241	174 569	174 569	174 569	202 500	212 422	222 406
Service charges - Waste Management	2	109 639	113 697	114 119	129 665	129 665	129 665	138 742	145 540	152 380
Sale of Goods and Rendering of Services		23 620	9 320	11 474						
Agency services		1 090	1 931	2 139	668	668	668	715	750	785
Interest		14 259			17 030	17 030	17 030	18 052	19 225	20 494
Interest earned from Receivables		225 861	144 312	148 963	225 218	225 218	225 218	248 865	261 060	273 330
Interest earned from Current and Non Current Assets			8 456	10 535						
Dividends										
Rent on Land			14 559							
Rental from Fixed Assets		43 597	148	25 415	37 424	37 424	37 424	104 824	112 624	117 917
Licence and permits		604		984						
Operational Revenue		47 565	44 527	54 566				230 407	249 376	261 096
<b>Non-Exchange Revenue</b>										
Property rates	2	1 177 108	1 232 330	1 211 349	1 427 089	1 427 089	1 427 089	1 526 985	1 601 807	1 677 092
Surcharges and Taxes										
Fines, penalties and forfeits		13 273	16 062	14 489	2 005	2 005	2 005	14 660	8 468	8 866
Licences or permits			603		1 500	1 500	1 500	2 452	2 667	2 793
Transfer and subsidies - Operational		637 128	757 426	681 738	855 842	800 709	800 709	827 889	906 109	982 491
Interest		66 393	38 480	50 190						
Fuel Levy										
Operational Revenue					177 000	177 000	177 000			
Gains on disposal of Assets		130 714		4 179						
Other Gains		1 435	65 449	18 021						
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and cont</b>		<b>5 487 114</b>	<b>5 540 356</b>	<b>5 853 713</b>	<b>7 050 770</b>	<b>6 995 637</b>	<b>6 995 637</b>	<b>8 110 480</b>	<b>8 981 466</b>	<b>10 038 339</b>
<b>Expenditure</b>										
Employee related costs	2	1 345 487	1 418 426	1 494 487	1 579 699	1 621 248	1 621 248	1 786 975	1 867 415	1 951 475
Remuneration of councillors		43 759	51 641	49 529	59 431	59 431	59 431	62 700	65 521	68 470
Bulk purchases - electricity	2	2 491 127	2 659 404	2 950 207	2 200 000	2 300 000	2 300 000	2 714 000	3 066 820	3 526 843
Inventory consumed	8	57 162	58 158	84 353	871 509	842 581	842 581	970 434	1 017 985	1 065 831
Debt impairment	3	567 919	236 404	1 003 763	300 000	300 000	300 000	313 500	327 608	342 350
Depreciation and amortisation		417 614	372 532	366 625	441 964	441 738	441 738	461 616	482 389	504 096
Interest		43 717	35 856	26 916	94 217	52 039	52 039	40 401	42 219	44 119
Contracted services		495 490	575 664	722 754	664 657	755 248	755 248	981 670	1 039 847	1 087 999
Transfers and subsidies		25 307	16 870	19 996	63 469	53 652	53 652	65 884	69 096	72 361
Irrecoverable debts written off		20 930	390 096	83 779						
Operational costs		136 748	128 892	121 312	180 000	197 273	197 273	222 139	227 585	238 276
Losses on disposal of Assets		14 646	10 483	16 100						
Other Losses		33 541	29 576	9 599						
<b>Total Expenditure</b>		<b>5 693 447</b>	<b>5 984 003</b>	<b>6 949 419</b>	<b>6 454 947</b>	<b>6 623 210</b>	<b>6 623 210</b>	<b>7 619 319</b>	<b>8 206 485</b>	<b>8 901 820</b>
<b>Surplus/(Deficit)</b>		<b>(206 334)</b>	<b>(443 647)</b>	<b>(1 095 707)</b>	<b>595 823</b>	<b>372 427</b>	<b>372 427</b>	<b>491 161</b>	<b>774 980</b>	<b>1 136 519</b>
Transfers and subsidies - capital (monetary allocations)	6	430 114	498 603	368 725	446 431	437 597	437 597	317 456	321 309	327 882
Transfers and subsidies - capital (in-kind)	6									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>808 617</b>	<b>1 096 290</b>	<b>1 464 400</b>
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>808 617</b>	<b>1 096 290</b>	<b>1 464 400</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>808 617</b>	<b>1 096 290</b>	<b>1 464 400</b>
Share of Surplus/Deficit attributable to Associate	7									
Intercompany/Parent subsidiary transactions										
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>808 617</b>	<b>1 096 290</b>	<b>1 464 400</b>

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

1. Total revenue is R6.995 billion in 2022/23 and escalates to R8.11 billion by 2023/24.
2. Revenue to be generated from property rates is R1.427 billion in the 2022/23 financial year and increases to R1.526 billion by 2023/24 which represents a 18.8% 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 R4.306 billion for the 2022/23 financial year and increasing to R5.135 billion by 2023/24. For the 2023/24 financial year, services charges amount to 63.3 % of the total revenue base and grows by 65.7% 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 2022/23 to 2023/24 period escalating from R2, 300 billion to R2, 714 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**

**KZN225 Msunduzi Municipality Table A5 Medium-term capital budget per vote**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	2									
Vote 1 - City Manager		646	-	1 614	500	550	550	-	-	-
Vote 2 - City Finance		9 185	1 593	4 936	21 289	16 129	16 129	30 000	30 000	30 000
Vote 3 - Corporate Services		(6 913)	972	2 273	5 602	1 105	1 105	10 000	10 000	10 000
Vote 4 - Community Services and Social Equity		12 745	24 381	33 154	40 401	41 471	41 471	28 827	17 455	26 865
Vote 5 - Infrastructure Services		321 092	404 546	308 960	580 999	211 962	211 962	318 102	292 433	355 181
Vote 6 - Sustainable Development and City Enterprises		109 768	180 965	51 772	146 856	152 824	152 824	10 000	3 139	-
Vote 7 - Electricity		33 333	46 851	98 800	1 000	76 484	76 484	175 400	128 968	29 633
<b>Capital multi-year expenditure sub-total</b>	7	<b>479 855</b>	<b>659 308</b>	<b>501 510</b>	<b>796 646</b>	<b>500 525</b>	<b>500 525</b>	<b>572 329</b>	<b>481 995</b>	<b>451 679</b>
<b>Single-year expenditure to be appropriated</b>	2									
Vote 1 - City Manager		-	1 410	2 151	3 500	1 900	1 900	5 000	-	-
Vote 2 - City Finance		-	6 469	6 345	16 565	4 785	4 785	-	-	-
Vote 3 - Corporate Services		-	133	2 270	12 326	4 042	4 042	10 000	10 000	10 000
Vote 4 - Community Services and Social Equity		-	13 964	3 553	833	9 956	9 956	-	-	-
Vote 5 - Infrastructure Services		-	-	3 549	600	2 243	2 243	5 000	5 000	5 000
Vote 6 - Sustainable Development and City Enterprises		-	400	2 059	2 198	3 534	3 534	41 527	34 315	31 203
Vote 7 - Electricity		-	4 248	-	3 250	-	-	3 600	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>26 624</b>	<b>19 927</b>	<b>39 272</b>	<b>26 460</b>	<b>26 460</b>	<b>63 757</b>	<b>49 315</b>	<b>46 203</b>
<b>Total Capital Expenditure - Vote</b>		<b>479 855</b>	<b>685 931</b>	<b>521 437</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>531 309</b>	<b>497 882</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>2 918</b>	<b>10 576</b>	<b>19 336</b>	<b>49 638</b>	<b>29 461</b>	<b>29 461</b>	<b>51 000</b>	<b>50 000</b>	<b>50 000</b>
Executive and council		646	1 410	2 639	2 100	2 000	2 000	1 000	-	-
Finance and administration		2 272	9 166	16 697	47 538	27 461	27 461	50 000	50 000	50 000
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1 455</b>	<b>79 498</b>	<b>36 891</b>	<b>128 563</b>	<b>45 009</b>	<b>45 009</b>	<b>37 948</b>	<b>19 909</b>	<b>23 068</b>
Community and social services		-	14 121	33 969	24 132	28 543	28 543	24 248	12 931	22 368
Sport and recreation		3 374	2 415	1 041	2 150	2 200	2 200	-	-	-
Public safety		(1 919)	(299)	94	2 875	1 975	1 975	-	-	-
Housing		-	63 262	1 786	99 406	12 291	12 291	13 700	6 977	700
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>321 828</b>	<b>366 180</b>	<b>239 009</b>	<b>104 991</b>	<b>197 379</b>	<b>197 379</b>	<b>107 006</b>	<b>121 092</b>	<b>133 492</b>
Planning and development		23 845	115 787	37 474	44 830	137 288	137 288	38 606	30 000	30 000
Road transport		297 723	250 393	201 377	59 643	59 310	59 310	68 400	91 092	103 492
Environmental protection		260	-	158	518	781	781	-	-	-
<b>Trading services</b>		<b>153 654</b>	<b>227 504</b>	<b>226 176</b>	<b>548 106</b>	<b>250 528</b>	<b>250 528</b>	<b>438 702</b>	<b>390 309</b>	<b>241 321</b>
Energy sources		47 652	51 099	98 800	241 154	76 484	76 484	179 000	128 968	29 633
Water management		74 706	78 159	58 052	196 583	84 618	84 618	133 925	131 163	105 099
Waste water management		23 361	75 994	54 322	94 269	76 326	76 326	120 778	125 178	101 589
Waste management		7 935	22 252	15 002	16 100	13 100	13 100	5 000	5 000	5 000
<b>Other</b>		<b>-</b>	<b>2 173</b>	<b>415</b>	<b>4 620</b>	<b>4 607</b>	<b>4 607</b>	<b>2 800</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>
<b>Funded by:</b>										
National Government		312 944	397 217	291 413	344 634	310 626	310 626	312 535	320 133	326 679
Provincial Government		76 188	166 779	21 308	101 327	126 971	126 971	4 921	1 176	1 203
District Municipality Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>389 132</b>	<b>563 995</b>	<b>312 721</b>	<b>445 961</b>	<b>437 597</b>	<b>437 597</b>	<b>317 456</b>	<b>321 309</b>	<b>327 882</b>
<b>Borrowing</b>	6	<b>4 230</b>	<b>-</b>	<b>49 401</b>	<b>300 000</b>	<b>-</b>	<b>-</b>	<b>200 000</b>	<b>150 000</b>	<b>-</b>
<b>Internally generated funds</b>		<b>86 493</b>	<b>121 936</b>	<b>159 705</b>	<b>89 957</b>	<b>89 388</b>	<b>89 388</b>	<b>120 000</b>	<b>110 000</b>	<b>120 000</b>
<b>Total Capital Funding</b>	7	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (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. Single-year capital expenditure has been appropriated at R 637.4 million for the 2023/24 financial year.
3. Unlike multi-year capital appropriations, single-year appropriations mainly relate to low cost Housing project to be deployed. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the City. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is mainly grant dependent from both National and Provincial transfers. The insignificant portion being Council funding which comprises 10 percent of the total Capital budget. For 2023/24, capital transfers totals R 317 million, internal funding of R 120 million whilst Borrowings amount to R200 million.



Table 15 MBRR Table A6 - Budgeted Financial Position

## KZN225 Msunduzi- Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>ASSETS</b>										
<b>Current assets</b>										
Cash and cash equivalents		518 977	361 321	290 433	134 860	357 852	357 852	415 623	759 983	1 459 434
Trade and other receivables from exchange transactions	1	531 585	19 682	21 116	1 781 691	2 421 823	2 421 823	1 296 255	1 359 772	1 423 681
Receivables from non-exchange transactions	1	1 451 868	545 320	516 961	-	-	-	664 799	697 374	730 151
Current portion of non-current receivables			1 176 104	1 315 073						
Inventory	2	(468 078)	353 800	359 494	173 496	101 717	101 717	359 494	359 494	359 494
VAT										
Other current assets		18 452	32 311	32 670		48 958	48 958			
<b>Total current assets</b>		<b>2 052 804</b>	<b>2 488 538</b>	<b>2 535 748</b>	<b>2 090 047</b>	<b>2 930 350</b>	<b>2 930 350</b>	<b>2 736 171</b>	<b>3 176 623</b>	<b>3 972 760</b>
<b>Non current assets</b>										
Investments										
Investment property		821 671	892 584	925 219	821 671	821 671	821 671	974 256	1 021 995	1 070 028
Property, plant and equipment	3	6 588 895	6 781 652	6 917 056	7 125 684	6 825 684	6 825 684	7 169 553	7 059 716	6 945 887
Biological assets								84 451	88 589	92 752
Living and non-living resources		1 070	744	696	1 070	1 070	1 070	733	769	805
Heritage assets			272 919	273 106				287 581	301 672	315 851
Intangible assets		30 700	24 464	20 954	30 700	30 700	30 700	20 954	21 981	23 014
Trade and other receivables from exchange transactions								-	-	-
Non-current receivables from non-exchange transactions								-	-	-
Other non-current assets		345 025	96 300	80 200	360 375	360 375	360 375	-	-	-
<b>Total non current assets</b>		<b>7 787 362</b>	<b>8 068 662</b>	<b>8 217 232</b>	<b>8 339 501</b>	<b>8 039 501</b>	<b>8 039 501</b>	<b>8 537 527</b>	<b>8 494 722</b>	<b>8 448 338</b>
<b>TOTAL ASSETS</b>		<b>9 840 166</b>	<b>10 557 199</b>	<b>10 752 980</b>	<b>10 429 549</b>	<b>10 969 851</b>	<b>10 969 851</b>	<b>11 273 699</b>	<b>11 671 345</b>	<b>12 421 098</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft										
Financial liabilities		113 418	81 573	79 163	101 622	180 785	180 785	83 359	87 443	91 553
Consumer deposits		113 839	128 836	132 962	114 344	132 962	132 962	140 009	146 870	153 773
Trade and other payables from exchange transactions	4	1 624 207	1 385 627	1 922 030	1 106 988	2 180 378	2 180 378	1 755 229	1 841 235	1 927 773
Trade and other payables from non-exchange transactions	5		21 715	20 092				-	-	-
Provision		41 864	10 129	8 304	140 398	140 398	140 398	49 000	51 401	53 817
VAT			190 638	178 523				187 552	196 742	205 989
Other current liabilities			219 226	177 614						
<b>Total current liabilities</b>		<b>1 893 328</b>	<b>2 037 746</b>	<b>2 518 688</b>	<b>1 463 352</b>	<b>2 634 523</b>	<b>2 634 523</b>	<b>2 215 148</b>	<b>2 323 691</b>	<b>2 432 904</b>
<b>Non current liabilities</b>										
Financial liabilities	6	285 318	203 745	589 320	499 353	623 935	623 935	131 184	137 612	144 080
Provision	7	531 180	55 142	-	809 779	1 460 213	1 460 213	723 828	759 296	794 983
Long term portion of trade payables										
Other non-current liabilities			555 608	185 695						
<b>Total non current liabilities</b>		<b>816 498</b>	<b>814 494</b>	<b>775 015</b>	<b>1 309 133</b>	<b>2 084 148</b>	<b>2 084 148</b>	<b>855 013</b>	<b>896 908</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2 709 826</b>	<b>2 852 240</b>	<b>3 293 704</b>	<b>2 772 485</b>	<b>4 718 671</b>	<b>4 718 671</b>	<b>3 070 161</b>	<b>3 220 599</b>	<b>2 432 904</b>
<b>NET ASSETS</b>		<b>7 130 340</b>	<b>7 704 959</b>	<b>7 459 276</b>	<b>7 657 063</b>	<b>6 251 180</b>	<b>6 251 180</b>	<b>8 203 538</b>	<b>8 450 746</b>	<b>9 988 194</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated surplus/(deficit)	8	7 748 557	7 513 887	7 265 348	7 657 063	6 049 349	6 049 349	8 656 277	9 324 605	10 100 785
Reserves and funds	9	190 847	190 989	201 831	-	201 831	201 831	212 528	222 942	233 420
Other										
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>7 939 405</b>	<b>7 704 876</b>	<b>7 467 179</b>	<b>7 657 063</b>	<b>6 251 180</b>	<b>6 251 180</b>	<b>8 868 805</b>	<b>9 547 547</b>	<b>10 334 205</b>

## Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version, which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. 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****KZN225 Msunduzi-Table A7 Budgeted Cash Flows**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates				1 149 564	1 284 380	1 341 464	1 341 464	1 450 636	1 521 717	1 593 238
Service charges		3 893 416	4 078 705	3 166 810	3 876 295	4 048 575	4 048 575	5 515 221	6 249 508	7 188 210
Other revenue				76 010	915 670	716 654	716 654	212 120	225 570	236 172
Transfers and Subsidies - Operational	1	681 738	1 254 552	686 989	855 842	800 709	800 709	827 889	906 109	982 491
Transfers and Subsidies - Capital	1	487 770		327 897	446 431	437 597	437 597	317 456	321 309	327 882
Interest		45 593	23 018	33 578	17 030	17 030	17 030	18 052	19 225	20 494
Dividends					-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(4 385 977)	(4 731 611)	(4 853 520)	(6 605 694)	(6 640 741)	(6 640 741)	(7 621 244)	(8 245 258)	(8 991 492)
Finance charges			(36 203)	(27 182)	(94 217)	(52 039)	(52 039)	(40 401)	(42 219)	(44 119)
Transfers and Subsidies	1	(46 314)		(25 007)	(63 469)	(53 652)	(53 652)	(65 884)	(69 096)	(72 361)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>676 226</b>	<b>588 460</b>	<b>535 139</b>	<b>632 268</b>	<b>615 597</b>	<b>615 597</b>	<b>613 845</b>	<b>886 866</b>	<b>1 240 515</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(399 051)	(600 456)	5 825		3 693	3 693	-	-	-
Decrease (increase) in non-current receivables				(359)				-	-	-
Decrease (increase) in non-current investments		17 207	(32 242)					-	-	-
<b>Payments</b>										
Capital assets				(530 398)	(835 918)	(526 985)	(526 985)	(733 074)	(668 506)	(515 064)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(381 844)</b>	<b>(632 698)</b>	<b>(524 932)</b>	<b>(835 918)</b>	<b>(523 292)</b>	<b>(523 292)</b>	<b>(733 074)</b>	<b>(668 506)</b>	<b>(515 064)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-	-	-
Borrowing long term/refinancing					300 000			200 000	150 000	-
Increase (decrease) in consumer deposits								-	-	-
<b>Payments</b>										
Repayment of borrowing		(83 601)	(113 418)	(81 573)	(23 606)	(23 606)	(23 606)	(23 000)	(24 000)	(26 000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(83 601)</b>	<b>(113 418)</b>	<b>(81 573)</b>	<b>276 394</b>	<b>(23 606)</b>	<b>(23 606)</b>	<b>177 000</b>	<b>126 000</b>	<b>(26 000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at the year begin:	2	308 195	518 977	359 520	62 117	289 153	289 153	357 852	415 623	759 983
Cash/cash equivalents at the year end:	2	518 977	361 321	288 153	134 860	357 852	357 852	415 623	759 983	1 459 434

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

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- It can be seen that the cash levels of the City are stable over the MTREF period.
- The City has embarked on an extensive debt collection drive to reduce the already high debtor's book.

5. The 2023/24 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 R415 million as at the end of the 2023/24 financial year and increases to R759.9 million by 2024/25.
7. An collection rate of 95% was used for Property rates and 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 R40 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.
  - An amount R220 million for accruals relating to 2023 that will be paid in the 2024 financial year, R235 million that will be paid in 2025 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 200 million.
15. Repayment of Borrowings are projected at R23 million

**Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation****KZN225-Msunduzi Municipality Table A8 Cash backed reserves/accumulated reconciliation**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	518 977	361 321	288 153	134 860	357 852	357 852	415 623	759 983	1 459 434
Other current investments > 90 days										
Investments - Property, plant and equipment	1									
<b>Cash and investments available:</b>		<b>518 977</b>	<b>361 321</b>	<b>288 153</b>	<b>134 860</b>	<b>357 852</b>	<b>357 852</b>	<b>415 623</b>	<b>759 983</b>	<b>1 459 434</b>
<b>Application of cash and investments</b>										
Unspent Conditional Grant		-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2							40 000	41 800	43 681
Other working capital requirements	3	(643 048)	(667 763)	(691 635)	680 477	(397 725)	(397 725)	(358 990)	(361 907)	(363 167)
Other provisions					140 398	140 398	140 398	146 716	153 318	160 217
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5					786	786			
<b>Total Application of cash and investments:</b>		<b>(643 048)</b>	<b>(667 763)</b>	<b>(691 635)</b>	<b>820 875</b>	<b>(256 541)</b>	<b>(256 541)</b>	<b>(172 274)</b>	<b>(166 789)</b>	<b>(159 269)</b>
<b>Surplus(shortfall)</b>		<b>1 162 025</b>	<b>1 029 084</b>	<b>979 788</b>	<b>(686 015)</b>	<b>614 393</b>	<b>614 393</b>	<b>587 897</b>	<b>926 772</b>	<b>1 618 703</b>

**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 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 2023/24 to 2025/26 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 2023/24 MTREF is sufficiently funded.

7. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 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 can be seen the budget has been modelled to retain a surplus throughout the MTREF period.

**Table 18 MBRR Table A9 - Asset Management**

**KZN225 Msunduzi Municipality -Table A9 Asset Management**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	21 108	407 943	208 016	195 913	197 485	197 485	376 635	176 246	161 493
<i>Roads Infrastructure</i>		21 108	211 423	81 648	8 500	1 125	1 125	2 250	2 250	2 250
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	4 653	5 503	19 015	64 484	64 484	194 000	28 968	29 633
<i>Water Supply Infrastructure</i>		-	74 239	22 506	5 000	8 366	8 366	29 860	19 780	29 360
<i>Sanitation Infrastructure</i>		-	44 898	7 231	-	32 836	32 836	65 478	65 339	37 183
<i>Solid Waste Infrastructure</i>		-	-	-	10 150	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	9 691	3 000	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>21 108</b>	<b>335 214</b>	<b>126 579</b>	<b>45 665</b>	<b>106 812</b>	<b>106 812</b>	<b>291 588</b>	<b>116 337</b>	<b>98 425</b>
<i>Community Facilities</i>		-	10 563	8 486	20 726	26 419	26 419	25 548	13 770	19 929
<i>Sport and Recreation Facilities</i>		-	2 596	574	-	512	512	-	-	-
<b>Community Assets</b>		-	<b>13 159</b>	<b>9 060</b>	<b>20 726</b>	<b>26 930</b>	<b>26 930</b>	<b>25 548</b>	<b>13 770</b>	<b>19 929</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	295	5 075	6 375	6 375	10 000	3 139	-
<i>Housing</i>		-	59 047	11 266	-	5 591	5 591	4 500	3 000	3 139
<b>Other Assets</b>		-	<b>59 047</b>	<b>11 561</b>	<b>5 075</b>	<b>11 966</b>	<b>11 966</b>	<b>14 500</b>	<b>6 139</b>	<b>3 139</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	9 072	9 072	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	30 000	30 000	30 000
<i>Licences and Rights</i>		-	523	1 041	3 750	500	500	-	-	-
<b>Intangible Assets</b>		-	<b>523</b>	<b>1 041</b>	<b>3 750</b>	<b>500</b>	<b>500</b>	<b>30 000</b>	<b>30 000</b>	<b>30 000</b>
<i>Computer Equipment</i>		-	-	6 493	5 669	-	-	-	-	-
<i>Furniture and Office Equipment</i>		-	-	2 334	10 556	9 857	9 857	15 000	10 000	10 000
<i>Machinery and Equipment</i>		-	-	41 032	62 500	20 799	20 799	-	-	-
<i>Transport Assets</i>		-	-	9 917	41 972	11 548	11 548	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	203 992	72 704	208 114	151 851	175	175	55 356	60 750	70 750
<i>Roads Infrastructure</i>		-	50 404	118 545	38 000	-	-	33 150	45 750	54 750
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	1 244	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	12 311	62 427	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	15 866	67 834	46 000	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	14 206	7 500	8 000
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	<b>66 270</b>	<b>199 934</b>	<b>146 427</b>	-	-	<b>47 356</b>	<b>53 250</b>	<b>62 750</b>
<i>Community Facilities</i>		-	1 178	741	-	175	175	8 000	7 500	8 000
<i>Sport and Recreation Facilities</i>		-	4 068	140	-	-	-	-	-	-
<b>Community Assets</b>		-	<b>5 246</b>	<b>881</b>	-	<b>175</b>	<b>175</b>	<b>8 000</b>	<b>7 500</b>	<b>8 000</b>
<b>Heritage Assets</b>		<b>208 368</b>	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	1 188	4 337	515	-	-	-	-	-
<i>Housing</i>		-	-	-	4 909	-	-	-	-	-
<b>Other Assets</b>		-	<b>1 188</b>	<b>4 337</b>	<b>5 424</b>	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	2 962	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	<b>2 962</b>	-	-	-	-	-	-
<i>Computer Equipment</i>		-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>		-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-
<i>Land</i>		(4 375)	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-

KZN225 Msunduzi Municipality -Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Total Upgrading of Existing Assets</b>	6	254 755	205 285	105 307	488 155	329 325	329 325	205 465	344 313	215 638
<i>Roads Infrastructure</i>		-	59 061	29 784	63 118	156 664	156 664	38 400	51 092	53 492
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	26 990	34 906	134 414	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	15 229	-	109 803	74 785	74 785	106 065	213 383	77 739
<i>Sanitation Infrastructure</i>		-	-	19 788	64 550	51 440	51 440	40 300	59 838	64 406
<i>Solid Waste Infrastructure</i>		-	1 934	3 302	-	7 550	7 550	5 000	5 000	5 000
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	103 214	87 780	371 886	290 439	290 439	189 765	329 313	200 638
Community Facilities		-	102 071	17 527	7 600	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	102 071	17 527	7 600	-	-	-	-	-
<b>Heritage Assets</b>		201 734	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	200	38 336	38 336	10 700	10 000	10 000
Housing		-	-	-	93 797	-	-	-	-	-
<b>Other Assets</b>		-	-	-	93 997	38 336	38 336	10 700	10 000	10 000
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	14 672	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	14 672	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	50	50	-	-	-
Machinery and Equipment		16	-	-	-	500	500	-	-	-
Transport Assets		(6 605)	-	-	-	-	-	5 000	5 000	5 000
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		59 610	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	479 855	685 931	521 437	835 918	526 985	526 985	637 456	581 309	447 882
<i>Roads Infrastructure</i>		21 108	320 888	229 977	109 618	157 789	157 789	73 800	99 092	110 492
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	31 643	41 652	153 429	64 484	64 484	194 000	28 968	29 633
<i>Water Supply Infrastructure</i>		-	89 468	34 817	177 230	83 151	83 151	135 925	233 163	107 099
<i>Sanitation Infrastructure</i>		-	60 765	94 854	110 550	84 276	84 276	105 778	125 178	101 589
<i>Solid Waste Infrastructure</i>		-	1 934	3 302	10 150	7 550	7 550	5 000	5 000	5 000
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	9 691	3 000	-	-	14 206	7 500	8 000
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		21 108	504 698	414 293	563 978	397 251	397 251	528 708	498 900	361 814
Community Facilities		-	113 812	26 753	28 326	26 593	26 593	33 548	21 270	27 929
Sport and Recreation Facilities		-	6 664	714	-	512	512	-	-	-
<b>Community Assets</b>		-	120 476	27 467	28 326	27 105	27 105	33 548	21 270	27 929
<b>Heritage Assets</b>		410 101	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	1 188	4 633	5 790	44 711	44 711	20 700	13 139	10 000
Housing		-	59 047	11 266	98 706	5 591	5 591	4 500	3 000	3 139
<b>Other Assets</b>		-	60 235	15 899	104 496	50 303	50 303	25 200	16 139	13 139
<b>Biological or Cultivated Assets</b>		-	-	-	-	9 072	9 072	-	-	-
Servitudes		-	-	-	-	-	-	30 000	30 000	30 000
Licences and Rights		-	523	4 003	18 422	500	500	-	-	-
<b>Intangible Assets</b>		-	523	4 003	18 422	500	500	30 000	30 000	30 000
Computer Equipment		-	-	6 493	5 669	-	-	-	-	-
Furniture and Office Equipment		-	-	2 334	10 556	9 907	9 907	15 000	10 000	10 000
Machinery and Equipment		16	-	41 032	62 500	21 299	21 299	-	-	-
Transport Assets		(10 980)	-	9 917	41 972	11 548	11 548	5 000	5 000	5 000
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		59 610	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		479 855	685 931	521 437	835 918	526 985	526 985	637 456	581 309	447 882



KZN225 Msunduzi Municipality -Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	8 114 943	7 776 759	-	7 195 684	6 895 684	6 895 684	7 261 155	7 616 952	7 974 949
<i>Roads Infrastructure</i>		1 863 937	1 873 107		1 830 420	1 830 420	1 830 420	1 927 433	2 021 877	2 116 905
<i>Storm water Infrastructure</i>		500 215	492 667		87 083	87 083	87 083	91 698	96 191	100 712
<i>Electrical Infrastructure</i>		1 281 576	1 173 269		1 018 082	818 082	818 082	861 440	903 651	946 122
<i>Water Supply Infrastructure</i>		729 288	732 347		1 223 186	1 123 186	1 123 186	1 182 715	1 240 668	1 298 980
<i>Sanitation Infrastructure</i>		491 270	489 056		600 826	600 826	600 826	632 670	663 671	694 863
<i>Solid Waste Infrastructure</i>		8 204	7 891		85 470	85 470	85 470	90 000	94 410	98 847
<i>Rail Infrastructure</i>		1 134	1 018		1 254	1 254	1 254	1 320	1 385	1 450
<i>Coastal Infrastructure</i>					4 747	4 747	4 747	4 998	5 243	5 490
<i>Information and Communication Infrastructure</i>					5 183	5 183	5 183	5 458	5 725	5 994
<b>Infrastructure</b>		<b>4 875 623</b>	<b>4 769 356</b>	<b>-</b>	<b>4 856 251</b>	<b>4 556 251</b>	<b>4 556 251</b>	<b>4 797 733</b>	<b>5 032 821</b>	<b>5 269 364</b>
<b>Community Assets</b>		448 405	439 697		79 588	79 588	79 588	83 807	87 913	92 045
<b>Heritage Assets</b>		272 674	271 925		206 938	206 938	206 938	217 905	228 583	239 326
<b>Investment properties</b>		702 385	821 671		668 979	668 979	668 979	704 435	738 952	773 683
<b>Other Assets</b>		275 725	269 415		617 452	617 452	617 452	650 177	682 035	714 091
<b>Biological or Cultivated Assets</b>		80 648	74 170		-	-	-	-	-	-
<b>Intangible Assets</b>		40 783	30 700		(1 083)	(1 083)	(1 083)	(1 140)	(1 196)	(1 252)
<b>Computer Equipment</b>		35 928	28 779		(28 780)	(28 780)	(28 780)	(30 305)	(31 790)	(33 284)
<b>Furniture and Office Equipment</b>		17 077	16 197		17 596	17 596	17 596	18 529	19 437	20 351
<b>Machinery and Equipment</b>		53 218	53 726		568 678	568 678	568 678	598 818	628 160	657 684
<b>Transport Assets</b>		93 489	85 287		210 063	210 063	210 063	221 197	232 035	242 941
<b>Land</b>		1 218 988	915 836		-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>					-	-	-	-	-	-
<b>Living Resources</b>					-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>8 114 943</b>	<b>7 776 759</b>	<b>-</b>	<b>7 195 684</b>	<b>6 895 684</b>	<b>6 895 684</b>	<b>7 261 155</b>	<b>7 616 952</b>	<b>7 974 949</b>
<b>EXPENDITURE OTHER ITEMS</b>		474 776	483 872	605 229	947 931	688 436	688 436	1 039 979	1 092 919	1 134 143
<b>Depreciation</b>	7	417 614	372 532	366 625	441 964	441 738	441 738	466 692	492 332	504 096
<b>Repairs and Maintenance by Asset Class</b>	3	57 162	111 340	238 604	505 967	246 698	246 698	573 286	600 587	630 047
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		33 758	77 522	130 184	87 166	63 501	63 501	161 182	169 080	177 027
<i>Water Supply Infrastructure</i>		-	-	-	-	11 399	11 399	8 680	9 106	9 534
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	33 167	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	46 650	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>33 758</b>	<b>77 522</b>	<b>130 184</b>	<b>166 984</b>	<b>74 900</b>	<b>74 900</b>	<b>169 863</b>	<b>178 186</b>	<b>186 561</b>
<i>Community Facilities</i>		-	-	-	33 237	14	14	15	16	16
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	33 237	14	14	15	16	16
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		14 845	14 191	70 356	181 556	50 587	50 587	163 462	171 463	179 531
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>14 845</b>	<b>14 191</b>	<b>70 356</b>	<b>181 556</b>	<b>50 587</b>	<b>50 587</b>	<b>163 462</b>	<b>171 463</b>	<b>179 531</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		8 559	19 626	38 064	94 232	100 702	100 702	214 842	225 369	235 961
<b>Transport Assets</b>		-	-	-	29 959	20 495	20 495	25 105	25 553	27 978
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>474 776</b>	<b>483 872</b>	<b>605 229</b>	<b>947 931</b>	<b>688 436</b>	<b>688 436</b>	<b>1 039 979</b>	<b>1 092 919</b>	<b>1 134 143</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		95,6%	40,5%	60,1%	76,6%	62,5%	62,5%	40,9%	69,7%	63,9%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		109,8%	74,6%	85,5%	144,8%	74,6%	74,6%	55,9%	82,3%	56,8%
<b>R&amp;M as a % of PPE</b>		0,9%	1,6%	3,4%	7,1%	3,6%	3,6%	7,1%	8,4%	8,9%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		6,0%	5,0%	0,0%	16,0%	8,0%	8,0%	11,0%	13,0%	11,0%

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

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The City has allocated 40.9% 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 increased from 3.6 % in 2022/23 to 7.1 % in 2023/24. 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**

**KZN225-Msunduzi Table A10 Basic service delivery measurement**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		169 564	169 564	169 564	84 782	84 782	84 782	84 782	84 782	84 782
Piped water inside yard (but not in dwelling)		134 961	134 961	134 961	67 481	67 481	67 481	67 481	67 481	67 481
Using public tap (at least min.service level)	2	13 309	13 309	13 309	6 654	6 654	6 654	6 654	6 654	6 654
Other water supply (at least min.service level)	4	6 392	6 392	6 392	3 196	3 196	3 196	3 196	3 196	3 196
<i>Minimum Service Level and Above sub-total</i>		324 226	324 226	324 226	162 113	162 113	162 113	162 113	162 113	162 113
Using public tap (< min.service level)	3	13 309	13 309	13 309	6 654	6 654	6 654	6 654	6 654	6 654
Other water supply (< min.service level)	4	3 701	3 701	3 701	1 851	1 851	1 851	1 851	1 851	1 851
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		17 010	17 010	17 010	8 505	8 505	8 505	8 505	8 505	8 505
<b>Total number of households</b>	5	<b>341 237</b>	<b>341 237</b>	<b>341 237</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		183 178	183 178	183 178	91 589	91 589	91 589	91 589	91 589	91 589
Flush toilet (with septic tank)		17 310	17 310	17 310	8 655	8 655	8 655	8 655	8 655	8 655
Chemical toilet		14 724	14 724	14 724	7 362	7 362	7 362	7 362	7 362	7 362
Pit toilet (ventilated)		123 656	123 656	123 656	61 828	61 828	61 828	61 828	61 828	61 828
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		338 868	338 868	338 868	169 434	169 434	169 434	169 434	169 434	169 434
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		2 369	2 369	2 369	1 184	1 184	1 184	1 184	1 184	1 184
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2 369	2 369	2 369	1 184	1 184	1 184	1 184	1 184	1 184
<b>Total number of households</b>	5	<b>341 237</b>	<b>341 237</b>	<b>341 237</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>
<b>Energy:</b>										
Electricity (at least min.service level)		270 543	270 543	270 543	135 271	135 271	135 271	135 271	135 271	135 271
Electricity - prepaid (min.service level)		54 694	54 694	54 694	27 347	27 347	27 347	27 347	27 347	27 347
<i>Minimum Service Level and Above sub-total</i>		325 237	325 237	325 237	162 618	162 618	162 618	162 618	162 618	162 618
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		16 000	16 000	16 000	8 000	8 000	8 000	8 000	8 000	8 000
<i>Below Minimum Service Level sub-total</i>		16 000	16 000	16 000	8 000	8 000	8 000	8 000	8 000	8 000
<b>Total number of households</b>	5	<b>341 237</b>	<b>341 237</b>	<b>341 237</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>
<b>Refuse:</b>										
Removed at least once a week		259 696	259 696	259 696	129 848	129 848	129 848	129 848	129 848	129 848
<i>Minimum Service Level and Above sub-total</i>		259 696	259 696	259 696	129 848	129 848	129 848	129 848	129 848	129 848
Removed less frequently than once a week		81 541	81 541	81 541	40 770	40 770	40 770	40 770	40 770	40 770
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		81 541	81 541	81 541	40 770	40 770	40 770	40 770	40 770	40 770
<b>Total number of households</b>	5	<b>341 237</b>	<b>341 237</b>	<b>341 237</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Informal Settlements</b>										
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>					228 089	-	-	242 071	256 930	-
<b>Total cost of FBS provided</b>	8				<b>228 089</b>			<b>242 071</b>	<b>256 930</b>	
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		100 000	-	-	120 000	120 000	120 000	120 000	120 000	120 000
Water (kilolitres per household per month)		6	-	-	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		153	-	-	163	163	163	163	163	163
Electricity (kwh per household per month)		70	-	-	70	70	70	70	70	70
Refuse (average litres per week)		200	-	-	200	200	200	200	200	200
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	42 382	-	109 119	109 119	109 119	116 757	124 930	133 675
Water (in excess of 6 kilolitres per indigent household per month)		-	4 644	-	202 356	202 356	202 356	222 592	233 499	244 473
Sanitation (in excess of free sanitation service to indigent households)		-	18 430	-	14 449	14 449	14 449	16 761	17 582	18 408
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	170	-	4 204	4 204	4 204	4 671	5 418	6 394
Refuse (in excess of one removal a week for indigent households)		-	14	-	15 058	15 058	15 058	7 899	8 286	8 692
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of subsidised services provided</b>	6		<b>65 640</b>		<b>345 186</b>	<b>345 186</b>	<b>345 186</b>	<b>368 680</b>	<b>389 716</b>	<b>411 643</b>

**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 2023/24 to 2025/26. 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 2025/26.
    - 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 2012/13 up to 2025/26.

### Consolidated Budget Tables

KZN225 Msunduzi-Table A1 Consolidated Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Financial Performance</b>										
Property rates	1 177 108	1 232 330	1 211 349	1 427 089	1 427 089	1 427 089	-	1 526 985	1 601 807	1 677 092
Service charges	3 104 467	3 206 752	3 619 670	4 306 994	4 306 994	4 306 994	-	5 135 631	5 819 380	6 693 475
Investment revenue	-	8 456	10 535	-	-	-	-	-	-	-
Transfer and subsidies - Operational	637 128	757 426	681 738	855 842	800 709	800 709	-	827 889	906 109	982 491
Other own revenue	568 411	335 392	330 422	460 845	460 845	460 845	-	619 975	654 169	685 280
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>5 487 114</b>	<b>5 540 356</b>	<b>5 853 713</b>	<b>7 050 770</b>	<b>6 995 637</b>	<b>6 995 637</b>	<b>-</b>	<b>8 110 480</b>	<b>8 981 466</b>	<b>10 038 339</b>
Employee costs	1 345 487	1 418 426	1 494 487	1 579 699	1 621 248	1 621 248	-	1 798 913	1 879 949	1 964 637
Remuneration of councillors	43 759	51 641	49 529	59 431	59 431	59 431	-	62 700	65 521	68 470
Depreciation and amortisation	417 614	372 532	366 625	441 964	441 738	441 738	-	461 616	482 389	504 096
Finance charges	43 717	35 856	26 916	94 217	52 039	52 039	-	40 401	42 219	44 119
Inventory consumed and bulk purchases	2 548 288	2 717 563	3 034 561	3 071 509	3 142 581	3 142 581	-	3 684 434	4 084 805	4 592 674
Transfers and subsidies	25 307	16 870	19 996	63 469	53 652	53 652	-	51 858	54 257	56 780
Other expenditure	1 269 275	1 371 115	1 957 306	1 144 657	1 252 521	1 252 521	-	1 519 328	1 597 271	1 670 967
<b>Total Expenditure</b>	<b>5 693 447</b>	<b>5 984 003</b>	<b>6 949 419</b>	<b>6 454 947</b>	<b>6 623 210</b>	<b>6 623 210</b>	<b>-</b>	<b>7 619 249</b>	<b>8 206 412</b>	<b>8 901 743</b>
<b>Surplus/(Deficit)</b>	<b>(206 334)</b>	<b>(443 647)</b>	<b>(1 095 707)</b>	<b>595 823</b>	<b>372 427</b>	<b>372 427</b>	<b>-</b>	<b>491 231</b>	<b>775 054</b>	<b>1 136 596</b>
Transfers and subsidies - capital (monetary allocations)	430 114	498 603	368 725	446 431	437 597	437 597	-	317 456	321 309	327 882
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>-</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>-</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>-</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>
Transfers recognised - capital	389 132	563 995	312 721	445 961	437 597	437 597	-	317 456	321 309	327 882
Borrowing	4 230	-	49 401	300 000	-	-	-	200 000	150 000	-
Internally generated funds	86 493	121 936	159 705	89 957	89 388	89 388	-	120 000	110 000	120 000
<b>Total sources of capital funds</b>	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>-</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>
<b>Financial position</b>										
Total current assets	2 052 804	2 488 538	2 535 748	2 090 047	2 930 350	2 930 350	4 390 532	2 735 938	3 176 129	3 971 992
Total non current assets	7 787 362	8 068 662	8 217 232	8 339 501	8 039 501	8 039 501	-	8 537 527	8 494 722	8 448 338
Total current liabilities	1 893 328	2 037 746	2 518 688	1 463 352	2 634 523	2 634 523	49 118	2 215 148	2 323 691	2 432 904
Total non current liabilities	816 498	814 494	775 015	1 309 133	2 084 148	2 084 148	-	855 013	896 908	-
Community wealth/Equity	7 939 405	7 704 876	7 467 179	7 657 063	6 251 180	6 251 180	-	8 868 805	9 547 547	10 334 205
<b>Cash flows</b>										
Net cash from (used) operating	676 226	588 460	535 139	632 268	615 597	615 597	-	613 612	886 605	1 240 241
Net cash from (used) investing	(381 844)	(632 698)	(524 932)	(835 918)	(523 292)	(523 292)	-	(733 074)	(668 506)	(515 064)
Net cash from (used) financing	(83 601)	(113 418)	(81 573)	276 394	(23 606)	(23 606)	-	177 000	126 000	(26 000)
<b>Cash/cash equivalents at the year end</b>	<b>518 977</b>	<b>361 321</b>	<b>288 153</b>	<b>134 860</b>	<b>357 852</b>	<b>357 852</b>	<b>-</b>	<b>415 390</b>	<b>759 489</b>	<b>1 458 666</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	518 977	361 321	288 153	134 860	357 852	357 852	-	415 390	759 489	1 458 666
Application of cash and investments	(643 048)	(667 763)	(691 635)	820 875	(256 541)	(256 541)	-	(172 274)	(166 789)	(159 269)
<b>Balance - surplus (shortfall)</b>	<b>1 162 025</b>	<b>1 029 084</b>	<b>979 788</b>	<b>(686 015)</b>	<b>614 393</b>	<b>614 393</b>	<b>-</b>	<b>587 664</b>	<b>926 278</b>	<b>1 617 934</b>
<b>Asset management</b>										
Asset register summary (WDV)	8 114 943	7 776 759	-	7 195 684	6 895 684	6 895 684	7 261 155	7 616 952	7 974 949	-
Depreciation	417 614	372 532	366 625	441 964	441 738	441 738	466 692	492 332	504 096	-
Renewal and Upgrading of Existing Assets	458 747	277 988	313 421	640 005	329 500	329 500	260 821	405 063	286 388	260 821
Repairs and Maintenance	57 162	111 340	238 604	505 967	246 698	246 698	573 286	600 587	630 047	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	228 089	-	-	242 071	256 930	-	-
Revenue cost of free services provided	-	65 640	-	345 186	345 186	345 186	368 680	389 716	411 643	-
<b>Households below minimum service level</b>										
Water:	17	17	17	9	9	9	9	9	9	-
Sanitation/sewerage:	2	2	2	1	1	1	1	1	1	-
Energy:	16	16	16	8	8	8	8	8	8	-
Refuse:	82	82	82	41	41	41	41	41	41	-

**KZN225 Msunduzi -Table A2 Consolidated Budgeted Financial Performance (Revenue and Expenditure by Funcional classification)**

Functional Classification Description R thousand	Ref 1	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>1 655 378</b>	<b>1 685 957</b>	<b>1 695 856</b>	<b>2 124 738</b>	<b>2 060 771</b>	<b>2 060 771</b>	<b>2 628 986</b>	<b>2 785 527</b>	<b>2 954 781</b>
Executive and council		4 200	3 935	3 530	5 297	5 297	5 297	4 979	-	-
Finance and administration		1 651 178	1 682 019	1 692 323	2 119 441	2 055 474	2 055 474	2 624 007	2 785 527	2 954 781
Internal audit		0	3	2	-	-	-	-	-	-
<b>Community and public safety</b>		<b>234 249</b>	<b>187 150</b>	<b>134 306</b>	<b>261 951</b>	<b>261 951</b>	<b>261 951</b>	<b>331 216</b>	<b>341 705</b>	<b>357 582</b>
Community and social services		38 830	24 279	45 793	21 318	21 318	21 318	276 603	282 552	295 648
Sport and recreation		864	524	345	308	308	308	21 223	22 263	23 310
Public safety		15 025	19 852	18 186	4 191	4 191	4 191	8 569	8 989	9 411
Housing		179 531	142 494	69 983	236 134	236 134	236 134	24 821	27 901	29 213
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>279 315</b>	<b>271 667</b>	<b>207 366</b>	<b>64 129</b>	<b>64 129</b>	<b>64 129</b>	<b>55 601</b>	<b>47 167</b>	<b>47 974</b>
Planning and development		33 596	37 507	55 781	56 731	56 731	56 731	47 685	45 826	46 570
Road transport		245 675	234 058	151 377	-	-	-	-	-	-
Environmental protection		44	103	208	7 398	7 398	7 398	7 916	1 342	1 405
<b>Trading services</b>		<b>3 747 985</b>	<b>3 845 123</b>	<b>4 158 681</b>	<b>5 315 563</b>	<b>5 315 563</b>	<b>5 315 563</b>	<b>5 647 445</b>	<b>6 382 810</b>	<b>7 279 114</b>
Energy sources		2 241 860	2 212 438	2 569 653	3 305 883	3 305 883	3 305 883	3 978 066	4 605 284	5 418 160
Water management		1 068 640	1 189 219	1 156 790	1 590 735	1 590 735	1 590 735	1 300 958	1 391 053	1 456 300
Waste water management		261 156	288 948	281 762	231 533	231 533	231 533	209 646	219 919	230 255
Waste management		176 329	154 519	150 476	187 411	187 411	187 411	158 774	166 554	174 399
<b>Other</b>	4	<b>32 681</b>	<b>49 062</b>	<b>26 228</b>	<b>67 955</b>	<b>67 955</b>	<b>67 955</b>	<b>101 045</b>	<b>113 584</b>	<b>118 923</b>
<b>Total Revenue - Functional</b>	2	<b>5 949 608</b>	<b>6 038 959</b>	<b>6 222 437</b>	<b>7 834 337</b>	<b>7 770 369</b>	<b>7 770 369</b>	<b>8 764 292</b>	<b>9 670 794</b>	<b>10 758 373</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>1 038 362</b>	<b>1 520 817</b>	<b>1 191 049</b>	<b>1 423 527</b>	<b>1 399 635</b>	<b>1 399 635</b>	<b>1 478 603</b>	<b>1 540 153</b>	<b>1 611 188</b>
Executive and council		120 748	117 398	117 809	117 494	163 073	163 073	258 320	264 803	276 752
Finance and administration		898 977	1 386 457	1 053 698	1 285 221	1 216 920	1 216 920	1 191 828	1 245 547	1 303 257
Internal audit		18 638	16 962	19 543	20 812	19 642	19 642	28 455	29 803	31 179
<b>Community and public safety</b>		<b>550 877</b>	<b>551 499</b>	<b>551 440</b>	<b>613 713</b>	<b>540 011</b>	<b>540 011</b>	<b>526 876</b>	<b>551 028</b>	<b>576 860</b>
Community and social services		112 787	149 093	141 394	129 634	129 214	129 214	135 893	142 179	149 433
Sport and recreation		102 540	121 245	115 888	153 119	147 756	147 756	130 425	136 399	142 592
Public safety		193 214	196 809	216 194	207 854	207 622	207 622	217 995	227 910	238 246
Housing		136 868	74 912	68 394	110 226	42 564	42 564	29 046	30 413	31 825
Health		5 469	9 440	9 570	12 879	12 854	12 854	13 517	14 127	14 764
<b>Economic and environmental services</b>		<b>332 744</b>	<b>313 305</b>	<b>393 095</b>	<b>375 462</b>	<b>403 531</b>	<b>403 531</b>	<b>513 621</b>	<b>536 410</b>	<b>560 926</b>
Planning and development		83 510	69 072	87 743	78 767	96 727	96 727	84 863	87 699	91 678
Road transport		228 801	223 381	282 415	270 632	282 199	282 199	402 476	421 231	440 525
Environmental protection		20 433	20 852	22 937	26 063	24 605	24 605	26 283	27 479	28 723
<b>Trading services</b>		<b>3 726 987</b>	<b>3 532 257</b>	<b>4 733 194</b>	<b>4 323 068</b>	<b>4 212 499</b>	<b>4 212 499</b>	<b>5 309 852</b>	<b>5 799 171</b>	<b>6 383 561</b>
Energy sources		2 095 936	1 916 751	2 982 828	2 707 082	2 773 851	2 773 851	3 489 792	3 880 684	4 376 468
Water management		1 216 152	1 172 570	1 280 896	1 187 780	984 740	984 740	1 293 157	1 355 688	1 418 970
Waste water management		259 564	294 864	325 212	294 535	338 156	338 156	399 300	429 298	448 533
Waste management		155 335	148 071	144 257	133 672	115 752	115 752	127 604	133 501	139 589
<b>Other</b>	4	<b>76 857</b>	<b>66 124</b>	<b>80 641</b>	<b>64 362</b>	<b>67 535</b>	<b>67 535</b>	<b>63 978</b>	<b>66 741</b>	<b>69 794</b>
<b>Total Expenditure - Functional</b>	3	<b>5 725 828</b>	<b>5 984 003</b>	<b>6 949 419</b>	<b>6 800 133</b>	<b>6 623 210</b>	<b>6 623 210</b>	<b>7 892 931</b>	<b>8 493 504</b>	<b>9 202 328</b>
<b>Surplus/(Deficit) for the year</b>		<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 034 204</b>	<b>1 147 159</b>	<b>1 147 159</b>	<b>871 361</b>	<b>1 177 290</b>	<b>1 556 045</b>

**KZN225 Msunduzi -Table A3 Consolidated Budgeted Financial Performance (Revenue and Expenditure by Vote)**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - City Manager		0	317	22	66	66	66	-	-	-
Vote 2 - City Finance		1 641 524	1 673 385	1 692 708	2 098 137	2 034 169	2 034 169	2 596 141	2 757 845	2 925 208
Vote 3 - Corporate Services		4 201	3 959	3 543	5 519	7 947	7 947	7 980	3 148	3 296
Vote 4 - Community Services and Social Equity		233 841	198 750	215 035	221 410	221 410	221 410	497 013	513 913	537 993
Vote 5 - Infrastructure Services		1 584 762	1 719 142	1 596 046	1 831 866	1 831 866	1 831 866	1 520 657	1 620 256	1 696 742
Vote 6 - Sustainable Development and City Enterprises		243 419	229 818	144 082	369 028	369 028	369 028	192 629	200 193	208 099
Vote 7 - Electricity		2 241 860	2 213 589	2 571 002	3 305 883	3 305 883	3 305 883	3 949 871	4 575 439	5 387 036
<b>Total Revenue by Vote</b>	2	<b>5 949 608</b>	<b>6 038 959</b>	<b>6 222 437</b>	<b>7 831 908</b>	<b>7 770 369</b>	<b>7 770 369</b>	<b>8 764 292</b>	<b>9 670 794</b>	<b>10 758 373</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - City Manager		156 569	144 294	155 044	157 775	148 400	148 400	300 106	313 750	327 941
Vote 2 - City Finance		489 928	951 384	611 784	846 124	757 339	757 339	797 238	833 969	871 946
Vote 3 - Corporate Services		78 073	89 838	69 616	99 501	242 457	242 457	195 633	199 466	208 563
Vote 4 - Community Services and Social Equity		768 776	848 302	864 837	801 718	837 659	837 659	827 458	865 408	905 494
Vote 5 - Infrastructure Services		1 748 945	1 734 905	2 026 076	1 768 789	1 621 673	1 621 673	2 117 250	2 229 931	2 332 105
Vote 6 - Sustainable Development and City Enterprises		329 588	242 328	271 856	291 172	242 374	242 374	215 100	223 794	234 042
Vote 7 - Electricity		2 153 949	1 972 953	2 950 207	2 731 736	2 773 307	2 773 307	3 440 145	3 827 187	4 322 237
<b>Total Expenditure by Vote</b>	2	<b>5 725 828</b>	<b>5 984 003</b>	<b>6 949 419</b>	<b>6 696 815</b>	<b>6 623 210</b>	<b>6 623 210</b>	<b>7 892 931</b>	<b>8 493 504</b>	<b>9 202 328</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 135 094</b>	<b>1 147 159</b>	<b>1 147 159</b>	<b>871 361</b>	<b>1 177 290</b>	<b>1 556 045</b>

**KZN225 Msunduzi -Table A4 Consolidated Budgeted Financial Performance (Revenue and Expenditure)**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	2 159 758	2 152 783	2 549 653	3 183 150	3 183 150	3 183 150	3 892 818	4 515 669	5 328 489
Service charges - Water	2	662 849	773 169	773 657	819 610	819 610	819 610	901 572	945 749	990 199
Service charges - Waste Water Management	2	172 221	167 102	182 241	174 569	174 569	174 569	202 500	212 422	222 406
Service charges - Waste Management	2	109 639	113 697	114 119	129 665	129 665	129 665	138 742	145 540	152 380
Sale of Goods and Rendering of Services		23 620	9 320	11 474						
Agency services		1 090	1 931	2 139	668	668	668	715	750	785
Interest		14 259			17 030	17 030	17 030	18 052	19 225	20 494
Interest earned from Receivables		225 861	144 312	148 963	225 218	225 218	225 218	248 865	261 060	273 330
Interest earned from Current and Non Current Assets			8 456	10 535						
Dividends										
Rent on Land			14 559							
Rental from Fixed Assets		43 597	148	25 415	37 424	37 424	37 424	104 824	112 624	117 917
Licence and permits		604		984						
Operational Revenue		47 565	44 527	54 566				230 407	249 376	261 096
<b>Non-Exchange Revenue</b>										
Property rates	2	1 177 108	1 232 330	1 211 349	1 427 089	1 427 089	1 427 089	1 526 985	1 601 807	1 677 092
Surcharges and Taxes										
Fines, penalties and forfeits		13 273	16 062	14 489	2 005	2 005	2 005	14 660	8 468	8 866
Licences or permits			603		1 500	1 500	1 500	2 452	2 667	2 793
Transfer and subsidies - Operational		637 128	757 426	681 738	855 842	800 709	800 709	827 889	906 109	982 491
Interest		66 393	38 480	50 190						
Fuel Levy										
Operational Revenue					177 000	177 000	177 000			
Gains on disposal of Assets		130 714		4 179						
Other Gains		1 435	65 449	18 021						
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and cont</b>		<b>5 487 114</b>	<b>5 540 356</b>	<b>5 853 713</b>	<b>7 050 770</b>	<b>6 995 637</b>	<b>6 995 637</b>	<b>8 110 480</b>	<b>8 981 466</b>	<b>10 038 339</b>
<b>Expenditure</b>										
Employee related costs	2	1 345 487	1 418 426	1 494 487	1 579 699	1 621 248	1 621 248	1 798 913	1 879 949	1 964 637
Remuneration of councillors		43 759	51 641	49 529	59 431	59 431	59 431	62 700	65 521	68 470
Bulk purchases - electricity	2	2 491 127	2 659 404	2 950 207	2 200 000	2 300 000	2 300 000	2 714 000	3 066 820	3 526 843
Inventory consumed	8	57 162	58 158	84 353	871 509	842 581	842 581	970 434	1 017 985	1 065 831
Debt impairment	3	567 919	236 404	1 003 763	300 000	300 000	300 000	313 500	327 608	342 350
Depreciation and amortisation		417 614	372 532	366 625	441 964	441 738	441 738	461 616	482 389	504 096
Interest		43 717	35 856	26 916	94 217	52 039	52 039	40 401	42 219	44 119
Contracted services		495 490	575 664	722 754	664 657	755 248	755 248	982 347	1 040 649	1 088 841
Transfers and subsidies		25 307	16 870	19 996	63 469	53 652	53 652	51 858	54 257	56 780
Irrecoverable debts written off		20 930	390 096	83 779						
Operational costs		136 748	128 892	121 312	180 000	197 273	197 273	223 481	229 014	239 777
Losses on disposal of Assets		14 646	10 483	16 100						
Other Losses		33 541	29 576	9 599						
<b>Total Expenditure</b>		<b>5 693 447</b>	<b>5 984 003</b>	<b>6 949 419</b>	<b>6 454 947</b>	<b>6 623 210</b>	<b>6 623 210</b>	<b>7 619 249</b>	<b>8 206 412</b>	<b>8 901 743</b>
<b>Surplus/(Deficit)</b>		<b>(206 334)</b>	<b>(443 647)</b>	<b>(1 095 707)</b>	<b>595 823</b>	<b>372 427</b>	<b>372 427</b>	<b>491 231</b>	<b>775 054</b>	<b>1 136 596</b>
Transfers and subsidies - capital (monetary)	6	430 114	498 603	368 725	446 431	437 597	437 597	317 456	321 309	327 882
Transfers and subsidies - capital (in-kind)	6									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>
Share of Surplus/Deficit attributable to Associate Intercompany/Parent subsidiary transactions	7									
<b>Surplus/(Deficit) for the year</b>	1	<b>223 780</b>	<b>54 956</b>	<b>(726 982)</b>	<b>1 042 254</b>	<b>810 024</b>	<b>810 024</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>



Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	2									
Vote 1 - City Manager		646	-	1 614	500	550	550	-	-	-
Vote 2 - City Finance		9 185	1 593	4 936	21 289	16 129	16 129	30 000	30 000	30 000
Vote 3 - Corporate Services		(6 913)	972	2 273	5 602	1 105	1 105	10 000	10 000	10 000
Vote 4 - Community Services and Social Equity		12 745	24 381	33 154	40 401	41 471	41 471	28 827	17 455	26 865
Vote 5 - Infrastructure Services		321 092	404 546	308 960	580 999	211 962	211 962	318 102	292 433	355 181
Vote 6 - Sustainable Development and City Enterprises		109 768	180 965	51 772	146 856	152 824	152 824	10 000	3 139	-
Vote 7 - Electricity		33 333	46 851	98 800	1 000	76 484	76 484	175 400	128 968	29 633
<b>Capital multi-year expenditure sub-total</b>	7	<b>479 855</b>	<b>659 308</b>	<b>501 510</b>	<b>796 646</b>	<b>500 525</b>	<b>500 525</b>	<b>572 329</b>	<b>481 995</b>	<b>451 679</b>
<b>Single-year expenditure to be appropriated</b>	2									
Vote 1 - City Manager		-	1 410	2 151	3 500	1 900	1 900	5 000	-	-
Vote 2 - City Finance		-	6 469	6 345	16 565	4 785	4 785	-	-	-
Vote 3 - Corporate Services		-	133	2 270	12 326	4 042	4 042	10 000	10 000	10 000
Vote 4 - Community Services and Social Equity		-	13 964	3 553	833	9 956	9 956	-	-	-
Vote 5 - Infrastructure Services		-	-	3 549	600	2 243	2 243	5 000	5 000	5 000
Vote 6 - Sustainable Development and City Enterprises		-	400	2 059	2 198	3 534	3 534	41 527	34 315	31 203
Vote 7 - Electricity		-	4 248	-	3 250	-	-	3 600	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>26 624</b>	<b>19 927</b>	<b>39 272</b>	<b>26 460</b>	<b>26 460</b>	<b>65 127</b>	<b>49 315</b>	<b>46 203</b>
<b>Total Capital Expenditure - Vote</b>		<b>479 855</b>	<b>685 931</b>	<b>521 437</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>531 309</b>	<b>497 882</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>2 918</b>	<b>10 576</b>	<b>19 336</b>	<b>49 638</b>	<b>29 461</b>	<b>29 461</b>	<b>51 000</b>	<b>50 000</b>	<b>50 000</b>
Executive and council		646	1 410	2 639	2 100	2 000	2 000	1 000	-	-
Finance and administration		2 272	9 166	16 697	47 538	27 461	27 461	50 000	50 000	50 000
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1 455</b>	<b>79 498</b>	<b>36 891</b>	<b>128 563</b>	<b>45 009</b>	<b>45 009</b>	<b>37 948</b>	<b>19 909</b>	<b>23 068</b>
Community and social services		-	14 121	33 969	24 132	28 543	28 543	24 248	12 931	22 368
Sport and recreation		3 374	2 415	1 041	2 150	2 200	2 200	-	-	-
Public safety		(1 919)	(299)	94	2 875	1 975	1 975	-	-	-
Housing		-	63 262	1 786	99 406	12 291	12 291	13 700	6 977	700
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>321 828</b>	<b>366 180</b>	<b>239 009</b>	<b>104 991</b>	<b>197 379</b>	<b>197 379</b>	<b>107 006</b>	<b>121 092</b>	<b>133 492</b>
Planning and development		23 845	115 787	37 474	44 830	137 288	137 288	38 606	30 000	30 000
Road transport		297 723	250 393	201 377	59 643	59 310	59 310	68 400	91 092	103 492
Environmental protection		260	-	158	518	781	781	-	-	-
<b>Trading services</b>		<b>153 654</b>	<b>227 504</b>	<b>226 176</b>	<b>548 106</b>	<b>250 528</b>	<b>250 528</b>	<b>438 702</b>	<b>390 309</b>	<b>241 321</b>
Energy sources		47 652	51 099	98 800	241 154	76 484	76 484	179 000	128 968	29 633
Water management		74 706	78 159	58 052	196 583	84 618	84 618	133 925	131 163	105 099
Waste water management		23 361	75 994	54 322	94 269	76 326	76 326	120 778	125 178	101 589
Waste management		7 935	22 252	15 002	16 100	13 100	13 100	5 000	5 000	5 000
<b>Other</b>		<b>2 173</b>	<b>415</b>	<b>415</b>	<b>4 620</b>	<b>4 607</b>	<b>4 607</b>	<b>2 800</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>
<b>Funded by:</b>										
National Government		312 944	397 217	291 413	344 634	310 626	310 626	312 535	320 133	326 679
Provincial Government		76 188	166 779	21 308	101 327	126 971	126 971	4 921	1 176	1 203
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>389 132</b>	<b>563 995</b>	<b>312 721</b>	<b>445 961</b>	<b>437 597</b>	<b>437 597</b>	<b>317 456</b>	<b>321 309</b>	<b>327 882</b>
<b>Borrowing</b>	6	<b>4 230</b>	<b>-</b>	<b>49 401</b>	<b>300 000</b>	<b>-</b>	<b>-</b>	<b>200 000</b>	<b>150 000</b>	<b>-</b>
<b>Internally generated funds</b>		<b>86 493</b>	<b>121 936</b>	<b>159 705</b>	<b>89 957</b>	<b>89 388</b>	<b>89 388</b>	<b>120 000</b>	<b>110 000</b>	<b>120 000</b>
<b>Total Capital Funding</b>	7	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>

KZN225 Msunduzi - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>ASSETS</b>										
<b>Current assets</b>										
Cash and cash equivalents		518 977	361 321	290 433	134 860	357 852	357 852	415 390	759 489	1 458 666
Trade and other receivables from exchange transactions	1	531 585	19 682	21 116	1 781 691	2 421 823	2 421 823	1 296 255	1 359 772	1 423 681
Receivables from non-exchange transactions	1	1 451 868	545 320	516 961	-	-	-	664 799	697 374	730 151
Current portion of non-current receivables			1 176 104	1 315 073						
Inventory	2	(468 078)	353 800	359 494	173 496	101 717	101 717	359 494	359 494	359 494
VAT										
Other current assets		18 452	32 311	32 670		48 958	48 958			
<b>Total current assets</b>		<b>2 052 804</b>	<b>2 488 538</b>	<b>2 535 748</b>	<b>2 090 047</b>	<b>2 930 350</b>	<b>2 930 350</b>	<b>2 735 938</b>	<b>3 176 129</b>	<b>3 971 992</b>
<b>Non current assets</b>										
Investments										
Investment property		821 671	892 584	925 219	821 671	821 671	821 671	974 256	1 021 995	1 070 028
Property, plant and equipment	3	6 588 895	6 781 652	6 917 056	7 125 684	6 825 684	6 825 684	7 169 553	7 059 716	6 945 887
Biological assets								84 451	88 589	92 752
Living and non-living resources		1 070	744	696	1 070	1 070	1 070	733	769	805
Heritage assets			272 919	273 106				287 581	301 672	315 851
Intangible assets		30 700	24 464	20 954	30 700	30 700	30 700	20 954	21 981	23 014
Trade and other receivables from exchange transactions								-	-	-
Non-current receivables from non-exchange transactions								-	-	-
Other non-current assets		345 025	96 300	80 200	360 375	360 375	360 375	-	-	-
<b>Total non current assets</b>		<b>7 787 362</b>	<b>8 068 662</b>	<b>8 217 232</b>	<b>8 339 501</b>	<b>8 039 501</b>	<b>8 039 501</b>	<b>8 537 527</b>	<b>8 494 722</b>	<b>8 448 338</b>
<b>TOTAL ASSETS</b>		<b>9 840 166</b>	<b>10 557 199</b>	<b>10 752 980</b>	<b>10 429 549</b>	<b>10 969 851</b>	<b>10 969 851</b>	<b>11 273 466</b>	<b>11 670 851</b>	<b>12 420 330</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft										
Financial liabilities		113 418	81 573	79 163	101 622	180 785	180 785	83 359	87 443	91 553
Consumer deposits		113 839	128 836	132 962	114 344	132 962	132 962	140 009	146 870	153 773
Trade and other payables from exchange transactions	4	1 624 207	1 385 627	1 922 030	1 106 988	2 180 378	2 180 378	1 755 229	1 841 235	1 927 773
Trade and other payables from non-exchange transactions	5		21 715	20 092				-	-	-
Provision		41 864	10 129	8 304	140 398	140 398	140 398	49 000	51 401	53 817
VAT			190 638	178 523				187 552	196 742	205 989
Other current liabilities			219 226	177 614				-	-	-
<b>Total current liabilities</b>		<b>1 893 328</b>	<b>2 037 746</b>	<b>2 518 688</b>	<b>1 463 352</b>	<b>2 634 523</b>	<b>2 634 523</b>	<b>2 215 148</b>	<b>2 323 691</b>	<b>2 432 904</b>
<b>Non current liabilities</b>										
Financial liabilities	6	285 318	203 745	589 320	499 353	623 935	623 935	131 184	137 612	144 080
Provision	7	531 180	55 142	-	809 779	1 460 213	1 460 213	723 828	759 296	794 983
Long term portion of trade payables										
Other non-current liabilities			555 608	185 695						
<b>Total non current liabilities</b>		<b>816 498</b>	<b>814 494</b>	<b>775 015</b>	<b>1 309 133</b>	<b>2 084 148</b>	<b>2 084 148</b>	<b>855 013</b>	<b>896 908</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2 709 826</b>	<b>2 852 240</b>	<b>3 293 704</b>	<b>2 772 485</b>	<b>4 718 671</b>	<b>4 718 671</b>	<b>3 070 161</b>	<b>3 220 599</b>	<b>2 432 904</b>
<b>NET ASSETS</b>		<b>7 130 340</b>	<b>7 704 959</b>	<b>7 459 276</b>	<b>7 657 063</b>	<b>6 251 180</b>	<b>6 251 180</b>	<b>8 203 305</b>	<b>8 450 252</b>	<b>9 987 426</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated surplus/(deficit)	8	7 748 557	7 513 887	7 265 348	7 657 063	6 049 349	6 049 349	7 990 777	8 227 310	9 754 006
Reserves and funds	9	190 847	190 989	201 831	-	201 831	201 831	212 528	222 942	233 420
Other										
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>7 939 405</b>	<b>7 704 876</b>	<b>7 467 179</b>	<b>7 657 063</b>	<b>6 251 180</b>	<b>6 251 180</b>	<b>8 203 305</b>	<b>8 450 252</b>	<b>9 987 426</b>

**KZN225 Msunduzi Municipality - Table A7 Consolidated Budgeted Cash Flows**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates				1 149 564	1 284 380	1 341 464	1 341 464		1 450 636	1 521 717	1 593 238
Service charges		3 893 416	4 078 705	3 166 810	3 876 295	4 048 575	4 048 575		5 515 221	6 249 508	7 188 210
Other revenue				76 010	915 670	716 654	716 654		212 120	225 570	236 172
Transfers and Subsidies - Operational	1	681 738	1 254 552	686 989	855 842	800 709	800 709		827 889	906 109	982 491
Transfers and Subsidies - Capital	1	487 770		327 897	446 431	437 597	437 597		317 456	321 309	327 882
Interest		45 593	23 018	33 578	17 030	17 030	17 030		18 052	19 225	20 494
Dividends					-	-	-		-	-	-
<b>Payments</b>											
Suppliers and employees		(4 385 977)	(4 731 611)	(4 853 520)	(6 605 694)	(6 640 741)	(6 640 741)		(7 635 504)	(8 260 358)	(9 007 347)
Finance charges			(36 203)	(27 182)	(94 217)	(52 039)	(52 039)		(40 401)	(42 219)	(44 119)
Transfers and Subsidies	1	(46 314)		(25 007)	(63 469)	(53 652)	(53 652)		(51 858)	(54 257)	(56 780)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>676 226</b>	<b>588 460</b>	<b>535 139</b>	<b>632 268</b>	<b>615 597</b>	<b>615 597</b>	<b>-</b>	<b>613 612</b>	<b>886 605</b>	<b>1 240 241</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(399 051)	(600 456)	5 825		3 693	3 693		-	-	-
Decrease (increase) in non-current receivables				(359)					-	-	-
Decrease (increase) in non-current investments		17 207	(32 242)						-	-	-
<b>Payments</b>											
Capital assets				(530 398)	(835 918)	(526 985)	(526 985)		(733 074)	(668 506)	(515 064)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(381 844)</b>	<b>(632 698)</b>	<b>(524 932)</b>	<b>(835 918)</b>	<b>(523 292)</b>	<b>(523 292)</b>	<b>-</b>	<b>(733 074)</b>	<b>(668 506)</b>	<b>(515 064)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing					300 000				200 000	150 000	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		(83 601)	(113 418)	(81 573)	(23 606)	(23 606)	(23 606)		(23 000)	(24 000)	(26 000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(83 601)</b>	<b>(113 418)</b>	<b>(81 573)</b>	<b>276 394</b>	<b>(23 606)</b>	<b>(23 606)</b>	<b>-</b>	<b>177 000</b>	<b>126 000</b>	<b>(26 000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>210 782</b>	<b>(157 656)</b>	<b>(71 367)</b>	<b>72 743</b>	<b>68 699</b>	<b>68 699</b>	<b>-</b>	<b>57 538</b>	<b>344 099</b>	<b>699 177</b>
Cash/cash equivalents at the year begin:	2	308 195	518 977	359 520	62 117	289 153	289 153		357 852	415 390	759 489
Cash/cash equivalents at the year end:	2	518 977	361 321	288 153	134 860	357 852	357 852		415 390	759 489	1 458 666

**KZN225 Msunduzi Municipality-Table A7 Consolidated Cash backed reserves /accumulated surplus reconciliation**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	518 977	361 321	288 153	134 860	357 852	357 852	-	415 390	759 489	1 458 666
Other current investments > 90 days											
<b>Cash and investments available:</b>		<b>518 977</b>	<b>361 321</b>	<b>288 153</b>	<b>134 860</b>	<b>357 852</b>	<b>357 852</b>	<b>-</b>	<b>415 390</b>	<b>759 489</b>	<b>1 458 666</b>
<b>Application of cash and investments</b>											
Unspent Conditional Grant		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2								40 000	41 800	43 681
Other working capital requirements	3	(643 048)	(667 763)	(691 635)	680 477	(397 725)	(397 725)	-	(358 990)	(361 907)	(363 167)
Other provisions					140 398	140 398	140 398		146 716	153 318	160 217
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5					786	786				
<b>Total Application of cash and investments:</b>		<b>(643 048)</b>	<b>(667 763)</b>	<b>(691 635)</b>	<b>820 875</b>	<b>(256 541)</b>	<b>(256 541)</b>	<b>-</b>	<b>(172 274)</b>	<b>(166 789)</b>	<b>(159 269)</b>
<b>Surplus(shortfall)</b>		<b>1 162 025</b>	<b>1 029 084</b>	<b>979 788</b>	<b>(686 015)</b>	<b>614 393</b>	<b>614 393</b>	<b>-</b>	<b>587 664</b>	<b>926 278</b>	<b>1 617 934</b>

**KZN225 Msunduzi Municipality -Consolidated Table A9 Asset Management**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	21 108	407 943	208 016	195 913	197 485	197 485	376 635	176 246	161 493
Roads Infrastructure		21 108	211 423	81 648	8 500	1 125	1 125	2 250	2 250	2 250
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	4 653	5 503	19 015	64 484	64 484	194 000	28 968	29 633
Water Supply Infrastructure		-	74 239	22 506	5 000	8 366	8 366	29 860	19 780	29 360
Sanitation Infrastructure		-	44 898	7 231	-	32 836	32 836	65 478	65 339	37 183
Solid Waste Infrastructure		-	-	-	10 150	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	9 691	3 000	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>21 108</b>	<b>335 214</b>	<b>126 579</b>	<b>45 665</b>	<b>106 812</b>	<b>106 812</b>	<b>291 588</b>	<b>116 337</b>	<b>98 425</b>
Community Facilities		-	10 563	8 486	20 726	26 419	26 419	25 548	13 770	19 929
Sport and Recreation Facilities		-	2 596	574	-	512	512	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>13 159</b>	<b>9 060</b>	<b>20 726</b>	<b>26 930</b>	<b>26 930</b>	<b>25 548</b>	<b>13 770</b>	<b>19 929</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	295	5 075	6 375	6 375	10 000	3 139	-
Housing		-	59 047	11 266	-	5 591	5 591	4 500	3 000	3 139
<b>Other Assets</b>		<b>-</b>	<b>59 047</b>	<b>11 561</b>	<b>5 075</b>	<b>11 966</b>	<b>11 966</b>	<b>14 500</b>	<b>6 139</b>	<b>3 139</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 072</b>	<b>9 072</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	30 000	30 000	30 000
Licences and Rights		-	523	1 041	3 750	500	500	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>523</b>	<b>1 041</b>	<b>3 750</b>	<b>500</b>	<b>500</b>	<b>30 000</b>	<b>30 000</b>	<b>30 000</b>
Computer Equipment		-	-	6 493	5 669	-	-	-	-	-
Furniture and Office Equipment		-	-	2 334	10 556	9 857	9 857	15 000	10 000	10 000
Machinery and Equipment		-	-	41 032	62 500	20 799	20 799	-	-	-
Transport Assets		-	-	9 917	41 972	11 548	11 548	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

KZN225 Msunduzi Municipality -Consolidated Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Total Renewal of Existing Assets</b>	2	203 992	72 704	208 114	151 851	175	175	55 356	60 750	70 750
Roads Infrastructure		-	50 404	118 545	38 000	-	-	33 150	45 750	54 750
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	1 244	-	-	-	-	-	-
Water Supply Infrastructure		-	-	12 311	62 427	-	-	-	-	-
Sanitation Infrastructure		-	15 866	67 834	46 000	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	14 206	7 500	8 000
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	66 270	199 934	146 427	-	-	47 356	53 250	62 750
Community Facilities		-	1 178	741	-	175	175	8 000	7 500	8 000
Sport and Recreation Facilities		-	4 068	140	-	-	-	-	-	-
<b>Community Assets</b>		-	5 246	881	-	175	175	8 000	7 500	8 000
<b>Heritage Assets</b>	208 368	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	1 188	4 337	515	-	-	-	-	-
Housing		-	-	-	4 909	-	-	-	-	-
<b>Other Assets</b>		-	1 188	4 337	5 424	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	2 962	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	2 962	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		(4 375)	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	254 755	205 285	105 307	488 155	329 325	329 325	205 465	344 313	215 638
Roads Infrastructure		-	59 061	29 784	63 118	156 664	156 664	38 400	51 092	53 492
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	26 990	34 906	134 414	-	-	-	-	-
Water Supply Infrastructure		-	15 229	-	109 803	74 785	74 785	106 065	213 383	77 739
Sanitation Infrastructure		-	-	19 788	64 550	51 440	51 440	40 300	59 838	64 406
Solid Waste Infrastructure		-	1 934	3 302	-	7 550	7 550	5 000	5 000	5 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	103 214	87 780	371 886	290 439	290 439	189 765	329 313	200 638
Community Facilities		-	102 071	17 527	7 600	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	102 071	17 527	7 600	-	-	-	-	-
<b>Heritage Assets</b>	201 734	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	200	38 336	38 336	10 700	10 000	10 000
Housing		-	-	-	93 797	-	-	-	-	-
<b>Other Assets</b>		-	-	-	93 997	38 336	38 336	10 700	10 000	10 000
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	14 672	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	14 672	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	50	50	-	-	-
Machinery and Equipment		16	-	-	-	500	500	-	-	-
Transport Assets		(6 605)	-	-	-	-	-	5 000	5 000	5 000
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		59 610	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	479 855	685 931	521 437	835 918	526 985	526 985	637 456	581 309	447 882
Roads Infrastructure		21 108	320 888	229 977	109 618	157 789	157 789	73 800	99 092	110 492
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	31 643	41 652	153 429	64 484	64 484	194 000	28 968	29 633
Water Supply Infrastructure		-	89 468	34 817	177 230	83 151	83 151	135 925	233 163	107 099
Sanitation Infrastructure		-	60 765	94 854	110 550	84 276	84 276	105 778	125 178	101 589
Solid Waste Infrastructure		-	1 934	3 302	10 150	7 550	7 550	5 000	5 000	5 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	9 691	3 000	-	-	14 206	7 500	8 000
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		21 108	504 698	414 293	563 978	397 251	397 251	528 708	498 900	361 814
Community Facilities		-	113 812	26 753	28 326	26 593	26 593	33 548	21 270	27 929
Sport and Recreation Facilities		-	6 664	714	-	512	512	-	-	-
<b>Community Assets</b>		-	120 476	27 467	28 326	27 105	27 105	33 548	21 270	27 929
<b>Heritage Assets</b>	410 101	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	1 188	4 633	5 790	44 711	44 711	20 700	13 139	10 000
Housing		-	59 047	11 266	98 706	5 591	5 591	4 500	3 000	3 139
<b>Other Assets</b>		-	60 235	15 899	104 496	50 303	50 303	25 200	16 139	13 139
<b>Biological or Cultivated Assets</b>		-	-	-	-	9 072	9 072	-	-	-
Servitudes		-	-	-	-	-	-	30 000	30 000	30 000
Licences and Rights		-	523	4 003	18 422	500	500	-	-	-
<b>Intangible Assets</b>		-	523	4 003	18 422	500	500	30 000	30 000	30 000
Computer Equipment		-	-	6 493	5 669	-	-	-	-	-
Furniture and Office Equipment		-	-	2 334	10 556	9 907	9 907	15 000	10 000	10 000
Machinery and Equipment		16	-	41 032	62 500	21 299	21 299	-	-	-
Transport Assets		(10 980)	-	9 917	41 972	11 548	11 548	5 000	5 000	5 000
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		59 610	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		479 855	685 931	521 437	835 918	526 985	526 985	637 456	581 309	447 882

**KZN225 Msunduzi Municipality -Consolidated Table A9 Asset Management**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	8 114 943	7 776 759	-	7 195 684	6 895 684	6 895 684	7 261 155	7 616 952	7 974 949
<i>Roads Infrastructure</i>		1 863 937	1 873 107	-	1 830 420	1 830 420	1 830 420	1 927 433	2 021 877	2 116 905
<i>Storm water Infrastructure</i>		500 215	492 667	-	87 083	87 083	87 083	91 698	96 191	100 712
<i>Electrical Infrastructure</i>		1 281 576	1 173 269	-	1 018 082	818 082	818 082	861 440	903 651	946 122
<i>Water Supply Infrastructure</i>		729 288	732 347	-	1 223 186	1 123 186	1 123 186	1 182 715	1 240 668	1 298 980
<i>Sanitation Infrastructure</i>		491 270	489 056	-	600 826	600 826	600 826	632 670	663 671	694 863
<i>Solid Waste Infrastructure</i>		8 204	7 891	-	85 470	85 470	85 470	90 000	94 410	98 847
<i>Rail Infrastructure</i>		1 134	1 018	-	1 254	1 254	1 254	1 320	1 385	1 450
<i>Coastal Infrastructure</i>		-	-	-	4 747	4 747	4 747	4 998	5 243	5 490
<i>Information and Communication Infrastructure</i>		-	-	-	5 183	5 183	5 183	5 458	5 725	5 994
<b>Infrastructure</b>		<b>4 875 623</b>	<b>4 769 356</b>	<b>-</b>	<b>4 856 251</b>	<b>4 556 251</b>	<b>4 556 251</b>	<b>4 797 733</b>	<b>5 032 821</b>	<b>5 269 364</b>
<b>Community Assets</b>		448 405	439 697	-	79 588	79 588	79 588	83 807	87 913	92 045
<b>Heritage Assets</b>		272 674	271 925	-	206 938	206 938	206 938	217 905	228 583	239 326
<b>Investment properties</b>		702 385	821 671	-	668 979	668 979	668 979	704 435	738 952	773 683
<b>Other Assets</b>		275 725	269 415	-	617 452	617 452	617 452	650 177	682 035	714 091
<b>Biological or Cultivated Assets</b>		80 648	74 170	-	-	-	-	-	-	-
<b>Intangible Assets</b>		40 783	30 700	-	(1 083)	(1 083)	(1 083)	(1 140)	(1 196)	(1 252)
<b>Computer Equipment</b>		35 928	28 779	-	(28 780)	(28 780)	(28 780)	(30 305)	(31 790)	(33 284)
<b>Furniture and Office Equipment</b>		17 077	16 197	-	17 596	17 596	17 596	18 529	19 437	20 351
<b>Machinery and Equipment</b>		53 218	53 726	-	568 678	568 678	568 678	598 818	628 160	657 684
<b>Transport Assets</b>		93 489	85 287	-	210 063	210 063	210 063	221 197	232 035	242 941
<b>Land</b>		1 218 988	915 836	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>8 114 943</b>	<b>7 776 759</b>	<b>-</b>	<b>7 195 684</b>	<b>6 895 684</b>	<b>6 895 684</b>	<b>7 261 155</b>	<b>7 616 952</b>	<b>7 974 949</b>
<b>EXPENDITURE OTHER ITEMS</b>		474 776	483 872	605 229	947 931	688 436	688 436	1 039 979	1 092 919	1 134 143
<b>Depreciation</b>	7	417 614	372 532	366 625	441 964	441 738	441 738	466 692	492 332	504 096
<b>Repairs and Maintenance by Asset Class</b>	3	57 162	111 340	238 604	505 967	246 698	246 698	573 286	600 587	630 047
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		33 758	77 522	130 184	87 166	63 501	63 501	161 182	169 080	177 027
<i>Water Supply Infrastructure</i>		-	-	-	-	11 399	11 399	8 680	9 106	9 534
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	33 167	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	46 650	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>33 758</b>	<b>77 522</b>	<b>130 184</b>	<b>166 984</b>	<b>74 900</b>	<b>74 900</b>	<b>169 863</b>	<b>178 186</b>	<b>186 561</b>
<b>Community Facilities</b>		-	-	-	33 237	14	14	15	16	16
<b>Sport and Recreation Facilities</b>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	<b>33 237</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>16</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<b>Revenue Generating</b>		-	-	-	-	-	-	-	-	-
<b>Non-revenue Generating</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<b>Operational Buildings</b>		14 845	14 191	70 356	181 556	50 587	50 587	163 462	171 463	179 531
<b>Housing</b>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>14 845</b>	<b>14 191</b>	<b>70 356</b>	<b>181 556</b>	<b>50 587</b>	<b>50 587</b>	<b>163 462</b>	<b>171 463</b>	<b>179 531</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Servitudes</b>		-	-	-	-	-	-	-	-	-
<b>Licences and Rights</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		8 559	19 626	38 064	94 232	100 702	100 702	214 842	225 369	235 961
<b>Transport Assets</b>		-	-	-	29 959	20 495	20 495	25 105	25 553	27 978
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Mature</b>		-	-	-	-	-	-	-	-	-
<b>Immature</b>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>474 776</b>	<b>483 872</b>	<b>605 229</b>	<b>947 931</b>	<b>688 436</b>	<b>688 436</b>	<b>1 039 979</b>	<b>1 092 919</b>	<b>1 134 143</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		95,6%	40,5%	60,1%	76,6%	62,5%	62,5%	40,9%	69,7%	63,9%
<b>Renewal and upgrading of Existing Assets as % of deprecn R&amp;M as a % of PPE</b>		109,8%	74,6%	85,5%	144,8%	74,6%	74,6%	55,9%	82,3%	56,8%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		0,9%	1,6%	3,4%	7,1%	3,6%	3,6%	7,1%	8,4%	8,9%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		6,0%	5,0%	0,0%	16,0%	8,0%	8,0%	11,0%	13,0%	11,0%

**KZN225 Msunduzi Municipality-Table A10 Consolidated basic delivery measurement**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		169 564	169 564	169 564	84 782	84 782	84 782	84 782	84 782	84 782
Piped water inside yard (but not in dwelling)		134 961	134 961	134 961	67 481	67 481	67 481	67 481	67 481	67 481
Using public tap (at least min.service level)	2	13 309	13 309	13 309	6 654	6 654	6 654	6 654	6 654	6 654
Other water supply (at least min.service level)	4	6 392	6 392	6 392	3 196	3 196	3 196	3 196	3 196	3 196
<i>Minimum Service Level and Above sub-total</i>		324 226	324 226	324 226	162 113	162 113	162 113	162 113	162 113	162 113
Using public tap (< min.service level)	3	13 309	13 309	13 309	6 654	6 654	6 654	6 654	6 654	6 654
Other water supply (< min.service level)	4	3 701	3 701	3 701	1 851	1 851	1 851	1 851	1 851	1 851
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		17 010	17 010	17 010	8 505	8 505	8 505	8 505	8 505	8 505
<b>Total number of households</b>	5	<b>341 237</b>	<b>341 237</b>	<b>341 237</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		183 178	183 178	183 178	91 589	91 589	91 589	91 589	91 589	91 589
Flush toilet (with septic tank)		17 310	17 310	17 310	8 655	8 655	8 655	8 655	8 655	8 655
Chemical toilet		14 724	14 724	14 724	7 362	7 362	7 362	7 362	7 362	7 362
Pit toilet (ventilated)		123 656	123 656	123 656	61 828	61 828	61 828	61 828	61 828	61 828
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		338 868	338 868	338 868	169 434	169 434	169 434	169 434	169 434	169 434
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		2 369	2 369	2 369	1 184	1 184	1 184	1 184	1 184	1 184
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2 369	2 369	2 369	1 184	1 184	1 184	1 184	1 184	1 184
<b>Total number of households</b>	5	<b>341 237</b>	<b>341 237</b>	<b>341 237</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>
<b>Energy:</b>										
Electricity (at least min.service level)		270 543	270 543	270 543	135 271	135 271	135 271	135 271	135 271	135 271
Electricity - prepaid (min.service level)		54 694	54 694	54 694	27 347	27 347	27 347	27 347	27 347	27 347
<i>Minimum Service Level and Above sub-total</i>		325 237	325 237	325 237	162 618	162 618	162 618	162 618	162 618	162 618
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		16 000	16 000	16 000	8 000	8 000	8 000	8 000	8 000	8 000
<i>Below Minimum Service Level sub-total</i>		16 000	16 000	16 000	8 000	8 000	8 000	8 000	8 000	8 000
<b>Total number of households</b>	5	<b>341 237</b>	<b>341 237</b>	<b>341 237</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>
<b>Refuse:</b>										
Removed at least once a week		259 696	259 696	259 696	129 848	129 848	129 848	129 848	129 848	129 848
<i>Minimum Service Level and Above sub-total</i>		259 696	259 696	259 696	129 848	129 848	129 848	129 848	129 848	129 848
Removed less frequently than once a week		81 541	81 541	81 541	40 770	40 770	40 770	40 770	40 770	40 770
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		81 541	81 541	81 541	40 770	40 770	40 770	40 770	40 770	40 770
<b>Total number of households</b>	5	<b>341 237</b>	<b>341 237</b>	<b>341 237</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>	<b>170 618</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>					228 089	-	242 071	256 930	-	-
<b>Total cost of FBS provided</b>	8	-	-	-	<b>228 089</b>	-	<b>242 071</b>	<b>256 930</b>	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		100 000	-	-	120 000	120 000	120 000	120 000	120 000	120 000
Water (kilolitres per household per month)		6	-	-	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		153	-	-	163	163	163	163	163	163
Electricity (kwh per household per month)		70	-	-	70	70	70	70	70	70
Refuse (average litres per week)		200	-	-	200	200	200	200	200	200
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	42 382	-	109 119	109 119	109 119	116 757	124 930	133 675
Water (in excess of 6 kilolitres per indigent household per month)		-	4 644	-	202 356	202 356	202 356	222 592	233 499	244 473
Sanitation (in excess of free sanitation service to indigent households)		-	18 430	-	14 449	14 449	14 449	16 761	17 582	18 408
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	170	-	4 204	4 204	4 204	4 671	5 418	6 394
Refuse (in excess of one removal a week for indigent households)		-	14	-	15 058	15 058	15 058	7 899	8 286	8 692
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other	6	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		-	<b>65 640</b>	-	<b>345 186</b>	<b>345 186</b>	<b>345 186</b>	<b>368 680</b>	<b>389 716</b>	<b>411 643</b>

## **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 2022. Key dates applicable to the process were:



- **30 August 2022** Annual Performance Report submitted to Auditor-General as per S46 MSA
- **10 October 2022** the first sitting of the IDP representative forum
- **05 to 07 May 2023** Zonal IDP/ Budget Izimbizo convened by the Mayor
- **21 March 2023** conducted public hearings on proposed rates and tariffs for 2023/24 budget year.

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

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

- 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 2022/23 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 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 2023/24 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 2023
- 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
- State of National Addressees 2019,2020,2021, 2022 and 20223

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

**Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue****Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure****KZN225 Msunduzi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
<b>R thousand</b>													
Financial Viability and Management	Financially viable and well governed City			1 466 251	1 568 361	1 733 327	1 785 080	1 785 080	1 785 080	1 917 566	2 082 185	2 207 116	
Basic Service Delivery	Improved the state of municipal infrastructure			3 455 323	3 695 954	4 278 004	4 190 213	4 190 213	4 190 213	4 002 340	4 298 679	4 572 608	
Local Economic Development	An economically prosperous city			23 920	25 585	28 276	29 467	29 467	29 467	31 613	33 833	35 863	
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities living in a variety of friendly.			304 903	326 137	360 441	375 620	375 620	375 620	402 972	431 272	457 149	
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories.			(68 124)	246 272	(484 957)	321 884	435 499	435 499	592 273	374 390	167 124	
Municipal Transformation and Institutional Development	Improved customer experience & public participation			78 694	87 299	93 028	96 946	96 946	96 946	104 005	111 310	117 988	
<b>Allocations to other priorities</b>			2										
<b>Total Revenue (excluding capital transfers and contributions)</b>				1	5 260 967	5 949 608	6 008 119	6 799 211	6 912 826	6 912 826	7 050 770	7 331 670	7 557 848

**KZN225 Msunduzi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
<b>R thousand</b>													
Financial Viability and Management	Financially viable and well governed City			499 885	526 628	601 730	605 334	605 334	605 334	651 385	686 235	734 271	
Basic Service Delivery	Improved the state of municipal infrastructure			1 179 591	1 242 699	1 419 918	1 428 423	1 428 423	1 428 423	1 537 091	1 619 325	1 732 678	
Local Economic Development	An economically prosperous city			467 867	492 897	563 189	566 562	566 562	566 562	609 664	642 281	572 059	
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities living in a variety of friendly.			144 781	152 527	174 279	175 323	175 323	175 323	188 660	198 754	212 666	
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories.			2 198 867	3 299 254	3 629 446	3 328 113	3 450 222	3 450 222	3 452 372		3 820 092	
Municipal Transformation and Institutional Development	Improved customer experience & public participation			12 106	12 753	14 572	14 659	14 659	14 659	15 775	3 589 240 16 618	17 782	
<b>Allocations to other priorities</b>													
<b>Total Expenditure</b>				1	4 503 095	5 726 758	6 403 133	6 118 414	6 240 523	6 240 523	6 454 947	6 752 453	7 089 548



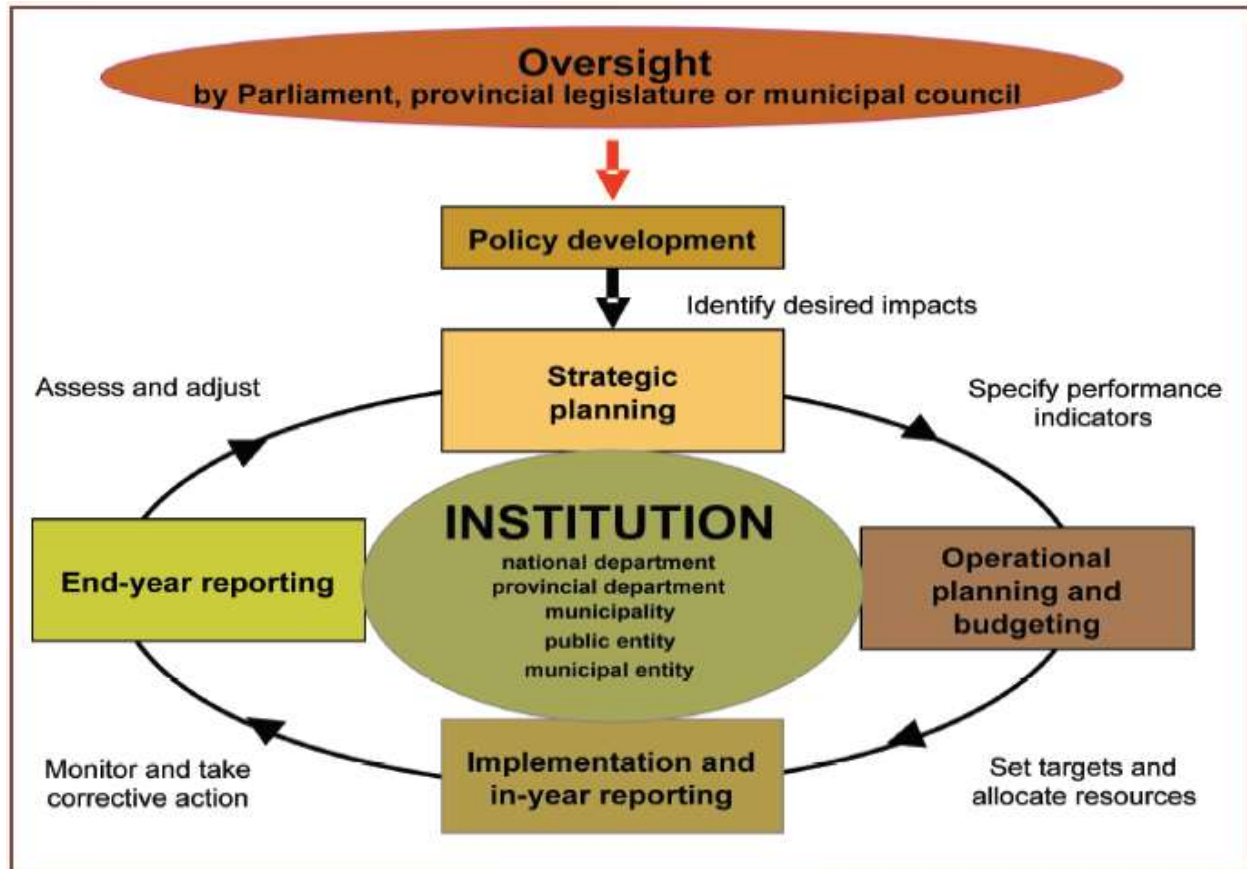
**Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure****KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Viability and Management	Financially viable and well governed City	A		163 923			124 403	124 403	124 403	122 778		133 828
Basic Service Delivery	Improved the state of municipal infrastructure	B		1 466 251	1 568 361	1 765 096	1 876 764	1 955 669	1 955 669	2 456 583	2 251 529	2 053 430
Local Economic Development	An economically prosperous city	C		(1 505 267)	(1 611 111)	(1 563 710)	(1 923 466)	(1 923 466)	(1 923 466)	(2 280 664)	(2 109 359)	(2 235 921)
Good governance and Public Participation	To develop strong welcoming, caring & diverse communities living in a variety of friendly.	D		23 920	25 585	28 276	29 467	29 467	29 467	31 613	33 833	35 863
Gross Cutting Issues	Reduce housing backlogs and eliminate spatial separation by racial categories.	E		304 903	326 137	360 441	375 620	375 620	375 620	402 972	431 272	457 149
Municipal Transformation and Institutional Development	Improved customer experience & public participation	F		81 062	86 708	95 828	93 513	93 513	93 513	102 635	110 509	117 140
<b>Allocations to other priorities</b>			3									
<b>Total Capital Expenditure</b>			1	<b>613 487</b>	<b>479 855</b>	<b>685 931</b>	<b>576 302</b>	<b>655 207</b>	<b>655 207</b>	<b>835 918</b>	<b>717 784</b>	<b>561 489</b>

## 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:

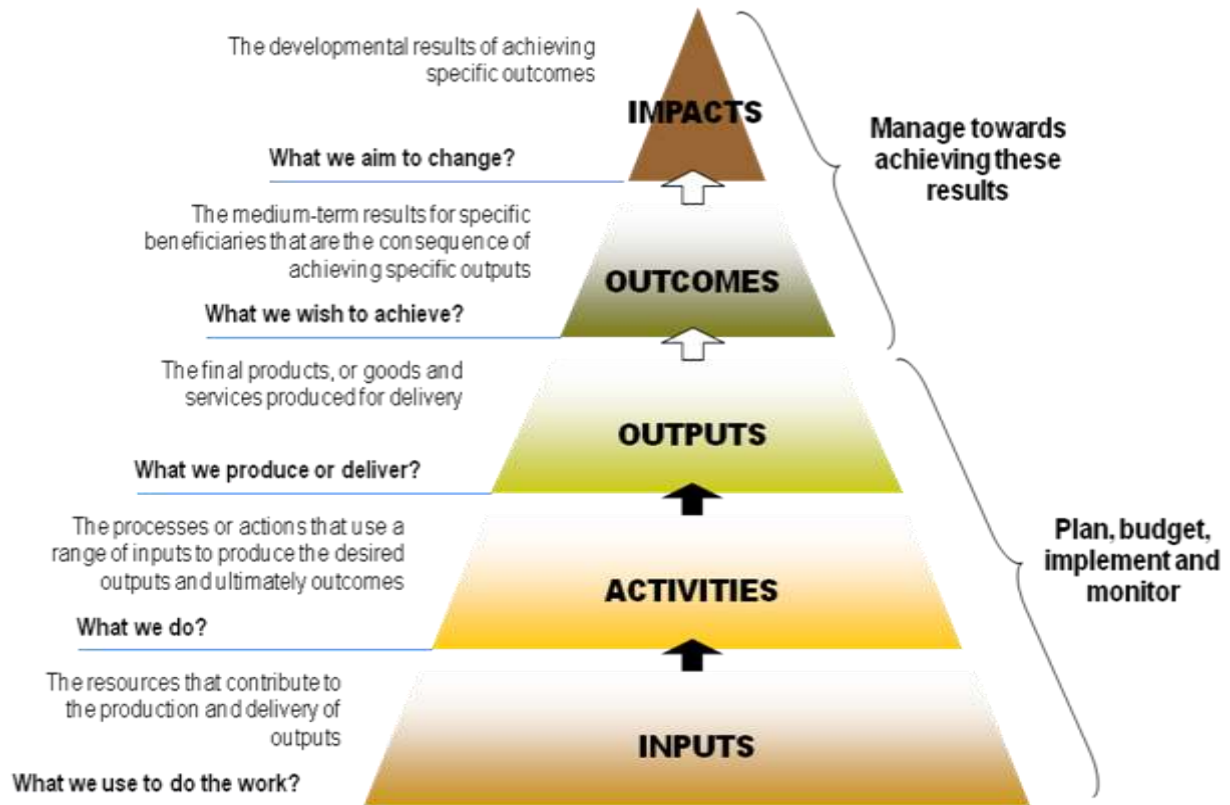


**Figure 2 Planning, budgeting and reporting cycle**

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:



/

The following table sets out the municipalities main performance objectives and benchmarks for the 2022/23 MTREF.

**Table 23 MBRR Table SA8 - Performance indicators and benchmarks**

**KZN225 Msunduzi Municipality-Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2,2%	2,5%	1,6%	1,8%	1,1%	1,1%	0,0%	0,8%	0,8%	0,8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2,4%	2,7%	1,9%	1,7%	1,1%	1,1%	0,0%	0,8%	0,7%	0,7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	76,9%	0,0%	0,0%	0,0%	62,5%	71,4%	0,0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1,1	1,2	1,0	1,4	1,1	1,1	89,4	1,2	1,4	1,6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,1	1,2	1,0	1,4	1,1	1,1	89,4	1,2	1,4	1,6
Liquidity Ratio	Monetary Assets/Current Liabilities	0,6	0,2	0,1	1,3	1,1	1,1	85,6	0,8	0,9	1,2
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		124,5%	126,8%	118,9%	119,8%	125,1%	125,1%	0,0%	135,6%	133,5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		124,5%	126,8%	118,9%	119,8%	125,1%	125,1%	0,0%	135,6%	133,5%	131,2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	32,9%	32,3%	30,8%	14,1%	13,2%	13,2%	0,0%	24,6%	23,1%	21,5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0,0%	0,0%	0,0%	820,8%	0,0%	0,0%	0,0%	422,5%	242,4%	132,2%
<b>Other Indicators</b>											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase Water treatment works Natural sources										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	24,5%	25,6%	25,5%	22,4%	23,2%	23,2%	0,0%	22,2%	20,9%	19,6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25,5%	26,7%	26,4%	22,6%	24,4%	24,3%		22,8%	21,5%	20,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1,0%	2,0%	4,1%	7,2%	3,5%	3,5%		7,1%	6,7%	6,3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8,4%	7,4%	6,7%	7,6%	7,1%	7,1%	0,0%	6,2%	5,8%	5,5%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	39,3	48,1	143,9	173,5	173,5	173,5	-	187,6	193,2	215,9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	31,4%	27,9%	24,1%	4,0%	2,4%	2,4%	0,0%	19,9%	18,2%	16,3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,2	0,9	0,6	0,3	0,8	0,8	-	0,8	1,3	2,3

## 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 2022/24 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 2023/24, 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. 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 2023/24 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 2023/24 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 95 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. Following the proposed tariff increase of 18.65 percent for recommended by NERSA for all municipality, council approved the 18.65 plus 3 percent while for Umgeni the 7 percent recommended by Department of water affairs the municipality added 3 percent to. 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 2023/24 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 23.6 per cent of total operating expenditure in the 2022/23 MTREF.

### 2.5.2 Credit rating outlook

**Table 5 Credit rating outlook remove this table and not replace**

			<b>145</b>	
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 : Aa3  
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 2023/24 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 (95 per cent for Property rates and 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, 5% 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 2023/24 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**

**KZN225 Msunduzi Municipality-Table A1 Consolidate**

Description	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>			
<b><u>Financial Performance</u></b>			
Property rates	1 526 985	1 601 807	1 677 092
Service charges	5 135 631	5 819 380	6 693 475
Investment revenue	–	–	–
Transfer and subsidies - Operational	827 889	906 109	982 491
Other own revenue	619 975	654 169	685 280
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>8 110 480</b>	<b>8 981 466</b>	<b>10 038 339</b>

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 2023/24 MTREF on the different revenue categories are:

**Table 25 Analysis of estimated revenue projections****KZN255 Msunduzi Table A4 Consolidated Financial performance (Revenue and Expenditure)**

Description	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework				
		Original Budget	Adjusted Budget	%Increase/Decrease(2022/23 and 2024/24)	Budget Year 2023/24	%Increase/Decrease(2023/24 and 2023/25)	Budget Year +1 2024/25	%Increase/Decrease(2023/24 and 2023/25)	Budget Year +2 2025/26
<b>R thousand</b>	1								
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity	2	3 183 150	3 183 150	18%	3 892 818	16%	4 515 669	18%	5 328 489
Service charges - Water	2	819 610	819 610	9%	901 572	5%	945 749	5%	990 199
Service charges - Waste Water Management	2	174 569	174 569	14%	202 500	5%	212 422	5%	222 406
Service charges - Waste Management	2	129 665	129 665	7%	138 742	5%	145 540	5%	152 380
Sale of Goods and Rendering of Services									
Agency services		668	668	7%	715	5%	750	5%	785
Interest		17 030	17 030	6%	18 052	6%	19 225	7%	20 494
Interest earned from Receivables		225 218	225 218	10%	248 865	5%	261 060	5%	273 330
Interest earned from Current and Non Current Assets									
Dividends									
Rent on Land									
Rental from Fixed Assets		37 424	37 424	64%	104 824	7%	112 624	5%	117 917
Licence and permits									
Operational Revenue		177 000	177 000	23%	230 407	8%	249 376	5%	261 096
<b>Non-Exchange Revenue</b>									
Property rates	2	1 427 089	1 427 089	7%	1 526 985	5%	1 601 807	4,70%	1 677 092
Surcharges and Taxes									
Fines, penalties and forfeits		2 005	2 005	86%	14 660	-42%	8 468	5%	8 866
Licences or permits		1 500	1 500	39%	2 452	9%	2 667	5%	2 793
Transfer and subsidies - Operational		855 842	800 709	3%	827 889	9%	906 109	8%	982 491
Interest									
Fuel Levy									
Operational Revenue									
Gains on disposal of Assets									
Other Gains									
Discontinued Operations									
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>7 050 770</b>	<b>6 995 637</b>	<b>16%</b>	<b>8 110 480</b>	<b>11%</b>	<b>8 981 466</b>	<b>12%</b>	<b>10 038 339</b>

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 2023/24 budget year, revenue from rates and services charges totalled to R6.6 billion or 82 per cent. This increased to R7.4 billion and R8.3 billion for 2024/25 and 2025/26 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 uMgeni 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 18,8 per cent or R1.526 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 R827 million in the 2023/24 budget year and increased to R906 million in 2024/25 and R982 million by 2025/26.

Investment revenue contributes marginally to the revenue base of the City with a budget allocation of R18 million, R19.2 million and R20 million for the respective three financial years of the 2023/24 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**

**KZN225 Msunduzi-Suporting table SA15 Investment partivulars by Type**

Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		16 145		32 000				20 000	21 060	22 113
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										
<b>Municipality sub-total</b>	1	16 145	-	32 000	-	-	-	20 000	21 060	22 113
<b>Entities</b>										
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										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		16 145	-	32 000	-	-	-	20 000	21 060	22 113

## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

**Table 27 Sources of capital revenue over the MTREF**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Funded by:</b>										
National Government		312 944	397 217	291 413	344 634	310 626	310 626	312 535	320 133	326 679
Provincial Government		76 188	166 779	21 308	101 327	126 971	126 971	4 921	1 176	1 203
District Municipality										
Transfers and subsidies - capital (in-kind)										
<b>Transfers recognised - capital</b>	4	<b>389 132</b>	<b>563 995</b>	<b>312 721</b>	<b>445 961</b>	<b>437 597</b>	<b>437 597</b>	<b>317 456</b>	<b>321 309</b>	<b>327 882</b>
<b>Borrowing</b>	6	4 230		49 401	300 000	–	–	200 000	150 000	–
<b>Internally generated funds</b>		86 493	121 936	159 705	89 957	89 388	89 388	120 000	110 000	120 000
<b>Total Capital Funding</b>	7	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>

**Figure 3 Sources of capital revenue for the 2023/24 financial year**

Capital grants and receipts equates to 49.8 per cent of the total funding source which represents R317 million for the 2022/24 financial year and shows an increase to R321.3 million by 2024/25 and a slight increase to R327 million in the 2025/26. Internal funding contributes R120 million in the MTREF.

Details of borrowings

Table 6 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized by type R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Parent municipality</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		459 547								
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										
<b>Municipality sub-total</b>	1	459 547	-	-	-	-	-	-	-	-
<b>Entities</b>										
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										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	459 547	-	-	-	-	-	-	-	-
<b>Unspent Borrowing - Categorized by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
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										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
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										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

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

**KZN255 Msunduzi Supporting Table SA18 Consolidated Transfers and grants receipts**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		<b>588 691</b>	<b>697 607</b>	<b>631 359</b>	<b>712 410</b>	<b>743 929</b>	<b>743 929</b>	<b>805 981</b>	<b>883 070</b>	<b>957 561</b>
Local Government Equitable Share		546 052	682 403	616 262	696 056	696 056	696 056	767 222	836 664	910 446
Finance Management		1 700	1 700	1 900	1 950	1 950	1 950	1 950	1 950	2 088
EPWP Incentive		4 200	9 116	3 516	5 231	5 231	5 231	4 979		
Water Services Operating Subsidy						30 000	30 000			
Municipal Water Infrastructure Grant								22 000	35 405	34 595
Operating costs-MIG		21 904		9 681	9 173	10 692	10 692	9 830	9 051	10 432
<b>Provincial Government:</b>		<b>48 437</b>	<b>41 305</b>	<b>26 247</b>	<b>138 064</b>	<b>56 610</b>	<b>56 610</b>	<b>28 778</b>	<b>28 972</b>	<b>30 931</b>
Human Settlements - Title Deeds Restoration						4 772	4 772			
Human Settlements - Accredited Municipalities			4 264	3 853	19 253	8 652	8 652	4 429	4 429	4 429
Human Settlements - Accredited Municipal RO			24 079		36 850	(0)	(0)			
Human Settlements - Housing Development		14 582		9 106	71 083	10 318	10 318	8 250	8 646	9 061
Arts and Culture- Community Library Services		27 665			10 070	16 458	16 458	870	908	949
Arts and Culture- Provincialisation			12 474	12 863		-	-	13 538	14 273	15 749
Arts and Culture-Museum Subsidies			488	425		-	-	571	596	623
Arts and Culture-Museum Subsidies - Tatham Art Gallery		243			809	164	164	120	120	120
COGTA		5 947				16 245	16 245			
Municipal Employment Initiative - OPERATING								1 000		
<b>Total Operating Transfers and Grants</b>	5	<b>637 128</b>	<b>738 911</b>	<b>657 606</b>	<b>850 474</b>	<b>800 539</b>	<b>800 539</b>	<b>834 759</b>	<b>912 042</b>	<b>988 492</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>352 860</b>	<b>337 738</b>	<b>305 550</b>	<b>341 634</b>	<b>310 115</b>	<b>310 115</b>	<b>312 535</b>	<b>320 133</b>	<b>326 679</b>
Municipal Infrastructure Grant (MIG)		164 900	197 725	199 650	217 980	216 461	216 461	238 929	243 133	250 379
Public Transport and Systems		117 252	88 758	11 900		-	-			
Neighbourhood Development Partnership		9 957	18 000	34 000	34 500	34 500	34 500	33 606	30 000	30 000
Dept of Mineral/Electricity										
Intergrated National Electrification Programme				20 000		29 154	29 154	7 000	7 000	7 314
Municipal Systems Improvement						-	-			
Municipal Water Infrastructure Grant		52 752	33 255	40 000	60 000	30 000	30 000	28 000	35 000	38 986
Energy Efficiency and Demand Management		7 999			29 154	-	-	5 000	5 000	-
Other capital transfers/grants [insert desc]						-	-			
<b>Provincial Government:</b>		<b>-</b>	<b>316 943</b>	<b>48 143</b>	<b>104 797</b>	<b>127 482</b>	<b>127 482</b>	<b>4 921</b>	<b>1 176</b>	<b>1 203</b>
Airport Development Project						92 869	92 869			
Sport and Recreation						6 600	6 600			
KZNPA		5 557	4 000		6 000	-	-			
Economic development tourism			12 836	14 759		-	-			
Capital Provincial KZN Treasury			6 124			-	-			
Housing-Military Veterans			2 500			511	511			
Airport Grant			774	1 000	3 000	3 047	3 047			
Arts and Culture-Museum Subsidies			2 820			-	-			
COGTA		9 420	250 388	15 188		16 323	16 323			
Human Settlement		60 811	6 750		2 000	-	-			
Human Settlement - Housing Accreditation			22 465		93 797	2 200	2 200	700	700	700
Housing				12 986		5 591	5 591			
Provincial Government				620		-	-			
Arts and Culture- Community Library Services		1 065	8 285	3 500		341	341	421	476	503
PMB Airport- CAPITAL								2 800		
Informal Economy Infrastructure Development						-	-	1 000		
<b>Total Capital Transfers and Grants</b>	5	<b>352 860</b>	<b>654 681</b>	<b>353 694</b>	<b>446 431</b>	<b>437 597</b>	<b>437 597</b>	<b>317 456</b>	<b>321 309</b>	<b>327 882</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>989 988</b>	<b>1 393 593</b>	<b>1 011 300</b>	<b>1 296 905</b>	<b>1 238 136</b>	<b>1 238 136</b>	<b>1 152 215</b>	<b>1 233 352</b>	<b>1 316 374</b>

### 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

## KZN225 Msunduzi Municipality - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates				1 149 564	1 284 380	1 341 464	1 341 464		1 450 636	1 521 717	1 593 238
Service charges		3 893 416	4 078 705	3 166 810	3 876 295	4 048 575	4 048 575		5 515 221	6 249 508	7 188 210
Other revenue				76 010	915 670	716 654	716 654		212 120	225 570	236 172
Transfers and Subsidies - Operational	1	681 738	1 254 552	686 989	855 842	800 709	800 709		827 889	906 109	982 491
Transfers and Subsidies - Capital	1	487 770		327 897	446 431	437 597	437 597		317 456	321 309	327 882
Interest		45 593	23 018	33 578	17 030	17 030	17 030		18 052	19 225	20 494
Dividends					-	-	-		-	-	-
<b>Payments</b>											
Suppliers and employees		(4 385 977)	(4 731 611)	(4 853 520)	(6 605 694)	(6 640 741)	(6 640 741)		(7 635 504)	(8 260 358)	(9 007 347)
Finance charges			(36 203)	(27 182)	(94 217)	(52 039)	(52 039)		(40 401)	(42 219)	(44 119)
Transfers and Subsidies	1	(46 314)		(25 007)	(63 469)	(53 652)	(53 652)		(51 858)	(54 257)	(56 780)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>676 226</b>	<b>588 460</b>	<b>535 139</b>	<b>632 268</b>	<b>615 597</b>	<b>615 597</b>	<b>-</b>	<b>613 612</b>	<b>886 605</b>	<b>1 240 241</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(399 051)	(600 456)	5 825		3 693	3 693		-	-	-
Decrease (increase) in non-current receivables				(359)					-	-	-
Decrease (increase) in non-current investments		17 207	(32 242)						-	-	-
<b>Payments</b>											
Capital assets				(530 398)	(835 918)	(526 985)	(526 985)		(733 074)	(668 506)	(515 064)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(381 844)</b>	<b>(632 698)</b>	<b>(524 932)</b>	<b>(835 918)</b>	<b>(523 292)</b>	<b>(523 292)</b>	<b>-</b>	<b>(733 074)</b>	<b>(668 506)</b>	<b>(515 064)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing					300 000				200 000	150 000	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		(83 601)	(113 418)	(81 573)	(23 606)	(23 606)	(23 606)		(23 000)	(24 000)	(26 000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(83 601)</b>	<b>(113 418)</b>	<b>(81 573)</b>	<b>276 394</b>	<b>(23 606)</b>	<b>(23 606)</b>	<b>-</b>	<b>177 000</b>	<b>126 000</b>	<b>(26 000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2	308 195	518 977	359 520	62 117	289 153	289 153		357 852	415 390	759 489
Cash/cash equivalents at the year end:	2	518 977	361 321	288 153	134 860	357 852	357 852		415 390	759 489	1 458 666

The above table shows that projected cash and cash equivalents of the City since 2018/19 has been positive and it is slightly growing the 2023/24 being R 415 million two outer years being R759 million and R 1.4 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 2023/24 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****KZN225 Msunduzi Municipality-Table A7 Consolidated Cash backed reserves /accumulated surplus reconcillation**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	518 977	361 321	288 153	134 860	357 852	357 852	-	415 390	759 489	1 458 666
Other current investments > 90 days											
<b>Cash and investments available:</b>		<b>518 977</b>	<b>361 321</b>	<b>288 153</b>	<b>134 860</b>	<b>357 852</b>	<b>357 852</b>	<b>-</b>	<b>415 390</b>	<b>759 489</b>	<b>1 458 666</b>
<b>Application of cash and investments</b>											
Unspent Conditional Grant		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2								40 000	41 800	43 681
Other working capital requirements	3	(643 048)	(667 763)	(691 635)	680 477	(397 725)	(397 725)	-	(358 990)	(361 907)	(363 167)
Other provisions					140 398	140 398	140 398		146 716	153 318	160 217
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5					786	786				
<b>Total Application of cash and investments:</b>		<b>(643 048)</b>	<b>(667 763)</b>	<b>(691 635)</b>	<b>820 875</b>	<b>(256 541)</b>	<b>(256 541)</b>	<b>-</b>	<b>(172 274)</b>	<b>(166 789)</b>	<b>(159 269)</b>
<b>Surplus(shortfall)</b>		<b>1 162 025</b>	<b>1 029 084</b>	<b>979 788</b>	<b>(686 015)</b>	<b>614 393</b>	<b>614 393</b>	<b>-</b>	<b>587 664</b>	<b>926 278</b>	<b>1 617 934</b>

From the above table it can be seen that the cash and investments available total to R357.0 million in the adjusted 2022/23 budget year and will decrease to R 415 million in 2023/24, thereafter increase in 2024/25 to R 759.4 million and increase to R 1.4 billion in the 2025/26. 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**

### KZN225 Msunduzi Table SA10 Consolidated Funding Measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	518 977	361 321	288 153	134 860	357 852	357 852	–	415 390	759 489	1 458 666
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 162 025	1 029 084	979 788	(686 015)	614 393	614 393	–	587 664	926 278	1 617 934
Cash year end/monthly employee/supplier payments	18(1)b	3	1,2	0,9	0,6	0,3	0,8	0,8	–	0,8	1,3	2,3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	223 780	54 956	(726 982)	1 042 254	810 024	810 024	–	805 988	1 089 652	1 478 789
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(2,3%)	2,8%	12,7%	(6,0%)	(6,0%)	(106,0%)	10,2%	5,4%	6,8%
Cash receipts % of Ratespayer & Other revenue	18(1)a,(2)	6	35,6%	37,3%	38,4%	42,9%	43,1%	43,1%	0,0%	105,8%	106,0%	106,1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		5,3%	20,8%	5,2%	5,2%	5,2%	0,0%	4,7%	4,4%	4,1%
Capital payments % of capital expenditure	18(1)c;19	8	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	76,9%	0,0%	0,0%	0,0%	62,5%	57,7%	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.	(12,2%)	6,4%	(3,9%)	35,9%	0,0%	73,6%	(53,4%)	4,9%	4,7%
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	0,9%	1,6%	3,4%	7,1%	3,6%	3,6%	7,1%	8,4%	8,9%	0,0%
Asset renewal % of capital budget	20(1)(vi)	14	42,5%	10,6%	39,9%	18,2%	0,0%	0,0%	0,0%	8,7%	10,5%	15,8%

#### *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 2023/24 MTREF shows R 415 million, R759 million and R 1.458 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 2022 /23 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 2023/24 MTREF the indicative outcome is a surplus of R 1.9 billion, R 1 billion and R 827 million.

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 8.00 per cent, with the increase in water at 6.0 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 87 per cent for all budget years. Given that the assumed collection rate was based on a 95 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 51.1 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

KZN225 Msunduzi Municipality-Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		588 691	697 607	31 472	712 410	743 929	743 929	805 981	883 070	957 561
Local Government Equitable Share		546 052	682 403		696 056	696 056	696 056	767 222	836 664	910 446
Finance Management		1 700	1 700	1 900	1 950	1 950	1 950	1 950	1 950	2 088
Municipal Systems Improvement			4 388		5 231	5 231	5 231			
EPWP Incentive		4 200	9 116	3 454				4 979		
Water Services Operating Subsidy				19 986		30 000	30 000			
Public Transport Infrastructure		14 834		23						
Energy Efficiency and Demand Management					9 173	9 173	9 173			
Municipal Water Infrastructure Grant								22 000	35 405	34 595
Operating costs-MIG		21 904		6 108		1 519	1 519	9 830	9 051	10 432
<b>Provincial Government:</b>		42 490	41 305	33 884	138 064	56 610	56 610	28 778	28 972	30 931
Housing operating grant			4 264		19 253	4 772	4 772			
Human Settlements - Title Deeds Restoration			24 079	4 663	36 850	8 652	8 652	4 429	4 429	4 429
Human Settlements - Accredited Municipalities					71 083	(0)	(0)			
Human Settlements - Accredited Municipal RO		14 582			10 070	10 318	10 318			
Human Settlements - Housing Development		27 665	488	9 106		16 458	16 458	8 250	8 646	9 061
Arts and Culture- Community Library Services			12 474	15 382				870	908	949
Arts and Culture- Provincialisation		243			809			13 538	14 273	15 749
Arts and Culture-Museum Subsidies								571	596	623
Arts and Culture-Museum Subsidies - Tatham Art Gallery				422		164	164	120	120	120
COGTA				3 163		16 245	16 245			
Operaton Dlusumando-OPERATING				1 087				1 000		
<b>Total operating expenditure of Transfers and Grants:</b>		631 181	738 911	65 356	850 474	800 539	800 539	834 759	912 042	988 492
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		352 860	337 738	331 771	341 634	310 115	310 115	312 535	320 133	326 679
Municipal Infrastructure Grant (MIG)		164 900	197 725	203 223	217 980	216 461	216 461	238 929	243 133	250 379
Public Transport and Systems		117 252	88 758	62 323						
Neighbourhood Development Partnership		9 957	18 000	35 000	34 500	34 500	34 500	33 606	30 000	30 000
Dept of Mineral/Electricity										
Intergrated National Electrification Porgramme				11 230				7 000	7 000	7 314
Municipal Systems Improvement										
Municipal Water Infrastructure Grant		52 752	33 255	19 995	60 000	30 000	30 000	28 000	35 000	38 986
Energy Efficiency and Demand Manaagement		7 999			29 154	29 154	29 154	5 000	5 000	
<b>Provincial Government:</b>			308 658	36 954	127 052	127 482	125 141	4 921	1 176	1 203
Economic development tourism			12 836	10 656						
PGCAP:Z2:GREATER EDENDALE PROJECTS				2 546						
Capital Provincial KZN Treasury			4 000			92 869	92 869			
Housing-Military Veterans			2 500		6 000	6 600	6 600			
Disaster										
Airport Grant		14 977	774	326		511	511			
Arts and Culture-Museum Subsidies		60 811	2 820	140	3 000	3 047	3 047			
COGTA electricity			250 388							
Human Settlement					16 323	16 323	16 323			
Human Settlement - Housing Accreditation		1 065	29 215	1 786	5 591	3 591	3 591			
Housing		400		14 019	93 797	2 200	2 200	700	700	700
Arts and Culture-Museum Subsidies - Tatham Art Gallery				81	2 000	2 000	2 000			
Arts and Culture- Community Library Services										
Provincial Government			6 124	7 399	341	341	341	421	476	503
Arts and Culture-Museum Subsidies - Tatham Art Gallery										
PMB Airport- CAPITAL								2 800		
Informal Economy Instructure Development								1 000		
<b>Total capital expenditure of Transfers and Grants</b>		352 860	646 396	368 725	468 686	437 597	435 256	317 456	321 309	327 882
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		984 041	1 385 307	434 080	1 319 160	1 238 136	1 235 796	1 152 215	1 233 352	1 316 374

2.8 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

KZN225 Msunduzi-Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1						3 290			
Basic Salaries and Wages		8 877	35 266	38 472	3 290	3 290	3 123	3 618	3 780	3 950
Pension and UIF Contributions		4 016	4 619	3 050	3 123	3 123	7 584	3 295	3 443	3 598
Medical Aid Contributions		1 691	1 885	1 645	7 584	7 584	37 225	8 001	8 361	8 737
Motor Vehicle Allowance		5 588	6 323	3 551	37 225	37 225	847	39 273	41 040	42 887
Cellphone Allowance		2 068	3 416	2 712	847	847	7 362	747	780	816
Housing Allowances		135	133	100	7 362	7 362		7 767	8 116	8 482
Other benefits and allowances		21 385								
<b>Sub Total - Councillors</b>		<b>43 759</b>	<b>51 641</b>	<b>49 529</b>	<b>59 431</b>	<b>59 431</b>	<b>56 142</b>	<b>62 700</b>	<b>65 521</b>	<b>68 470</b>
% increase	4		18,0%	(4,1%)	20,0%	-	(5,5%)	11,7%	4,5%	4,5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		6 260	6 340	7 688	9 757	54 757	54 757	8 727	9 119	9 530
Pension and UIF Contributions		1	711	805	898	645	645	687	718	750
Medical Aid Contributions		758	138	79	100	100	100	60 106	62 811	65 638
Overtime			7							
Performance Bonus		640	448	250						
Motor Vehicle Allowance	3	816	393	2 004	839	839	839	2 559	2 674	2 794
Cellphone Allowance	3	88	40	97	88	160	160	171	179	187
Housing Allowances	3	261	206	192	24	24	24	70 026	73 177	76 470
Other benefits and allowances	3	73	595	28						
Payments in lieu of leave		54								
Long service awards			(139)							
<b>Sub Total - Senior Managers of Municipality</b>		<b>8 950</b>	<b>8 739</b>	<b>11 143</b>	<b>11 706</b>	<b>56 526</b>	<b>56 526</b>	<b>142 275</b>	<b>148 678</b>	<b>155 368</b>
% increase	4		(2,4%)	27,5%	5,1%	382,9%	-	151,7%	4,5%	4,5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		740 833	834 266	834 687	919 050	898 822	898 822	1 016 157	1 061 468	1 109 030
Pension and UIF Contributions		160 019	165 853	168 035	193 655	273 709	273 709	291 354	304 465	318 166
Medical Aid Contributions		59 601	63 734	65 721	97 380	114 989	114 989	122 280	127 783	133 533
Overtime		109 898	97 740	110 789	104 445	95 136	95 136	110 000	115 390	120 813
Performance Bonus		60 827	64 175	67 214	81 379	83 370	83 370			
Motor Vehicle Allowance	3	26 856	28 743	28 706	35 361	34 331	34 331	36 572	38 219	39 939
Cellphone Allowance	3	7 568	4 244	(79)	4 917	4 867	4 867	5 141	5 372	5 614
Housing Allowances	3	4 128	4 326	4 245	4 628	4 708	4 708	4 916	5 137	5 368
Other benefits and allowances	3	59 512	141 401	82 853	37 582	37 687	37 687	39 950	41 748	43 627
Payments in lieu of leave		18 611		19 775						
Long service awards		27 903	13 952	27 795	18 382	17 411	17 411	18 330	19 155	20 017
Post-retirement benefit obligations	6	60 781		62 450						
Entertainment										
Scarcity				7 385						
Acting and post related allowance				17 962						
In kind benefits										
<b>Sub Total - Other Municipal Staff</b>		<b>1 336 537</b>	<b>1 418 435</b>	<b>1 472 191</b>	<b>1 496 777</b>	<b>1 565 031</b>	<b>1 565 031</b>	<b>1 644 700</b>	<b>1 718 737</b>	<b>1 796 107</b>
% increase	4		6,1%	3,8%	1,7%	4,6%	-	5,1%	4,5%	4,5%
<b>Total Parent Municipality</b>		<b>1 389 246</b>	<b>1 478 815</b>	<b>1 532 863</b>	<b>1 567 914</b>	<b>1 680 989</b>	<b>1 677 699</b>	<b>1 849 675</b>	<b>1 932 936</b>	<b>2 019 945</b>

**Table 34 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)****KZN225 Msunduzi Municipality-Supporting Table SA23 Salaries , allowances &benefits (political office bearers/councillors/senior man**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		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
<b>Total Councillors</b>	8	-	<b>3 617 588</b>	<b>11 295 907</b>	<b>47 786 440</b>			<b>62 699 935</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 289 200		509 412			1 798 612
Chief Finance Officer			1 250 197		708 012			1 958 209
GM Sustainable			1 020 667		541 223			1 561 889
GM Community services			1 442 223		183 170			1 625 393
GM Infrastructure			1 442 223		137 009			1 579 232
GM Corporate Services			1 396 842		541 470			1 938 312
GM Electricity			1 544 000					1 544 000
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>9 385 352</b>	<b>-</b>	<b>2 620 296</b>	<b>-</b>		<b>12 005 648</b>

Table 35 MBRR SA24 – Summary of personnel numbers

## KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		81		81	81		81	6		6
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	6	2	4	6	2	4	5	4	1
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
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>5 963</b>	<b>3 122</b>	<b>191</b>	<b>5 963</b>	<b>3 122</b>	<b>191</b>	<b>4 003</b>	<b>3 533</b>	<b>470</b>
<b>% increase</b>					-	-	-	(32,9%)	13,2%	146,1%
<b>Total municipal employees headcount</b>	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

KZN225 Msunduzi Municipality -Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>																	
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	3 892 818	4 515 669	5 328 489	
Service charges - Water		92 206	92 206	92 206	92 206	92 206	92 206	92 206	92 206	92 206	92 206	92 206	(112 696)	901 572	945 749	990 199	
Service charges - Waste Water Management		16 875	16 875	16 875	16 875	16 875	16 875	16 875	16 875	16 875	16 875	16 875	202 500	212 422	222 406		
Service charges - Waste Management		11 562	11 562	11 562	11 562	11 562	11 562	11 562	11 562	11 562	11 562	11 562	138 742	145 540	152 380		
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency services		60	60	60	60	60	60	60	60	60	60	60	715	750	785		
Interest		1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	18 052	19 225	20 494		
Interest earned from Receivables		20 739	20 739	20 739	20 739	20 739	20 739	20 739	20 739	20 739	20 739	20 739	248 865	261 060	273 330		
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets		8 735	8 735	8 735	8 735	8 735	8 735	8 735	8 735	8 735	8 735	8 735	104 824	112 624	117 917		
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		19 201	19 201	19 201	19 201	19 201	19 201	19 201	19 201	19 201	19 201	19 201	230 407	249 376	261 096		
<b>Non-Exchange Revenue</b>																	
Property rates		127 249	127 249	127 249	127 249	127 249	127 249	127 249	127 249	127 249	127 249	127 249	1 526 985	1 601 807	1 677 092		
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		1 222	1 222	1 222	1 222	1 222	1 222	1 222	1 222	1 222	1 222	1 222	14 660	8 468	8 866		
Licences or permits		204	204	204	204	204	204	204	204	204	204	204	2 452	2 667	2 793		
Transfer and subsidies - Operational		68 991	68 991	68 991	68 991	68 991	68 991	68 991	68 991	68 991	68 991	68 991	827 889	906 109	982 491		
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>488 046</b>	<b>8 110 480</b>	<b>8 981 466</b>	<b>10 038 339</b>	
<b>Expenditure</b>																	
Employee related costs		148 915	148 915	148 915	148 915	148 915	148 915	148 915	148 915	148 915	148 915	148 915	160 852	1 798 913	1 879 949	1 964 637	
Remuneration of councillors		5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	62 700	65 521	68 470	
Bulk purchases - electricity		226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	2 714 000	3 066 820	3 526 843	
Inventory consumed		96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	(92 081)	970 434	1 017 985	1 065 831	
Debt impairment		26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	313 500	327 608	342 350	
Depreciation and amortisation		38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	461 616	482 389	504 096	
Interest		3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	40 401	42 219	44 119	
Contracted services		81 806	81 806	81 806	81 806	81 806	81 806	81 806	81 806	81 806	81 806	81 806	82 483	982 347	1 040 649	1 088 841	
Transfers and subsidies		5 490	5 490	5 490	5 490	5 490	5 490	5 490	5 490	5 490	5 490	5 490	(8 536)	51 858	54 257	56 780	
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational costs		18 512	18 512	18 512	18 512	18 512	18 512	18 512	18 512	18 512	18 512	18 512	19 854	223 481	229 014	239 777	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>		<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>461 922</b>	<b>7 619 249</b>	<b>8 206 412</b>	<b>8 901 743</b>	
<b>Surplus/(Deficit)</b>		<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>26 124</b>	<b>491 231</b>	<b>775 054</b>	<b>1 136 596</b>	
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind)		26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	317 456	321 309	327 882	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>52 578</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after income tax</b>		<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>52 578</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>52 578</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	1	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>52 578</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>	

**2.9.2 Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

**KZN225 Msunduzi Municipality -Supporting Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>																
Vote 1 - City Manager													-	-	-	-
Vote 2 - City Finance		216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	2 596 141	2 757 845	2 925 208
Vote 3 - Corporate Services		665	665	665	665	665	665	665	665	665	665	665	665	7 980	3 148	3 296
Vote 4 - Community Services and Social Equity		41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	497 013	513 913	537 993
Vote 5 - Infrastructure Services		143 797	143 797	143 797	143 797	143 797	143 797	143 797	143 797	143 797	143 797	143 797	(61 106)	1 520 657	1 620 256	1 696 742
Vote 6 - Sustainable Development and City Enterprises		16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	192 629	200 193	208 099
Vote 7 - Electricity		329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	3 949 871	4 575 439	5 387 036
<b>Total Revenue by Vote</b>		<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>542 530</b>	<b>8 764 292</b>	<b>9 670 794</b>	<b>10 758 373</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - City Manager		25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	300 106	313 750	327 941
Vote 2 - City Finance		66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	797 238	833 969	871 946
Vote 3 - Corporate Services		16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	195 633	199 466	208 563
Vote 4 - Community Services and Social Equity		68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	827 458	865 408	905 494
Vote 5 - Infrastructure Services		191 947	191 947	191 947	191 947	191 947	191 947	191 947	191 947	191 947	191 947	191 947	5 828	2 117 250	2 229 931	2 332 105
Vote 6 - Sustainable Development and City Enterprises		17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	215 100	223 794	234 042
Vote 7 - Electricity		286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	3 440 145	3 827 187	4 322 237
<b>Total Expenditure by Vote</b>		<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>487 134</b>	<b>7 892 931</b>	<b>8 493 504</b>	<b>9 202 328</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>55 396</b>	<b>871 361</b>	<b>1 177 290</b>	<b>1 556 045</b>
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>55 396</b>	<b>871 361</b>	<b>1 177 290</b>	<b>1 556 045</b>

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

KZN225 Msunduzi Municipality -Supporting Table SA27 budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	2 628 986	2 785 527	2 954 781
Executive and council		415	415	415	415	415	415	415	415	415	415	415	415	4 979	-	-
Finance and administration		218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	2 624 007	2 785 527	2 954 781
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	331 216	341 705	357 582
Community and social services		23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	276 603	282 552	295 648
Sport and recreation		1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	21 223	22 263	23 310
Public safety		714	714	714	714	714	714	714	714	714	714	714	714	8 569	8 989	9 411
Housing		2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	24 821	27 901	29 213
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	55 601	47 167	47 974
Planning and development		3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	47 685	45 826	46 570
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		660	660	660	660	660	660	660	660	660	660	660	660	7 916	1 342	1 405
<b>Trading services</b>		487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	282 793	5 647 445	6 382 810
Energy sources		331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	3 978 066	4 605 284	5 418 160
Water management		125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	1 300 958	1 391 053	1 456 300
Waste water management		17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	209 646	219 919	230 255
Waste management		13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	158 774	166 554	174 399
<b>Other</b>		8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	101 045	113 584	118 923
<b>Total Revenue - Functional</b>		747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	8 764 292	9 670 794	10 758 373
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	1 478 603	1 540 153	1 611 188
Executive and council		21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	258 320	264 803	276 752
Finance and administration		99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	1 191 828	1 245 547	1 303 257
Internal audit		2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	28 455	29 803	31 179
<b>Community and public safety</b>		43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	526 876	551 028	576 860
Community and social services		11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	135 893	142 179	149 433
Sport and recreation		10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	130 425	136 399	142 592
Public safety		18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	217 995	227 910	238 246
Housing		2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	29 046	30 413	31 825
Health		1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	13 517	14 127	14 764
<b>Economic and environmental services</b>		42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	513 621	536 410	560 926
Planning and development		7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	84 863	87 699	91 678
Road transport		33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	402 476	421 231	440 525
Environmental protection		2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	26 283	27 479	28 723
<b>Trading services</b>		457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	271 878	5 308 852	5 799 171
Energy sources		290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	3 489 792	3 880 684	4 376 468
Water management		123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	1 293 157	1 355 688	1 418 970
Waste water management		33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	399 300	429 298	448 533
Waste management		10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	127 604	133 501	139 589
<b>Other</b>		5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	63 978	66 741	69 794
<b>Total Expenditure - Functional</b>		673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	7 892 931	8 493 504	9 202 328
<b>Surplus/(Deficit) before assoc.</b>		74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	55 396	871 361	1 556 045
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	55 396	871 361	1 556 045



**2.9.4 Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

**KZN225 Msunduzi Municipality -Supporting Table SA28 budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>																	
<b>Multi-year expenditure to be appropriated</b>	1																
Vote 1 - City Manager																	
Vote 2 - City Finance		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	30 000	30 000	
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		2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	28 827	17 455	26 865	
Vote 5 - Infrastructure Services		26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	318 102	292 433	355 181	
Vote 6 - Sustainable Development and City Enterprises		833	833	833	833	833	833	833	833	833	833	833	833	10 000	3 139	-	
Vote 7 - Electricity		14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	175 400	128 968	29 633	
<b>Capital multi-year expenditure sub-total</b>	2	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>572 329</b>	<b>481 995</b>	<b>451 679</b>	
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - City Manager		417	417	417	417	417	417	417	417	417	417	417	417	5 000	-	-	
Vote 2 - City Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 5 - Infrastructure Services		417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 000	5 000	
Vote 6 - Sustainable Development and City Enterprises		3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	41 527	34 315	31 203	
Vote 7 - Electricity		300	300	300	300	300	300	300	300	300	300	300	300	3 600	-	-	
<b>Capital single-year expenditure sub-total</b>	2	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>65 127</b>	<b>49 315</b>	<b>46 203</b>	
<b>Total Capital Expenditure</b>	2	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>637 456</b>	<b>531 309</b>	<b>497 882</b>	

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

**KZN225 Msunduzi Municipality-Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)**

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	51 000	50 000	50 000
Executive and council		83	83	83	83	83	83	83	83	83	83	83	83	1 000	-	-
Finance and administration		4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	50 000	50 000	50 000
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	37 948	19 909	23 068
Community and social services		2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	24 248	12 931	22 368
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	13 700	6 977	700
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	107 006	121 092	133 492
Planning and development		3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	38 606	30 000	30 000
Road transport		5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	68 400	91 092	103 492
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	438 702	390 309	241 321
Energy sources		14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	179 000	128 968	29 633
Water management		11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	133 925	131 163	105 099
Waste water management		10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	120 778	125 178	101 589
Waste management		417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 000	5 000
<b>Other</b>		233	233	233	233	233	233	233	233	233	233	233	233	2 800	-	-
<b>Total Capital Expenditure - Functional</b>	2	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	637 456	581 309	447 882
<b>Funded by:</b>																
National Government		26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	312 535	320 133	326 679
Provincial Government		410	410	410	410	410	410	410	410	410	410	410	410	4 921	1 176	1 203
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	317 456	321 309	327 882
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	200 000	200 000	150 000	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-	-	-	120 000	120 000	110 000	120 000
<b>Total Capital Funding</b>		26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	346 455	637 456	581 309	447 882

2.9.6 Table 41 MBRR SA30 - Budgeted monthly cash flow

KZN225 Msunduzi Municipality -Supporting Table SA30 budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	1 450 635 828	1 521 717	1 593 238
Service charges - electricity revenue	348 379	308 181	308 181	308 181	308 181	308 181	308 181	308 181	308 181	308 181	308 181	750 355	4 180 548 129	4 849 436	5 722 334
Service charges - water revenue	99 021	87 596	87 596	87 596	87 596	87 596	87 596	87 596	87 596	87 596	87 596	(6 771)	968 209 395	1 015 652	1 063 387
Service charges - sanitation revenue	18 122	16 031	16 031	16 031	16 031	16 031	16 031	16 031	16 031	16 031	16 031	39 033	217 467 254	228 123	238 845
Service charges - refuse revenue	12 416	10 984	10 984	10 984	10 984	10 984	10 984	10 984	10 984	10 984	10 984	26 743	148 996 591	156 297	163 643
Rental of facilities and equipment	5 241	7 862	7 862	7 862	7 862	7 862	7 862	7 862	7 862	7 862	7 862	(20 965)	62 894 119	67 574	70 750
Interest earned - external investments	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	18 052 025	19 225	20 494
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	733	1 099	1 099	1 099	1 099	1 099	1 099	1 099	1 099	1 099	1 099	(2 932)	8 795 949	7 621	7 979
Licences and permits	-	184	184	184	184	184	184	184	184	184	184	(368)	1 471 046	2 401	2 513
Agency services	60	60	60	60	60	60	60	60	60	60	60	60	714 790	750	785
Transfers and Subsidies - Operational	67 165	67 165	67 165	67 165	67 165	67 165	67 165	67 165	67 165	67 165	67 165	89 073	827 889 360	906 109	982 491
Other revenue	11 520	-	-	-	-	-	-	-	-	-	-	126 724	138 244 309	149 625	156 658
<b>Cash Receipts by Source</b>	<b>685 049</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>1 123 342</b>	<b>8 023 918 795,80</b>	<b>8 924 531</b>	<b>10 023 119</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	317 456	321 309	327 882
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	200 000	150 000	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors (not used)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>728 170</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>1 166 464</b>	<b>8 541 374</b>	<b>9 395 840</b>	<b>10 351 000</b>
<b>Cash Payments by Type</b>															
Employee related costs	148 485	148 485	148 485	148 485	148 485	148 485	148 485	148 485	148 485	148 485	148 485	165 580	1 798 913	1 879 949	1 964 637
Remuneration of councillors	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	62 700	65 521	68 470
Finance charges	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	(1 217)	40 401	42 219	44 119
Bulk purchases - electricity	260 092	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	599 342	3 121 100	3 526 843	4 055 869
Acquisitions - water & other inventory	105 810	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	38 416	1 110 149	1 164 533	1 219 405
Contracted services	81 285	81 285	81 285	81 285	81 285	81 285	81 285	81 285	81 285	81 285	81 285	235 564	1 129 699	1 196 746	1 252 167
Transfers and subsidies - other municipalities	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	36 827	51 858	54 257	56 780
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	21 581	18 766	18 766	18 766	18 766	18 766	18 766	18 766	18 766	18 766	18 766	45 361	254 603	260 666	272 893
<b>Cash Payments by Type</b>	<b>627 628</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>1 125 098</b>	<b>7 569 422</b>	<b>8 190 736</b>	<b>8 934 341</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	61 089	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	140 771	733 074	668 506	515 064
Repayment of borrowing	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	23 000	24 000	26 000
Other Cash Flows/Payments	13 195	32 500	32 500	32 500	32 500	32 500	32 500	32 500	32 500	32 500	32 500	(179 855)	158 340	166 099	173 905
<b>Total Cash Payments by Type</b>	<b>703 829</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>1 087 931</b>	<b>8 483 836</b>	<b>9 049 340</b>	<b>9 649 310</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>24 341</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>78 533</b>	<b>57 538</b>	<b>346 500</b>	<b>701 691</b>
Cash/cash equivalents at the month/year begin:	357 852	382 193	377 660	373 126	368 592	364 059	359 525	354 992	350 458	345 924	341 391	336 857	357 852	415 390	761 889
Cash/cash equivalents at the month/year end:	382 193	377 660	373 126	368 592	364 059	359 525	354 992	350 458	345 924	341 391	336 857	415 390	415 390	761 889	1 463 580

## **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**

KZN225 Msunduzi Municipality- Supporting Table SA34a Consolidated capital expenditure on new assets by class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>	1	<b>21 108</b>	<b>335 214</b>	<b>126 579</b>	<b>45 665</b>	<b>106 812</b>	<b>106 812</b>	<b>291 588</b>	<b>116 337</b>	<b>98 425</b>
<b>Infrastructure</b>										
Roads Infrastructure		21 108	211 423	81 648	8 500	1 125	1 125	2 250	2 250	2 250
Roads		21 108	14 498	81 648	8 500	1 125	1 125	2 250	2 250	2 250
Road Structures			196 925					-	-	-
Road Furniture								-	-	-
Capital Spares								-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	4 653	5 503	19 015	64 484	64 484	194 000	28 968	29 633
Power Plants			4 653	5 503	19 015	64 484	64 484	194 000	28 968	29 633
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	74 239	22 506	5 000	8 366	8 366	29 860	19 780	29 360
Dams and Weirs										
Boreholes										
Reservoirs			17 017	4 963		8 366	8 366	29 860	19 780	29 360
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution			57 223	17 544	5 000					
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	44 898	7 231	-	32 836	32 836	65 478	65 339	37 183
Pump Station			21 546							
Reticulation						32 836	32 836	65 478	65 339	37 183
Waste Water Treatment Works										
Outfall Sewers			23 352	7 231						
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	10 150	-	-	-	-	-
Landfill Sites					10 150					
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	9 691	3 000	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades				9 691	3 000					
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>		<b>-</b>	<b>13 159</b>	<b>9 060</b>	<b>20 726</b>	<b>26 930</b>	<b>26 930</b>	<b>25 548</b>	<b>13 770</b>	<b>19 929</b>

**KZN225 Msunduzi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	1	82 381	-	288 914	31 700	31 700	31 700	45 665	11 000	13 000
Roads Infrastructure		15 103	-	165 123	24 100	24 100	24 100	8 500	-	2 000
Roads		15 103	-	14 498	24 100	24 100	24 100	8 500	-	2 000
Road Structures				150 625						
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		67 278	-	4 653	7 600	7 600	7 600	19 015	6 000	6 000
Power Plants		67 278	-	4 653	7 600	7 600	7 600	19 015	6 000	6 000
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	74 239	-	-	-	5 000	5 000	5 000
Dams and Weirs										
Boreholes										
Reservoirs				17 017						
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution				57 223				5 000	5 000	5 000
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	44 898	-	-	-	-	-	-
Pump Station				21 546						
Reticulation										
Waste Water Treatment Works										
Outfall Sewers				23 352						
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	10 150	-	-
Landfill Sites								10 150		
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	3 000	-	-
Sand Pumps										
Piers										
Revetments										
Promenades								3 000		
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>		<b>337</b>	<b>-</b>	<b>13 158</b>	<b>1 800</b>	<b>1 800</b>	<b>1 800</b>	<b>20 726</b>	<b>-</b>	<b>-</b>

KZN225 Msunduzi Municipality- Supporting Table SA34a Consolidated capital expenditure on new assets by class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
Community Facilities		-	10 563	8 486	20 726	26 419	26 419	25 548	13 770	19 929
Halls			3 074	3 383	19 976	23 326	23 326	25 548	13 770	19 929
Centres			250			192	192			
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria				2 544						
Police						2 000	2 000			
Parks										
Public Open Space			1 953							
Nature Reserves			788							
Public Ablution Facilities										
Markets			2 325	2 558	750					
Stalls										
Abattoirs										
Airports			2 173							
Taxi Ranks/Bus Terminals			(0)			900	900			
Capital Spares						-	-			
Sport and Recreation Facilities		-	2 596	574	-	512	512	-	-	-
Indoor Facilities										
Outdoor Facilities			2 596	574		512	512			
Capital Spares										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
<b>Other assets</b>		-	59 047	11 561	5 075	11 966	11 966	14 500	6 139	3 139
Operational Buildings		-	-	295	5 075	6 375	6 375	10 000	3 139	-
Municipal Offices				295	5 075					
Pay/Enquiry Points										
Building Plan Offices										
Workshops						6 375	6 375	10 000	3 139	-
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		-	59 047	11 266	-	5 591	5 591	4 500	3 000	3 139
Staff Housing										
Social Housing			59 047	11 266		5 591	5 591	4 500	3 000	3 139
Capital Spares										
<b>Biological or Cultivated Assets</b>		-	-	-	-	9 072	9 072	-	-	-
Biological or Cultivated Assets						9 072	9 072			
<b>Intangible Assets</b>		-	523	1 041	3 750	500	500	30 000	30 000	30 000
Servitudes								30 000	30 000	30 000
Licences and Rights		-	523	1 041	3 750	500	500	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications			523	1 041	3 750	500	500			
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		-	-	6 493	5 669	-	-	-	-	-
Computer Equipment				6 493	5 669					
<b>Furniture and Office Equipment</b>		-	-	2 334	10 556	9 857	9 857	15 000	10 000	10 000
Furniture and Office Equipment				2 334	10 556	9 857	9 857	15 000	10 000	10 000
<b>Machinery and Equipment</b>		-	-	41 032	62 500	20 799	20 799	-	-	-
Machinery and Equipment				41 032	62 500	20 799	20 799			
<b>Transport Assets</b>		-	-	9 917	41 972	11 548	11 548	-	-	-
Transport Assets				9 917	41 972	11 548	11 548			
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>21 108</b>	<b>407 943</b>	<b>208 016</b>	<b>195 913</b>	<b>197 485</b>	<b>197 485</b>	<b>376 635</b>	<b>176 246</b>	<b>161 493</b>

**Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

**KZN225 Msunduzi Municipality-Supporting Table SA34b Consolidated capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	66 270	199 934	146 427	-	-	47 356	53 250	62 750
Roads Infrastructure		-	50 404	118 545	38 000	-	-	33 150	45 750	54 750
Roads			50 404	112 442	38 000			33 150	45 750	54 750
Coastal Infrastructure		-	-	-	-	-	-	14 206	7 500	8 000
Sand Pumps										
Piers										
Revetments										
Promenades								14 206	7 500	8 000
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>		-	5 246	881	-	175	175	8 000	7 500	8 000
Community Facilities		-	1 178	741	-	175	175	8 000	7 500	8 000
Public Ablution Facilities										
Markets								8 000	7 500	8 000
<b>Total Capital Expenditure on renewal of existing asse</b>	1	<b>203 992</b>	<b>72 704</b>	<b>208 114</b>	<b>151 851</b>	<b>175</b>	<b>175</b>	<b>55 356</b>	<b>60 750</b>	<b>70 750</b>
<b>Renewal of Existing Assets as % of total capex</b>		42,5%	10,6%	39,9%	18,2%	0,0%	0,0%	8,7%	10,5%	15,8%
<b>Renewal of Existing Assets as % of deprecn"</b>		48,8%	19,5%	56,8%	34,4%	0,0%	0,0%	11,9%	12,3%	14,0%



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

**KZN225 Msunduzi municipality -Supporting Table SA34c Consolidated repairs and maintenance by asset class**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		33 758	77 522	130 184	166 984	74 900	74 900	169 863	178 186	186 561
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		33 758	77 522	130 184	87 166	63 501	63 501	161 182	169 080	177 027
Power Plants					53 999	63 501	63 501	161 182	169 080	177 027
Water Supply Infrastructure		-	-	-	-	11 399	11 399	8 680	9 106	9 534
Dams and Weirs										
Boreholes										
Reservoirs						11 399	11 399	8 680	9 106	9 534
Solid Waste Infrastructure		-	-	-	33 167	-	-	-	-	-
Rail Infrastructure		-	-	-	46 650	-	-	-	-	-
MV Substations										
LV Networks					46 650					
<b>Community Assets</b>		-	-	-	33 237	14	14	15	16	16
Community Facilities		-	-	-	33 237	14	14	15	16	16
Halls					35	11	11	15	16	16
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		14 845	14 191	70 356	181 556	50 587	50 587	163 462	171 463	179 531
Operational Buildings		14 845	14 191	70 356	181 556	50 587	50 587	163 462	171 463	179 531
Municipal Offices		14 845	14 191	70 356	50 657	23 652	23 652	50 407	52 868	55 362
Pay/Enquiry Points										
Building Plan Offices										
Workshops					23 775	0	0			
Yards										
Stores					107 124	26 935	26 935	113 055	118 595	124 169
<b>Machinery and Equipment</b>		8 559	19 626	38 064	94 232	100 702	100 702	214 842	225 369	235 961
Machinery and Equipment		8 559	19 626	38 064	94 232	100 702	100 702	214 842	225 369	235 961
<b>Transport Assets</b>		-	-	-	29 959	20 495	20 495	25 105	25 553	27 978
Transport Assets		-	-	-	29 959	20 495	20 495	25 105	25 553	27 978
<b>Total Repairs and Maintenance Expenditure</b>	1	57 162	111 340	238 604	505 967	246 698	246 698	573 286	600 587	630 047
<b>R&amp;M as a % of PPE</b>		0,9%	40,8%	87,4%	0,0%	0,0%	0,0%	7,0%	7,4%	7,9%

Table 45 MBRR SA36 - Detailed capital budget per municipal vote

KZN225 Msunduzi Municipality- SA36 - Detailed capital budget per municipal vote

R thousand	Function	Project Description	Project Number	2023/24 Medium Term Revenue & Expenditure Framework		
				Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Parent municipality:</b>						
<i>List all capital projects grouped by Function</i>						
	<b>INFRASTRUCTURE</b>	<b>MSE:AH:NEW:COMPUTER EQUIPMENT</b>		1 000		
	City Manager	LEVS:AH:NEW:COMPUTER EQUIPMENT	A/101011.BAH.A52	4 000		
	City Manager	LEVS:AH:NEW:MACHINERY & EQUIPM	A/104528.BAH.A60	30 000	30 000	30 000
	City Finance	LEVS:ZA:FINANCIAL MANAGEMENT SYSTEM SAP	I/202035.001	10 000	10 000	10 000
	Corporate Services	LEVS:AH:NEW:COMPUTER EQUIPMENT	A/304526.BAH.A52	10 000	10 000	10 000
	Corporate Services	LEVS:ZA:LAN/WAN	I/304526.003	5 000	5 000	5 000
	Community Services & Social Equity	MSU1/I/404185.004	I/404185.004	3 125	-	
	Community Services & Social Equity	MIG:Z5:WARD 38 COMMUNITY HALL	I/403243.007	4 500	-	
	Community Services & Social Equity	MIG:Z1:WARD 7 COMMUNITY HALL	I/403243.008	4 121	-	
	Community Services & Social Equity	MIG:Z5:WARD 29 COMMUNITY HALL	I/403243.009	1 550	2 455	6 535
	Community Services & Social Equity	MIG:Z4:WARD 24 COMMUNITY HALL	I/403243.010	4 100	5 000	5 330
	Community Services & Social Equity	MIG:Z1:WARD 8 COMMUNITY HALL	I/403243.011	1 450	3 000	5 000
	Community Services & Social Equity	MIG:Z1:WARD 8 COMMUNITY HALL	I/403243.011	3 731	-	
	Community Services & Social Equity	MIG:Z3:WARD 13 COMMUNITY HALL	I/403243.012	550	2 000	5 000
	Community Services & Social Equity	MIG:Z2:KWAPATA MULTI-PURPOSE CENTER	I/403243.025	700	-	-
	Infrastructure Services	LEVS:AH:NEW:COMPUTER EQUIPMENT	A/504125.BAH.A52	5 000	5 000	5 000
	Infrastructure Services	LEVS:ZA:NEW:TRANSPORT ASSETS	A/504125.BZA.A61	20 000	30 750	40 750
	Infrastructure Services	LEVS:Z4:ROAD REHAB - PMS	I/504125.006			
	Infrastructure Services	MSU1/I/504125.061	I/504125.061	750	-	-
	Infrastructure Services	LEVS:AH:NEW:CHANGE ROOMS REHAB	I/504125.067	2 000	2 000	2 000
	Infrastructure Services	LEVS:Z5:TRAFFIC CALMING MEASURES	I/504131.006	250	250	250
	Infrastructure Services	LEVS:Z5:TRAFFIC CALMING MEASURES	I/504131.006	2 000	2 000	2 000
	Infrastructure Services	WSIG:ZA:BASIC WATER SUPPLY	I/504787.010	28 000	35 000	38 986
	Infrastructure Services	WSIG:Z1:VULINDLELA PHASE 3 (Planning & D	I/504787.036	50 000		
	Infrastructure Services	ALNS:ZA:REDUCTION OF NON REVENUE WATER	I/504787.037			
	Infrastructure Services	MDRG:Z3:GRT EDENDALE RESEVOIR WARD 17	I/504787.038	7 000	7 000	7 000
	Infrastructure Services	LEVS:METERING	to be created	6 000	12 000	12 055
	Infrastructure Services	MIG:Z2:UPG GRV RD-EDN-DAMBUZA MJ SWD UPG	I/504125.014	7 000	3 092	3 277
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 4	I/504125.029	1 500	-	
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 7	I/504125.031	1 700	-	
	Infrastructure Services	MIG:Z1:UPGR GRV RD-VULINDLELA-WARD8	I/504125.032	7 700	8 000	8 480
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 9	I/504125.033			
	Infrastructure Services	MIG:Z2:UPGR RD IN PEACE VALLEY-10KM	I/504125.035	1 000	-	
	Infrastructure Services	MIG:Z2:UPGR GRV ROADS-WILLOWF	I/504125.037	1 500	5 000	5 300
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VUL-WARD 1	I/504125.042	7 000	13 000	13 780
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VUL-WARD 5	I/504125.043			
	Infrastructure Services	MIG:Z1:UPGR GRV RD-VULINDLELA WARD 2	I/504125.047	5 000	10 000	10 600
	Infrastructure Services	MIG:Z1: REHAB OF BALENI ROAD SWEETWATER	I/504125.055	22 000	16 245	10 000
	Infrastructure Services	MIG:ZA:ELIM OF CONSERV TANKS:SEWER	I/504202.009			
	Infrastructure Services	MIG:Z3:SHENSTONE AMBLETON SANIT SYSTEM	I/504202.013	3 000	33 594	26 406
	Infrastructure Services	MIG:Z3:SLANGSPRUIT AMBLETON SANITATION S	I/504202.015	15 300	-	3 000
	Infrastructure Services	MIG:Z2:VULINDLELA H/HOLD SANITATION-W10	I/504202.016	-	10 000	25 000
	Infrastructure Services	MIG:Z2:EDENDALE - SEWER RETIC - WARD 16	I/504202.021	65 478	65 339	37 183
	Infrastructure Services	MIG:ZA:DARVIL SEWER OUTFALL	I/504202.025			
	Infrastructure Services	MUNICIPAL RUNNING COST		11 065	14 000	15 000
	Infrastructure Services	MIG:ZA:REDUCTION OF NON REVENUE WATER	I/504787.008	15 000	12 383	21 753
	Infrastructure Services	MIG:Z5:COPEVILLE RESERVOIR	I/504787.026	22 860	12 780	22 360
	Infrastructure Services	MIG:Z1:NCWADI PHASE 2A	I/504787.030	15 000		
	Infrastructure Services	to be created	to be created			
	Sustainable Development and City Enterprises	MIG:Z2:INSTAL WATER METERS AND MANHOLES	I/604560.020	10 000	3 139	-
	Sustainable Development and City Enterprises	LEVS:AH:COLD ROOM	I/604745.002	5 606	-	-
	Sustainable Development and City Enterprises	NDPG:Z2:Edendale Town Centre: Promenade1	I/604241.002			

**KZN225 Msunduzi Municipality- SA36 - Detailed capital budget per municipal vote**

R thousand	Function	Project Description	Project Number	2023/24 Medium Term Revenue & Expenditure Framework		
				Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	Sustainable Development and City Enterprises	MSU1//604241.005	I/604241.005	8 600	7 500	8 000
	Sustainable Development and City Enterprises	NDPG: Z4: ISF: CAMPSDRIFT DESILTING	I/604241.016			
	Sustainable Development and City Enterprises	MSU1//604508.009	I/604508.009	500		
	Sustainable Development and City Enterprises		tbc	800		
	Sustainable Development and City Enterprises		tbc	1 500		
	Sustainable Development and City Enterprises	PRVOT:Z4:NEW:MACHINERY & EQUIP	A/604508.A24.A60			
	Sustainable Development and City Enterprises	MSU1//604508.010	I/604508.010	80	80	50
	Sustainable Development and City Enterprises	ART:Z4: CLIMATE CONTROL LIGHTING	I/604480.007	200	251	300
	Sustainable Development and City Enterprises	ART:Z4:NEW:MACHINERY & EQUIP AIR COND	A/604480.5Z4.A60	40	40	40
	Sustainable Development and City Enterprises	ART:Z4:NEW:FURNITURE & EQUIPMENT	A/604480.5Z4.A53	20	20	20
	Sustainable Development and City Enterprises	ART:Z4:NEW:MACHINERY & EQUIPMENT	A/604480.5Z4.A60	81	85	93
	Sustainable Development and City Enterprises	ART:Z4:NEW:HERITAGE ASSETS	A/604480.5Z4.A05	7 000	7 500	8 000
	Sustainable Development and City Enterprises	NDPG:Z4:CIVIC ZONE PHASE 1:MARKET STALLS	I/604241.019	200	200	200
	Sustainable Development and City Enterprises	ACRDC:AH:NEW:NEW:COMPUTER EQUIPMENT	A/604270.A9H.A52	500	500	500
	Sustainable Development and City Enterprises	ACRDC:AH:NEW:NEW:FURNITURE & OFFICE EQUIP	A/604270.A9H.A53	3 000	3 139	-
	Sustainable Development and City Enterprises	MSU1//604560.020	I/604560.020	12 400	15 000	14 000
	Sustainable Development and City Enterprises	MSU1//604745.005	I/604745.005	300		
	Sustainable Development and City Enterprises	EDTEA:Z4:INFORMAL ECONOMY INFRASTRUCTURE	I/604241.003	450		
	Electricity	MSU1/A/704062.1AH.A52	A/704062.1AH.A52	25 000		
	Electricity	MSU1/A/704062.1AH.A53	A/704062.1AH.A53	2 850		
	Electricity	MSU1/A/704062.1AH.A60	A/704062.1AH.A60	5 900		
	Electricity	MSU1/A/704062.1AH.A61	A/704062.1AH.A61	17 000		
	Electricity	MSU1/A/704062.1ZA.A60	A/704062.1ZA.A60	2 500		
	Electricity	MSU1/A/704062.1ZA.A60	A/704062.1ZA.A60			
	Electricity	MSU1/A/704062.1ZA.A60	A/704062.1ZA.A60	18 000		
	Electricity	MSU1//704062.002	I/704062.002	18 000		
	Electricity	MSU1//704062.007	I/704062.007	5 000		
	Electricity	MSU1//704062.012	I/704062.012	25 000		
	Electricity	MSU1//704062.017	I/704062.017	30 000		
	Electricity	MSU1//704062.020	I/704062.020	8 000	8 000	8 000
	Electricity	MSU1//704062.021	I/704062.021	4 200	3 000	1 500
	Electricity	MSU1//704066.001	I/704066.001	1 400	2 000	2 000
	Electricity	TBC	TBC	1 400	2 000	3 814
	Electricity	TBC	TBC	5 000	5 000	-
	Electricity	TBC	TBC	9 000	8 968	14 319
	Electricity	TBC	TBC	1 000		
	<b>Parent Capital expenditure</b>			<b>637 456</b>	<b>431 309</b>	<b>447 882</b>

## 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 2023/24 MTREF in June 2023 directly aligned and informed by the MTREF.

6. Annual Report

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

2.13 Other supporting documents

Table 46 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN225 Msunduzi Municipality -Supporting Table detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>											
Total Property Rates	6	1 177 108	1 274 712	1 211 349	1 536 208	1 536 208	1 536 208		1 643 742	1 726 737	1 810 768
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)			42 382		109 119	109 119	109 119		116 757	124 930	133 675
Net Property Rates		1 177 108	1 232 330	1 211 349	1 427 089	1 427 089	1 427 089	-	1 526 985	1 601 807	1 677 092
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>											
Total Service charges - Electricity	6	2 159 758	2 152 953	2 549 653	3 187 354	3 187 354	3 187 354		3 897 489	4 521 087	5 334 883
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)			170		4 204	4 204	4 204		4 671	5 418	6 394
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-		-	-	-
Net Service charges - Electricity		2 159 758	2 152 783	2 549 653	3 183 150	3 183 150	3 183 150	-	3 892 818	4 515 669	5 328 489
<b>Service charges - Water</b>											
Total Service charges - Water	6	662 849	777 813	773 657	1 021 967	1 021 967	1 021 967		1 124 164	1 179 248	1 234 672
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)			4 644		202 356	202 356	202 356		222 592	233 499	244 473
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-		-	-	-
Net Service charges - Water		662 849	773 169	773 657	819 610	819 610	819 610	-	901 572	945 749	990 199
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management		172 221	185 533	182 241	189 018	189 018	189 018		219 261	230 004	240 815
Less Revenue Foregone (in excess of free sanitation service to indigent households)			18 430		14 449	14 449	14 449		16 761	17 582	18 408
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-		-	-	-
Net Service charges - Waste Water Management		172 221	167 102	182 241	174 569	174 569	174 569	-	202 500	212 422	222 406
<b>Service charges - Waste Management</b>											
Total refuse removal revenue	6	109 639	113 711	114 119	144 723	144 723	144 723		146 641	153 826	161 073
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)			14		15 058	15 058	15 058		7 899	8 286	8 692
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-		-	-	-
Net Service charges - Waste Management		109 639	113 697	114 119	129 665	129 665	129 665	-	138 742	145 540	152 380

**KZN225 Msunduzi Municipality -Supporting Table detail to 'Budgeted Financial Performance'**

Description	Ref	2019/20			2020/21			2021/22			Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26					
<b>R thousand</b>																
<b>EXPENDITURE ITEMS:</b>																
<b>Employee related costs</b>																
Basic Salaries and Wages	2	752 864	814 382	854 780	1 063 420	1 104 970	1 104 970		957 599	1 000 775	1 045 899					
Pension and UIF Contributions		154 503	165 889	168 590	198 257	198 257	198 257		292 041	305 183	318 916					
Medical Aid Contributions		60 324	64 595	66 757	99 221	99 221	99 221		182 387	190 594	199 171					
Overtime		110 825	98 512	111 164	118 566	118 566	118 566		101 320	105 879	110 644					
13th cheque		61 360	64 975	67 214	-	-	-		87 902	91 858	95 992					
Motor Vehicle Allowance		26 958	28 395	28 808	31 525	31 525	31 525		39 131	40 893	42 733					
Cellphone Allowance		7 624	8 021	19 408	4 757	4 757	4 757		5 312	5 551	5 800					
Housing Allowances		4 128	4 340	4 245	4 757	4 757	4 757		74 942	78 314	81 838					
Other benefits and allowances		40 029	35 661	38 153	39 671	39 671	39 671		39 950	41 748	43 627					
Payments in lieu of leave		18 611	25 687	19 775	3 369	3 369	3 369		-	-	-					
Long service awards		27 903	27 310	27 795	16 155	16 155	16 155		18 330	19 155	20 017					
Post-retirement benefit obligations	4	60 781	56 899	62 450	-	-	-		-	-	-					
Entertainment																
Scarcity		6 244	7 133	7 385												
Acting and post related allowance		13 332	16 625	17 962												
In kind benefits																
<b>sub-total</b>	5	<b>1 345 487</b>	<b>1 418 426</b>	<b>1 494 487</b>	<b>1 579 699</b>	<b>1 621 248</b>	<b>1 621 248</b>	-	<b>1 798 913</b>	<b>1 879 949</b>	<b>1 964 637</b>					
<b>Less: Employees costs capitalised to PPE</b>																
<b>Total Employee related costs</b>	1	<b>1 345 487</b>	<b>1 418 426</b>	<b>1 494 487</b>	<b>1 579 699</b>	<b>1 621 248</b>	<b>1 621 248</b>	-	<b>1 798 913</b>	<b>1 879 949</b>	<b>1 964 637</b>					
<b>Depreciation and amortisation</b>																
Depreciation of Property, Plant & Equipment		417 614	372 532	366 625	441 964	441 738	441 738		461 616	482 389	504 096					
Lease amortisation		-	-	-	-	-	-		-	-	-					
Capital asset impairment		-	-	-	-	-	-		-	-	-					
<b>Total Depreciation and amortisation</b>	1	<b>417 614</b>	<b>372 532</b>	<b>366 625</b>	<b>441 964</b>	<b>441 738</b>	<b>441 738</b>	-	<b>461 616</b>	<b>482 389</b>	<b>504 096</b>					
<b>Bulk purchases - electricity</b>																
Electricity bulk purchases		2 491 127	2 659 404	2 950 207	2 200 000	2 300 000	2 300 000		2 714 000	3 066 820	3 526 843					
<b>Total bulk purchases</b>	1	<b>2 491 127</b>	<b>2 659 404</b>	<b>2 950 207</b>	<b>2 200 000</b>	<b>2 300 000</b>	<b>2 300 000</b>	-	<b>2 714 000</b>	<b>3 066 820</b>	<b>3 526 843</b>					
<b>Transfers and grants</b>																
Cash transfers and grants		25 307	16 870	19 996	63 469	53 652	53 652		51 858	54 257	56 780					
Non-cash transfers and grants		-	-	-	-	-	-		-	-	-					
<b>Total transfers and grants</b>	1	<b>25 307</b>	<b>16 870</b>	<b>19 996</b>	<b>63 469</b>	<b>53 652</b>	<b>53 652</b>	-	<b>51 858</b>	<b>54 257</b>	<b>56 780</b>					
<b>Contracted Services</b>																
Outsourced Services		23 049	26 037	29 181	664 657	755 248	755 248		982 347	1 040 649	1 088 841					
Consultants and Professional Services																
Contractors		472 441	549 627	693 573												
<b>Total contracted services</b>		<b>495 490</b>	<b>575 664</b>	<b>722 754</b>	<b>664 657</b>	<b>755 248</b>	<b>755 248</b>	-	<b>982 347</b>	<b>1 040 649</b>	<b>1 088 841</b>					
<b>Operational Costs</b>																
Collection costs																
Contributions to 'other' provisions																
Audit fees																
Other Operational Costs		136 748	128 892	121 312	180 000	197 273	197 273		223 481	229 014	239 777					
<b>Total Operational Costs</b>	1	<b>136 748</b>	<b>128 892</b>	<b>121 312</b>	<b>180 000</b>	<b>197 273</b>	<b>197 273</b>	-	<b>223 481</b>	<b>229 014</b>	<b>239 777</b>					
<b>Repairs and Maintenance by Expenditure Item</b>																
Employee related costs	8				215 000	215 000	215 000									
Inventory Consumed (Project Maintenance)						37 797	37 797		100 690	92 596	102 646					
Contracted Services					226 785	197 999	197 999		464 043	445 738	489 852					
Other Expenditure					64 182	10 902	10 902		11 004	12 490	14 183					
<b>Total Repairs and Maintenance Expenditure</b>	9	-	-	-	<b>505 967</b>	<b>461 698</b>	<b>461 698</b>	-	<b>575 736</b>	<b>550 824</b>	<b>606 681</b>					
<b>Inventory Consumed</b>																
Inventory Consumed - Water		(38)	(1 883)	-	770 802	-	-		807 481	847 047	886 858					
Inventory Consumed - Other		57 199	60 041	84 353	(100 707)	-	-		162 953	170 938	178 972					
<b>Total Inventory Consumed &amp; Other Material</b>		<b>57 162</b>	<b>58 158</b>	<b>84 353</b>	<b>670 095</b>	<b>-</b>	<b>-</b>	-	<b>970 434</b>	<b>1 017 985</b>	<b>1 065 831</b>					

Table 47 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN225 Msunduzi Municipality -Supporting Table SA3 Supporting detail to 'Budged Financial Position											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>ASSETS</b>											
<u>Trade and other receivables from exchange transactions</u>											
Electricity								662 251	1 016 049	1 065 836	1 115 930
Water								2 593 344	2 689 648	2 821 441	2 954 049
Waste								231 938	246 473	258 550	270 702
Waste Water								420 569	439 422	460 954	482 619
Other trade receivables from exchange transactions		531 585	128 585	21 116	5 386 317			296 431	296 431	310 957	325 572
<b>Gross: Trade and other receivables from exchange transactions</b>		<b>531 585</b>	<b>128 585</b>	<b>21 116</b>	<b>5 386 317</b>	<b>-</b>	<b>-</b>	<b>4 204 534</b>	<b>4 688 025</b>	<b>4 917 738</b>	<b>5 148 871</b>
<b>Less: Impairment for debt</b>		<b>-</b>	<b>(108 903)</b>	<b>-</b>	<b>(3 604 625)</b>	<b>2 421 823</b>	<b>2 421 823</b>	<b>-</b>	<b>(3 391 769)</b>	<b>(3 557 966)</b>	<b>(3 725 190)</b>
Impairment for Electricity									(621 922)	(652 396)	(683 059)
Impairment for Water									(2 053 300)	(2 153 911)	(2 255 145)
Impairment for Waste									(179 598)	(188 399)	(197 253)
Impairment for Waste Water									(320 707)	(336 422)	(352 234)
Impairment for other trade receivalbes from exchange transactions			(108 903)		(3 604 625)	2 421 823	2 421 823		(216 242)	(226 838)	(237 499)
<b>Total net Trade and other receivables from Exchange Transactions</b>		<b>531 585</b>	<b>19 682</b>	<b>21 116</b>	<b>1 781 691</b>	<b>2 421 823</b>	<b>2 421 823</b>	<b>4 204 534</b>	<b>1 296 255</b>	<b>1 359 772</b>	<b>1 423 681</b>
<b>-</b>											
<u>Receivables from non-exchange transactions</u>											
Property rates		1 451 868	1 224 046						1 501 815	1 575 404	1 649 448
Less: Impairment of Property rates			(681 266)						(839 691)	(880 836)	(922 235)
<b>Net Property rates</b>		<b>1 451 868</b>	<b>542 780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662 124</b>	<b>694 568</b>	<b>727 213</b>
Other receivables from non-exchange transactions			93 829	516 961					112 404	117 911	123 453
Impairment for other receivalbes from non-exchange transactions			(91 289)						(109 729)	(115 106)	(120 516)
<b>Net other receivables from non-exchange transactions</b>		<b>-</b>	<b>2 540</b>	<b>516 961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 675</b>	<b>2 806</b>	<b>2 938</b>
<b>Total net Receivables from non-exchange transactions</b>		<b>1 451 868</b>	<b>545 320</b>	<b>516 961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>664 799</b>	<b>697 374</b>	<b>730 151</b>

KZN225 Msunduzi Municipality -Supporting Table SA3 Supporting detail to 'Budgeted Financial Position											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>Inventory</b>											
<b>Water</b>											
Opening Balance			(410 878)	(55 279)	34 769	34 769	34 769	34 769	34 769	(772 711)	(1 619 758)
System Input Volume		(410 916)	353 717	90 048	871 509	-	-	-	-	-	-
Water Treatment Works											
Bulk Purchases				90 048							
Natural Sources		(410 916)	353 717		871 509						
Authorised Consumption	6	38	1 883	-	(770 802)	-	-	-	(807 481)	(847 047)	(886 858)
Billed Authorised Consumption		38	1 883	-	(770 802)	-	-	-	(807 481)	(847 047)	(886 858)
Billed Metered Consumption		38	1 883	-	(770 802)	-	-	-	-	-	-
Free Basic Water		38	1 883	-	(871 509)	-	-	-	-	-	-
Subsidised Water					100 707						
Revenue Water											
Billed Unmetered Consumption		-	-	-	-	-	-	-	(807 481)	(847 047)	(886 858)
Free Basic Water											
Subsidised Water											
Revenue Water									(807 481)	(847 047)	(886 858)
Closing Balance Water		(410 878)	(55 279)	34 769	135 476	34 769	34 769	34 769	(772 711)	(1 619 758)	(2 506 617)
<b>Agricultural</b>											
<b>Standard Rated</b>											
Opening Balance			-	-	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)
Acquisitions					66 098						
Issues	7			(84 353)							
Adjustments	8										
Write-offs	9										
Closing balance - Consumables Standard Rated		-	-	(84 353)	(18 256)	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)
<b>Zero Rated</b>											
Opening Balance			(398 186)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)
Acquisitions	7		32 789								
Issues	8	(398 186)	(60 041)								
Adjustments	9										
Write-offs											
Closing balance - Consumables Zero Rated		(398 186)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)
<b>Finished Goods</b>											
Opening Balance			340 987	340 987	340 987	340 987	340 987	340 987	340 987	340 987	340 987
Acquisitions	7				542 287						
Issues	8	340 987									
Adjustments	9				(608 384)						
Write-offs											
Closing balance - Finished Goods		340 987	340 987	340 987	274 889	340 987	340 987	340 987	340 987	340 987	340 987
<b>Materials and Supplies</b>											
Opening Balance			-	33 401	33 401	33 401	33 401	33 401	33 401	(129 552)	(300 491)
Acquisitions	7		33 401								
Issues	8				100 707				(162 953)	(170 938)	(178 972)
Adjustments	9				(100 707)						
Write-offs											
Closing balance - Materials and Supplies		-	33 401	33 401	33 401	33 401	33 401	33 401	(129 552)	(300 491)	(479 463)
<b>Work-in-progress</b>											
Opening Balance			-	460 129	460 129	460 129	460 129	460 129	460 129	460 129	460 129
Materials			460 129								
Transfers											
Closing balance - Work-in-progress		-	460 129	460 129	460 129	460 129	460 129	460 129	460 129	460 129	460 129
Sales									(173 496)		
Closing Balance - Housing Stock		-	-	-	-	-	-	-	(173 496)	-	-
<b>Land</b>											
Opening Balance			-	-	-	-	-	-	(257 777)	(257 777)	(257 777)
Closing Balance - Land			-	-	(286 705)	(257 777)	(257 777)	-	(257 777)	(257 777)	(257 777)
Closing Balance - Inventory & Consumables		(468 078)	353 800	359 494	173 496	101 717	101 717	185 998	(868 717)	(1 886 702)	(2 952 533)
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		11 135 340	11 702 088	7 292 399	9 948 298	6 825 684	6 825 684		13 327 507	14 182 448	15 076 811
Leases recognised as PPE	3				-						
Less: Accumulated depreciation		4 546 445	(4 920 437)	(375 343)	2 822 614				6 157 954	7 122 732	8 130 924
Total Property, plant and equipment (PPE)	2	6 588 895	6 781 652	6 917 056	7 125 684	6 825 684	6 825 684	-	7 169 553	7 059 716	6 945 887



KZN225 Msunduzi Municipality -Supporting Table SA3 Supporting detail to 'Budged Financial Position											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>LIABILITIES</b>											
<b>Current liabilities - Financial liabilities</b>											
Short term loans (other than bank overdraft)		113 418	81 573	79 163	101 622	180 785	180 785		-		
Current portion of long-term liabilities									83 359	87 443	91 553
<b>Total Current liabilities - Financial liabilities</b>		<b>113 418</b>	<b>81 573</b>	<b>79 163</b>	<b>101 622</b>	<b>180 785</b>	<b>180 785</b>	<b>-</b>	<b>83 359</b>	<b>87 443</b>	<b>91 553</b>
<b>Trade and other payables from exchange transactions</b>											
Trade and other payables from exchange transactions	5				1 106 988				1 755 229	1 841 235	1 927 773
Other trade payables from exchange transactions											
Trade payables from Non-exchange transactions: Unspent conditional Grants											
Trade payables from Non-exchange transactions: Other											
VAT											
<b>Total Trade and other payables from exchange transactions</b>	2	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 106 988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 755 229</b>	<b>1 841 235</b>	<b>1 927 773</b>
<b>Non current liabilities - Financial liabilities</b>											
Borrowing	4	285 318							131 184	137 612	144 080
Other financial liabilities			203 745	589 320	499 353	623 935	623 935				
<b>Total Non current liabilities - Financial liabilities</b>		<b>285 318</b>	<b>203 745</b>	<b>589 320</b>	<b>499 353</b>	<b>623 935</b>	<b>623 935</b>	<b>-</b>	<b>131 184</b>	<b>137 612</b>	<b>144 080</b>
<b>Provisions</b>											
Retirement benefits									648 252	680 016	711 977
Refuse landfill site rehabilitation			55 142						75 576	79 279	83 006
Other		531 180			809 779	1 460 213	1 460 213				
<b>Total Provisions</b>		<b>531 180</b>	<b>55 142</b>	<b>-</b>	<b>809 779</b>	<b>1 460 213</b>	<b>1 460 213</b>	<b>-</b>	<b>723 828</b>	<b>759 296</b>	<b>794 983</b>
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated surplus/(deficit)</b>											
Accumulated surplus/(deficit) - opening balance					8 355 802	6 049 349			7 850 359	8 235 027	8 622 073
GRAP adjustments						201 831			(70)	(74)	(77)
Restated balance		-	-	-	8 355 802	6 251 180	-	-	7 850 289	8 234 953	8 621 996
Surplus/(Deficit)		223 780	54 956	(726 982)	1 042 254	810 024	810 024	-	808 687	1 096 363	1 464 478
Transfers to/from Reserves											
Depreciation offsets									(2 699)	(6 711)	14 312
Other adjustments		7 524 777	7 458 931	7 992 331	(1 740 993)	(1 011 855)	5 239 325		(665 500)	(1 097 295)	(346 780)
<b>Accumulated Surplus/(Deficit)</b>	1	<b>7 748 557</b>	<b>7 513 887</b>	<b>7 265 348</b>	<b>7 657 063</b>	<b>6 049 349</b>	<b>6 049 349</b>	<b>-</b>	<b>7 990 777</b>	<b>8 227 310</b>	<b>9 754 006</b>
<b>Reserves</b>											
Housing Development Fund			95 127	105 694							
Capital replacement		190 847	725	786							
Self-insurance											
Other reserves			95 138								
Revaluation				95 351		201 831	201 831		212 528	222 942	233 420
<b>Total Reserves</b>	2	<b>190 847</b>	<b>190 989</b>	<b>201 831</b>	<b>-</b>	<b>201 831</b>	<b>201 831</b>	<b>-</b>	<b>212 528</b>	<b>222 942</b>	<b>233 420</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>7 939 405</b>	<b>7 704 876</b>	<b>7 467 179</b>	<b>7 657 063</b>	<b>6 251 180</b>	<b>6 251 180</b>	<b>-</b>	<b>8 203 305</b>	<b>8 450 252</b>	<b>9 987 426</b>

## 2.14 Overview of budget funding

### 2.14.1 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**

**KZN225 Msunduzi Municipality - Table A1**

Description	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>			
<b>Financial Performance</b>			
Property rates	1 526 985	1 601 807	1 677 092
Service charges	5 135 631	5 819 380	6 693 475
Investment revenue	–	–	–
Transfer and subsidies - Operational	827 889	906 109	982 491
Other own revenue	619 975	654 169	685 280
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>8 110 480</b>	<b>8 981 466</b>	<b>10 038 339</b>

**Figure 4 Breakdown of operating revenue over the 2023/24 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 2023/24 MTREF on the different revenue categories are:

**Table 49 Analysis of estimated revenue projections****KZN255 Msunduzi Table A4 Consolidated Financial performance (Revenue and Expenditure)**

Description	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework				
		Original Budget	Adjusted Budget	%Increase/Decrease(2022/23 and 2024/24)	Budget Year 2023/24	%Increase/Decrease(2023/24 and 2023/25)	Budget Year +1 2024/25	%Increase/Decrease(2023/24 and 2023/25)	Budget Year +2 2025/26
<b>R thousand</b>	1								
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity	2	3 183 150	3 183 150	18%	3 892 818	16%	4 515 669	18%	5 328 489
Service charges - Water	2	819 610	819 610	9%	901 572	5%	945 749	5%	990 199
Service charges - Waste Water Management	2	174 569	174 569	14%	202 500	5%	212 422	5%	222 406
Service charges - Waste Management	2	129 665	129 665	7%	138 742	5%	145 540	5%	152 380
Sale of Goods and Rendering of Services									
Agency services		668	668	7%	715	5%	750	5%	785
Interest		17 030	17 030	6%	18 052	6%	19 225	7%	20 494
Interest earned from Receivables		225 218	225 218	10%	248 865	5%	261 060	5%	273 330
Interest earned from Current and Non Current Assets									
Dividends									
Rent on Land									
Rental from Fixed Assets		37 424	37 424	64%	104 824	7%	112 624	5%	117 917
Licence and permits									
Operational Revenue		177 000	177 000	23%	230 407	8%	249 376	5%	261 096
<b>Non-Exchange Revenue</b>									
Property rates	2	1 427 089	1 427 089	7%	1 526 985	5%	1 601 807	4,70%	1 677 092
Surcharges and Taxes									
Fines, penalties and forfeits		2 005	2 005	86%	14 660	-42%	8 468	5%	8 866
Licences or permits		1 500	1 500	39%	2 452	9%	2 667	5%	2 793
Transfer and subsidies - Operational		855 842	800 709	3%	827 889	9%	906 109	8%	982 491
Interest									
Fuel Levy									
Operational Revenue									
Gains on disposal of Assets									
Other Gains									
Discontinued Operations									
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>7 050 770</b>	<b>6 995 637</b>	<b>16%</b>	<b>8 110 480</b>	<b>11%</b>	<b>8 981 466</b>	<b>12%</b>	<b>10 038 339</b>

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

**Table 50 MBRR SA15 – Detail Investment Information**

**KZN225 Msunduzi-Suporting table SA15 Investment partivulars by Type**

Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Parent municipality</b>										
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		16 145		32 000				20 000	21 060	22 113
<b>Municipality sub-total</b>	1	16 145	-	32 000	-	-	-	20 000	21 060	22 113
<b>Entities</b>										
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										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		16 145	-	32 000	-	-	-	20 000	21 060	22 113

### 2.14.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

**Table 51 Sources of capital revenue over the MTREF**

**KZN225 Msunduzi Municipality Table A5 Medium-term capital budget per vote**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Funded by:</b>										
National Government		312 944	397 217	291 413	344 634	310 626	310 626	312 535	320 133	326 679
Provincial Government		76 188	166 779	21 308	101 327	126 971	126 971	4 921	1 176	1 203
District Municipality Transfers and subsidies - capital (in-kind)										
<b>Transfers recognised - capital</b>	4	<b>389 132</b>	<b>563 995</b>	<b>312 721</b>	<b>445 961</b>	<b>437 597</b>	<b>437 597</b>	<b>317 456</b>	<b>321 309</b>	<b>327 882</b>
<b>Borrowing</b>	6	4 230		49 401	300 000	–	–	200 000	150 000	–
<b>Internally generated funds</b>		86 493	121 936	159 705	89 957	89 388	89 388	120 000	110 000	120 000
<b>Total Capital Funding</b>	7	<b>479 855</b>	<b>685 931</b>	<b>521 827</b>	<b>835 918</b>	<b>526 985</b>	<b>526 985</b>	<b>637 456</b>	<b>581 309</b>	<b>447 882</b>

**Figure 5 Sources of capital revenue for the 2023/24 financial year**

Capital grants and receipts equates to 49 per cent of the total funding source which represents R317.4 million for the 2023/24 budget year and shows an increase to R 321 million and R 327 million respectively for two outer years. An amount of R120 million has been set aside for internal funding while R200 million is budgeted from Borrowings.

**Details of borrowings**

**Table 52 MBRR Table SA 17 - Detail of borrowings**

KZN225 Msunduzi Municipality -Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Parent municipality</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		459 547						350 000		
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										
<b>Municipality sub-total</b>	1	459 547	-	-	-	-	-	350 000	-	-
<b>Entities</b>										
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										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	459 547	-	-	-	-	-	350 000	-	-

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

**KZN255 Msunduzi Supporting Table SA18 Transfers and grants receipts**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>RECEIPTS:</b>	1, 2									
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>352 860</b>	<b>337 738</b>	<b>305 550</b>	<b>341 634</b>	<b>310 115</b>	<b>310 115</b>	<b>312 535</b>	<b>320 133</b>	<b>326 679</b>
Municipal Infrastructure Grant (MIG)		164 900	197 725	199 650	217 980	216 461	216 461	238 929	243 133	250 379
Public Transport and Systems		117 252	88 758	11 900	–	–	–	–	–	–
Neighbourhood Development Partnership		9 957	18 000	34 000	34 500	34 500	34 500	33 606	30 000	30 000
Dept of Mineral/Electricity		–	–	–	–	–	–	–	–	–
Intergrated National Electrification Programme		–	–	20 000	–	29 154	29 154	7 000	7 000	7 314
Municipal Systems Improvement		–	–	–	–	–	–	–	–	–
Municipal Water Infrastructure Grant		52 752	33 255	40 000	60 000	30 000	30 000	28 000	35 000	38 986
Energy Efficiency and Demand Management		7 999	–	–	29 154	–	–	5 000	5 000	–
Other capital transfers/grants [insert desc]		–	–	–	–	–	–	–	–	–
<b>Provincial Government:</b>		<b>–</b>	<b>316 943</b>	<b>48 143</b>	<b>104 797</b>	<b>127 482</b>	<b>127 482</b>	<b>4 921</b>	<b>1 176</b>	<b>1 203</b>
Airport Development Project		–	–	–	–	–	–	–	–	–
Sport and Recreation		–	–	–	–	92 869	92 869	–	–	–
KZNPA		5 557	4 000	–	6 000	6 600	6 600	–	–	–
Economic development tourism		–	12 836	14 759	–	–	–	–	–	–
Capital Provincial KZN Treasury		–	6 124	–	–	–	–	–	–	–
Housing-Military Veterans		–	2 500	–	–	511	511	–	–	–
Airport Grant		–	774	1 000	3 000	3 047	3 047	–	–	–
Arts and Culture-Museum Subsidies		–	2 820	–	–	–	–	–	–	–
COGTA		9 420	250 388	15 188	–	16 323	16 323	–	–	–
Human Settlement		60 811	6 750	–	2 000	–	–	–	–	–
Human Settlement - Housing Accreditation		–	22 465	–	93 797	2 200	2 200	700	700	700
Housing		–	–	12 986	–	5 591	5 591	–	–	–
Provincial Government		–	–	620	–	–	–	–	–	–
Arts and Culture- Community Library Services		1 065	8 285	3 500	–	341	341	421	476	503
Arts and Culture-Museum Subsidies - Tatham Art Gallery		400	–	90	–	–	–	–	–	–
PMB Airport- CAPITAL		–	–	–	–	–	–	2 800	–	–
Informal Economy Instructure Development		–	–	–	–	–	–	1 000	–	–
<b>District Municipality:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
[insert description]		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
[insert description]		–	–	–	–	–	–	–	–	–
<b>Total Capital Transfers and Grants</b>	5	<b>352 860</b>	<b>654 681</b>	<b>353 694</b>	<b>446 431</b>	<b>437 597</b>	<b>437 597</b>	<b>317 456</b>	<b>321 309</b>	<b>327 882</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>989 988</b>	<b>1 393 593</b>	<b>1 011 300</b>	<b>1 296 905</b>	<b>1 238 136</b>	<b>1 238 136</b>	<b>1 152 215</b>	<b>1 233 352</b>	<b>1 316 374</b>



### 2.14.3 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

## KZN225 Msunduzi Municipality - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates				1 149 564	1 284 380	1 341 464	1 341 464		1 450 636	1 521 717	1 593 238
Service charges		3 893 416	4 078 705	3 166 810	3 876 295	4 048 575	4 048 575		5 515 221	6 249 508	7 188 210
Other revenue				76 010	915 670	716 654	716 654		212 120	225 570	236 172
Transfers and Subsidies - Operational	1	681 738	1 254 552	686 989	855 842	800 709	800 709		827 889	906 109	982 491
Transfers and Subsidies - Capital	1	487 770		327 897	446 431	437 597	437 597		317 456	321 309	327 882
Interest		45 593	23 018	33 578	17 030	17 030	17 030		18 052	19 225	20 494
Dividends					-	-	-		-	-	-
<b>Payments</b>											
Suppliers and employees		(4 385 977)	(4 731 611)	(4 853 520)	(6 605 694)	(6 640 741)	(6 640 741)		(7 635 504)	(8 260 358)	(9 007 347)
Finance charges			(36 203)	(27 182)	(94 217)	(52 039)	(52 039)		(40 401)	(42 219)	(44 119)
Transfers and Subsidies	1	(46 314)		(25 007)	(63 469)	(53 652)	(53 652)		(51 858)	(54 257)	(56 780)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>676 226</b>	<b>588 460</b>	<b>535 139</b>	<b>632 268</b>	<b>615 597</b>	<b>615 597</b>	<b>-</b>	<b>613 612</b>	<b>886 605</b>	<b>1 240 241</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		(399 051)	(600 456)	5 825		3 693	3 693		-	-	-
Decrease (increase) in non-current receivables				(359)					-	-	-
Decrease (increase) in non-current investments		17 207	(32 242)						-	-	-
<b>Payments</b>											
Capital assets				(530 398)	(835 918)	(526 985)	(526 985)		(733 074)	(668 506)	(515 064)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(381 844)</b>	<b>(632 698)</b>	<b>(524 932)</b>	<b>(835 918)</b>	<b>(523 292)</b>	<b>(523 292)</b>	<b>-</b>	<b>(733 074)</b>	<b>(668 506)</b>	<b>(515 064)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing					300 000				200 000	150 000	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing		(83 601)	(113 418)	(81 573)	(23 606)	(23 606)	(23 606)		(23 000)	(24 000)	(26 000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(83 601)</b>	<b>(113 418)</b>	<b>(81 573)</b>	<b>276 394</b>	<b>(23 606)</b>	<b>(23 606)</b>	<b>-</b>	<b>177 000</b>	<b>126 000</b>	<b>(26 000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>210 782</b>	<b>(157 656)</b>	<b>(71 367)</b>	<b>72 743</b>	<b>68 699</b>	<b>68 699</b>	<b>-</b>	<b>57 538</b>	<b>344 099</b>	<b>699 177</b>
Cash/cash equivalents at the year begin:	2	308 195	518 977	359 520	62 117	289 153	289 153		357 852	415 390	759 489
Cash/cash equivalents at the year end:	2	518 977	361 321	288 153	134 860	357 852	357 852		415 390	759 489	1 458 666

Projected cash & cash equivalents from 2023/24 up to 2025/26 is projected to increase gradually from R 415.3 million, R759 million to R1.4 billion respectively. For the 2023/24 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****KZN225 Msunduzi Municipality-Table A8 Consolidated Cash backed reserves /accumulated surplus reconciliation**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	518 977	361 321	288 153	134 860	357 852	357 852	415 390	759 489	1 458 666
Other current investments > 90 days										
<b>Cash and investments available:</b>		<b>518 977</b>	<b>361 321</b>	<b>288 153</b>	<b>134 860</b>	<b>357 852</b>	<b>357 852</b>	<b>415 390</b>	<b>759 489</b>	<b>1 458 666</b>
<b>Application of cash and investments</b>										
Unspent Conditional Grant		-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2							40 000	41 800	43 681
Other working capital requirements	3	(643 048)	(667 763)	(691 635)	680 477	(397 725)	(397 725)	(358 990)	(361 907)	(363 167)
Other provisions					140 398	140 398	140 398	146 716	153 318	160 217
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5					786	786			
<b>Total Application of cash and investments:</b>		<b>(643 048)</b>	<b>(667 763)</b>	<b>(691 635)</b>	<b>820 875</b>	<b>(256 541)</b>	<b>(256 541)</b>	<b>(172 274)</b>	<b>(166 789)</b>	<b>(159 269)</b>
<b>Surplus(shortfall)</b>		<b>1 162 025</b>	<b>1 029 084</b>	<b>979 788</b>	<b>(686 015)</b>	<b>614 393</b>	<b>614 393</b>	<b>587 664</b>	<b>926 278</b>	<b>1 617 934</b>

From the above table it can be seen that the cash and investments available total to R 587 million in the 2023/24 budget year and will increase to R 759.4 million in 2024/25 and R 1.4 billion in 2025/26 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.

### 2.14.4 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**

**KZN225 Msunduzi Table SA10 Consolidated Funding Measurement**

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	518 977	361 321	288 153	134 860	357 852	357 852	–	415 390	759 489	1 458 666
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 162 025	1 029 084	979 788	(686 015)	614 393	614 393	–	587 664	926 278	1 617 934
Cash year end/monthly employee/supplier payments	18(1)b	3	1,2	0,9	0,6	0,3	0,8	0,8	–	0,8	1,3	2,3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	223 780	54 956	(726 982)	1 042 254	810 024	810 024	–	805 988	1 089 652	1 478 789
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(2,3%)	2,8%	12,7%	(6,0%)	(6,0%)	(106,0%)	10,2%	5,4%	6,8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	35,6%	37,3%	38,4%	42,9%	43,1%	43,1%	0,0%	105,8%	106,0%	106,1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		5,3%	20,8%	5,2%	5,2%	5,2%	0,0%	4,7%	4,4%	4,1%
Capital payments % of capital expenditure	18(1)c:19	8	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	76,9%	0,0%	0,0%	0,0%	62,5%	57,7%	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.	(12,2%)	6,4%	(3,9%)	35,9%	0,0%	73,6%	(53,4%)	4,9%	4,7%
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	0,9%	1,6%	3,4%	7,1%	3,6%	3,6%	7,1%	8,4%	8,9%	0,0%
Asset renewal % of capital budget	20(1)(vi)	14	42,5%	10,6%	39,9%	18,2%	0,0%	0,0%	0,0%	8,7%	10,5%	15,8%

#### *2.14.4.1 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 415.3 million for 2023/24, and for 2024/25 and 2025/26 R759 million to R1.4 billion respectively.

#### *2.14.4.2 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.

#### *2.14.4.3 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 2023/24 MTREF the municipalities declines cash position causes the ratio to downwards to 0.8.

#### *2.14.4.4 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 2023/24 MTREF the indicative outcome is a surplus of R805 million, R 1.089 billion and R 1.478 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.

#### *2.14.4.5 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.

#### *2.14.4.6 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 95 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.



*2.14.4.7 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.

*2.14.4.8 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.

*2.14.4.9 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.

*2.14.4.10 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.

#### *2.14.4.11 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.

#### *2.14.4.12 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.

#### *2.14.4.13 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.

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

**KZN255 Msunduzi Supporting Table SA18 Transfers and grants receipts**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		<b>588 691</b>	<b>697 607</b>	<b>631 359</b>	<b>712 410</b>	<b>743 929</b>	<b>743 929</b>	<b>805 981</b>	<b>883 070</b>	<b>957 561</b>
Local Government Equitable Share		546 052	682 403	616 262	696 056	696 056	696 056	767 222	836 664	910 446
Finance Management		1 700	1 700	1 900	1 950	1 950	1 950	1 950	1 950	2 088
Municipal Systems Improvement			4 388			-	-			
EPWP Incentive		4 200	9 116	3 516	5 231	5 231	5 231	4 979		
Water Services Operating Subsidy						30 000	30 000			
Public Transport Infrastructure		14 834				-	-			
Energy Efficiency and Demand Management						-	-			
Municipal Water Infrastructure Grant								22 000	35 405	34 595
Operating costs-MIG		21 904		9 681	9 173	10 692	10 692	9 830	9 051	10 432
<b>Provincial Government:</b>		<b>48 437</b>	<b>41 305</b>	<b>26 247</b>	<b>138 064</b>	<b>56 610</b>	<b>56 610</b>	<b>28 778</b>	<b>28 972</b>	<b>30 931</b>
Human Settlements - Title Deeds Restoration						4 772	4 772			
Human Settlements - Accredited Municipalities			4 264	3 853	19 253	8 652	8 652	4 429	4 429	4 429
Human Settlements - Accredited Municipal RO			24 079		36 850	(0)	(0)			
Human Settlements - Housing Development		14 582		9 106	71 083	10 318	10 318	8 250	8 646	9 061
Arts and Culture- Community Library Services		27 665			10 070	16 458	16 458	870	908	949
Arts and Culture- Provincialisation			12 474	12 863		-	-	13 538	14 273	15 749
Arts and Culture-Museum Subsidies			488	425		-	-	571	596	623
Arts and Culture-Museum Subsidies - Tatham Art Gallery		243			809	164	164	120	120	120
COGTA		5 947				16 245	16 245			
Municipal Employment Initiative - OPERATING								1 000		
<b>Total Operating Transfers and Grants</b>	5	<b>637 128</b>	<b>738 911</b>	<b>657 606</b>	<b>850 474</b>	<b>800 539</b>	<b>800 539</b>	<b>834 759</b>	<b>912 042</b>	<b>988 492</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>352 860</b>	<b>337 738</b>	<b>305 550</b>	<b>341 634</b>	<b>310 115</b>	<b>310 115</b>	<b>312 535</b>	<b>320 133</b>	<b>326 679</b>
Municipal Infrastructure Grant (MIG)		164 900	197 725	199 650	217 980	216 461	216 461	238 929	243 133	250 379
Public Transport and Systems		117 252	88 758	11 900		-	-			
Neighbourhood Development Partnership		9 957	18 000	34 000	34 500	34 500	34 500	33 606	30 000	30 000
Dept of Mineral/Electricity						-	-			
Integrated National Electrification Programme				20 000		29 154	29 154	7 000	7 000	7 314
Municipal Systems Improvement						-	-			
Municipal Water Infrastructure Grant		52 752	33 255	40 000	60 000	30 000	30 000	28 000	35 000	38 986
Energy Efficiency and Demand Management		7 999			29 154	-	-	5 000	5 000	-
Other capital transfers/grants [insert desc]						-	-			
<b>Provincial Government:</b>		<b>-</b>	<b>316 943</b>	<b>48 143</b>	<b>104 797</b>	<b>127 482</b>	<b>127 482</b>	<b>4 921</b>	<b>1 176</b>	<b>1 203</b>
Airport Development Project						92 869	92 869			
Sport and Recreation						6 600	6 600			
KZNPA		5 557	4 000		6 000	-	-			
Economic development tourism			12 836	14 759		-	-			
Capital Provincial KZN Treasury			6 124			-	-			
Housing-Military Veterans			2 500			511	511			
Airport Grant			774	1 000	3 000	3 047	3 047			
Arts and Culture-Museum Subsidies			2 820			-	-			
COGTA		9 420	250 388	15 188		16 323	16 323			
Human Settlement		60 811	6 750		2 000	2 200	2 200	700	700	700
Human Settlement - Housing Accreditation			22 465		93 797	5 591	5 591			
Housing				12 986		-	-			
Provincial Government				620		-	-			
Arts and Culture- Community Library Services		1 065	8 285	3 500		341	341	421	476	503
Arts and Culture-Museum Subsidies - Tatham Art Gallery		400		90		-	-			
PMB Airport- CAPITAL						-	-	2 800		
Informal Economy Infrastructure Development								1 000		
<b>Total Capital Transfers and Grants</b>	5	<b>352 860</b>	<b>654 681</b>	<b>353 694</b>	<b>446 431</b>	<b>437 597</b>	<b>437 597</b>	<b>317 456</b>	<b>321 309</b>	<b>327 882</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>989 988</b>	<b>1 393 593</b>	<b>1 011 300</b>	<b>1 296 905</b>	<b>1 238 136</b>	<b>1 238 136</b>	<b>1 152 215</b>	<b>1 233 352</b>	<b>1 316 374</b>

2.16 Councillor and employee benefits

Table 10 MBRR SA22 - Summary of councillor and staff benefits

KZN225 Msunduzi-Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1						3 290			
Basic Salaries and Wages		8 877	35 266	38 472	3 290	3 290	3 123	3 618	3 780	3 950
Pension and UIF Contributions		4 016	4 619	3 050	3 123	3 123	7 584	3 295	3 443	3 598
Medical Aid Contributions		1 691	1 885	1 645	7 584	7 584	37 225	8 001	8 361	8 737
Motor Vehicle Allowance		5 588	6 323	3 551	37 225	37 225	847	39 273	41 040	42 887
Cellphone Allowance		2 068	3 416	2 712	847	847	7 362	747	780	816
Housing Allowances		135	133	100	7 362	7 362		7 767	8 116	8 482
Other benefits and allowances		21 385								
<b>Sub Total - Councillors</b>		<b>43 759</b>	<b>51 641</b>	<b>49 529</b>	<b>59 431</b>	<b>59 431</b>	<b>56 142</b>	<b>62 700</b>	<b>65 521</b>	<b>68 470</b>
<b>% increase</b>	4		<b>18,0%</b>	<b>(4,1%)</b>	<b>20,0%</b>	<b>-</b>	<b>(5,5%)</b>	<b>11,7%</b>	<b>4,5%</b>	<b>4,5%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		6 260	6 340	7 688	9 757	54 757	54 757	8 727	9 119	9 530
Pension and UIF Contributions		1	711	805	898	645	645	687	718	750
Medical Aid Contributions		758	138	79	100	100	100	60 106	62 811	65 638
Overtime		7								
Performance Bonus		640	448	250						
Motor Vehicle Allowance	3	816	393	2 004	839	839	839	2 559	2 674	2 794
Cellphone Allowance	3	88	40	97	88	160	160	171	179	187
Housing Allowances	3	261	206	192	24	24	24	70 026	73 177	76 470
Other benefits and allowances	3	73	595	28						
Payments in lieu of leave	3	54								
Long service awards			(139)							
<b>Sub Total - Senior Managers of Municipality</b>		<b>8 950</b>	<b>8 739</b>	<b>11 143</b>	<b>11 706</b>	<b>56 526</b>	<b>56 526</b>	<b>142 275</b>	<b>148 678</b>	<b>155 368</b>
<b>% increase</b>	4		<b>(2,4%)</b>	<b>27,5%</b>	<b>5,1%</b>	<b>382,9%</b>	<b>-</b>	<b>151,7%</b>	<b>4,5%</b>	<b>4,5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		740 833	834 266	834 687	919 050	898 822	898 822	1 016 157	1 061 468	1 109 030
Pension and UIF Contributions		160 019	165 853	168 035	193 655	273 709	273 709	291 354	304 465	318 166
Medical Aid Contributions		59 601	63 734	65 721	97 380	114 989	114 989	122 280	127 783	133 533
Overtime		109 898	97 740	110 789	104 445	95 136	95 136	110 000	115 390	120 813
Performance Bonus		60 827	64 175	67 214	81 379	83 370	83 370			
Motor Vehicle Allowance	3	26 856	28 743	28 706	35 361	34 331	34 331	36 572	38 219	39 939
Cellphone Allowance	3	7 568	4 244	(79)	4 917	4 867	4 867	5 141	5 372	5 614
Housing Allowances	3	4 128	4 326	4 245	4 628	4 708	4 708	4 916	5 137	5 368
Other benefits and allowances	3	59 512	141 401	82 853	37 582	37 687	37 687	39 950	41 748	43 627
Payments in lieu of leave		18 611								
Long service awards		27 903	13 952	27 795	18 382	17 411	17 411	18 330	19 155	20 017
Post-retirement benefit obligations	6	60 781		62 450						
Entertainment										
Scarcity				7 385						
Acting and post related allowance				17 962						
In kind benefits										
<b>Sub Total - Other Municipal Staff</b>		<b>1 336 537</b>	<b>1 418 435</b>	<b>1 472 191</b>	<b>1 496 777</b>	<b>1 565 031</b>	<b>1 565 031</b>	<b>1 644 700</b>	<b>1 718 737</b>	<b>1 796 107</b>
<b>% increase</b>	4		<b>6,1%</b>	<b>3,8%</b>	<b>1,7%</b>	<b>4,6%</b>	<b>-</b>	<b>5,1%</b>	<b>4,5%</b>	<b>4,5%</b>
<b>Total Parent Municipality</b>		<b>1 389 246</b>	<b>1 478 815</b>	<b>1 532 863</b>	<b>1 567 914</b>	<b>1 680 989</b>	<b>1 677 699</b>	<b>1 849 675</b>	<b>1 932 936</b>	<b>2 019 945</b>
<b>% increase</b>			<b>6,4%</b>	<b>3,7%</b>	<b>2,3%</b>	<b>7,2%</b>	<b>(0,2%)</b>	<b>10,3%</b>	<b>4,5%</b>	<b>4,5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>1 397 905</b>	<b>1 478 815</b>	<b>1 544 248</b>	<b>1 591 704</b>	<b>1 704 778</b>	<b>1 701 488</b>	<b>1 849 675</b>	<b>1 932 936</b>	<b>2 019 945</b>
<b>% increase</b>	4		<b>5,8%</b>	<b>4,4%</b>	<b>3,1%</b>	<b>7,1%</b>	<b>(0,2%)</b>	<b>8,7%</b>	<b>4,5%</b>	<b>4,5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>1 354 146</b>	<b>1 427 174</b>	<b>1 494 487</b>	<b>1 520 268</b>	<b>1 633 342</b>	<b>1 633 342</b>	<b>1 786 975</b>	<b>1 867 415</b>	<b>1 951 475</b>

**Table 11 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)****KZN225 Msunduzi Municipality-Supporting Table SA23 Salaries , allowances & benefits (political office bearers/councillors/senior man**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		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			1 083 629	45 216	147 055			1 275 900
Executive Committee			246 824	5 024 951				5 271 775
Total for all other councillors			2 005 448	10 013 070	40 574 867			52 593 385
<b>Total Councillors</b>	8	-	<b>3 470 533</b>	<b>16 320 858</b>	<b>42 908 544</b>			<b>62 699 935</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 396 633		154 381	247 598		1 798 612
Chief Finance Officer			1 354 380		458 990	144 838		1 958 209
GM Sustainable			1 105 722		439 881	16 286		1 561 889
GM Community services			1 562 408		45 704	17 281		1 625 393
GM Infrastructure			1 562 408			16 824		1 579 232
GM Corporate Services			1 513 245		157 248	267 818		1 938 312
GM Electricity			1 417 867					1 417 867
<b>Total Senior Managers of the Municipality</b>	8,10	-	<b>9 912 665</b>	<b>-</b>	<b>1 256 204</b>	<b>710 646</b>		<b>11 879 514</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	<b>13 383 198</b>	<b>16 320 858</b>	<b>44 164 748</b>	<b>710 646</b>		<b>74 579 449</b>

Table 12 MBRR SA24 – Summary of personnel numbers

## KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		81		81	81		81	6		6
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	6	2	4	6	2	4	5	4	1
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
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>5 963</b>	<b>3 122</b>	<b>191</b>	<b>5 963</b>	<b>3 122</b>	<b>191</b>	<b>4 003</b>	<b>3 533</b>	<b>470</b>
<b>% increase</b>					-	-	-	(32,9%)	13,2%	146,1%
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10	<b>673</b>	<b>425</b>	<b>24</b>	<b>673</b>	<b>425</b>	<b>24</b>	<b>513</b>	<b>423</b>	<b>90</b>
Human Resources personnel headcount	8, 10	<b>150</b>	<b>78</b>	<b>2</b>	<b>150</b>	<b>78</b>	<b>2</b>	<b>89</b>	<b>80</b>	<b>9</b>

## 2.17 Monthly targets for revenue, expenditure and cash flow

### 2.9.1 Table 13 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN225 Msunduzi Municipality -Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>R thousand</b>																	
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	324 402	3 892 818	4 515 669	5 328 489	
Service charges - Water		92 206	92 206	92 206	92 206	92 206	92 206	92 206	92 206	92 206	92 206	92 206	(112 696)	901 572	945 749	990 199	
Service charges - Waste Water Management		16 875	16 875	16 875	16 875	16 875	16 875	16 875	16 875	16 875	16 875	16 875	202 500	212 422	222 400		
Service charges - Waste Management		11 562	11 562	11 562	11 562	11 562	11 562	11 562	11 562	11 562	11 562	11 562	138 742	145 540	152 380		
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency services		60	60	60	60	60	60	60	60	60	60	60	715	750	785		
Interest		1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	18 052	19 225	20 494		
Interest earned from Receivables		20 739	20 739	20 739	20 739	20 739	20 739	20 739	20 739	20 739	20 739	20 739	248 865	261 060	273 330		
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets		8 735	8 735	8 735	8 735	8 735	8 735	8 735	8 735	8 735	8 735	8 735	104 824	112 624	117 917		
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		19 201	19 201	19 201	19 201	19 201	19 201	19 201	19 201	19 201	19 201	19 201	230 407	249 376	261 096		
<b>Non-Exchange Revenue</b>																	
Property rates		127 249	127 249	127 249	127 249	127 249	127 249	127 249	127 249	127 249	127 249	127 249	1 526 985	1 601 807	1 677 092		
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		1 222	1 222	1 222	1 222	1 222	1 222	1 222	1 222	1 222	1 222	1 222	14 660	8 468	8 866		
Licences or permits		204	204	204	204	204	204	204	204	204	204	204	2 452	2 667	2 793		
Transfer and subsidies - Operational		68 991	68 991	68 991	68 991	68 991	68 991	68 991	68 991	68 991	68 991	68 991	827 889	906 109	982 491		
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>692 949</b>	<b>488 046</b>	<b>8 110 480</b>	<b>8 981 466</b>	<b>10 038 339</b>	
<b>Expenditure</b>																	
Employee related costs		148 915	148 915	148 915	148 915	148 915	148 915	148 915	148 915	148 915	148 915	148 915	160 852	1 798 913	1 879 949	1 964 637	
Remuneration of councillors		5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	62 700	65 521	68 470		
Bulk purchases - electricity		226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	2 714 000	3 066 820	3 526 843		
Inventory consumed		96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	(92 081)	970 434	1 017 985	1 065 831	
Debt impairment		26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	26 125	313 500	327 608	342 350	
Depreciation and amortisation		38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	38 468	461 616	482 389	504 096		
Interest		3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	3 367	40 401	42 219	44 119		
Contracted services		81 806	81 806	81 806	81 806	81 806	81 806	81 806	81 806	81 806	81 806	81 806	82 483	982 347	1 040 649	1 088 841	
Transfers and subsidies		5 490	5 490	5 490	5 490	5 490	5 490	5 490	5 490	5 490	5 490	5 490	(8 536)	51 858	54 257	56 780	
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational costs		18 512	18 512	18 512	18 512	18 512	18 512	18 512	18 512	18 512	18 512	18 512	19 854	223 481	229 014	239 777	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>		<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>650 666</b>	<b>461 922</b>	<b>7 619 249</b>	<b>8 206 412</b>	<b>8 901 743</b>	
<b>Surplus/(Deficit)</b>		<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>42 283</b>	<b>26 124</b>	<b>491 231</b>	<b>775 054</b>	<b>1 136 596</b>	
Transfers and subsidies - capital (monetary allocations)		26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	317 456	321 309	327 882	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>52 578</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after income tax</b>		<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>52 578</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>52 578</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>68 737</b>	<b>52 578</b>	<b>808 687</b>	<b>1 096 363</b>	<b>1 464 478</b>	

**2.9.2 Table 14 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

**KZN225 Msunduzi Municipality -Supporting Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - City Manager													-	-	-	-
Vote 2 - City Finance		216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	216 345	2 596 141	2 757 845	2 925 208
Vote 3 - Corporate Services		665	665	665	665	665	665	665	665	665	665	665	665	7 980	3 148	3 296
Vote 4 - Community Services and Social Equity		41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	41 418	497 013	513 913	537 993
Vote 5 - Infrastructure Services		143 797	143 797	143 797	143 797	143 797	143 797	143 797	143 797	143 797	143 797	143 797	(61 106)	1 520 657	1 620 256	1 696 742
Vote 6 - Sustainable Development and City Enterprises		16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	16 052	192 629	200 193	208 099
Vote 7 - Electricity		329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	329 156	3 949 871	4 575 439	5 387 036
<b>Total Revenue by Vote</b>		<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>747 433</b>	<b>542 530</b>	<b>8 764 292</b>	<b>9 670 794</b>	<b>10 758 373</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - City Manager		25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	25 009	300 106	313 750	327 941
Vote 2 - City Finance		66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	66 436	797 238	833 969	871 946
Vote 3 - Corporate Services		16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	16 303	195 633	199 466	208 563
Vote 4 - Community Services and Social Equity		68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	68 955	827 458	865 408	905 494
Vote 5 - Infrastructure Services		191 947	191 947	191 947	191 947	191 947	191 947	191 947	191 947	191 947	191 947	191 947	5 828	2 117 250	2 229 931	2 332 105
Vote 6 - Sustainable Development and City Enterprises		17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	17 925	215 100	223 794	234 042
Vote 7 - Electricity		286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	286 679	3 440 145	3 827 187	4 322 237
<b>Total Expenditure by Vote</b>		<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>673 254</b>	<b>487 134</b>	<b>7 892 931</b>	<b>8 493 504</b>	<b>9 202 328</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>55 396</b>	<b>871 361</b>	<b>1 177 290</b>	<b>1 556 045</b>
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>74 179</b>	<b>55 396</b>	<b>871 361</b>	<b>1 177 290</b>	<b>1 556 045</b>



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

KZN225 Msunduzi Municipality -Supporting Table SA27 budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	219 082	2 628 986	2 785 527	2 954 781
Executive and council		415	415	415	415	415	415	415	415	415	415	415	415	4 979	-	-
Finance and administration		218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	218 667	2 624 007	2 785 527	2 954 781
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	27 601	331 216	341 705	357 582
Community and social services		23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	23 050	276 603	282 552	295 648
Sport and recreation		1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	1 769	21 223	22 230	23 310
Public safety		714	714	714	714	714	714	714	714	714	714	714	714	8 569	8 989	9 411
Housing		2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	2 068	24 821	27 901	29 213
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	4 633	55 601	47 167	47 974
Planning and development		3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	3 974	47 685	45 826	46 570
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		660	660	660	660	660	660	660	660	660	660	660	660	7 916	1 342	1 405
<i>Trading services</i>		487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	487 696	5 647 445	6 382 810	7 279 114
Energy sources		331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	331 506	3 978 066	4 605 284	5 418 160
Water management		125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	125 488	(79 414)	1 300 958	1 391 053	1 456 300
Waste water management		17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	17 471	209 646	219 919	230 255
Waste management		13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	13 231	158 774	166 554	174 399
<i>Other</i>		8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	8 420	101 045	113 584	118 923
<b>Total Revenue - Functional</b>		747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	747 433	8 764 292	9 670 794	10 758 373
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	123 217	1 478 603	1 540 153	1 611 188
Executive and council		21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	21 527	258 320	264 803	276 572
Finance and administration		99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	99 319	1 191 828	1 245 547	1 303 257
Internal audit		2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	2 371	28 455	29 803	31 179
<i>Community and public safety</i>		43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	43 906	526 876	551 028	576 860
Community and social services		11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	11 324	135 893	142 179	149 433
Sport and recreation		10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	10 869	130 425	136 399	142 592
Public safety		18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	18 166	217 995	227 910	238 246
Housing		2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	2 421	29 046	30 413	31 825
Health		1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	1 126	13 517	14 127	14 764
<i>Economic and environmental services</i>		42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	42 802	513 621	536 410	560 926
Planning and development		7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	7 072	84 863	87 699	91 678
Road transport		33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	33 540	402 476	421 231	440 525
Environmental protection		2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	2 190	26 283	27 479	28 723
<i>Trading services</i>		457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	457 998	5 309 852	5 799 171	6 383 561
Energy sources		290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	290 816	3 489 792	3 880 684	4 376 468
Water management		123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	123 273	(62 847)	1 293 157	1 355 688	1 418 970
Waste water management		33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	33 275	399 300	429 298	448 533
Waste management		10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	10 634	127 604	133 501	139 589
<i>Other</i>		5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	5 332	63 974	66 741	69 794
<b>Total Expenditure - Functional</b>		673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	673 254	7 892 931	8 493 504	9 202 328
<b>Surplus/(Deficit) before assoc.</b>		74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	871 361	1 177 290	1 556 045
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	74 179	871 361	1 177 290	1 556 045

**2.9.4 Table 16 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

**KZN225 Msunduzi Municipality -Supporting Table SA28 budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - City Manager													-	-	-	-
Vote 2 - City Finance		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	30 000	30 000
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		2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	2 402	28 827	17 455	26 865
Vote 5 - Infrastructure Services		26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	26 509	318 102	292 433	355 181
Vote 6 - Sustainable Development and City Enterprises		833	833	833	833	833	833	833	833	833	833	833	833	10 000	3 139	-
Vote 7 - Electricity		14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	14 617	175 400	128 968	29 633
<b>Capital multi-year expenditure sub-total</b>	2	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>47 694</b>	<b>572 329</b>	<b>481 995</b>	<b>451 679</b>
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - City Manager		417	417	417	417	417	417	417	417	417	417	417	417	5 000	-	-
Vote 2 - City Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services		417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 000	5 000
Vote 6 - Sustainable Development and City Enterprises		3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	3 461	41 527	34 315	31 203
Vote 7 - Electricity		300	300	300	300	300	300	300	300	300	300	300	300	3 600	-	-
<b>Capital single-year expenditure sub-total</b>	2	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>5 427</b>	<b>65 127</b>	<b>49 315</b>	<b>46 203</b>
<b>Total Capital Expenditure</b>	2	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>53 121</b>	<b>637 456</b>	<b>531 309</b>	<b>497 882</b>

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

**KZN225 Msunduzi Municipality-Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)**

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	51 000	50 000	50 000
Executive and council		83	83	83	83	83	83	83	83	83	83	83	83	1 000	-	-
Finance and administration		4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	50 000	50 000	50 000
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	3 162	37 948	19 909	23 068
Community and social services		2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	24 248	12 931	22 368
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	13 700	6 977	700
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	8 917	107 006	121 092	133 492
Planning and development		3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	3 217	38 606	30 000	30 000
Road transport		5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	5 700	68 400	91 092	103 492
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	36 559	438 702	390 309	241 321
Energy sources		14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	14 917	179 000	128 968	29 633
Water management		11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	11 160	133 925	131 163	105 099
Waste water management		10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	10 065	120 778	125 178	101 589
Waste management		417	417	417	417	417	417	417	417	417	417	417	417	5 000	5 000	5 000
<b>Other</b>		233	233	233	233	233	233	233	233	233	233	233	233	2 800	-	-
<b>Total Capital Expenditure - Functional</b>	2	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	637 456	581 309	447 882
<b>Funded by:</b>																
National Government		26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	26 045	312 535	320 133	326 679
Provincial Government		410	410	410	410	410	410	410	410	410	410	410	410	4 921	1 176	1 203
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	317 456	321 309	327 882
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	200 000	200 000	150 000	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-	-	-	120 000	120 000	110 000	120 000
<b>Total Capital Funding</b>		26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	346 455	637 456	581 309	447 882

2.9.6 Table 18 MBRR SA30 - Budgeted monthly cash flow

KZN225 Msunduzi Municipality -Supporting Table SA30 budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	120 886	1 450 636	1 521 717	1 593 238
Service charges - electricity revenue	348 379	308 181	308 181	308 181	308 181	308 181	308 181	308 181	308 181	308 181	308 181	308 181	4 180 548	4 849 436	5 722 334
Service charges - water revenue	99 021	87 596	87 596	87 596	87 596	87 596	87 596	87 596	87 596	87 596	87 596	(6 771)	968 209	1 015 652	1 063 387
Service charges - sanitation revenue	18 122	16 031	16 031	16 031	16 031	16 031	16 031	16 031	16 031	16 031	16 031	39 033	217 467	228 123	238 845
Service charges - refuse revenue	12 416	10 984	10 984	10 984	10 984	10 984	10 984	10 984	10 984	10 984	10 984	26 743	148 997	156 297	163 643
Rental of facilities and equipment	5 241	7 862	7 862	7 862	7 862	7 862	7 862	7 862	7 862	7 862	7 862	(20 965)	62 894	67 574	70 750
Interest earned - external investments	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	18 052	19 225	20 494
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	733	1 099	1 099	1 099	1 099	1 099	1 099	1 099	1 099	1 099	1 099	(2 932)	8 796	7 621	7 979
Licences and permits	-	184	184	184	184	184	184	184	184	184	184	(368)	1 471	2 401	2 513
Agency services	60	60	60	60	60	60	60	60	60	60	60	60	715	750	785
Transfers and Subsidies - Operational	67 165	67 165	67 165	67 165	67 165	67 165	67 165	67 165	67 165	67 165	67 165	89 073	827 889	906 109	982 491
Other revenue	11 520	-	-	-	-	-	-	-	-	-	-	126 724	138 244	149 625	156 658
<b>Cash Receipts by Source</b>	<b>685 049</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>621 553</b>	<b>1 123 342</b>	<b>8 023 919</b>	<b>8 924 531</b>	<b>10 023 119</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	26 455	317 456	321 309	327 882
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	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	16 667	200 000	150 000	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors (not used)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>728 170</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>664 674</b>	<b>1 166 464</b>	<b>8 541 374</b>	<b>9 395 840</b>	<b>10 351 000</b>
<b>Cash Payments by Type</b>															
Employee related costs	148 485	148 485	148 485	148 485	148 485	148 485	148 485	148 485	148 485	148 485	148 485	165 580	1 798 913	1 879 949	1 964 637
Remuneration of councillors	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	5 225	62 700	65 521	68 470
Finance charges	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	3 783	(1 217)	40 401	42 219	44 119
Bulk purchases - electricity	260 092	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	226 167	599 342	3 121 100	3 526 843	4 055 869
Acquisitions - water & other inventory	105 810	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	96 592	38 416	1 110 149	1 164 533	1 219 405
Contracted services	81 285	81 285	81 285	81 285	81 285	81 285	81 285	81 285	81 285	81 285	81 285	235 564	1 129 699	1 196 746	1 252 167
Transfers and subsidies - other municipalities	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	1 366	36 827	51 858	54 257	56 780
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	21 581	18 766	18 766	18 766	18 766	18 766	18 766	18 766	18 766	18 766	18 766	45 361	254 603	260 666	272 893
<b>Cash Payments by Type</b>	<b>627 628</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>581 670</b>	<b>1 125 098</b>	<b>7 569 422</b>	<b>8 190 736</b>	<b>8 934 341</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	61 089	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	53 121	140 771	733 074	668 506	515 064
Repayment of borrowing	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	23 000	24 000	26 000
Other Cash Flows/Payments	13 195	32 500	32 500	32 500	32 500	32 500	32 500	32 500	32 500	32 500	32 500	(179 855)	158 340	166 099	173 905
<b>Total Cash Payments by Type</b>	<b>703 829</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>669 208</b>	<b>1 087 931</b>	<b>8 483 836</b>	<b>9 049 340</b>	<b>9 649 310</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>24 341</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>(4 534)</b>	<b>78 533</b>	<b>57 538</b>	<b>346 500</b>	<b>701 691</b>
Cash/cash equivalents at the month/year begin:	357 852	382 193	377 660	373 126	368 592	364 059	359 525	354 992	350 458	345 924	341 391	336 857	357 852	415 390	761 889
Cash/cash equivalents at the month/year end:	382 193	377 660	373 126	368 592	364 059	359 525	354 992	350 458	345 924	341 391	336 857	415 390	415 390	761 889	1 463 580

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

These are discussed fully in the IDP and SDBIP documents

## **2.19 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.

## **2.20 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**

KZN225 Msunduzi Municipality- Supporting Table SA34a Consolidated capital expenditure on new assets by class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
Community Facilities		-	10 563	8 486	20 726	26 419	26 419	25 548	13 770	19 929
Halls			3 074	3 383	19 976	23 326	23 326	25 548	13 770	19 929
Centres			250			192	192			
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria				2 544						
Police						2 000	2 000			
Parks										
Public Open Space			1 953							
Nature Reserves			788							
Public Ablution Facilities										
Markets			2 325	2 558	750					
Stalls										
Abattoirs										
Airports			2 173							
Taxi Ranks/Bus Terminals			(0)			900	900			
Capital Spares										
Sport and Recreation Facilities		-	2 596	574	-	512	512	-	-	-
Indoor Facilities										
Outdoor Facilities			2 596	574		512	512			
Capital Spares										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
<b>Other assets</b>		-	59 047	11 561	5 075	11 966	11 966	14 500	6 139	3 139
Operational Buildings		-	-	295	5 075	6 375	6 375	10 000	3 139	-
Municipal Offices				295	5 075					
Pay/Enquiry Points										
Building Plan Offices										
Workshops						6 375	6 375	10 000	3 139	-
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depsots										
Capital Spares										
Housing		-	59 047	11 266	-	5 591	5 591	4 500	3 000	3 139
Staff Housing										
Social Housing			59 047	11 266		5 591	5 591	4 500	3 000	3 139
Capital Spares										
<b>Biological or Cultivated Assets</b>		-	-	-	-	9 072	9 072	-	-	-
Biological or Cultivated Assets						9 072	9 072			
<b>Intangible Assets</b>		-	523	1 041	3 750	500	500	30 000	30 000	30 000
Servitudes								30 000	30 000	30 000
Licences and Rights		-	523	1 041	3 750	500	500	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications			523	1 041	3 750	500	500			
Load Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		-	-	6 493	5 669	-	-	-	-	-
Computer Equipment				6 493	5 669					
<b>Furniture and Office Equipment</b>		-	-	2 334	10 556	9 857	9 857	15 000	10 000	10 000
Furniture and Office Equipment				2 334	10 556	9 857	9 857	15 000	10 000	10 000
<b>Machinery and Equipment</b>		-	-	41 032	62 500	20 799	20 799	-	-	-
Machinery and Equipment				41 032	62 500	20 799	20 799			
<b>Transport Assets</b>		-	-	9 917	41 972	11 548	11 548	-	-	-
Transport Assets				9 917	41 972	11 548	11 548			
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>21 108</b>	<b>407 943</b>	<b>208 016</b>	<b>195 913</b>	<b>197 485</b>	<b>197 485</b>	<b>376 635</b>	<b>176 246</b>	<b>161 493</b>

**Table 20 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

**KZN225 Msunduzi Municipality-Supporting Table SA34b Consolidated capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	66 270	199 934	146 427	-	-	47 356	53 250	62 750
Roads Infrastructure		-	50 404	118 545	38 000	-	-	33 150	45 750	54 750
Roads			50 404	112 442	38 000			33 150	45 750	54 750
Coastal Infrastructure		-	-	-	-	-	-	14 206	7 500	8 000
Sand Pumps										
Piers										
Revetments										
Promenades								14 206	7 500	8 000
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>		-	5 246	881	-	175	175	8 000	7 500	8 000
Community Facilities		-	1 178	741	-	175	175	8 000	7 500	8 000
Public Ablution Facilities										
Markets								8 000	7 500	8 000
<b>Total Capital Expenditure on renewal of existing asse</b>	1	<b>203 992</b>	<b>72 704</b>	<b>208 114</b>	<b>151 851</b>	<b>175</b>	<b>175</b>	<b>55 356</b>	<b>60 750</b>	<b>70 750</b>
<b>Renewal of Existing Assets as % of total capex</b>		42,5%	10,6%	39,9%	18,2%	0,0%	0,0%	8,7%	10,5%	15,8%
<b>Renewal of Existing Assets as % of deprecn"</b>		48,8%	19,5%	56,8%	34,4%	0,0%	0,0%	11,9%	12,3%	14,0%

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

## KZ225 Msunduzi municipality -Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		33 758	77 522	130 184	166 984	74 900	74 900	169 863	178 186	186 561
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		33 758	77 522	130 184	87 166	63 501	63 501	161 182	169 080	177 027
Power Plants					53 999	63 501	63 501	161 182	169 080	177 027
Water Supply Infrastructure		-	-	-	-	11 399	11 399	8 680	9 106	9 534
Dams and Weirs										
Boreholes										
Reservoirs						11 399	11 399	8 680	9 106	9 534
Solid Waste Infrastructure		-	-	-	33 167	-	-	-	-	-
Rail Infrastructure		-	-	-	46 650	-	-	-	-	-
MV Substations										
LV Networks					46 650					
<b>Community Assets</b>		-	-	-	33 237	14	14	15	16	16
Community Facilities		-	-	-	33 237	14	14	15	16	16
Halls					35	11	11	15	16	16
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		14 845	14 191	70 356	181 556	50 587	50 587	163 462	171 463	179 531
Operational Buildings		14 845	14 191	70 356	181 556	50 587	50 587	163 462	171 463	179 531
Municipal Offices		14 845	14 191	70 356	50 657	23 652	23 652	50 407	52 868	55 362
Pay/Enquiry Points										
Building Plan Offices										
Workshops					23 775	0	0			
Yards										
Stores					107 124	26 935	26 935	113 055	118 595	124 169
<b>Machinery and Equipment</b>		8 559	19 626	38 064	94 232	100 702	100 702	214 842	225 369	235 961
Machinery and Equipment		8 559	19 626	38 064	94 232	100 702	100 702	214 842	225 369	235 961
<b>Transport Assets</b>		-	-	-	29 959	20 495	20 495	25 105	25 553	27 978
Transport Assets					29 959	20 495	20 495	25 105	25 553	27 978
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>57 162</b>	<b>111 340</b>	<b>238 604</b>	<b>505 967</b>	<b>246 698</b>	<b>246 698</b>	<b>573 286</b>	<b>600 587</b>	<b>630 047</b>
<b>R&amp;M as a % of PPE</b>		<b>0,9%</b>	<b>40,8%</b>	<b>87,4%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>7,0%</b>	<b>7,4%</b>	<b>7,9%</b>



**Table 22 MBRR SA36 - Detailed capital budget per municipal vote**

**KZN225 Msunduzi Municipality- SA36 - Detailed capital budget per municipal vote**

R thousand	Function	Project Description	Project Number	2023/24 Medium Term Revenue & Expenditure Framework		
				Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Parent municipality:</b>						
<i>List all capital projects grouped by Function</i>						
	<b>INFRASTRUCTURE</b>	<b>MSE:AH:NEW:COMPUTER EQUIPMENT</b>		1 000		
	City Manager	LEVS:AH:NEW:COMPUTER EQUIPMENT	A/101011.BAH.A52	4 000		
	City Manager	LEVS:AH:NEW:MACHINERY & EQUIPM	A/104528.BAH.A60	30 000	30 000	30 000
	City Finance	LEVS:ZA:FINANCIAL MANAGEMENT SYSTEM SAP	I/202035.001	10 000	10 000	10 000
	Corporate Services	LEVS:AH:NEW:COMPUTER EQUIPMENT	A/304526.BAH.A52	10 000	10 000	10 000
	Corporate Services	LEVS:ZALAN/WAN	I/304526.003	5 000	5 000	5 000
	Community Services & Social Equity	MSU1/I/404185.004	I/404185.004	3 125	-	-
	Community Services & Social Equity	MIG:Z5:WARD 38 COMMUNITY HALL	I/403243.007	4 500	-	-
	Community Services & Social Equity	MIG:Z1:WARD 7 COMMUNITY HALL	I/403243.008	4 121	-	-
	Community Services & Social Equity	MIG:Z5:WARD 29 COMMUNITY HALL	I/403243.009	1 550	2 455	6 535
	Community Services & Social Equity	MIG:Z4:WARD 24 COMMUNITY HALL	I/403243.010	4 100	5 000	5 330
	Community Services & Social Equity	MIG:Z1:WARD 8 COMMUNITY HALL	I/403243.011	1 450	3 000	5 000
	Community Services & Social Equity	MIG:Z1:WARD 8 COMMUNITY HALL	I/403243.011	3 731	-	-
	Community Services & Social Equity	MIG:Z3:WARD 13 COMMUNITY HALL	I/403243.012	550	2 000	5 000
	Community Services & Social Equity	MIG:Z2:KWAPATA MULTI-PURPOSE CENTER	I/403243.025	700	-	-
	Infrastructure Services	LEVS:AH:NEW:COMPUTER EQUIPMENT	A/504125.BAH.A52	5 000	5 000	5 000
	Infrastructure Services	LEVS:ZA:NEW:TRANSPORT ASSETS	A/504125.BZA.A61	20 000	30 750	40 750
	Infrastructure Services	MSU1/I/504125.061	I/504125.061	750	-	-
	Infrastructure Services	LEVS:AH:NEW:CHANGE ROOMS REHAB	I/504125.067	2 000	2 000	2 000
	Infrastructure Services	LEVS:Z5:TRAFFIC CALMING MEASURES	I/504131.006	250	250	250
	Infrastructure Services	LEVS:Z5:TRAFFIC CALMING MEASURES	I/504131.006	2 000	2 000	2 000
	Infrastructure Services	WSIG:ZA:WATER SUPPLY	I/504787.010	28 000	35 000	38 986
	Infrastructure Services	WSIG:Z1:VULINDELELA PHASE 3 (Planning & D	I/504787.036	50 000	-	-
	Infrastructure Services	ALNS:ZA:REDUCTION OF NON REVENUE WATER	I/504787.037	-	-	-
	Infrastructure Services	MDRG:Z3:GRT EDENDALE RESEVOIR WARD 17	I/504787.038	7 000	7 000	7 000
	Infrastructure Services	LEVS:METERING	to be created	6 000	12 000	12 055
	Infrastructure Services	MIG:Z2:UPGR GRV RD-EDN-DAMBUZA MJ SWD UPG	I/504125.014	7 000	3 092	3 277
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VULINDELELA-WARD 4	I/504125.029	1 500	-	-
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VULINDELELA-WARD 7	I/504125.031	1 700	-	-
	Infrastructure Services	MIG:Z1:UPGR GRV RD-VULINDELELA-WARD8	I/504125.032	7 700	8 000	8 480
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VULINDELELA-WARD 9	I/504125.033	-	-	-
	Infrastructure Services	MIG:Z2:UPGR RD IN PEACE VALLEY-10KM	I/504125.035	1 000	-	-
	Infrastructure Services	MIG:Z2:UPGR GRV ROADS-WILLOWF	I/504125.037	1 500	5 000	5 300
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VUL-WARD 1	I/504125.042	7 000	13 000	13 780
	Infrastructure Services	MIG:Z1:UPGR GRV ROADS-VUL-WARD 5	I/504125.043	-	-	-
	Infrastructure Services	MIG:Z1:UPGR GRV RD-VULINDELELA WARD 2	I/504125.047	5 000	10 000	10 600
	Infrastructure Services	MIG:Z1: REHAB OF BALENI ROAD SWEETWATER	I/504125.055	22 000	16 245	10 000
	Infrastructure Services	MIG:ZA:ELIM OF CONSERV TANKS:SEWER	I/504202.009	-	-	-
	Infrastructure Services	MIG:Z3:SHENSTONE AMBLETON SANIT SYSTEM	I/504202.013	3 000	33 594	26 406
	Infrastructure Services	MIG:Z3:SLANGSPRUIT AMBLETON SANITATION S	I/504202.015	15 300	-	3 000
	Infrastructure Services	MIG:Z2:VULINDELELA H/HOLD SANITATION-W10	I/504202.016	-	10 000	25 000
	Infrastructure Services	MIG:Z2:EDENDALE - SEWER RETIC - WARD 16	I/504202.021	65 478	65 339	37 183
	Infrastructure Services	MUNICIPAL RUNNING COST		11 065	14 000	15 000
	Infrastructure Services	MIG:ZA:REDUCTION OF NON REVENUE WATER	I/504787.008	15 000	12 383	21 753
	Infrastructure Services	MIG:Z5:COPEVILLE RESEVOIR	I/504787.026	22 860	12 780	22 360
	Infrastructure Services	MIG:Z1:NCWADI PHASE 2A	I/504787.030	15 000	-	-
	Sustainable Development and City Enterprises	MIG:Z2:INSTAL WATER METERS AND MANHOLES	I/604560.020	10 000	3 139	-
	Sustainable Development and City Enterprises	LEVS:AH:COLD ROOM	I/604745.002	5 606	-	-
	Sustainable Development and City Enterprises	MSU1/I/604241.005	I/604241.005	8 600	7 500	8 000

KZN225 Msunduzi Municipality- SA36 - Detailed capital budget per municipal vote

R thousand	Function	Project Description	Project Number	2023/24 Medium Term Revenue & Expenditure Framework		
				Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	Sustainable Development and City Enterprises	NDPG: Z4: ISF: CAMPSDRIFT DESILTING	I/604241.016			
	Sustainable Development and City Enterprises	MSU1/I/604508.009	I/604508.009	500		
	Sustainable Development and City Enterprises		tbc	800		
	Sustainable Development and City Enterprises		tbc	1 500		
	Sustainable Development and City Enterprises	PRVOT:Z4:NEWMACHINERY & EQUIP	A/604508.A24.A60			
	Sustainable Development and City Enterprises	MSU1/I/604508.010	I/604508.010	80	80	50
	Sustainable Development and City Enterprises	ART:Z4: CLIMATE CONTROL LIGHTING	I/604480.007	200	251	300
	Sustainable Development and City Enterprises	ART:Z4:NEWMACHINERY & EQUIP AIR COND	A/604480.5Z4.A60	40	40	40
	Sustainable Development and City Enterprises	ART:Z4:NEWFURNITURE & EQUIPMENT	A/604480.5Z4.A53	20	20	20
	Sustainable Development and City Enterprises	ART:Z4:NEWMACHINERY & EQUIPMENT	A/604480.5Z4.A60	81	85	93
	Sustainable Development and City Enterprises	ART:Z4:NEWHERITAGE ASSETS	A/604480.5Z4.A05	7 000	7 500	8 000
	Sustainable Development and City Enterprises	NDPG:Z4:CIVIC ZONE PHASE 1:MARKET STALLS	I/604241.019	200	200	200
	Sustainable Development and City Enterprises	ACRDC:AH:NEWNEW:COMPUTER EQUIPMENT	A/604270.A9H.A52	500	500	500
	Sustainable Development and City Enterprises	ACRDC:AH:NEWNEW:FURNITURE & OFFICE EQUIP	A/604270.A9H.A53	3 000	3 139	-
	Sustainable Development and City Enterprises	MSU1/I/604560.020	I/604560.020	12 400	15 000	14 000
	Sustainable Development and City Enterprises	NDPG:Z2:CIVIC ZONE PHASE 1:SKY BRIDGE	I/604241.020			
	Sustainable Development and City Enterprises	NDPG:Z2:OLD EDENDALE ROAD UPGRADE	I/604241.021			
	Sustainable Development and City Enterprises	EDTEA:Z4:INFORMAL ECONOMY INFRASTRUCTURE	I/604241.003			
	Sustainable Development and City Enterprises	MSU1/I/604745.005	I/604745.005	300		
	Sustainable Development and City Enterprises	EDTEA:Z4:INFORMAL ECONOMY INFRASTRUCTURE	I/604241.003	450		
	Electricity	MSU1/A/704062.1AH.A52	A/704062.1AH.A52	25 000		
	Electricity	MSU1/A/704062.1AH.A53	A/704062.1AH.A53	2 850		
	Electricity	MSU1/A/704062.1AH.A60	A/704062.1AH.A60	5 900		
	Electricity	MSU1/A/704062.1AH.A61	A/704062.1AH.A61	17 000		
	Electricity	MSU1/A/704062.1ZA.A60	A/704062.1ZA.A60	2 500		
	Electricity	MSU1/A/704062.1ZA.A60	A/704062.1ZA.A60			
	Electricity	MSU1/A/704062.1ZA.A60	A/704062.1ZA.A60	18 000		
	Electricity	MSU1/I/704062.002	I/704062.002	18 000		
	Electricity	MSU1/I/704062.007	I/704062.007	5 000		
	Electricity	MSU1/I/704062.008	I/704062.008			
	Electricity	MSU1/I/704062.009	I/704062.009			
	Electricity	MSU1/I/704062.010	I/704062.010			
	Electricity	MSU1/I/704062.012	I/704062.012	25 000		
	Electricity	MSU1/I/704062.013	I/704062.013			
	Electricity	MSU1/I/704062.014	I/704062.014			
	Electricity	MSU1/I/704062.016	I/704062.016			
	Electricity	MSU1/I/704062.017	I/704062.017	30 000		
	Electricity	MSU1/I/704062.018	I/704062.018			
	Electricity	MSU1/I/704062.019	I/704062.019			
	Electricity	MSU1/I/704062.020	I/704062.020	8 000	8 000	8 000
	Electricity	MSU1/I/704062.021	I/704062.021	4 200	3 000	1 500
	Electricity	MSU1/I/704066.001	I/704066.001	1 400	2 000	2 000
	Electricity	TBC	TBC	1 400	2 000	3 814
	Electricity	TBC	TBC	5 000	5 000	-
	Electricity	TBC	TBC	9 000	8 968	14 319
	Electricity	TBC	TBC	1 000		
	<b>Parent Capital expenditure</b>			<b>637 456</b>	<b>431 309</b>	<b>447 882</b>

## 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 2023/24 MTREF in June 2023 directly aligned and informed by the MTREF.

12. Annual Report

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

## 2.21 Other supporting documents

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

KZN225 Msunduzi Municipality -Supporting Table detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Exchange Revenue</b>											
Total Property Rates	6	1 177 108	1 274 712	1 211 349	1 536 208	1 536 208	1 536 208		1 643 742	1 726 737	1 810 768
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)			42 382		109 119	109 119	109 119		116 757	124 930	133 675
Net Property Rates		1 177 108	1 232 330	1 211 349	1 427 089	1 427 089	1 427 089	-	1 526 985	1 601 807	1 677 092
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>											
Total Service charges - Electricity	6	2 159 758	2 152 953	2 549 653	3 187 354	3 187 354	3 187 354		3 897 489	4 521 087	5 334 883
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)			170		4 204	4 204	4 204		4 671	5 418	6 394
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-		-	-	-
Net Service charges - Electricity		2 159 758	2 152 783	2 549 653	3 183 150	3 183 150	3 183 150	-	3 892 818	4 515 669	5 328 489
<b>Service charges - Water</b>											
Total Service charges - Water	6	662 849	777 813	773 657	1 021 967	1 021 967	1 021 967		1 124 164	1 179 248	1 234 672
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)			4 644		202 356	202 356	202 356		222 592	233 499	244 473
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-		-	-	-
Net Service charges - Water		662 849	773 169	773 657	819 610	819 610	819 610	-	901 572	945 749	990 199
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management		172 221	185 533	182 241	189 018	189 018	189 018		219 261	230 004	240 815
Less Revenue Foregone (in excess of free sanitation service to indigent households)			18 430		14 449	14 449	14 449		16 761	17 582	18 408
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-		-	-	-
Net Service charges - Waste Water Management		172 221	167 102	182 241	174 569	174 569	174 569	-	202 500	212 422	222 406
<b>Service charges - Waste Management</b>											
Total refuse removal revenue	6	109 639	113 711	114 119	144 723	144 723	144 723		146 641	153 826	161 073
Total landfill revenue											
Less Revenue Foregone (in excess of one removal a week to indigent households)			14		15 058	15 058	15 058		7 899	8 286	8 692
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-		-	-	-
Net Service charges - Waste Management		109 639	113 697	114 119	129 665	129 665	129 665	-	138 742	145 540	152 380
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	752 864	814 382	854 780	1 063 420	1 104 970	1 104 970		957 599	1 000 775	1 045 899
Pension and UIF Contributions		154 503	165 889	168 590	198 257	198 257	198 257		292 041	305 183	318 916
Medical Aid Contributions		60 324	64 595	66 757	99 221	99 221	99 221		182 387	190 594	199 171
Overtime		110 825	98 512	111 164	118 566	118 566	118 566		101 320	105 879	110 644
13th cheque		61 360	64 975	67 214					87 902	91 858	95 992
Motor Vehicle Allowance		26 958	28 395	28 808	31 525	31 525	31 525		39 131	40 893	42 733
Cellphone Allowance		7 624	8 021	19 408	4 757	4 757	4 757		5 312	5 551	5 800
Housing Allowances		4 128	4 340	4 245	4 757	4 757	4 757		74 942	78 314	81 838
Other benefits and allowances		40 029	35 661	38 153	39 671	39 671	39 671		39 950	41 748	43 627
Payments in lieu of leave		18 611	25 687	19 775	3 369	3 369	3 369		-	-	-
Long service awards		27 903	27 310	27 795	16 155	16 155	16 155		18 330	19 155	20 017
Post-retirement benefit obligations	4	60 781	56 899	62 450					-	-	-
Entertainment											
Scarcity		6 244	7 133	7 385							
Acting and post related allowance		13 332	16 625	17 962							
In kind benefits											
<b>sub-total</b>	5	1 345 487	1 418 426	1 494 487	1 579 699	1 621 248	1 621 248	-	1 798 913	1 879 949	1 964 637
<b>Less: Employees costs capitalised to PPE</b>											
<b>Total Employee related costs</b>	1	1 345 487	1 418 426	1 494 487	1 579 699	1 621 248	1 621 248	-	1 798 913	1 879 949	1 964 637

KZN225 Msunduzi Municipality -Supporting Table detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		417 614	372 532	366 625	441 964	441 738	441 738		461 616	482 389	504 096
Lease amortisation						-	-				
Capital asset impairment						-	-				
<b>Total Depreciation and amortisation</b>	1	<b>417 614</b>	<b>372 532</b>	<b>366 625</b>	<b>441 964</b>	<b>441 738</b>	<b>441 738</b>	<b>-</b>	<b>461 616</b>	<b>482 389</b>	<b>504 096</b>
<b>Bulk purchases - electricity</b>											
Electricity bulk purchases		2 491 127	2 659 404	2 950 207	2 200 000	2 300 000	2 300 000		2 714 000	3 066 820	3 526 843
<b>Total bulk purchases</b>	1	<b>2 491 127</b>	<b>2 659 404</b>	<b>2 950 207</b>	<b>2 200 000</b>	<b>2 300 000</b>	<b>2 300 000</b>	<b>-</b>	<b>2 714 000</b>	<b>3 066 820</b>	<b>3 526 843</b>
<b>Transfers and grants</b>											
Cash transfers and grants		25 307	16 870	19 996	63 469	53 652	53 652		51 858	54 257	56 780
Non-cash transfers and grants		-	-	-	-	-	-		-	-	-
<b>Total transfers and grants</b>	1	<b>25 307</b>	<b>16 870</b>	<b>19 996</b>	<b>63 469</b>	<b>53 652</b>	<b>53 652</b>	<b>-</b>	<b>51 858</b>	<b>54 257</b>	<b>56 780</b>
<b>Contracted Services</b>											
Outsourced Services		23 049	26 037	29 181	664 657	755 248	755 248		982 347	1 040 649	1 088 841
Consultants and Professional Services											
Contractors		472 441	549 627	693 573							
<b>Total contracted services</b>		<b>495 490</b>	<b>575 664</b>	<b>722 754</b>	<b>664 657</b>	<b>755 248</b>	<b>755 248</b>	<b>-</b>	<b>982 347</b>	<b>1 040 649</b>	<b>1 088 841</b>
<b>Operational Costs</b>											
Collection costs											
Contributions to 'other' provisions											
Audit fees											
Other Operational Costs		136 748	128 892	121 312	180 000	197 273	197 273		223 481	229 014	239 777
<b>Total Operational Costs</b>	1	<b>136 748</b>	<b>128 892</b>	<b>121 312</b>	<b>180 000</b>	<b>197 273</b>	<b>197 273</b>	<b>-</b>	<b>223 481</b>	<b>229 014</b>	<b>239 777</b>
<b>Repairs and Maintenance by Expenditure Item</b>											
Employee related costs	8				215 000	215 000	215 000				
Inventory Consumed (Project Maintenance)						37 797	37 797		100 690	92 596	102 646
Contracted Services					226 785	197 999	197 999		464 043	445 738	489 852
Other Expenditure					64 182	10 902	10 902		11 004	12 490	14 183
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>-</b>	<b>-</b>	<b>-</b>	<b>505 967</b>	<b>461 698</b>	<b>461 698</b>	<b>-</b>	<b>575 736</b>	<b>550 824</b>	<b>606 681</b>
<b>Inventory Consumed</b>											
Inventory Consumed - Water		(38)	(1 883)	-	770 802	-	-		807 481	847 047	886 858
Inventory Consumed - Other		57 199	60 041	84 353	(100 707)	-	-		162 953	170 938	178 972
<b>Total Inventory Consumed &amp; Other Material</b>		<b>57 162</b>	<b>58 158</b>	<b>84 353</b>	<b>670 095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>970 434</b>	<b>1 017 985</b>	<b>1 065 831</b>

Table 24 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN225 Msunduzi Municipality -Supporting Table SA3 Supporting detail to 'Budgeted Financial Position											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
<b>ASSETS</b>											
<u>Trade and other receivables from exchange transactions</u>											
Electricity								662 251	1 016 049	1 065 836	1 115 930
Water								2 593 344	2 689 648	2 821 441	2 954 049
Waste								231 938	246 473	258 550	270 702
Waste Water								420 569	439 422	460 954	482 619
Other trade receivables from exchange transactions		531 585	128 585	21 116	5 386 317			296 431	296 431	310 957	325 572
<b>Gross: Trade and other receivables from exchange transactions</b>		<b>531 585</b>	<b>128 585</b>	<b>21 116</b>	<b>5 386 317</b>	<b>-</b>	<b>-</b>	<b>4 204 534</b>	<b>4 688 025</b>	<b>4 917 738</b>	<b>5 148 871</b>
<b>Less: Impairment for debt</b>		<b>-</b>	<b>(108 903)</b>	<b>-</b>	<b>(3 604 625)</b>	<b>2 421 823</b>	<b>2 421 823</b>	<b>-</b>	<b>(3 391 769)</b>	<b>(3 557 966)</b>	<b>(3 725 190)</b>
Impairment for Electricity									(621 922)	(652 396)	(683 059)
Impairment for Water									(2 053 300)	(2 153 911)	(2 255 145)
Impairment for Waste									(179 598)	(188 399)	(197 253)
Impairment for Waste Water									(320 707)	(336 422)	(352 234)
Impairment for other trade receivables from exchange transactions			(108 903)		(3 604 625)	2 421 823	2 421 823		(216 242)	(226 838)	(237 499)
<b>Total net Trade and other receivables from Exchange Transactions</b>		<b>531 585</b>	<b>19 682</b>	<b>21 116</b>	<b>1 781 691</b>	<b>2 421 823</b>	<b>2 421 823</b>	<b>4 204 534</b>	<b>1 296 255</b>	<b>1 359 772</b>	<b>1 423 681</b>
<b>-</b>											
<u>Receivables from non-exchange transactions</u>											
Property rates		1 451 868	1 224 046						1 501 815	1 575 404	1 649 448
Less: Impairment of Property rates			(681 266)						(839 691)	(880 836)	(922 235)
<b>Net Property rates</b>		<b>1 451 868</b>	<b>542 780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662 124</b>	<b>694 568</b>	<b>727 213</b>
Other receivables from non-exchange transactions			93 829	516 961					112 404	117 911	123 453
Impairment for other receivables from non-exchange transactions			(91 289)						(109 729)	(115 106)	(120 516)
<b>Net other receivables from non-exchange transactions</b>		<b>-</b>	<b>2 540</b>	<b>516 961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 675</b>	<b>2 806</b>	<b>2 938</b>
<b>Total net Receivables from non-exchange transactions</b>		<b>1 451 868</b>	<b>545 320</b>	<b>516 961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>664 799</b>	<b>697 374</b>	<b>730 151</b>

KZN225 Msunduzi Municipality -Supporting Table SA3 Supporting detail to 'Budgeted Financial Position											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>											
<b>Inventory</b>											
<b>Water</b>											
Opening Balance			(410 878)	(55 279)	34 769	34 769	34 769	34 769	34 769	(772 711)	(1 619 758)
System Input Volume		(410 916)	353 717	90 048	871 509	-	-	-	-	-	-
Water Treatment Works											
Bulk Purchases				90 048							
Natural Sources		(410 916)	353 717		871 509						
Authorised Consumption	6	38	1 883	-	(770 802)	-	-	-	(807 481)	(847 047)	(886 858)
Billed Authorised Consumption		38	1 883	-	(770 802)	-	-	-	(807 481)	(847 047)	(886 858)
Billed Metered Consumption		38	1 883	-	(770 802)	-	-	-	-	-	-
Free Basic Water		38	1 883	-	(871 509)	-	-	-	-	-	-
Subsidised Water					100 707						
Revenue Water											
Billed Unmetered Consumption		-	-	-	-	-	-	-	(807 481)	(847 047)	(886 858)
Free Basic Water											
Subsidised Water											
Revenue Water									(807 481)	(847 047)	(886 858)
Unbilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption											
Unbilled Unmetered Consumption											
Water Losses		-	-	-	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption											
Customer Meter Inaccuracies											
Real losses		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains											
Leakage and Overflows at Storage Tanks/Reservoirs											
Leakage on Service Connections up to the point of Customer Meter											
Data Transfer and Management Errors											
Unavoidable Annual Real Losses											
Non-revenue Water		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		(410 878)	(55 279)	34 769	135 476	34 769	34 769	34 769	(772 711)	(1 619 758)	(2 506 617)
<b>Agricultural</b>											
Opening Balance			-	-	-	-	-	-	-	-	-
Acquisitions											
Issues	7										
Adjustments	8										
Write-offs	9										
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
<b>Consumables</b>											
<b>Standard Rated</b>											
Opening Balance			-	-	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)
Acquisitions					66 098						
Issues	7			(84 353)							
Adjustments	8										
Write-offs	9										
Closing balance - Consumables Standard Rated		-	-	(84 353)	(18 256)	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)	(84 353)
<b>Zero Rated</b>											
Opening Balance			(398 186)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)
Acquisitions					32 789						
Issues	7	(398 186)	(60 041)								
Adjustments	8										
Write-offs	9										
Closing balance - Consumables Zero Rated		(398 186)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)	(425 439)
<b>Finished Goods</b>											
Opening Balance			340 987	340 987	340 987	340 987	340 987	340 987	340 987	340 987	340 987
Acquisitions					542 287						
Issues	7	340 987									
Adjustments	8										
Write-offs	9				(608 384)						
Closing balance - Finished Goods		340 987	340 987	340 987	274 889	340 987	340 987	340 987	340 987	340 987	340 987
<b>Materials and Supplies</b>											
Opening Balance			-	33 401	33 401	33 401	33 401	33 401	33 401	(129 552)	(300 491)
Acquisitions			33 401								
Issues	7				100 707				(162 953)	(170 938)	(178 972)
Adjustments	8				(100 707)						
Write-offs	9										
Closing balance - Materials and Supplies		-	33 401	33 401	33 401	33 401	33 401	33 401	(129 552)	(300 491)	(479 463)
<b>Work-in-progress</b>											
Opening Balance			-	460 129	460 129	460 129	460 129	460 129	460 129	460 129	460 129
Materials			460 129								
Transfers											
Closing balance - Work-in-progress		-	460 129	460 129	460 129	460 129	460 129	460 129	460 129	460 129	460 129
<b>Housing Stock</b>											
Opening Balance			-	-	-	-	-	-	-	-	-
Acquisitions											
Transfers											
Sales								(173 496)			
Closing balance - Housing Stock		-	-	-	-	-	-	(173 496)	-	-	-
<b>Land</b>											
Opening Balance			-	-	-	-	-	-	(257 777)	(257 777)	(257 777)
Acquisitions											
Sales											
Adjustments					(286 705)	(257 777)	(257 777)				
Correction of Prior period errors											
Closing balance - Land		-	-	-	(286 705)	(257 777)	(257 777)	-	(257 777)	(257 777)	(257 777)
Closing Balance - Inventory & Consumables		(468 078)	353 800	359 494	173 496	101 717	101 717	185 998	(868 717)	(1 886 702)	(2 952 533)
<b>Property, plant and equipment (PPE)</b>											
PPE at cost valuation (excl. finance leases)		11 135 340	11 702 088	7 292 399	9 948 298	6 825 684	6 825 684		13 327 507	14 182 448	15 076 811
Leases recognised as PPE	3										
Less: Accumulated depreciation		4 546 445	(4 920 437)	(375 343)	2 822 614				6 157 954	7 122 732	8 130 924
Total Property, plant and equipment (PPE)	2	6 588 895	6 781 652	6 917 056	7 125 684	6 825 684	6 825 684	-	7 169 553	7 059 716	6 945 887

KZN225 Msunduzi Municipality -Supporting Table SA3 Supporting detail to 'Budgeted Financial Position											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
<b>LIABILITIES</b>											
<b>Current liabilities - Financial liabilities</b>											
Short term loans (other than bank overdraft)		113 418	81 573	79 163	101 622	180 785	180 785		-		
Current portion of long-term liabilities								83 359	87 443	91 553	
<b>Total Current liabilities - Financial liabilities</b>		<b>113 418</b>	<b>81 573</b>	<b>79 163</b>	<b>101 622</b>	<b>180 785</b>	<b>180 785</b>	<b>-</b>	<b>83 359</b>	<b>87 443</b>	<b>91 553</b>
<b>Trade and other payables from exchange transactions</b>											
Trade and other payables from exchange transactions	5				1 106 988				1 755 229	1 841 235	1 927 773
Other trade payables from exchange transactions											
Trade payables from Non-exchange transactions: Unspent conditional Grants											
Trade payables from Non-exchange transactions: Other											
VAT											
<b>Total Trade and other payables from exchange transactions</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 106 988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 755 229</b>	<b>1 841 235</b>	<b>1 927 773</b>
<b>Non current liabilities - Financial liabilities</b>											
Borrowing	4	285 318							131 184	137 612	144 080
Other financial liabilities			203 745	589 320	499 353	623 935	623 935				
<b>Total Non current liabilities - Financial liabilities</b>		<b>285 318</b>	<b>203 745</b>	<b>589 320</b>	<b>499 353</b>	<b>623 935</b>	<b>623 935</b>	<b>-</b>	<b>131 184</b>	<b>137 612</b>	<b>144 080</b>
<b>Provisions</b>											
Retirement benefits									648 252	680 016	711 977
Refuse landfill site rehabilitation			55 142						75 576	79 279	83 006
Other		531 180			809 779	1 460 213	1 460 213				
<b>Total Provisions</b>		<b>531 180</b>	<b>55 142</b>	<b>-</b>	<b>809 779</b>	<b>1 460 213</b>	<b>1 460 213</b>	<b>-</b>	<b>723 828</b>	<b>759 296</b>	<b>794 983</b>
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated surplus/(deficit)</b>											
Accumulated surplus/(deficit) - opening balance					8 355 802	6 049 349			7 850 359	8 235 027	8 622 073
GRAP adjustments						201 831			(70)	(74)	(77)
Restated balance		-	-	-	8 355 802	6 251 180	-	-	7 850 289	8 234 953	8 621 996
Surplus/(Deficit)		223 780	54 956	(726 982)	1 042 254	810 024	810 024	-	808 687	1 096 363	1 464 478
Transfers to/from Reserves											
Depreciation offsets									(2 699)	(6 711)	14 312
Other adjustments		7 524 777	7 458 931	7 992 331	(1 740 993)	(1 011 855)	5 239 325		(665 500)	(1 097 295)	(346 780)
<b>Accumulated Surplus/(Deficit)</b>	<b>1</b>	<b>7 748 557</b>	<b>7 513 887</b>	<b>7 265 348</b>	<b>7 657 063</b>	<b>6 049 349</b>	<b>6 049 349</b>	<b>-</b>	<b>7 990 777</b>	<b>8 227 310</b>	<b>9 754 006</b>
<b>Reserves</b>											
Housing Development Fund			95 127	105 694							
Capital replacement		190 847	725	786							
Self-insurance											
Other reserves			95 138								
Revaluation				95 351		201 831	201 831		212 528	222 942	233 420
<b>Total Reserves</b>	<b>2</b>	<b>190 847</b>	<b>190 989</b>	<b>201 831</b>	<b>-</b>	<b>201 831</b>	<b>201 831</b>	<b>-</b>	<b>212 528</b>	<b>222 942</b>	<b>233 420</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>7 939 405</b>	<b>7 704 876</b>	<b>7 467 179</b>	<b>7 657 063</b>	<b>6 251 180</b>	<b>6 251 180</b>	<b>-</b>	<b>8 203 305</b>	<b>8 450 252</b>	<b>9 987 426</b>



## 2.22 Municipal manager's quality certificate

I **Lulamile Mapholoba**, 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 **L Mapholoba**

Municipal manager of Msunduzi Municipality (KZN 225)

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

Date: \_\_\_\_\_